ທະນາຄານການຄ້າຕ່າງປະເທດລາວ ມະຫາຊົນ
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC



ບົດລາຍງານປະຈຳປີ
ANNUAL REPORT
2022

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I. Key Financial Information of BCEL in accordance with IFRS (Separate)

1. Income Statement

Unit: Million LAK

Details	2022	2021	2020	2019	2018
Net interest income	1.270.883	752.597	1.090.203	958.756	930.987
Net fee and commission income	364.145	278.198	213.181	215.907	236.664
Net trading income	-38.154	4.084	42.236	34.749	49.719
Other operating income	121.260	180.385	37.834	116.012	47.107
TOTAL OPERATING INCOME	**1.718.134**	**1.215.264**	**1.383.454**	**1.325.424**	**1.264.477**
Credit loss expense of loans to customers	-912.720	-649.075	-474.399	-314.919	-221.957
Impairment losses on financial investments	-	-	-39.501	-20.650	-27.246
Net loss from dealing derivatives	-	-	-	-1.204	-
NET OPERATING INCOME	**805.414**	**566.189**	**869.554**	**988.651**	**1.015.274**
Personnel expenses	-329.249	-305.806	-324.020	-300.612	-331.775
Depreciation and amortization	-112.823	-81.350	-77.007	-71.619	-
Depreciation of right-of-use assets	-7.898	-8.040	-6.690	-6.650	-71.991
Other operating expenses	-195.263	-175.296	-182.420	-179.284	-152.252
TOTAL OPERATING EXPENSES	**-645.233**	**-570.492**	**-590.137**	**-558.165**	**-556.018**
Share of profit and loss of associates and joint ventures	36.898	16.888	-	-	-
PROFIT BEFORE TAX	**197.079**	**12.585**	**279.417**	**430.486**	**-459.256**
Current profit tax expense	31.111	-1.175	-56.381	-101.004	-105.600
NET PROFIT FOR THE YEAR	**228.190**	**11.410**	**223.036**	**329.482**	**353.656**

2. Statement of Financial Position

Unit: Million LAK

Details	2022	2021	2020	2019	2018
Cash and balances with Bank of the Lao PDR	27.786.294	19.022.276	12.836.829	9.202.045	5.334.240
Due from banks	11.855.719	9.182.845	4.355.395	4.493.536	3.733.419
Loans to customers	47.235.372	32.372.070	30.762.417	27.490.492	24.366.860
Financial investments	5.748.355	6.008.327	4.530.540	4.099.607	4.318.262
Property and equipment	540.325	563.503	601.572	455.721	449.238
Intangible assets	283.285	293.321	245.873	245.042	246.596
Right-of-use assets	52.028	55.713	57.005	54.814	-
Deferred tax assets	116.520	61.030	37.015	34.521	29.099
Other assets	875.117	677.906	470.734	471.430	464.931
TOTAL ASSETS	**94.493.015**	**68.236.991**	**53.897.380**	**46.547.208**	**38.942.645**
Due to banks and other financial institutions	6.639.183	5.269.436	3.482.800	4.063.635	3.413.129
Due to customers	80.994.071	57.169.169	45.043.495	36.419.928	29.915.142
Borrowings from other banks	4.105.783	3.354.623	2.962.101	3.705.378	3.349.266
Current tax liabilities	21.907	-	23.726	41.309	41.065
Lease liabilities	26.553	29.595	23.059	14.249	-
Other liabilities	347.558	282.022	222.197	210.577	239.533
TOTAL LIABILITIES	**92.135.055**	**66.104.845**	**51.757.378**	**44.455.076**	**36.958.135**
Charter capital	1.038.617	1.038.617	1.038.617	1.038.617	1.038.617
Statutory reserves and other reserves	836.635	831.667	753.399	604.423	439.550
Remeasurement of post-employment benefit reserve	9.040	11.416	-12.616	-	-
Retained earnings	473.668	250.446	360.602	449.092	506.343
TOTAL EQUITY	**2.357.960**	**2.132.146**	**2.140.002**	**2.092.132**	**1.984.510**
TOTAL LIABILITIES AND EQUITY	**94.493.015**	**68.236.991**	**53.897.380**	**46.547.208**	**38.942.645**

3. Some Financial Indicators (Separate)

Details	2022	2021	2020	2019	2018
Net interest income/Total assets	1,34%	1,10%	2,02%	2,06%	2,39%
Net interest income/Assets related interest	5,89%	6,05%	5,21%	5,29%	5,66%
Interest expenses/Liabilities related interest	2,50%	2,99%	3,39%	3,49%	3,55%
Fee and commission income/Total operating income	29,91%	26,16%	17,30%	18,57%	20,46%
Operating expense/Total operating income	37,55%	46,94%	42,66%	42,15%	43,97%
ROA	0,24%	0,02%	0,41%	0,71%	0,91%
ROE	9,68%	0,54%	10,28%	15,75%	17,82%
Loans/Deposits	49,33%	48,67%	60,90%	67,47%	73,82%
NPL/Total loans	3,36%	3,85%	2,96%	2,94%	2,99%
Earnings per share (LAK)	1.099	55	1.074	1.558	1.703
CAR	6,29%	7,37%	8,55%	10,51%	10,64%

Unit: Million LAK

	2022	2021	2020	2019	2018
Net Profit	228.190	11.410	223.036	329.482	353.656
Total Asset/Liabilities	94.493.015	68.236.991	53.897.380	46.541.455	38.942.645
Loans	42.808.801	30.080.974	29.216.946	26.987.990	24.338.369
Deposit	86.782.335	61.802.739	47.974.516	40.002.840	32.968.912

II. Key Messages From The Management

1. Message From The Chairman Of The Board Of Directors



Ladies and gentlemen,

It is my great honor to deliver the key message on behalf of BCEL's board of directors (BOD) in the annual report for the year 2022. I would like to inform you that the current BOD was approved by the BCEL's Shareholders' Meeting on 29/10/2021. The BOD comprises of 9 members (4 members were from the previous BOD), including 4 independent directors, 3 non-BCEL executives, and 2 BCEL executives. The BOD is considered well-structured in terms of the member composition and complied with the regulations.

In June 2022 there were 8 members of the BOD as a result of the resignation of the then Chairman of the BOD, Dr. Bounlua Sinxayvoravong who was appointed the Governor of the Bank of the Lao PDR. The Chairmanship was therefore took over by Mr. Khamsouk Sundara Vice Chairman of BOD who was appointed the Acting Chairman of the BOD.

Then in August of the same year, there were 7 BOD members when Mr. Khamphout Sitthilath the Managing Director of BCEL who was also the BOD Member was assigned with new responsibility in the Bank of the Lao PDR. The BOD therefore appointed Mrs. Saysamone Chanthachack the Managing Director of BCEL who was later on appointed BOD Member by the shareholders' meeting on 22 November 2022. As a result, the BOD has 8 members.

The BOD appointed 4 committees under the BOD namely: Governance Committee, Internal Audit Committee, Risk Management Committee, and Nomination and Remuneration Committee. Each committee is formed by 3 members of the BOD (except for the Governance Committee which has 4 members) who are assigned with the responsibility to consider particular issues and supervise the executive management in each area of operation. The members of BOD carried out their duties through the BOD meetings and these committees' meetings.

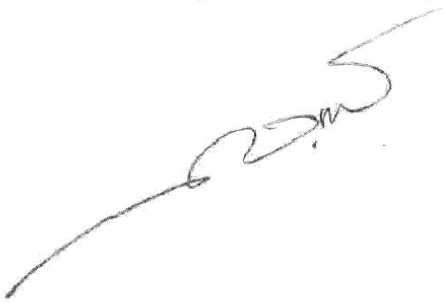
Although there were significan changes in membership of the BOD, throughout 2022, the BOD has carried out its function in a highly responsible manner, especially by directing and supervising the executive management in implementing and realizing the resolutions adopted in the shareholders' meeting. The BOD held 10 meetings to meet with the needs of the tasks eventhough only one meeting in every 3 months is required by regulations. In every single meeting there were significant matters considered and approved under the roles of the BOD. The prominent resolutions includedthe designation to the managing director position and the deputy managing director positions. in response Besides, in compliance with the credit policy of BCEL, the BOD supervised the consideration of lending to corporate customers which has lending amount subject to the approval of the BOD as stipulated in the regulations. The BOD's supervision helps guarantee the high-value loan, ensure the loan quality, and mitigate credit risks. Moreover, the BOD also directed BCEL's management team in terms of the business administration for the best result amid the challenging business environment since most businesses were affected by the COVID-19 pandemic and conflicts in Eastern Europe. Therefore

some significant policy and regulations related to credit management and risk management were adopted.

In 2023, the economic situation has a positive direction as a result of border unlocking. So I am very convinced that the BOD, management team and all the employees of BCEL will keep up with and enrich the achievements obtained to develop BCEL strong, modern, and meet international standards as provided in the vision and the strategiv plan of BCEL.

Yours sincerely,

Acting Chairman of BCEL's Board of Directors



Khamsouk SUNDARA

2. Message From The Managing Director



Dear beloved shareholders and esteemed customers,

I would like to express my gratitude to all readers for your kind attention to news and updates from BCEL.

First of all, I would like to inform you that it was my great honor and privilege being appointed the managing director of BCEL following the former managing director was assigned other position in the Bank of the Lao PDR. The hand-over ceremony took place on 2 August 2022 and I assumed the office on 3 August 2022.

During 2022, the regional and global economic situation became uncertain and complex resulting from the COVID-19 pandemic and conflicts in Eastern Europe. For our country, the financial and foreign currencies situation also faced various difficulties including increase in inflation rate, high fluctuation in exchange rate and others. These negative factors also had substantial effects on BCEL business.

In response to the unfavorable situation, the BCEL's Management Team took quick action as BCEL issued measures to increase the business performance and control the expenditure. Some of the key measures included the followings:

1. Focused on addressing the vulnerable issues in BCEL, especially dealing with NPL to turn it down step by step through methods suitable with current condition;
2. Emphasized improvement and development of better service for all products to meet the customer expectation amid the intense competition, basing on modernization, swiftness, trustworthiness and accountability.
3. Postponed lending to the long-term projects, except for those projects with reliable source of income (for example, purchase agreement) and those projects or activities with priority support from the government such as manufacturing for exports and for replacing imports;
4. Continued monitoring on the customers' projects, and collaterals in order to deal with the risky and NPL customers. A legal consulting firm was also hired to help BCEL review and prepare better loan contracts;
5. The procurement and high-value investment were be taken into consideration in terms of necessity and priority. The item with low priority has been postponed.
6. Improved the organization structure, making it more compact to increase seamless operation and cost saving for BCEL;

After taking over the office, I have visited and directed the management of branches in the provinces in order to establish firm understanding of the business operation, employees' mind and business of some key loan customers. This understanding was taken into account in improving the business management accordingly; BCEL also made to join the National Social Security Organisation to fulfil the legal obligation on ensuring the basic social security benefits for the employees. Apart from that, BCEL also amended some benefit policies to ease the living cost for the employees.

In terms of service, BCEL emphasized the modernisation of the service in line with the era of digitalization; giving a new experience to both natural and legal person customers with electronic banking in order to meet customers' demands and increase fee incomes constantly. In this regard, BCEL provided electronic payment services to various companies, installed more ATMs and CDMs, and expanded e-Commerce integration and the QR code payment service across the country. In parallel, BCEL also paid best attention on controlling loan quality and resolution of NPLs with many alternatives which helped BCEL make satisfactory revenue.

Therefore, the business performance in 2022 has better results than last year and exceeded the original plan and BCEL is determined to offer dividend payment for the year 2022 to shareholders in accordance with procedures and regulations.

I would like to take this opportunity to state my sincere thanks to all high-ranking officials and regulators for their endless support and guidance extended to BCEL. I would also like to extend my special thanks to all valued customers for their support and patronage of BCEL's services. In the upcoming year 2023, there are still many challenges, especially the unpromising macro-economic condition but I together with the Management Team and all of my people in BCEL will give our best effort to the performance, achieve the set goals, and maintain the best benefits for the bank and for the shareholders.

Cordially Yours,
Managing Director of BCEL

Saysamone CHANTHACHACK

3. Message From The Audit Committee



The Audit Committee comprises of 3 members of the board of directors including 2 independent directors and 1 non-executive director. This structure can effectively ensure the independence of the committee in carrying out its function, to direct the audit work, policymaking, independent audit firm consideration & selection, and coordinate with external audit agencies and relevant government offices. This is to ensure that the financial transactions and operation of BCEL comply with law and regulation and meets accounting standards.

During 2022, the Audit Committee held their meeting regularly as provided in the regulations of BCEL. The Committee has followed up the audit reports of each external audit agencies, such as the auditors from the Bank of the Lao PDR, State Audit Organization, Tax Department, and the audit firm nominated by the Shareholders' Meeting, PwC. Moreover, the committee also considered and provided necessary advice to BCEL to properly address the recommendations made by each auditor.

In general, it can be concluded that BCEL has complied with accounting principles and operated following regulations. Nonetheless, with regards to auditors' recommendations, the committee has advised the Management to take necessary action and address each recommendation accordingly. In addition, the committee received full cooperation from the Management and employees of BCEL throughout the implementation of the roles and responsibilities of the committee, particularly by providing the access to information as requested by the committee.

Moreover, BCEL has conducted disclosure of information regularly as provided in the disclosure regulation, which enables the shareholders, investors and the general public to receive the updates of BCEL from time to time.

Regards,
Chairman of the Audit Committee

Sonexay SILAPHET

4. Message From The Risk Management Committee



The Risk Management Committee consists of 3 members from the board of directors which are 2 independent directors and 1 non-executive director. This structure helps the Committee to effectively research and consider risk management mandates in BCEL as required by relevant regulations.

In 2022, the Risk Management Committee has given direction and followed up the issuance of policies and regulations on risk management in BCEL along with following up the execution of the projects and activities for Basel II adoption wich began in 2018. Besides, the committee also monitored the risk management functions in BCEL that BCEL has established specific indicators for each type of risk. In general, the indicators have been at acceptable level.

However, there were a few indicators below the acceptable level and required close attention. These indicators covered the lending exposure to some business sectors exceeding the regulatory limits, and the utilization of short-term funds for long-term loans. Regarding this issue, the committee has provided BCEL with proper advice to establish necessary measures to deal with those cautious indicators. As a result, there has been gradual improvement among those indicators although further attention is still needed.

Moreover, the Risk Management Committee also has provided directions for BCEL, supervised and approved a number of policies associated with risk management works to enhance the risk management function in BCEL in line with Basel II requirements and international practice.

Yours faithfully,
Chairman of the Risk Management Committee

Assoc. Prof. Thongphet CHANTHANIVONG

5. Message From The Governance Committee



There are 4 members of the Governance Committee, which are 2 BCEL executives, and 2 independent directors. The Committee played the main role as an assistant of the BOD in monitoring and directing the Management Team and relevant divisions of BCEL for implementation of the business plans from time to time.

In 2022, the Committee held meetings periodically to hear the performance report from each division in implementing the core business of BCEL, such as loans, treasury, administration and finance, accounting, research and development, among others. The committee also provided necessary advice and guidance for each division in improving and overcoming obstacles and achieving the business plan.

Moreover, the Committee also played a significant role in reviewing and developing key regulations for BCEL before raising them in the BOD meeting. Along with the operation of the Governance Committee, BCEL has held the Business Performance Review Meetings (BPRM) quarterly which the Divisions and Branches join, report their performance, and propose their future business plan to the management team so as to gain information and to provide necessary advices. The BPRM also provided essential opportunity for participants to exchange views on problem solving and for improvement of internal collaboration which lead to smoother operation of each function.

In short, the provision of supervision and advice to BCEL in terms of the business operation and the business plan implementation has been carried out at the BOD level through the Governance Committee and at the management level through the BPRM quarterly. Together this helps make sure that the business functions of BCEL are up-to-date and achieve the targets.

Best regards,
Chairman of the Governance Committee

Latdavanh SONGVILAY

6. Message From The Nomination And Remuneration Committee



The Nomination and Remuneration Committee comprises 3 members, including 1 independent director who chairs this committee, 1 BCEL executive, and 1 non-BCEL executive. The key roles of the committee are to assist the BOD in considering the nomination in BCEL's Management and BOD, and to consider and monitor the implementation of salary and remuneration scheme for the employees and managers of BCEL at all levels to ensure compliance with established policy.

In 2022, the committee carried its function regularly. However, the Chairman of BOD and the Managing Director of BCEL who are also members of the committee were assigned with new responsibility in quarter 2 and quarter 3 respectively. This made the roles of the committee be exercised directly by the BOD.

Some of the key matters related to the roles of the committee that have been considered and approved include the approval on the transfer of the former BCEL's Managing Director, the appointment of the current BCEL's Managing Director, the transfer of 1 Deputy Managing Director, and the nomination of 1 member of the BOD to fill the vacant position, and the amendment of the fuel allowance for BCEL's employees.

The appointment and placement given above have been implemented as per the necessity of business operation and decision of the legitimate organizations. With regards to the amendment of the fuel allowance policy for BCEL's employees. It was made consistent with the fructuation of the iol price in the market from time to time. And both the appointment of 1 BOD member and the amendment of the fuel allowance policy have been approved by the shareholders' meeting in accordance with legal regal requirements.

During 2022, the meetings' remuneration for the BOD's members were consistent with the regulations and the agreed scope adopted by the Shareholders' Meeting. The remuneration for BCEL's employees and executives, such as salary and benefits, was also complied with the regulations.

Yours sincerely,
Chairman of the Remuneration Committee

Khamsouk SUNDARA

III. About Banque pour le Commerce Exterieur Lao Public

1. Establishment and history of growth

1.1. Establishment

Banque Pour Le Commerce Exterieur Lao Public (BCEL) was established in accordance with the Decision on Bank Establishment No. 129/BOL dated 01 November 1989 issued by the State Bank (The Bank of the Lao PDR today). At that time “Banque Pour Le Commerce Exterieur Lao” was the name of BCEL. The origin of BCEL, however, commenced in 1975 when Lao PDR was established. During 1975-1989, BCEL started from being a Division of the State Bank, in charge of international settlement, loans and foreign aid management. Responding to the new economic mechanism of the Party and the demands of businesses in new era, the government has agreed to transform BCEL into a full state-owned commercial bank on 1 November 1989 as per the said Decision of the State Bank.

The transformation has been the significant commencement of comprehensive banking business operation of BCEL, which has a variety of banking services such as deposit, loan, letter of credit, collection, and domestic and international settlement. This was the crucial condition that made BCEL developed gradually and became a strong state-owned commercial bank and achieved all criteria and conditions as the first commercial bank to be listed in Lao Stock Exchange. On 23 December 2010 BCEL accomplished IPO and renamed to Banque Pour Le Commerce Exterieur Lao Public according to the Enterprise Registration License No.0061/ ERO dated on 10 January 2011 issued by the Department of Enterprise Registration and Management, Ministry of Industry and Commerce of the Lao PDR. The Ministry of Finance representing the Government held 80% of the total shares.

On 15 July 2011, the Ministry of Finance sold 10% of the total ordinary shares to its strategic partner named Compagnie Financière de la BRED (COFIBRED) which is a subsidiary of BRED, the largest banking society in the Banque Populaire Group—a French group of cooperative banks.

In 2017, BCEL succeeded the recapitalization by public offering and right offering to the existing shareholders in accordance with a permission granted by the Lao Securities Commission Office on 17 August 2017. This made BCEL increase its registered capital in the amount of 355.728.500.000 LAK (71.145.700 shares) according to the certificate from the Lao Securities Exchange No. 01/LSX, dated 15 September 2017. Accordingly, the BCEL’s registered capital was increased from 682.888 to 1.038.617 million LAK.

In order to develop BCEL further, the government has offered more room for the general public and investors to jointly own BCEL by reducing the government shares in BCEL and offering to the public and the existing shareholders. On 11 October 2019 the Lao Securities Commission Office granted a permission for this offering. On 29 November 2019, the Lao Securities Commission Office issued certificate endorsing the offering completion of 10% of BCEL’s shares.

1.2. Registered Capital

The registered capital of BCEL as at 31 December 2022 was 1.038.617 million Kips (1.038.617 million Kips as at 31 December 2021).

1.3. Shareholders Structure

The shareholders structure of BCEL as at 31 December 2022 was the following:

Shareholders	Number of shares	Percentage
Government (represented by the Ministry of Finance)	124.634.021	60%
Strategic Partner (COFIBRED)	20.772.359	10%
Local Investors (including employees of BCEL) and Foreign Investors (*)	62.316.920	30%
Total	**207.723.300**	**100%**

(*) Each individual person or entity is allowed to hold a maximum of 2% of the total shares.

1.4. Principal business

The principal activities of BCEL are to provide banking services including fund mobilization and deposit-taking for short-term, medium-term, and long-term from organizations and individuals. The bank also provides loans for short-term, medium-term, and long-term to business units and individuals based on the loan purposes and the capability of the bank in lending; foreign exchange transactions, international trade financial services, purchase discounts of trading instruments, bonds and other valuable documents and other banking services allowed by the Bank of the Lao PDR.

1.5. Location and Network

The Bank's Head Office is located at No.01, Pangkham Street, Ban XiengNheun, Chanthabouly District, Vientiane, Lao PDR. As of 31 December 2022, the Bank has 01 Head Office, 06 joint venture companies, 20 branches, 97 service units, and 11 exchange units all over the Lao PDR

2. Vision

BCEL has adopted a vision and applied to its business development to achieve its goal and objective of "becoming a strong and modern bank moving toward international standards".

3. Mission

In order to make BCEL a strong and modern bank moving toward 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.

4. Core Values

BCEL firmly maintains 5 core values below:

1. Customer centrism;
2. Integrity;
3. Work effectiveness;
4. Embracing changes;
5. Social responsibility.

5. Associates and joint ventures:

As of 31 December 2022 BCEL have investment in the following associates and joint ventures:

No.	Name of company	Business	Location	Share of BCEL	Other shareholders
1	Lao Viet Joint Venture Bank Lao PDR	Banking	Lao PDR.	25%	- BIDV 65% - Souk Houng Heang 10%
2	Lao Viet Insurance Company	Insurance	Lao PDR	35%	BIC (Vietnam) 65%
3	Banque Franco-Lao	Banking	Lao PDR	30%	COFIBRED 70%
4	BCEL-KET Securities Company	Securities	Lao PDR	70%	KTZMICO 30%
5	Lao China Bank	Banking	Lao PDR	39,87%	FUDIAN BANK 51%
6	Lao National Payment Network Company Limited	Electronic payment system	Lao PDR	20%	1. Bank of the Lao PDR 25% 2. UnionPay International 15% 3. Lao Development Bank 10% 4. Agriculture Promotion Bank 10% 5. Joint Development Bank 5% 6. Lao Viet Joint Venture Bank 5% 7. ST Bank 5% 8. BIC Bank Lao 5%

IV. Economic situation in 2021 and its outlook in 2022

1. Global and Regional Economic Context

The global economy remains suffering several challenges such as high inflation rate, high cost of living, fiscal constraint, the conflicts between Russia and Ukraine and the COVID-19 pandemic. These factors affected to the global economy's growth rate decreasing from 6,0% in 2021 to 3,4% in 2022 (in 2023 expected at 2,8%). The growth rate was also fall among the advanced economy countries especially the USA, the growth declined from 5,7% to 2,1%, China from 8,1% to 3%, European countries from 5,9% to 2,1%. Global inflation rate has significantly increased from 4,7% in 2021 to 8,8% in 2022 and it is likely to decrease 6,5% in 2023. The key factors leading to high inflation are the oil and natural gas price rising a strengthening USD affected to a supply-chain in many countries leading to high inflation rate.

2. Lao Economic Performance in 2022

The Macroeconomic Research Institute(MRI) reported that the growth of Lao economy is anticipated to decline from 4% (early year estimate) to 3% in 2022, and the report of International Monetary Fund (IMF) indicated that the growth rate was at 2,3% in 2022. Overall, the Lao economy remains suffering a number of challenges especially public debts issue, low volume of international reserve, the depreciation of Lao KIP and high inflation rate. Moreover, the regional and global economic tensions indirectly affected to the Lao economy. However, the energy and mining sector remains as the major contributor to the economy, followed by manufacturing sector, handicraft including tourists and service sectors which could take a benefit from the opening country and the opening services on Lao-China railway.

Table 1: Economic Growth (%)

Details	2020	2021	2022
GDP	3,3	3,5	3
Agriculture	1,2	2,5	n/a
Industrial	9,2	6,1	n/a
Service	-1,2	1,4	n/a
Tax	3,0	3,1	n/a

Source: NERI(MRI) 2022

Inflation and exchange rate:

Overall, in 2022, the inflation rate increased significantly at 23% compared to 3,75% in 2021. Inflation rate among communication and transport sub-sector increased owing to the rising of oil price and the depreciation of LAK leading to the higher inflation rate among other sub-sectors. Furthermore, there are some internal factors contributing to inflation rate such as the weakness of production-based, high production cost, and limited control of good prices are key factors influencing to inflation rate.

On average in 2022, the exchange rate of LAK/USD (commercial banks) increased by 47% from 9.745,3 LAK/USD to 14.327 LAK/USD. Whereas, the market exchange rate is fluctuated with an average 15.782,7 LAK/USD increased by 44,9% compared to the previous year. The gap of exchange rate between banks and market rate was about 10,3%. The trends

of LAK/USD are likely to increase and thus to affect the macro-economic situation and business operation of BCEL in future.

For the LAK/THB, on average, the exchange LAK/THB increased by 26,2% from 338,6 LAK/THB in 2021 to 427,4 LAK/THB in 2022, while the average of market exchange rate was 443 LAK/THB increased by 29,8% compared to 341,2 LAK/THB in last year. The gap between market rate and the bank is not much different, at 3,65% on average (BOL's website, 2023).

Import-export

Overall, the volume of import-export in 2022 was 15.006 USD million increased by 11% compared to the previous year. The value of exports was 8.198 USD million (compared to 7.000 USD million in 2020), the value of import was about 6.808 USD million (compared to previous year at 6.000 USD million). Accordingly, the trade balance was surplus about 1.390 USD million.

Most of export values are cassava, followed by the items of gold ore and bars, followed by pulp and waste paper, copper ore, rubber, iron ore, bananas and others. China is the main exporting country, followed by Thailand, Vietnam, Australia and Hong Kong.

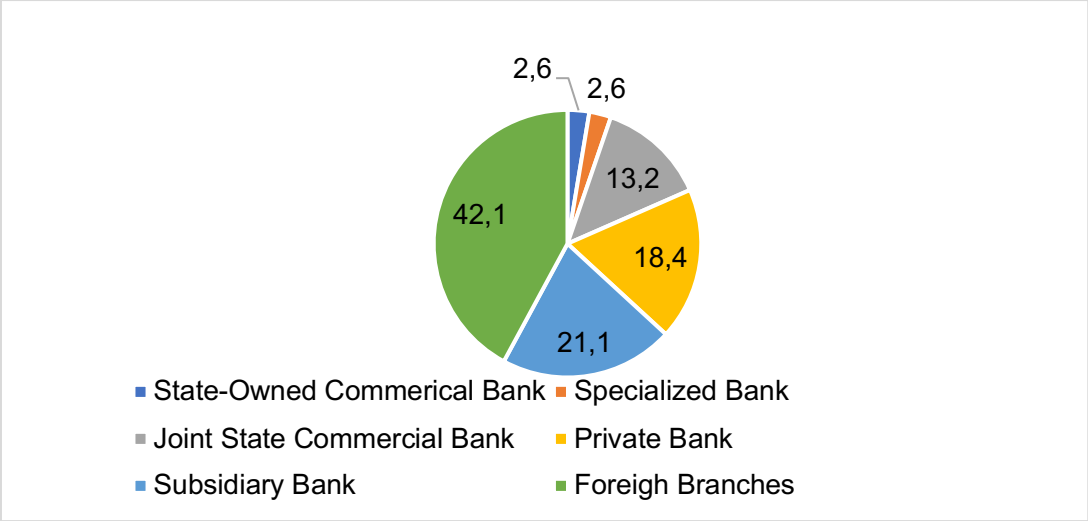
Regarding the import, the top importing values were diesel followed by mechanical equipment, vehicles, gasoline, steel and steel products. The top importing countries of Laos are Thailand, China and Vietnam, USA and Japan.

Banking Sector

Financial and banking sector grew continuously and has contributed significantly to economic growth. In 2022, there are 38 commercial banks and 1 specialized bank. Of these, 42,1% (16 branches) of foreign commercial banks, followed by commercial banking groups that are subsidiaries of foreign banks accounted for 21,1%, private banking groups 18,4%, joint State Commercial Bank 13,2% while there is only one state-owned commercial banking group, accounting for 2,6% of total commercial bank.

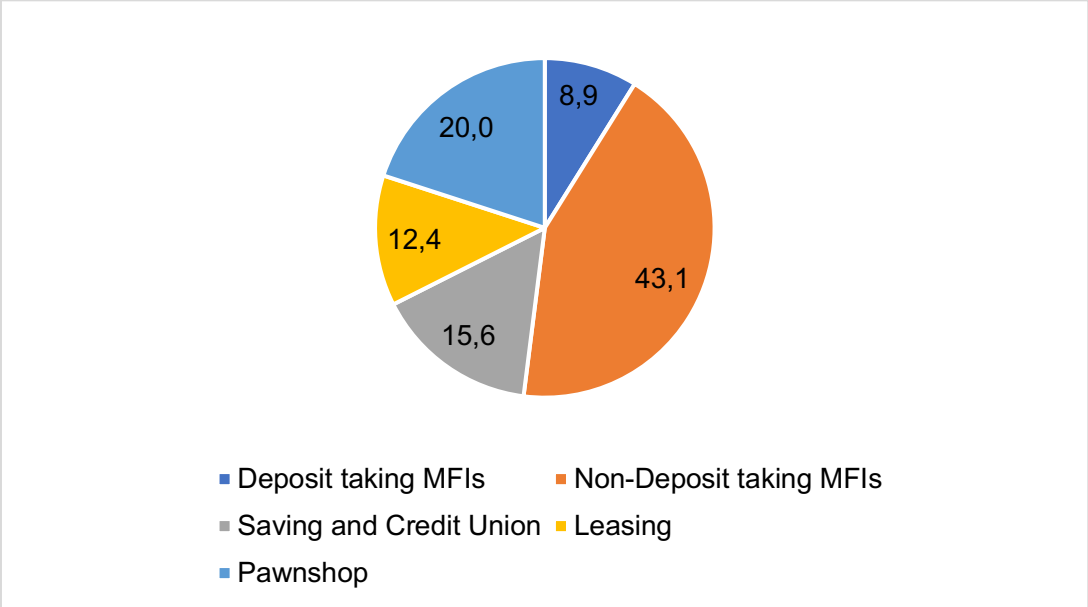
Moreover, there are also 225 micro-finance institutions that deposit and do not deposit money, including leasing companies. Of this, about 43% are non-deposit-taking financial institutions, followed pawnshop accounting for 20%, credit and savings unions (15,6%)

Figure 1: Proportion of commercial banks in Laos (2022)



Source: Bank of Lao (2022)

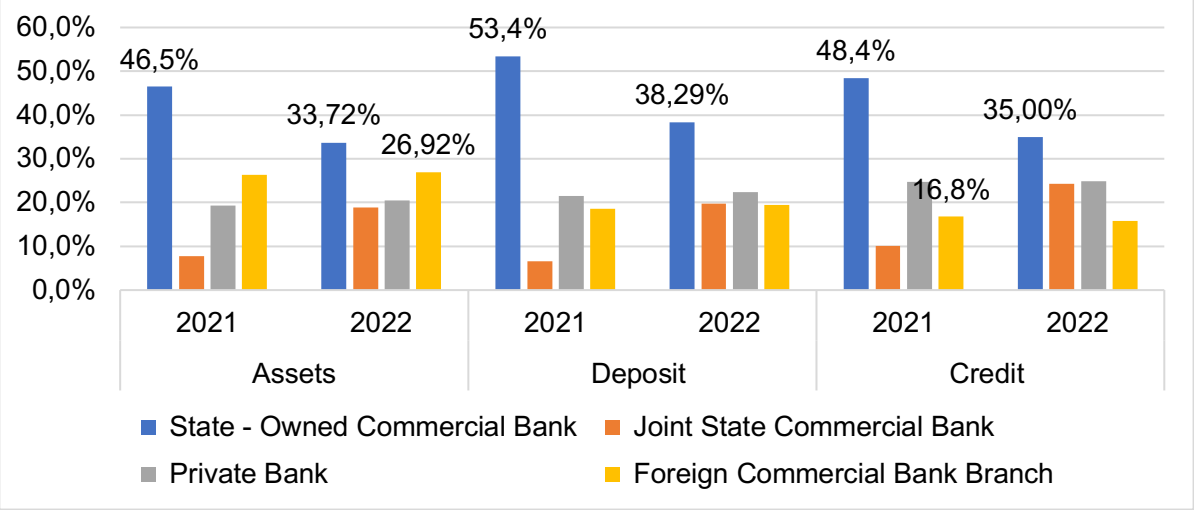
Figure 2: Proportion of financial institutions in Laos (2022)



Source: Bank of Lao (2022)

Market share of banking sector

Figure 3: market share of commercial bank in Laos (%).



Sources: Bank of Laos 2022

Overall, State-owned commercial banks covered the largest market share in Laos. In 2022, the percentage of assets, deposit and credit covered by State-owned commercial banks accounted for 33,7% and 38,3% and 35% respectively, the second largest market share was a Private Bank group, in which the deposit and credit covered by 22,4% and 24,9%, respectively. For asset, the foreign commercial bank branch covered 26,9% (figure 3).

Average interest rate (% annually)

In 2022, it was observed that the deposit interest rates of LAK of commercial banking slightly increased compared to the year 2021, while the interest rate of Thai Baht and US Dollar decreased slightly. As for the fixed deposit, interest rate in THB for 12 months term declined from 3,47%/year in 2021 to 3,21%/year in 2022; for 60-months term deposit declined from 5,94% to 5,84%. For the fixed deposit of US Dollar, interest rate for 60-months declined from 6,81% to 6,73% (Table 2)

Table 2: Deposit interest rate (% annually)

	LAK		THB		USD	
	2021	2022	2021	2022	2021	2022
Daily Deposit Account	1,71	1,72	0,98	0,90	1,13	1,10
Fixed Deposit Account						
3 months	2,94	2,99	1,73	1,64	2,09	2,03
6 months	3,76	3,80	2,51	2,37	2,83	2,77
9 months	4,92	4,80	2,91	2,86	3,72	3,64
12 months	5,33	5,35	3,47	3,21	3,74	3,72
24 months	6,25	6,36	4,43	4,39	4,95	4,90
36 months	6,82	6,83	5,15	5,19	5,88	5,91
48 months	6,89	6,92	5,93	6,00	6,76	6,66
60 months	6,96	6,97	5,94	5,84	6,81	6,73

Source: BOL's website

For the average loan interest rate in 2022, there is a tendency to decrease in all currencies especially the short-term LAK, its loan interest rate decreased from 10%/year to 9,73%/year. For THB, its short-term interest rate decreased from 8,61% to 8,37% and the USD short-term, its loan interest rest declined from 8,22% to 8,06% respectively (Details in Table 3).

Table 3: Loan interest rate (%/year)

	LAK		THB		USD	
	2021	2022	2021	2022	2021	2022
Short term (≤ 1 year	10,0	9,73	8,61	8,37	8,22	8,06
Medium term (1 – 3 years)	10,91	10,60	9,16	9,04	8,86	8,73
Long term (3 – 6 years)	11,01	10,55	9,66	9,45	9,25	9,12

Source: BOL 2022

3. Trends and directions for 2022

Macroeconomic situation in 2022

According to IMF's report, the global growth in 2023 is anticipated to fall at 2,8%. Although there is a tendency of low inflation rate owing to the rising of interest rate by central banks, the banking sector remains vulnerable, which in early year some banks were shut down including financial institutions. Moreover, the conflict between Russia and Ukraine including a tension in many countries continue to weigh on global economic growth.

Lao economy will continue to recover step by step with the contribution from several sectors such as natural resources, energy and tourism. In 2023, it is anticipated that the growth will increase 4%(IMF 2023). IMF estimates that the inflation rate will fall down to 14% in 2023 due to low prices of food and oil. However, macro-economy remains uncertain especially a tension in many nations resulting in the fluctuation goods prices. In addition, an increase in public debts, low-income collection, LAK depreciation remain have challenged the growth of the Lao economy.

BCEL's directions and Plan 2023

In 2023, the BCEL business's operation continues to faces various challenges and difficulties resulting from the slowdown of regional and global economy. In addition, the situation of macro-economy remains uncertain owning to the monetary and fiscal issues, inflation rate, exchange rate, oil price and budget deficit, which have influences to BCEL's business operation. Therefore, the key missions of BCEL in 2023 are to emphasize the development of services to be suitable for the changes of the new era; being compliant with Basel 2 principles; improving the capacity of the bank's IT system and technology which will be applied in banking services. The Management of Information Systems is also one of the key points of development, which should meet accuracy, transparency, swiftness, and compliance with international standards. Moreover, BCEL shall focus on human resource development to support the new vision of the development, which will be enhanced through the staff's expertise, and a better customer experience, and this could sustain the highest benefit for the shareholders.

Programs and Projects in 2023

In order to achieve the expected level of the development plan set in all aspects, all parties must pay attention to the implementation of programs and projects. In 2023, BCEL has 11 programs and 38 projects as follows:

1. Financial Management and Increase business efficiency: 5 projects.
2. Loan Management and Administration: 5 projects.
3. Human resources development to become strong and effective: 4 projects.
4. Creating risk management and enhance anti-money laundering base: 5 projects.
5. Develop corporate governance to meet international standards: 1 project.
6. IT system development and management: 6 projects.
7. Information Management and Statistical Development: 5 projects.
8. Product development and to turn to Digital Banking services: 2 projects.
9. Improvement and development of accounting system and financial reporting standards: 3 projects.
10. Development and improvement of a standardized audit system: 2 projects.
11. Project Development PCI Compliance.

V. Outstanding Business Performance of BCEL in each area

1. Overview of BCEL's Business Performance in 2022

In 2022, BCEL has achieved many outstanding tasks such as holding of Business Performance Review Meeting for 3 times; the Board of Directors' meetings for 10 time and the Shareholders' Meeting for 2 times (1 ordinary meeting and 1 extraordinary meeting). The Managing Director attended the 2022 Annual Meetings of the International Monetary Fund and the World Bank Group (IMF/WB Annual Meeting 2022) in Washington DC, USA; The Management also attended the exchange programs on credit and debt management with BIDV Bank, Vietnam for 2 times; the bank has approved the half-year report 2022 that was reviewed by the external auditor. Moreover, the bank has implemented KPI to the branches and 2 Credit Divisions to assess the performance in the year.

The bank has canceled the contract of all money exchange agents based on the notice of BOL; worked on the establishment of BCEL Asset Management Company Limited; completed the reward program for customers who top-up phone bills through the BCEL One application. For business cooperation with various important parties, the bank has signed a cooperation agreement on the service of ATM Card's shipping between BCEL and Captain Express; completed the development of Multiple Bank-Linked in cooperation with developers from the Republic of Korea, which is used in the trading system in the stock market to link brokerage with banks; launched the BCEL-GLN (Korea) cross-border QR payment and ATM services; launched the new feature on BCEL One application namely OneX, an e-commerce platform in cooperation between BCEL and Best Telecom. Moreover, BCEL made upgrades to IT and its banking services such as the new Core Banking system (phase 2), Big Data, international money transfer in BCEL One, OneCash e-wallet for foreign visitors; developed system for money transfer from MoneyGram into BCEL's account under the project of MoneyGram Digital Product; updated functions into BCEL i-bank such as MyQR, OnePay, OneProof and international fund transfer; ungraded the SMS Banking System to apply Open Sources; completed in creating the filling form system to open the bank account online for student card project; succeeded in developing report system BCEL Dashboard for managers; completed the activation of the Smart Tax system to support the tax payment from Lao National Single Window; and finished developing the system of LAO QR payment of LAPNet.

In addition, BCEL has restructured its organizational chart aiming for comprehensiveness and flexibility by merging some of the Sections and Division with similar roles and responsibilities and re-positioned some of the employees such as the merge of Marketing Division and Corporate and Private Banking Service Division into Marketing and Corporate Division and transferred the marketing evaluation tasks to be under the Research, Development and Branch Management Division. The Risk Management Division and AML Division were also merged to Risk Management and AML Division. In addition, the bank has merged 3 divisions in charge of credit works into 2 divisions. the bank has dissolved the Legal Division and transferred some legal tasks to the Human Resources Division, Administration and Finance Division and Assets and Liabilities Management Division; transferred the Online Service Section formerly under the Card Center to the Service Center.

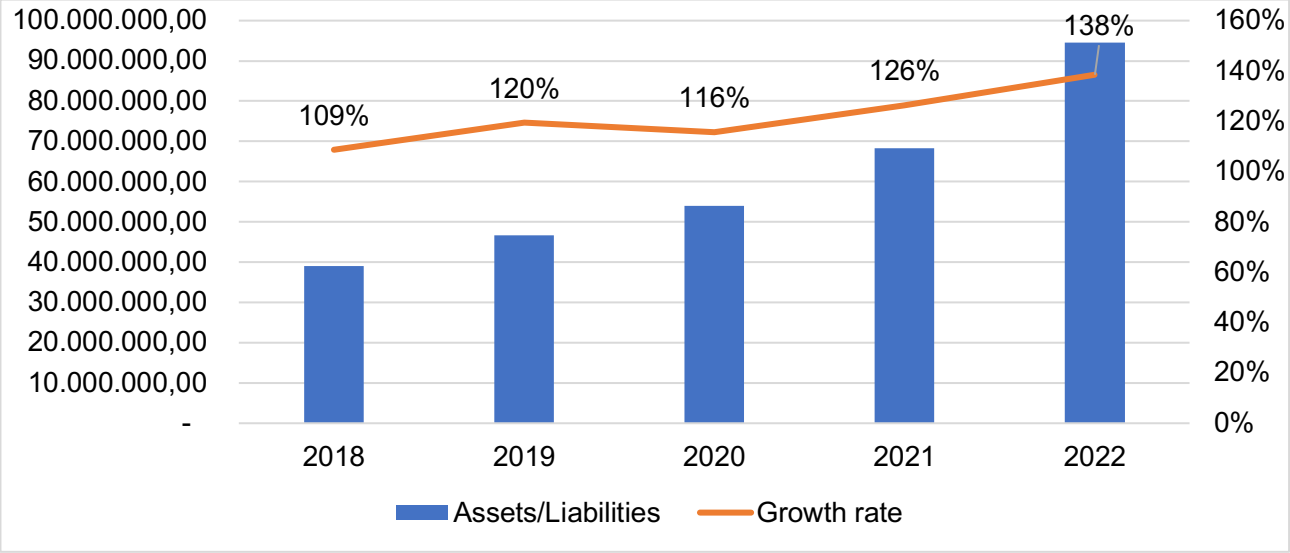
2. Assets and Liabilities

In 2022, the financial status of BCEL has increased annually. As a result, the assets/liabilities value increased continuously especially the growth of loan, the investment in assets, bond, deposits in other banks, customer's deposits, capital and reserves. In the past 5 years, it can be seen that the total value of asset/liability has grown significantly for 38% in 2022, and it has grown by 26% in 2021, 6% in 2020, 20% in 2019, and 9% in 2018.

Table : Assets/Liabilities value in each year

Unit: million LAK

Transactions	2022	2021	2020	2019	2018
Assets/Liabilities	94.493.015	68.236.991	53.970.407	46.626.704	38.993.293



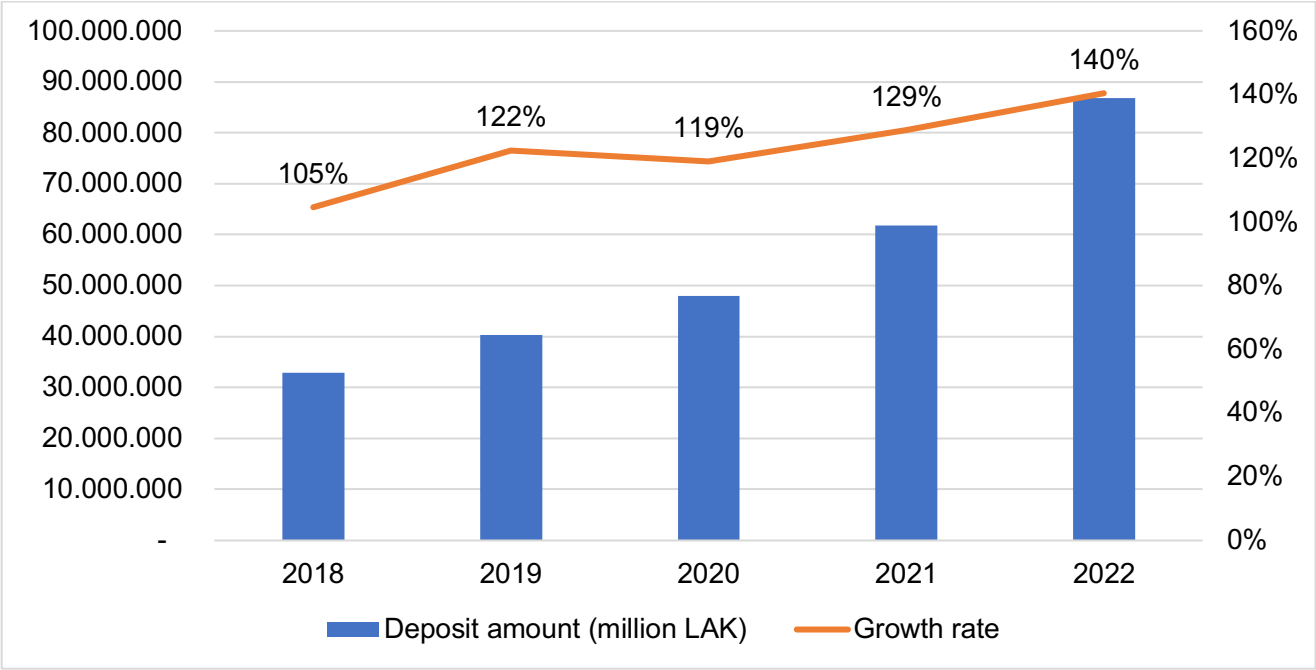
3. Fund mobilization

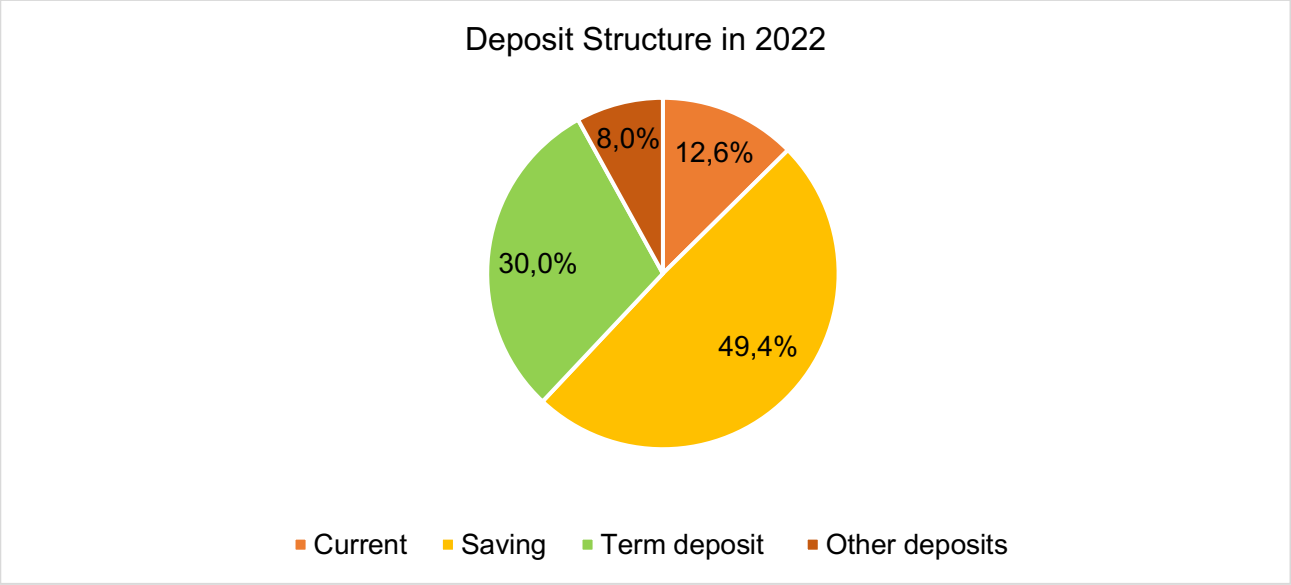
Fund mobilization is considered as of the important tasks of BCEL because the main source of the fund is from the deposit. Previously, BCEL has achieved an increasing volume of deposits especially the saving and fixed deposits, which have grown significantly in 2021 and 2022. The possible reasons are because of the slowdown of Marco-economy and the impact of COVID-19 made business slowdown their investment to protect against the risks. Another reason is because of the high trust from customers, the use of BCEL's products has increased, especially the electronic banking products leading to an increase in revolving fund in the banking sector and the liquidity of BCEL. This helped reduce the inter-bank borrowing from domestic and overseas institutes. Moreover, the change in exchange rates of foreign currencies was another factor for the rise in deposit when converting into LAK, which has increased the volume of deposit by 40% compared with the previous year. Despite of high growth rate of deposits, BCEL will continue to focus on fund mobilization in different approaches to meet the demand which has increased dramatically. The approaches can be done by studying the customer's behaviors and their satisfaction in each period; creating the convenient and prompt service to meet the needs of the customers. For deposit structure, the saving deposit accounted for 49%, followed by the term deposit (30%), the current deposit (13%) and the other types accounted for 8%. The detail is as follows:

Table: Annual deposit

Unit: million LAK

Types of Deposit	2022	2021	2020	2019	2018
Current Deposit	10.938.271	7.627.802	6.630.559	5.851.192	5.447.954
Saving Deposit	42.874.328	28.428.750	21.324.874	16.442.065	13.092.788
Term Deposit	26.007.200	20.439.403	16.508.548	13.900.002	10.939.035
Deposit with other banks and institutes	6.591.804	5.226.879	3.445.831	4.039.127	3.385.856
Deposit as collaterals	370.732	79.905	64.704	104.854	103.279
Other deposit	-	-	-	-	-
Total Deposit	**86.782.335**	**61.802.739**	**47.974.516**	**40.337.240**	**32.968.912**





4. Credit expansion and management:

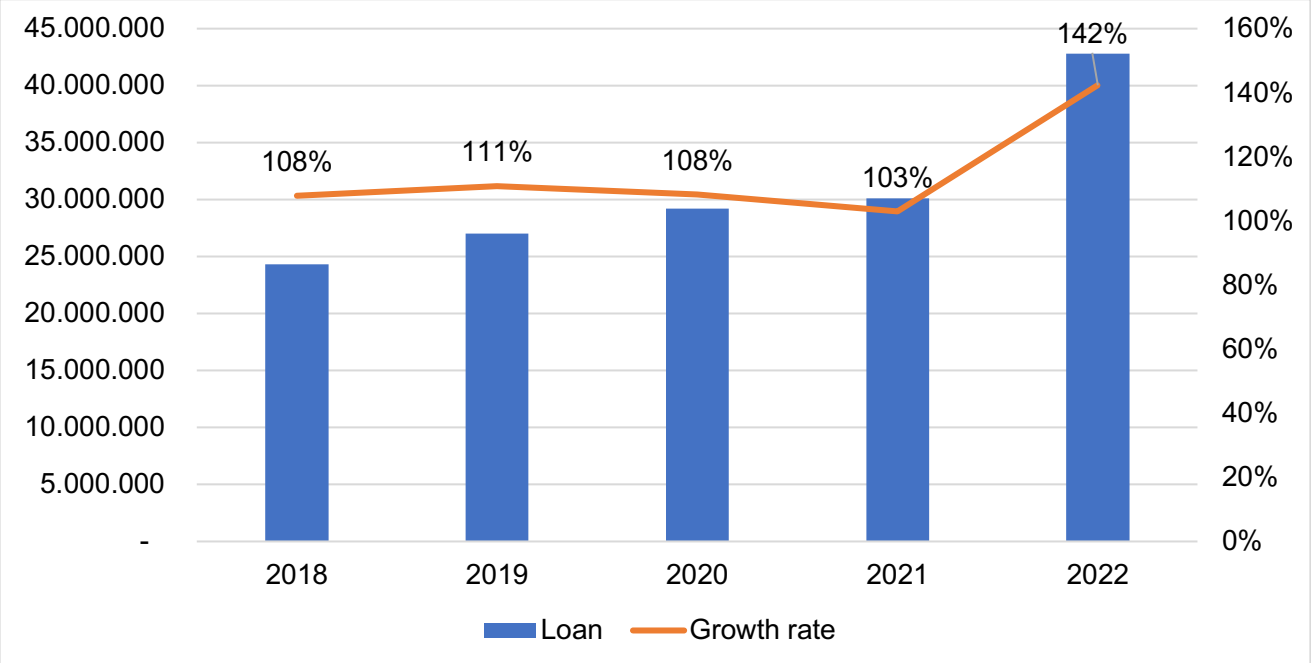
The expansion of credit in 2022 has increased significantly compared with the previous year. This is due to the change in exchange rate leading to the total volume of BCEL's loan converted to LAK has increased by 42%. Overall, the macroeconomic situation has recovered positively, and the credit customers previously affected by the outbreak of COVID-19 have resumed their business activities. Despite this, the bank continues to implement the policy for supporting the affected customers in according with BOL's policies. The implementation has been monitored and evaluated periodically. Loan's customers who are able to get better in their business operation, we have terminated the supporting policies. Overall, the credit expansion, the revenue from interest, and credit fees trended to improve. However, the expense on loan loss provision has an upward.

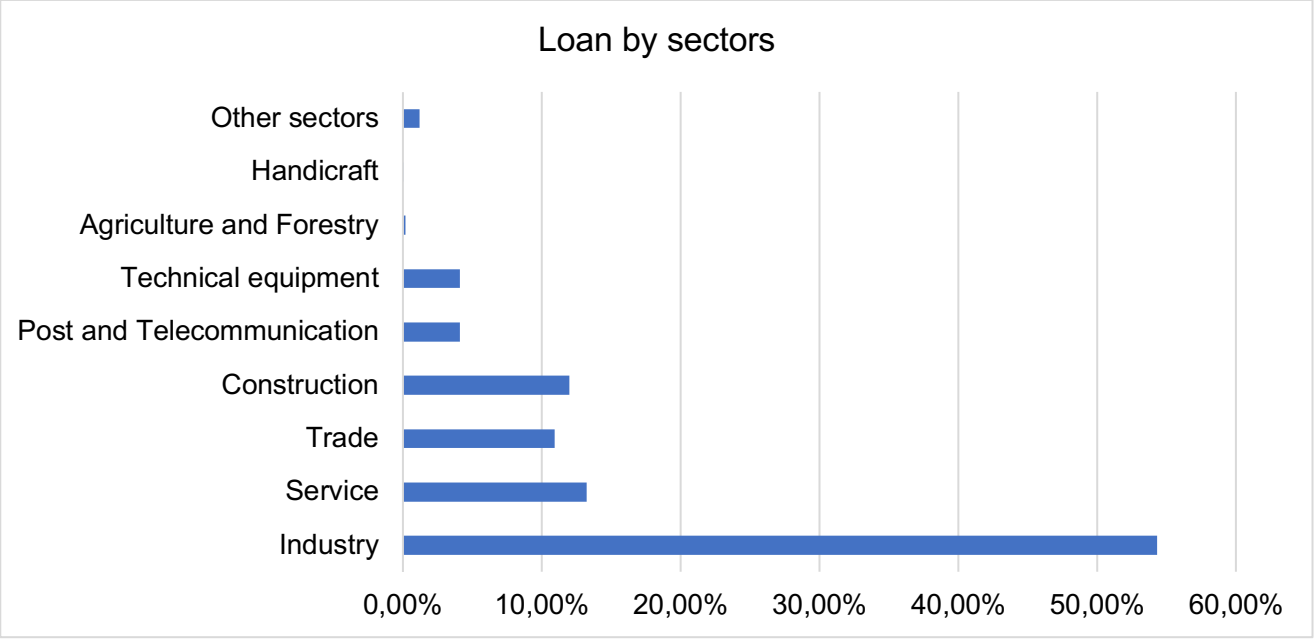
The loans structure at the end of 2022 showed that the industrial sector covered 54,32%, followed service sector (13,24%), the construction sector (11,96%), the trade sector (10,91%), the technical equipment sector (4,1%), the post and telecommunication sector (4,09%), the agricultural-forest sector (0,19%) and the handicraft sector at 0,19%.

Table : Total loans by sectors

Unit: million LAK

Total Loan by Sectors	2022	2021	2020	2019	2018
Industry	23.252.832	16.367.536	15.005.256	14.173.290	12.667.799
Service	5.667.984	4.609.807	4.410.484	3.429.182	2.816.368
Trade	4.672.093	3.830.878	4.068.776	4.097.109	4.248.032
Construction	5.120.441	3.723.445	4.378.792	4.142.802	3.305.759
Post and Telecommunication	1.751.815	1.199.632	975.181	696.817	674.039
Technical equipment	1.755.682	50.507	57.873	72.882	83.611
Agriculture and Forestry	80.631	45.683	26.910	62.198	72.733
Handicraft	2.830	2.103	2.248	3.056	3.385
Other sectors	504.493	251.383	291.426	310.654	466.643
Total loan	**42.808.801**	**30.080.974**	**29.216.946**	**26.987.990**	**24.338.369**





5. Revenues and expenditures

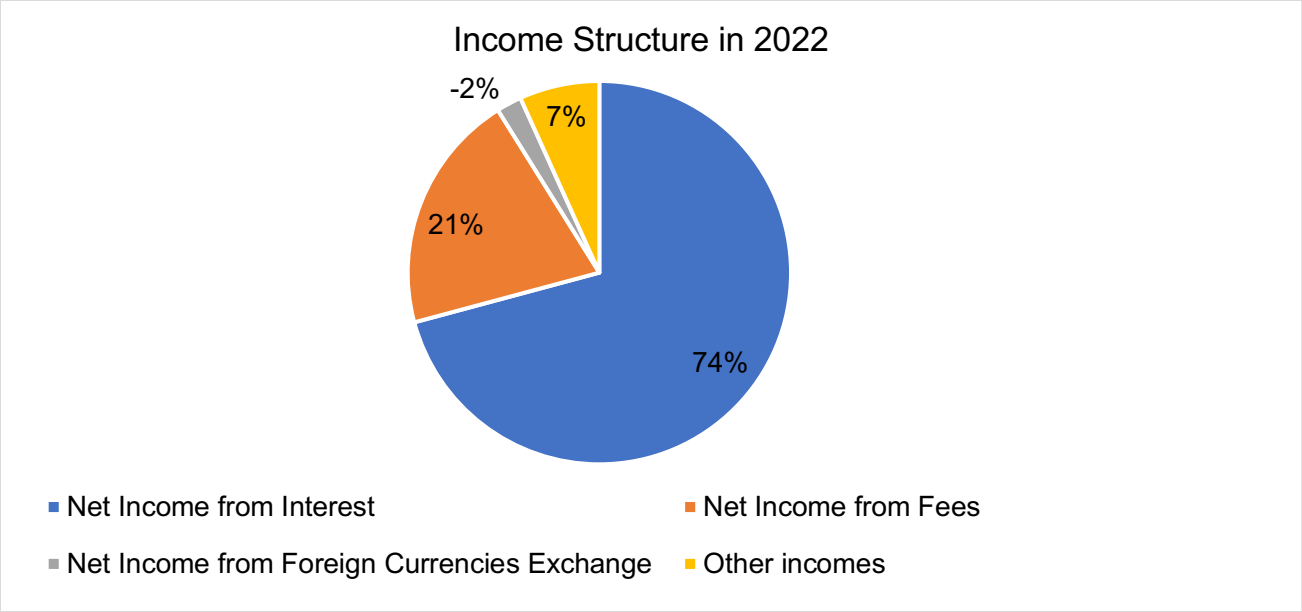
➢ Revenues

The BCEL's revenue generation in 2022 has increased in various sources, particularly the Net Income from Interest and Fees. In contrast, the Net Income from Foreign Currencies Exchange in 2022 was decreased negatively owing to the difficulty of currency trading and highly fluctuated exchange rate. In 2022, the net income from interest accounted for 74% of total revenues, followed by the net income from fees and other incomes covered by 21% and 10% respectively

Table : Total Annual Income

Unit: million LAK

Descriptions	2022	2021	2020	2019	2018
Net Income from Interest	1.270.883	752.597	1.090.203	965.593	938.251
Net Income from Fees	364.145	278.198	213.181	219.486	239.620
Net Income from Foreign Currencies Exchange	(38.154)	4.084	42.236	33.545	49.719
Other incomes	121.260	180.385	36.166	112.093	21.892



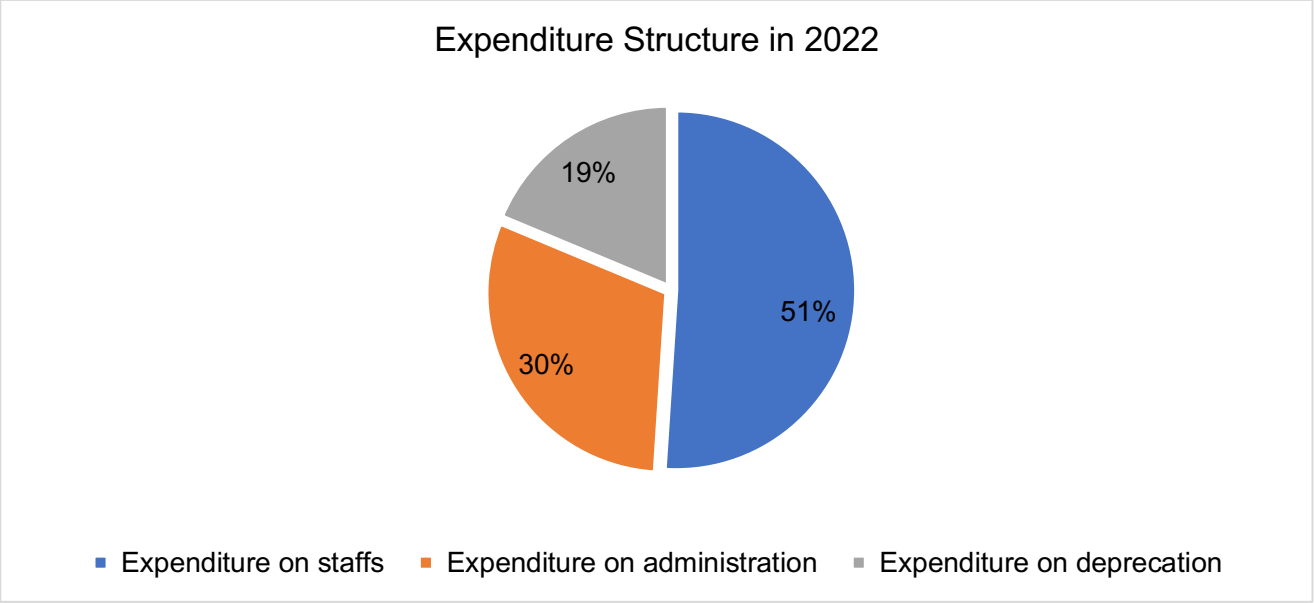
➢ **Operating expenses**

Apart from BCEL's revenue generation, there are also fixed costs associated with the administration, business operations, services, human resources and others development to be modern, convenience and enhance the security. In addition, BCEL has repositioned for the purpose of reducing expenses. For the expenditure structure in 2022, the expenditure on staffs accounted for 51%, followed by expenditure on administration and expenditure on deprecation accounted for 30% and 19% respectively. BCEL will continue to control and reduce unnecessary expenditure in order to enhance the business operation efficiently.

Table: Total Annual Expenditure

Unit: million LAK

Description	2022	2021	2020	2019	2018
Expenditure on staffs	(329.249)	(305.806)	(324.020)	(303.632)	(334.693)
Expenditure on administration	(195.263)	(175.296)	(182.420)	(182.001)	(156.134)
Expenditure on deprecation	(120.721)	(89.390)	(83.697)	(79.061)	(72.363)



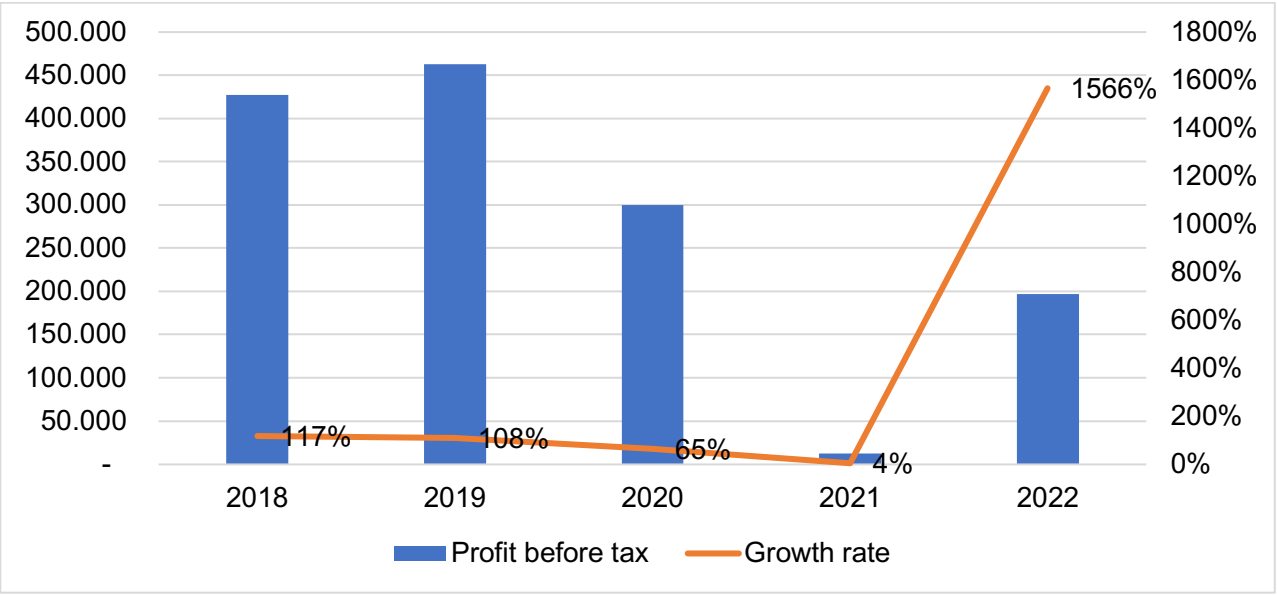
6. Profit and Loss

Due to the recovery of the macro-economic situation with the efforts of BCEL to improve the business operation, the business performance in 2022 has slightly improved compared with the previous year. Accordingly, BCEL was able to achieve its goal of profit and exceed the targeted plan.

Table : Annual Profit

Unit: Million LAK

Description	2022	2021	2020	2019	2018
Profit before tax	197.079	12.585	299.594	462.762	427.280

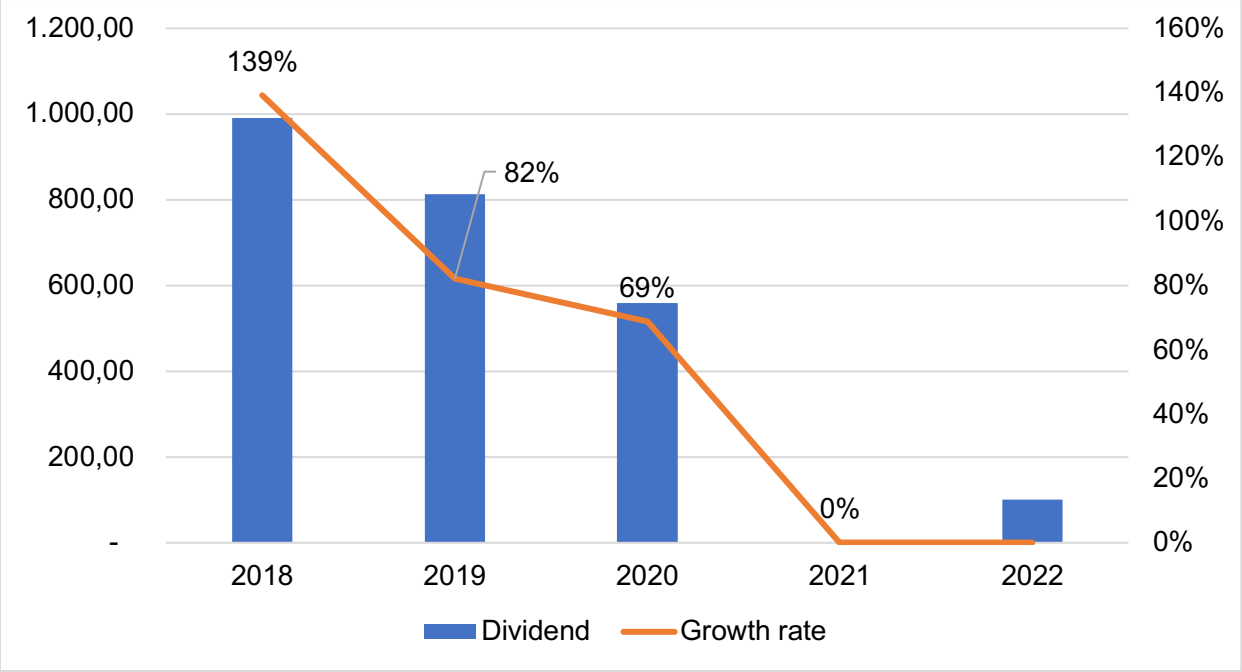


7. Dividend

In 2022, BCEL's business performance has improved compared with last year. The bank has emphasized the implementation of the business plan and developed new products for customers 'choices and alternative sources of higher revenues. This is to enhance business strength, maintain benefits and create confidence for shareholders both domestic and foreign investors invested in BCEL's shares, especially the payment of dividends to shareholders every year. From the result of business operation in 2022, BCEL has offered to pay the dividend to shareholders at 100LAK/share which is a better signal than the previous year as BCEL was unable to offer dividend payment.

Table: Dividend in each year Unit: LAK

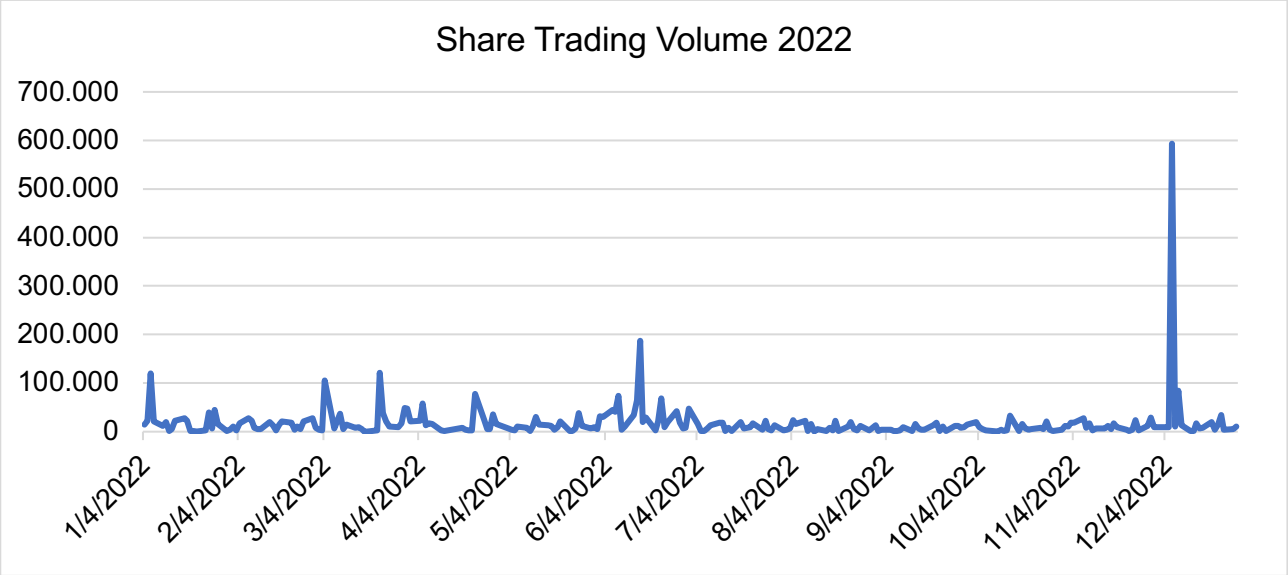
Description	2022	2021	2020	2019	2018
Dividend	100	-	560	813	991



8. BCEL's Share Trading

Share trading at the Lao Securities Exchange has increased in terms of the number of listed companies and their share trading opens regularly. The share of BCEL has been attractive to both domestic and overseas investors each day. In 2022, the average trading volume of BCEL's shares was 17.346 shares/day (the volume for the share trading was 4.301.800 shares or equivalent to 20,60 billion LAK). In 2022, the average price of BCEL's share was 4.756LAK/share (the highest price was 5.850LAK/share and the lowest price was 3.220LAK/share).


Share Price in 2022
7.000
6.000
5.000
4.000
3.000
2.000
1.000
0
5.850
3.220
1/4/2022
2/4/2022
3/4/2022
4/4/2022
5/4/2022
6/4/2022
7/4/2022
8/4/2022
9/4/2022
10/4/2022
11/4/2022
12/4/2022


Share Trading Volume 2022
700.000
600.000
500.000
400.000
300.000
200.000
100.000
0
1/4/2022
2/4/2022
3/4/2022
4/4/2022
5/4/2022
6/4/2022
7/4/2022
8/4/2022
9/4/2022
10/4/2022
11/4/2022
12/4/2022

VI. Organizational Structure

1. Shareholders

+ Shareholders with 5% and greater of the shares.

1) The government of Lao PDR represented by the Ministry of Finance owns 60% of BCEL's total shares.
2) COFIBRED (a strategic partner), a company under the parental control of BRED Group from France, holds 10% of BCEL's total shares
3) Domestic investors (including BCEL's employees) and foreign investors (individuals and entities) cover 30% of BCEL's total shares, each shareholder is regulated to hold no more than 2%.

+ Shareholder's structure.

The shareholder structure of BCEL as of 31 December 2022 is as below:

Shareholders	Shares	%
The government of Lao PDR represented by the Ministry of Finance	124.634.021	60%
COFIBRED (Strategic partner)	20.772.359	10%
Domestic investors (including BCEL's employees) and foreign investors (*)	62.316.920	30%
Total	**207.723.300**	**100%**

(*) Each individual or entity is regulated to hold no more than 2% of the total shares.

2. Board of Directors

The appointments of current Board of Directors of BCEL were approved by BCEL's Extraordinary Shareholders Meeting on 29th October 2021 and 22nd November 2022. The Board of Directors as of December 31, 2022 is comprised of the following members:

	Name and surname	Position	Workplace	Date of appointment
1	Mr. Khamsouk Sundara	Independent Director Act. Chairman	Independent Director	29th Oct 2021 (reappointed)
2	Mme. Saysamone Chanthachack	Director	Director of BCEL	22nd November 2022
3	Mr. Stephane Mangiavacca	Director	COFIBRED	29th Oct 2021 (reappointed)
4	Mr. Pasomphet Khamtanh	Director	Ministry of Finance	29th Oct 2021 (reappointed)
5	A./Prof Mr. Thongphet Chanthanivong	Independent Director	F. of Economics, NUOL	29th Oct 2021 (reappointed)
6	Mrs. Latdavanh Songvilay	Independent Director	Centre of Macroeconomics Policy Research & Economic Restructuring	29th Oct 2021 (reappointed)
7	Mr. Sonexay Silaphet	Independent Director	Lao Chamber of Accountants and Auditors	29th Oct 2021 (reappointed)
8	Mr. Viengsouk Chounthavong	Director	D. Director of BCEL	29th Oct 2021 (reappointed)

The former members of the BOD during 2022:

	Name and surname	Position	Workplace	Date of appointment
1	Mr. Bounleua Sinxayvoravong, Ph.D.	Chairman	Ministry of Finance (former)	29th Oct 21 (re-appt.) – 22nd June 22 (then was appointed as the governor of BOL)
2	Mr. Khamphout Sitthilath	Director	Managing Director of BCEL (former)	29th Oct 21 – Feb 22 (then was transferred to BOL)

Note:

These are the highlighted updates of the BOD during 2022:

- On 22nd June 2022, the BOD's Chairman was appointed governor of the Bank of the Lao PDR, which reduced the number of BOD members from 9 to 8.
- From 2nd August 2022 – 22nd November 2022, the BOD was doing its duties with 7 members since Mr. Khamphout Sitthilath was transferred to BOL.
- From 22nd November 2022 to December 2022, the BOD had 8 members after Madame Saysamone Chanthachack, the Managing Director of BCEL, was appointed by the Shareholders' Meeting

3. The Committees of the Board of Directors

There are 4 Committees of the Board of Directors of BCEL, which each committee consists of 3-4 members from the Board of Directors as below:

3.1. **Audit Committee**

1. Mr. Sonexay Silaphet — Member of BOD — Chairman
2. A./Prof Mr. Thongphet Chanthanivong — Member of BOD — Vice Chairman
3. Mr. Pasomphet Khamtanh — Member of BOD — Member

3.2. **Risk Management Committee**

1. A./Prof Mr. Thongphet Chanthanivong — Member of BOD — Chairman
2. Mr. Pasomphet Khamtanh — Member of BOD — Vice Chairman
3. Mr. Sonexay Silaphet — Member of BOD — Member

3.3. **Nomination & Remuneration Committee**

1. Mr. Khamsouk Sundara — Vice Chairman of BOD — Chairman
2. Mr. Bounleua Sinxayvoravong, Ph.D. — Chairman of BOD — Vice Chairman
3. Mr. Khamphout Sitthilath — Member of BOD — Member

3.4. **Corporate Governance Committee**

1. Mrs. Latdavanh Songvilay — Member of BOD — Chairman
2. Mr. Khamphout Sitthilath — Member of BOD — Vice Chairman
3. Mr. Sonexay Silaphet — Member of BOD — Member
4. Mr. Viengsouk Chounthavong — Member of BOD — Member

Biography of the Board of Directors



Mr. Khamsouk SUNDARA
Vice Chairman

Personal Information:

Date of Birth : 03 June 1945

Nationality. : Lao

Languages : Lao, English, and French

Designation : Independent Director

Education Background:

1993 : George Town University (pew Fellowship Program) Washington D.C, United States of America.

1985 : Indian Institute for Bank Management, Puna, India

1974 : International Training Center, Nagoya, Japan.

1972 :Trained in Economics Areas at UN Institute of Economic Management in Bangkok, Thailand.

1969 : Graduated from High School and University in Australia (Bachelor of Arts from University of New South Wales)

Professional Experience:

2005 : Finance and Banking Advisor at Lane Xang Minerals limited (Subsidiary of Oxiana Group, Melbourne, Australia).

1995–1996 : Advisor to the Executive Director of South East Asia constituency of the IMF, Washington D.C.

1997–2005 : Bank of the Lao PDR (BOL).

1990–1994 : Bank of the Lao PDR (BOL).

1976–1989 : worked at Banque Pour Le Commerce Exterieur Lao (BCEL).

1970–1975 : worked at Banque de Development du Laos (BDL).



Saysamone Chanthachack

Director

Personal Information:

Date of birth : 15/03/1969

Nationality : Lao

Language : Lao, English

Designation : Managing Director of BCEL

Education:

Higher Diploma of Politics Course.

2007 : International Master of Business Administration, Flinders University, Australia.

1998 : Master of Public Policy, Graduate School of Policy Science, Saitama University, Japan.

1993 : Master of Economics, Kuban State University, Russia.

Work Experience

08/2022–Present : Managing Director, Banque Pour Le Commerce Exterieur Lao Public.

09/2021–08/2022 : Chief Executive Officer, Lao Securities Exchange.

2015 : Director General, Lao Securities Commission Office, Bank of the Lao PDR.

04/2010 : Deputy Director General, Lao Securities Commission Office, Bank of the Lao PDR.

2009 : Deputy Director General, Monetary Policy Department, Bank of the Lao PDR.

1993–1997 : Officer, Monetary Policy Department, Bank of the Lao PDR.



Stephane MANGIAVACCA

Director

Personal Information:

Date of Birth : 11 July 1975

Nationality : French

Languages : French, English, Spanish, Chinese and Japanese

Designation : Member of the Board of Directors of COFIBRED, Representative of COFIBRED in the Board of Directors of BCEL

Education Background:

Ecole Nationale Superieure des Mines de Saint-Etienne, Engineering Diploma with honors September 1996 - October 1999

- Top French Engineering Graduate School (graduating among the top 2000 engineers in France each year)
- University of New Brunswick in Canada, 2 semester exchange program in Environmental Engineering
- Majors in Project Managemen,t Business Administration and Chemical Engineering
- Undergraduate and graduate classes in Economics

Professional Experience:

BRED Banque Populaire, Paris, France Member of the Executive Board

Since January 2020 - Head of International

May 2009 - December 2010 - Chief Risk & Compliance Officer

Central Audit, Banque Populaire - Natixis - Coface (now BPCE GROUP), Paris, France

August 2001 - April 2009

Senior Manager of Quantitative Audit - Creation of a dedicated team for quantitative topics

- Market activities (securitization, derivatives)
- Basel 2 compliance of internal credit rating systems
- Insurance activites
- 2008: temporary secondment to CIFG NY, monoline insurer providing credit enhancement Auditor (recruitment through competitive exam)

Work within teams of 5 to 8 inspectors and report to Senior Management. Covering various activities:

- Retail Banking, Leasing subsidiaries
- Credit Insurance, Welfare and retirement liabilities
- Trade Finance, Structured Finance, Broker Dealer

French Trade Commission, French Ministry of Economy and Finance, Guangzhou, China

October 1999 - February 2001 - Commercial assistant (selection by the Ministry on academic achievements)

- Market studies, Papers on Chinese economy and industries, Assistance to exporting French companies

EDF, French Company of Electricity, Lyon, France

May 1999 - September 1999 - Internship

- Developed comparison of two nuclear reactors N4 (French technology) and EPP (Westinghouse)

The Yokohama Rubber Company, Hiratsuka, Japan

June 1998 - August 1998 - Internship

Participated in the young engineers training program (tire making, tire materials and structure tests)

Pechiney-Aluminium, Issoire, France

June 1997 - Internship

Replaced an aluminum furnace shift worker in a team of three, producing first grade aluminum for aircraft industry and gaining insight into industrial concerns such as security, production and worker management.



Mr. Pasomphet Khamtanh

Director

Personal Information:

Date of Birth : 25 May 1970

Nationality : Lao

Languages : English

Designation : Deputy Director General, Department of State-Owned Enterprises Reform and Insurance, Ministry of Finance.

Education Background:

08/2020-Present : Master's Degree of Economic and Business from Kyung Hee University in South Korea.

1987-1993 : Bachelor Degree in Machinery Management from Technical College, Laos.

Professional Experience:

08/2000-Present : Deputy Director General, Department of State-Owned Enterprises Reform and Insurance, Ministry of Finance.

2016-2020 : Deputy Director General of Fiscal Policy and Legal Department, Ministry of Finance.

2013-2016 : Chief of External Finance and Debt Management Department Division.

2009-2013 : Chief of the Projects of Chief of External Finance and Debt Management Department Division.

2007-2008 : Deputy Division of Finance Statistics, Fiscal Policy Department, Ministry of Finance.

1998-2007 : Staff of Budget Department, Ministry of Finance.

1994-1998 : Staff of External Finance Department, Ministry of Finance.



Thongpheth Chanthanivong

Independent Director

Personal Information:

Date of Birth : 20 April 1962

Nationality : Lao

Languages : Lao, English

Designation : Deputy Dean of Faculty of Economics and Business Administration, National University of Laos.

Education Background:

2018-2021: PhD. Candidate (Accountancy), 2021, Siprathum University, Thailand.

2019 : Received CPA Certificate

1998-2000 : International Business Management), at De Mons University in Belgium.

1998-2000 : Master in Business Administration at AIT University in Thailand.

1996-1997 : Bachelor Degree in Business Administration, the Co-project between National Politics School and AIT University in Thailand.

1981-1985 : Bachelor of Science (Mathematics and

Professional Experience :

- Vice-Dean, Faculty of Economics and Business Management (Responsible of Post-Graduate Program), National University of Laos.
- Associate Professor in Business Administration (2006).
- Chairman of CPA's Curriculum, Lao Chamber of Professional Accountants and Auditors.
- Member of Lao Chamber of Professional Accountants and Auditors Board Committees.
- Member of Lao Telecom Company's Board Committees.
- Member of Lao's Accounting System Improvement (Ministry of Finance)
- Teacher of the Master and Bachelor courses of the subjects: Business, Accounting, Finance and Banking, Economics of the National University of Laos.
- Guest speakers for the MBA course of Khonekhane University, Thailand.
- Trainer on IFRS and LAS Auditing



Mr. Latdavanh Songvilay

Independent Director

Personal Information:

Date of birth : 27/04/1982

Nationality. : Lao

Language : English

Position : Acting Director General of Macroeconomic Research Institute (MRI) of Lao Academy of Social and Economic Sciences (LASES)

Education Background:

2008–2009: Master of Public Policy from National Graduate Institute for Policy Studies (GRIPS), Japan;

2000–2005: Bachelor's degree in Economics, National University of Laos;

2004: Exchange student course, National University of Singapore, Singapore.

Work Experience:

2020-Present : Acting Director General of Macroeconomic Research Institute of Lao Academy of Social and Economic Sciences

2019–2020 : Acting Director General of Center for Macroeconomic and Economic Restructuring of National Institute of Economic Research

2016–2019 : Deputy Director General of Center for Macroeconomic and Economic Restructuring of National Institute of Economic Research

2015–2016 : Chief of Division in National Economic Research Institute of Ministry of Planning and Investment

2011–2015 : Deputy Chief of Division in National Economic Research Institute of Ministry of Planning and Investment

2005–2011 : Research Assistant in National Economic Research Institute of Ministry of Planning and Investment



Mr. Sonexay Silaphet

Independent Director

Personal Information:

Date of birth : 01/01/1977

Nationality : Lao

Language : English

Position : President of Lao Chamber of Professional Accountants and Auditors (LCPAA)

Education Background:

2017–2021 :Doctor of Philosophy Ph.D. Accountancy, Sripatum University, Thailand;

2013–2014 : Master's degree in finance, Santapol Technology College;

1995–2000 : Bachelor's degree in business administration, Comcenter College;

1995–1998 : Higher diploma in accounting, Pakpasak Technical College;

06/2016 : Member of CPA Australia;

2018 : Member of LCPAA;

1999–2000 : Member of Lao Institute of Chartered Public Accountants (LICPA).

Work Experience:

05/2022–Present : President of Lao Chamber of Professional Accountants and Auditors (LCPAA)

2015–05/2022 : Vice-President of Lao Chamber of Professional Accountants and Auditors (LCPAA)

01/2016–12/2017 : Vice President of ASEAN Federation of Accountants (AFA)

01/2014–12/2015 : Vice President of ASEAN Federation of Accountants (AFA)

07/2011–09/2014 : Director of Ernst & Young Lao Limited

07/2008–06/2011 : Senior Audit Manager of Ernst & Young Lao Limited

08/2007–06/2008 : Audit Manager of Ernst & Young Lao Limited

05/2004–08/2007 : Audit Manager of PricewaterhouseCoopers (Lao) Ltd

2002–05/2004 : Experienced Senior Auditor of PricewaterhouseCoopers (Lao) Ltd

2000–2001 : Senior Auditor of PricewaterhouseCoopers (Lao) Ltd

1998–1999 : Auditor of PricewaterhouseCoopers (Lao) Ltd



Mr. Viengsouk CHOUNTHAVONG

Director

Personal Information:

Date of Birth : 15 August 1964

Nationality : Lao

Languages: Lao, English and Czech

Designation : BCEL Deputy Managing Director

Education Background:

2007 : 45 days Political Theory Course, Politics and Administration School

1982-1989 : Master Degree in Economics and Commerce, Czech Republic.

Professional Experience:

2019-Present: Deputy Managing Director of BCEL

2015 - 2019: Chief of Credit Administration Division, BCEL

2013–2015 : Branch Manager of BCEL's Champasack Branch

2011–2013 : Branch Manager of BCEL's Salavanh Branch

2010–2011 : Acting Branch Manager of BCEL's Salavanh Branch

2007–2010 : Acting Branch Manager of BCEL's Champasack Branch

2005–2007 : Acting Deputy Branch Manager of BCEL's Champasack Branch

2003–2005 : Chief of Credit Section, BCEL's Champasack Branch

2001–2002 : Head of Service Division, BCEL's Champasack Branch

1996–2000 : Staff of Credit Division, BCEL's Champasack Branch.

➢ **BCEL's shares held by the BOD's members**

According to the shareholders register book of BCEL recorded as of 22nd March 2023, the number of shares held by the members of the Board of Directors is as follows:

	Name and surname	Position	Shares	%	Remarks
1	Mr. Khamsouk Sundara	Independent Director Vice Chairman	0		
2	Mr. Stephane Mangiavacca	Director	0		
3	Mr. Pasomphet Khamtanh	Director	0		
4	A./Prof Mr. Thongphet Chanthanivong	Independent Director	0		
5	Mrs. Latdavanh Songvilay	Independent Director	0		
6	Mr. Sonexay Silaphet	Independent Director	0		
7	Mr. Viengsouk Chounthavong	Director	0		
8	Mme. Saysamone Chanthachack	Director	0		

4. Directors

Board of Management

	Name and surname	Position	Date of appointment
1	Mme. Saysamone Chanthachack	Managing Director	1st August 2022
2	Mr. Nanthalath Keopaseuth	Deputy Managing Director	30th September 2014
3	Mr. Kongasack Souphonesy	Deputy Managing Director	1st May 2021
4	Mr. Viengsouk Chounthavong	Deputy Managing Director	18th February 2019
5	Mrs. Bouaphayvanh Nandavong	Deputy Managing Director	1st May 2021
6	Mr. Saychit Simmavong	Deputy Managing Director	1st May 2021

Note: the changes of the directors in 2022:

	Name and surname	Position	Date of appt./resign.
1	Mr. Khamphout Sitthilath	Managing Director	Appt. 15th June 2021 Transf. 2nd August 2022
2	Mr. Nalinh Silavongsith	Deputy Managing Director	Appt. 1st May 2021 Transf. 23rd August 2022

Biography of the Board of Management



Saysamone Chanthachack

Managing Director

Personal Information:

Date of birth : 15/03/1969

Nationality : Lao

Language : Lao, English

Designation : Managing Director of BCEL

Education:

Higher Diploma of Politics Course.

2007 : International Master of Business Administration, Flinders University, Australia.

1998 : Master of Public Policy, Graduate School of Policy Science, Saitama University, Japan.

1993 : Master of Economics, Kuban State University, Russia.

Work Experience

08/2022–Present : Managing Director, Banque Pour Le Commerce Exterieur Lao Public.

09/2021–08/2022 : Chief Executive Officer, Lao Securities Exchange.

2015 : Director General, Lao Securities Commission Office, Bank of the Lao PDR.

04/2010 : Deputy Director General, Lao Securities Commission Office, Bank of the Lao PDR.

2009 : Deputy Director General, Monetary Policy Department, Bank of the Lao PDR.

1993–1997 : Officer, Monetary Policy Department, Bank of the Lao PDR.



Kongsack SOUPHONESY

Deputy Managing Director

Personal Information:

Date of Birth : 12/11/1977

Nationality : Lao

Language : Lao, English

Designation : BCEL Deputy Managing Director

Education Background:

2018 : A Higher Diploma in Political Theory and Public Administration, Vientiane Capital's School of Politics and Public Administration;

2021 : Master's Degree in Financial Management, National University of Laos

Professional Experience:

2021-Present : Deputy Managing Director of BCEL

03/09/2018 : Chief of Internal Audit Division, BCEL Head Office

2016-2018 : Attend Political Course at Vientiane Capital Politics and Administration Institution.

27/10/2014 : Chief of Luangnamtha Branch

29/04/2013 : Chief of Huaphan Branch

12/05/2010 : Chief of Huaphan Branch

20/05/2008 : Acting Deputy Chief of Huaphan Branch

13/12/2007 : Chief of Credit Section of Oudomxay Branch

2005-2007 : Acting Chief of Credit Section of Oudomxay Branch

26/05/2000 : Staff of BCEL's Oudomxay Branch



Mr. Nanthalath KEOPASEUTH

Deputy Managing Director

Personal Information:

Date of Birth : 16 August 1978

Nationality : Lao

Languages : Lao, English, and Chinese

Designation : BCEL Deputy Managing Director.

Education Background:

2008–2010 : Masters Degree on International Trade Policy from the United States of America.

2005–2006 : Certificate in International Trade from Australia,

2004–2004 : Enrolled in English Training Course from Vientiane College, Lao PDR

1996–2000 : Bachelor Degree in English, National University of Laos.

Professional Experience:

2014–Present : BCEL Deputy Managing Director

2012–2014 : Chief of Electronic Banking and Card Service Center.

2010–2012 : Acting Chief of Electronic Banking and Card Service Center.

2007–2008 : Acting Deputy Chief of Electronic Banking and Card Service Center.

2001–2003 : Technical staff at International Remittance.

200–2001 : Technical staff of Accounting Division.

2000–2001 : Technical staff of Operation Center.



Mr. Viengsouk CHOUNTHAVONG

Deputy Managing Director

Personal Information:

Date of Birth : 15 August 1964

Nationality : Lao

Languages : Lao, English and Czech

Designation : BCEL Deputy Managing Director

Education Background:

2007 : 45 days Political Theory Course, Politics and Administration School

1982-1989 : Master Degree in Economics and Commerce, Czech Republic.

Professional Experience:

2019-Present: Deputy Managing Director of BCEL

2015 - 2019: Chief of Credit Administration Division, BCEL2013–2015 : Branch Manager of BCEL's Champasack Branch

2011–2013 : Branch Manager of BCEL's Salavanh Branch

2010–2011 : Acting Branch Manager of BCEL's Salavanh Branch

2007–2010 : Acting Branch Manager of BCEL's Champasack Branch

2005–2007 : Acting Deputy Branch Manager of BCEL's Champasack Branch

2003–2005 : Chief of Credit Section, BCEL's Champasack Branch

2001–2002 : Head of Service Division, BCEL's Champasack Branch

1996–2000 : Staff of Credit Division, BCEL's Champasack Branch.



Bouaphayvanh NANDAVONG

Deputy Managing Director

Personal Information:

Date of Birth : 26/11/1971

Nationality : Lao

Language : Lao, English

Designation : BCEL Deputy Managing Director

Education Background:

2014 : Master Degree in Economy Management from National Politics and Administration Institution

Professional Experience:

2021-Present : Deputy Managing Director of BCEL

1/1/2019-2021 : Chief of Human Resources Division

2018-2019 : Acting Chief of Human Resources Division

2015-2018 : Deputy Chief of Human Resources Division

2013-2015 : Deputy Chief of Vientiane Branch

2011-2013 : Deputy Chief of Human Resources Division

1997-2009 : Staff of Human Resources Division, Head Office

1994-1997 : Staff of Admin-Finance Division

1993-1994 : Staff of BCEL's Morning Market Service Unit



Saychit SIMMAVONG

Deputy Managing Director

Personal Information:

Date of Birth : 11/02/1972

Nationality : Lao

Language : Lao, Englis, French

Designation : BCEL Deputy Managing Director

Education Background:

2014: Master Degree in Economy Management from the National Politics and Administration Institution.

Professional Experience:

2021-Present : Deputy Managing Director of BCEL

08/01/2018 : Chief of Admin-Finance Division

27/10/2014 : Acting Chief of Admin-Finance Division

2013-2014 : Deputy Chief of Admin-Finance Division

2007-2013 : Chief of General Administration Section, Admin-Finance Division

2000-2006 : Chief of Cheque Collection Unit, Treasury and International Service Division

1999-2000 : Chief of Sihom joint Money Exchange Unit, Service Center

1988-1999 : Chief of Money Exchange Unit at Friendship Bridge, Service Center

10/09/1995 : Staff of BCEL Head Office

BCEL's shares held by the Board of Management

According to the shareholders register book of BCEL recorded as of 22 March 2023, the members of the board of management hold the shares in the following proportions:

	Name and surname	Position	Shares	%	Remarks
1	Mme. Saysamone Chanthachack	Managing Director	0		
2	Mr. Nanthalath Keopaseuth	Deputy Managing Director	10.325	0,005%	
3	Mr. Kongasack Souphonesy	Deputy Managing Director	12.000	0,006%	
4	Mr. Viengsouk Chounthavong	Deputy Managing Director	0		
5	Mrs. Bouaphayvanh Nandavong	Deputy Managing Director	13.000	0,006%	
6	Mr. Saychit Simmavong	Deputy Managing Director	1.800	0,001%	

5. The significant changes of the designation

+ Mme. Saysamone Chanthachack was appointed as the new Managing Director of BCEL succeeding Mr. Khamphout Sitthilath who was transferred to BOL. The designation was held in the appointment ceremony on 2nd August 2022.
+ Mr. Nalinh Silavongsith, the Deputy Managing Director was transferred to BOL on 23rd August 2022.
+ The Extraordinary Meeting of the Shareholders 2022 held on 22nd November 2022 approved the appointment of Mme. Saysamone Chanthachack a member of the Board of Directors of BCEL.

6. Remuneration

The remuneration for the BOD and Directors was applied in accordance with the policy of BCEL. Total remuneration for the BOD and Directors in 2022 was 2.807 LAK million and in 2021 was 2.911 LAK million.

VII. Shareholders' Meetings and the Performance of the Board of Directors

1. The Shareholders' Meetings and implementation of the resolutions of the meeting

In 2022, BCEL held 2 Shareholders' Meetings which were the Annual General Meeting of the Shareholders for the year 2021 on 29th April 2022 and the Extraordinary Meeting of the Shareholders for the year 2022 on 22nd November 2022. Both meetings were held in Vientiane.

The Annual General Meeting of the Shareholders for the year 2021 on 29th April 2022 had the resolution for the following matters:

- Agenda 1: Approved the minutes of the Extraordinary Shareholders' Meeting for 2021;
- Agenda 2: Approved the annual report of the business performance for the year 2021 and the financial statement for 2021 which were audited by PwC, the allocation for the regulatory reserve of the after-tax profits, and the approval for no dividends payment for 2021.
- Agenda 3: Approved the business plan for 2022.
- Agenda 4: Approved the establishment of BCEL Assets Management Company Limited.
- Agenda 5: Approved the appointment of the independent auditor for 2022.

The Extraordinary Meeting of the Shareholders for the year 2022 on 22nd November 2022 had the resolution for the following matters:

- Agenda 1: Approved the minutes of the Shareholders' Meeting for 2021.
- Agenda 2: Acknowledged BCEL performance report as of September 2022.
- Agenda 3: Acknowledged the appointment of the new Managing Director of BCEL.
- Agenda 4: Approved the appointment of the Managing Director as a member of the Board of Directors.
- Agenda 5: Approved amendment of the petrol allowance for BCEL's employees.

The meeting resolutions of both two meetings have been implemented accordingly.

2. The Performance of the Board of Directors:

2.1. Meetings

In 2022, BCEL held 10 Board of Directors Meetings:

1) 1st: 02/02/2022;
2) 2nd: 21/03/2022;
3) 3rd: 05/10/2022;
4) 4th: 06/05/2022
5) 5th: 01/06/2022
6) 6th: 01/08/2022
7) 7th: 18/08/2022
8) 8th: 07/11/2022

9) 9th: 23/12/2022

10) 10th: 29/12/2022

2.2. Attendance

Name and surname	Position	Presence	Absence	Note
Mr. Bounleua Sinxayvoravong	Chairman	4	0	• Reappointed on 29/10/2021 • Transferred in 06/2022
Mr. Khamsouk Sundara	Vice Chairman/Act. Chairman	10	0	• Reappointed on 29/10/2021 • Appt. as Act. Chairman on 14/07/2022
Mr. Khamphout Sitthilath	Director	4	0	• Appointed on 29/10/2021 • Transferred in 01/08/2022
Mr. Stephane Mangiavacca	Director	6	4	• Appointed on 29/10/2021 • Attended via a proxy letter • Reasoned absence
Mr. Pasomphet Khamtanh	Director	10	0	• Appointed on 29/10/2021
Mr. Sonexay Silaphet	Independent Director	8	2	• Appointed on 29/10/2021 • Reasoned absence
Assoc.Prof. Thongphet Chanthanivong	Independent Director	9	1	• Appointed on 29/10/2021 • Reasoned absence
Mrs. Latdavanh Songvilay	Independent Director	10	0	• Appointed on 29/10/2021
Mr . Viengsouk Chounthavong	Director	9	1	• Reasoned absence • Reappointed on 29/10/2021
Mme. Saysamone Chanthachack	Director	2	0	• Appointed on 22/11/2022

Note:

- From 01-06/2022, the BOD had 9 members and was doing its duties until 22/06/2022. After that, the BOD was reduced to 8 members since the Chairman was appointed as the Governor of BOL and was transferred to BOL.
- From 06-07/2022, the BOD had 8 members and was doing its duties until 01/08/2022. After that, the BOD was reduced to 7 members since a member of the BOD, Mr. Khamphout Sitthilath, BCEL's Managing Director, was transferred to BOL.
- From 08-11/2022, the BOD had 7 members and was added to 8 members by Mme. Saysamone Chanthachack, the new Managing Director of BCEL. Mme. Saysamone Chanthachack was appointed as a member of the BOD by the resolution of the Extraordinary Meeting of the Shareholders on 22/11/2022.
- 12/2022, the BOD had 8 members.

2.3. The important resolutions of the BOD's Meetings:

1) Approved the appointments of the BOD's Committees.

2) Approved the establishment of BCEL Assets Management Company Limited.

3) Approved the transfer of Mr. Khamphout Sitthilath, the former Managing Director of BCEL, to BOL and the appointment of the new Managing Director of BCEL, Mme. Saysamone Chanthachack.

- In this regard, BCEL was assigned to make a request letter to the Ministry of Finance to acknowledge the designation, and request the Ministry of Finance for a new Chairperson in replacing Mr. Bounleua Sinxayvoravong and appoint Mme. Saysamone Chanthachack as a member of the BOD.

4) Approved the transfer of Mr. Nalinh Sylavongsith, Deputy Managing Director, to BOL.

5) Approved the audit report of the financial statement of BCEL for 2021 and 1H2022.

6) Approved the business plan, the preparation of the Annual General Meeting of the Shareholders for 2021, and the Extraordinary Meeting for 2022.

7) Approved the amendment of the petrol allowance for BCEL's employees.

8) Approved the following policies:

- Internal Audit Policy,
- The amended SME Loan Policy,
- The amended Accounting Policy on the Nostro account, Vostro account, advanced-pending, payable-receivable of the interest payment, off-balance sheet accounting,
- Reputation Risk Policy.

9) Approved BCEL to be the correspondent bank for payment of securities.

10) Approved the term of references for the 2023 audit and approved the appointment of the 2022 external auditor for BCEL.

11) Considered and approved 9 loan applications.

3. The performance of the BOD's committees.

3.1. Audit Committee

Audit Committee held the meeting 4 times in 2022. The committee has also followed up on important issues via circular letters and reports from time to time. The significant performance of the committee is as follows:

- Followed up on staff on their implementation of the regulations, rights, and work procedure, conducted the regular audit, special audit, specialized audit, and emergency audit of the Divisions, Centers, and Branches. The committee also followed up on the resolving of the findings from internal and external auditors of the Divisions and all Branches;
- Regularly followed up on the solutions of findings of the internal auditor and external auditor.
- Finished reviewing the financial report for 2021, 1H2022, and 3Q2022.
- Selected an external auditor for the 2023 audit.

- Closely monitored the report of the acts of misappropriation and the task of anti-corruption submitting to the management team and the Bank of the Lao PDR.
- Monitored the implementation of the IFRS in the financial report of BCEL from time to time.
- Approved the comments and answer for the questionnaire of the draft of the decision on the commercial bank audits.
- Concluded the highlighted updates of the Committee and report to the BOD from time to time.

3.2. Risk Management Committee

The Risk Management Committee held 4 meetings in 2022 and had the highlighted movements as follows:

- Followed up on the risk indicators of the business operation and summarized the main indicators of the bank which had 14 main risk indicators.
- Followed up on the process of the projects under the Basel II project.
- Approved the amendment of the policy on business continuity management.
- Approved the amendment of the policy on loss control management.
- Approved the amendment of the policy on operational risk management.
- Approved the amendment of the policy on the Nostro account, Vostro account, advanced-pending, payable-receivable of the interest payment, and off-balance sheet accounting.
- Approved the amendment of the policy on reputation risk management.
- Concluded the highlighted updates of the Committee and report to the BOD from time to time.

3.3. Governance Committee

The Governance Committee held 3 meetings in 2022. During their duty, 1 member was transferred and 1 member could not work well due to a medical condition. However, the Committee was still working and had the highlighted movements as follows:

- Frequently monitored the business operation.
- Approved the plan for 2022, important issues that will be reported to the BOD and the Shareholders' Meeting.
- Monitored and supervised the tasks of the treasury, liquidity management, currency, capital, and currency management from time to time.
- Monitored the management of the quality of loans, and NPL resolution.
- Approved the management of BCEL to implement the single system of accounting which is IFRS and this to be reported to BOL.
- Approved the feasibility study for the establishment of the BCEL Assets Management Company Limited.
- Concluded the highlighted updates of the Committee and report to the BOD from time to time.

3.4. Nomination and Remuneration Committee

The Committee had no meeting since 2 out of 3 members left. The Committee's works were carried out by the BOD directly. The significant matters for the year 2022 were: approval of the transfer of the former Managing Director and the appointment of the new Managing Director of BCEL, approval of the transfer of 1 Deputy Managing Director, approval of the appointment of 1 BOD's member in replacing the former member, and approval of the amendment of the petrol allowance for BCEL's employees.

VIII. Sustainability Report

1. Sustainable Development

Sustainability is one of the key success factors in banking industry. Therefore, in order to ensure that the business operation of the bank is consistent with international standards, BCEL emphasizes the financial services that takes into account responsibility for sustainable business operation in order to be trusted by our customers as well as all stakeholders underlying long-term value in alignment with environmental, social, and governance principles which are considered key indicators of bank's sustainable growth.

BCEL takes into account minimizing negative impacts and creating net positive impact in improving business performance by integrating the international sustainable development principles including corporate governance, internal control, risk management as well as conducting business in facilitating governmental policy operations, supporting national digital infrastructure development and so on.

Furthermore, the bank actively conducts its business with responsibility and strictly complies with laws and regulations in developing products and services contributing to sustainability in terms of Environmental, Social, and Governance (ESG). In other words, the bank commits to preserve natural resources, to enhance good quality of life for employees, customers and communities, and to promote working under sound corporate governance that effectively communicates to internal and external stakeholders.

2. Corporate Governance

BCEL acknowledges the importance of corporate governance in order to enhance and improve the bank toward international standards as BCEL is among listed companies voluntarily conducting periodic assessments of bank's corporate governance practice organized by Lao Securities Commission Office in cooperation with Lao Securities Exchange to ensure the bank's good governance. In comparison to other listed companies in Laos, BCEL is ranked among top rates in corporate governance as the assessment result showed that BCEL's practice is rated 72%, 14%, and 14% full compliance, partial compliance, and non-compliance, respectively. The more detailed scores were divided into following sections:

- **Section 1: Shareholder Rights and the Equal Treatment of Shareholders:** BCEL attained a final score of 12 or 80% full compliance, 3 or 20% partial compliance, and 0% non-compliance in this section.
- **Section 2: Management of Relationship with Stakeholders:** In this section, BCEL attained a final score of 8 or 73% full compliance, 3 or 27% partial compliance, and 0% non-compliance.
- **Section 3: Disclosure and Transparency:** BCEL attained a final score of 26 or 70.3% full compliance, 9 or 24.3% partial compliance, and 5.4% non-compliance in this section.
- **Section 4: Responsibilities of the Board of Directors:** In this section, BCEL attained a final score of 26 or 70% full compliance, 6 or 16% partial compliance, and 14% non-compliance.

To ensure that the bank's corporate governance practice is in line with regional as well as international standards, BCEL also pays attention to following practices:

2.1. Shareholder Rights and the Equal Treatment of Shareholders

The Bank encourages and facilitates all groups of shareholders not only major shareholders but also minor shareholders, investors, institutional shareholders or foreign shareholders to fully exercise their rights, especially, shareholders' basic rights on sale/purchase, profit sharing, rights to attend the shareholders' meeting, right to appoint a proxy to participate, right to vote or appoint a proxy to decide and vote at the shareholders meeting, right to give opinions at the meeting, right to nominate candidates for board of directors (sharing 5% or above of the total shares) as well as the right to disclose the Bank's information for shareholders.

The Bank places importance on equitable treatment of all groups of shareholders not only major shareholders but also minor shareholders, investors, institutional shareholders or foreign shareholders by the equal and fair treatment of all shareholders as follows:

- Rights for subscription of newly issued ordinary shares, sale, purchase or transfer of shares: As a listed company, BCEL is committed to comply with the Lao Securities Exchange's regulations providing all groups of shareholders fair treatment to sale, purchase or transfer of shares via legally registered securities companies. Existing shareholders shall be entitled to subscribe newly issued ordinary shares before public offering according to ratio of existing to new shares and allotted method by shareholder resolution.
- Rights to the dividend: BCEL allocates appropriate dividend payment to its shareholders along with compliance practice, taking into account the capital adequacy in line with sustainable long-term growth.
- Right to obtain the information: BCEL places emphasis on providing sufficient bank's information to shareholders and investor in a timely manner by disclosing the bank's information on Lao Securities Exchange disclosure platform and BCEL's website.
- Rights to attend the shareholders' meeting: Prior to the annual shareholder's meeting, BCEL establishes an annual's meeting committee to prepare the meeting including agenda, budget, arrangement, shareholder registration (check-in), meeting venue, validate documents of local, foreign and absent shareholders, vote counting as well as delivering invitation letters to shareholders prior to the meeting date with clear agenda regarding consideration and approval sessions.
- Right to vote: at the shareholders' meeting, the shareholders are granted the right with one vote per share while those who are absent from a meeting are also allowed to appoint their representatives to participate.
- Right to give opinions at the meeting: BCEL publicly allows the shareholders to ask the questions or express their opinions on each agenda to The Board of directors and Managing Director, along with External auditor (who have the right to attend the meetings).
- Right to nominate candidates for board of directors/commissioners: BCEL allows the shareholders to nominate candidates for board of directors/commissioners members according to majority votes (more than 50% of voting result). In addition, BCEL allows the shareholders holding 5% or above of the total shares to nominate candidates for board of directors, propose additional sessions to the shareholders' meeting agenda for consideration. In addition, BCEL allows the shareholders holding 10% or above of the total shares to request the Board of directors to hold an extraordinary general meetings.

2.2. Management of Relationship with Stakeholders

BCEL gives priority to internal policies, mechanisms to protect and promote participation of all stakeholders who are treated equally and fair, including shareholders, managements, employees, customers, business partners, creditors, government agencies and social and environmental responsibility by oversee appropriate communication between the company and its stakeholders as follows:

- Shareholders: BCEL takes into account the sustainable and long-term growth based on the Bank's full potential and capability in order to enhance the Bank's value in terms of both share price and attractive dividend payment as well as protecting the rights and interests of all stakeholders.
- Managements and Employees: BCEL promotes and develops capability of the managements along with all employees for effective performance by arranging in-house professional training courses as well as providing opportunities to attend professional training abroad. In addition, BCEL considers the managements and employees' health by providing adequate welfare facilities, good working environment, and safety standard as well as communication mechanism for employees including accessible communication channel in the company, channels of comments or petitions or whistleblowing to the company.
- Customers: BCEL is aware of customer centric in providing a variety of financial products and services, increasing service channels, communication channel, channels of customer comments or petitions to the company with the purpose of facilitating and satisfying the banking services via counter service as well as electronic service.
- Business partners: BCEL places importance on legal business partners' expressed by the clear process of selecting supplier, leasing, and procurement with allowing all parties for fair and transparent competition, avoiding the risk in selecting the illegal parties. BCEL strictly adopts policies on anti-corruption and giving or accepting bribes in the bank's ethics rules.
- Creditors: BCEL strictly places importance on compliance with terms, conditions and contractual obligations, implementing timely loan principal and interest repayment to all creditors.
- Government Agencies: BCEL is strictly aware of compliance with the regulations and relevant regulatory requirements. In addition, the bank takes part in governmental support in tax collection via banking system.
- Social and Environmental Responsibility: In addition to providing banking service, BCEL contributes to social and environmental by promoting sustainable development of the company through BCEL's Core Value particularly social responsibility encouraging stakeholders to get involved in helping society, community and environment by playing a central role in fund allocation via BCEL One Heart Project for helping people in difficulties and those from disadvantaged groups, facilitating the development of learning communities, minimizing the effects of natural hazards, and other projects.

2.3. Disclosure and Transparency

The Bank fully recognizes the importance on information disclosed to the public in accordance with Lao Securities Exchange's statutory disclosure regulation with accurate, complete, consistent and truthful information for all stakeholders and investors. Furthermore, BCEL bank has the specific committee comprised of qualified members with capacity and experience in charge of disclosing essential information and annual financial report.

- BCEL, Subsidiary, and affiliate companies: The bank provides transparent disclosure such as its Vision, Mission, Business objective or Business plan on the Annual Report.

- Financial information: The bank provides transparent disclosure of its financial information, dividend payment as a material part of the Annual Report. Moreover, the information provided is complied with the International Financial Reporting Standards (IFRS) audited by external auditors disclosed via easy access channel such as bank's website.
- Non-Financial information: The bank provides transparent disclosure of its non-financial information such as convening of meeting, service and product development, social assistance stated in the bank's annual report as well as the profile and professional experience of the board of directors and executive management.
- BCEL has disclosed a number of times to the convening of the Board of director's meetings, Board Committees meetings in the bank's annual report 2022 as follows:

Type of Disclosure	Number of Time
Timely Disclosure	16
Periodical Disclosure	2
Voluntary Disclosure	4
Inquired disclosure	0
Total	**22**

2.4. Responsibilities of the Board of Directors

BCEL places emphasis on duties expressed by clear roles and responsibilities of totally 04 board committees comprising of 1) Audit Committee, 2) Risk Management Committee, 3) Nomination and Remuneration Committee, and 4) Governance Committee. Furthermore, members of each committee should be at least 03 board members with relevant knowledge, capacity and professional experience.

3. Internal Control

Effective internal control it is a key component for BCEL as a listed company to prevent risk or potential losses are facing with the bank. Therefore, BCEL is fully aware of the importance on internal control function to ensure the bank internal control systems are appropriate and sufficient to meet the BCEL's objectives expressed by complying with the internal policies, rules, procedures and guidelines developed as the standard of implementation. Moreover, the bank has established board committees with clear roles and responsibilities to enhance the bank internal control. In addition, proper organizational structure and environment help result in BCEL's effective internal control demonstrated by fully independent internal audit function, that has direct report line to the audit committee.

In addition, improvement of internal control is being conducted based on the gap assessment of BCEL's risk governance against regulations of Lao PDR, Basel principles, the three lines of defense model and best practices from internationally recognized organizations to ensure the strong risk governance with international standards. The gap assessment result showed that BCEL's current structure is generally in compliance with the related laws and regulations of Lao PDR while minor gaps against international practices existed. In order to close such gaps, BCEL focuses on building and promoting an effective risk culture in bank-wide level with the emphasis on risk awareness to all level of employees to recognize their own responsibility on risk management, to enhance its risk management structure to be equivalent to international standards by building a robust risk management process and strengthen

cooperation with all risk owner from divisions, centers, branches with the purpose of effective risk reporting. Furthermore, the bank promotes conducting various training sessions for all levels of employees to ensure effectiveness of the internal control implementation.

4. Risk Management

4.1. Risk Management Policies Development

BCEL's Managements function as it is considered one of the key drivers for BCEL in effective achievement of business objectives in order to generate sustainable return, BCEL's Managements place importance on risk management by showing attention to enhance and implementation risk management framework to be more effective by set out key policies such as Risk and Control Self-Assessment (RCSA) Policy, Key Risk Indicator (KRI) Policy, Risk Management Framework (revised version), Business Continuity Management Policy (revised version), Nostro-Vostro, Deferred Revenue-Prepaid Expense, Accrued Revenue-Accrued Expense, Off-Balance Sheet Management Policy, Reputational Management Policy (revised version), Anti-Corruption Policy (revised version), Operational Risk Management Policy (revised version), Internal Loss Management Policy (revised version), Credit Risk Management Policy (revised version), Standards of Conduct Policy for Credit Officer (revised version), User Account Management and Access Control Policy (revised version), Anti-Money Laundering and Terrorism Policy (revised version), Creative Media Management Policy, along with other policies and procedures.

Furthermore, the bank set out the COVID-19 Prevention and Resolution Manual for bank together with a number of measures such as social distancing, online meeting, encouraging the customers in using electronic banking, rigidly implementing the preventive measures in using face mask, providing places for hand washing with soap and water or alcohol-based hand sanitizers, temperature screening, frequent office cleaning and strictly following the preventive measures released by The National Taskforce Committee for COVID-19 Prevention and Control.

Moreover, to ensure that the bank has an effective risk management in place and align with international standards, BCEL has continued developing various policies and rules that are in drafting process covering the Interest rate risk in the banking book management, Liquidity risk management policy, Fund-transfer pricing, and internal capital adequacy assessment process.

Following the aim to adopt international standards for risk management in order to further enhance its risk management function, BCEL has continouesly implemented several projects related to specifically credit risk management, market risk management, operational risk management and other projects in order to comply with international standards. In 2022, BCEL focuses on developing a number of policies including Outsourcing Policy, Insurance Coverage for Operational Risk Policy, Information Ownership and Sharing Policy, Market Risk Management Policy as well as development of Credit Risk model and systems for Collateral Management, Debt Resolution, Portfolio Management, together with enhancement of related risk management policies.

Furthermore, to ensure that the bank has an effective risk management in place and align with international standards, the bank, in collaboration with international ranked consulting firms, has implemented a number of Basel II projects. To ensure the effectiveness, during the projects,

training sessions for board of directors, board of managements as well as all employees have been regularly conducted.

4.2. Preparations for Basel II Implementation

To strengthen the risk management framework and to comply with the guidelines of the Bank of Laos, BCEL has developed the Basel II implementation roadmap covering 27 initiatives set to operate during 2017 - 2025. The bank divides its roadmap into three phases and a beyond phase as follows:

- Phase 01 (2017 - 2018): to prepare for adoption of Basel II and to meet BOL's requirements as a model bank.
- Phase 02 (2019 - 2020): to begin implementing the tasks required by the BOL of which the tasks are to be performed by 20 model banks during the period of 2020 - 2023.
- Phase 03 (2021 - 2023): to implement the tasks in accordance with BoL's requirements of which the actual implementation is planned to be into force from 2023 onwards.
- Beyond (2024 - 2025): to enhance risk management framework for full compliance with Basel II standards.

With reference to the above roadmap, BCEL has completed several key projects including 1) Internal Loss Management, 2) Data Governance, 3) Loan Origination System, 4) Credit Rating System, 5) Development of Risk-Weighted Assets Engine, 6) Risk Based Approach for Control Indexing, 7) Operational Risk Management Framework, 8) Risk Control Self-Assessment, 9) Key Risk Indicator, 10) Development and improvement of policies, procedures relating to credit risk management, 11) Asset-Liability Management, and 12) Fund Transfer Pricing. Other ongoing projects expected to be completed by 2023 are the projects of 1) Implementation of the Fund Transfer Pricing System, 2) Implementation of Asset and Liability Management System, 3) Enhancement of Market Risk Management Framework, 4) Development of Foundation Internal Capital Adequacy Assessment Process Framework, and 5) Enhancement of Business Continuity Management Framework.

In addition, BCEL continues to keep itself ready for implementation of the projects planned to operate in 2022 based on the roadmap. The aforementioned projects are Development of A-card & B-card for Retail and PD model for Corporate, Development and Deployment of Credit Portfolios Management and Monitoring Frameworks, Development of Collateral Management System, and other projects in order to enhance its capacity to comply with the international standards.

5. Business performance

BCEL emphasizes the strategy for comprehensive development as follows:

- **Financial management and improvement for sustainable business performance:** in particular 1) In terms of financial management, the bank emphasizes the development of fund mobilization, various forms of capital management, improvement of capital structure in order to boost credit rating, ensuring the quality of capital utilization by applying clear credit and capital management strategy, effectively increasing income along with decreasing expense, 2) In terms of capital management, the bank focuses on implementing IFRS accounting standards, risk management under Basel II, developing tools for market risk management, management information system using financial ratios as a benchmark with the development of modern IT system to support important information, 3) Interms of fixed assets management, the bank devotes to decrease fixed asset to equity capital ratio and improve return on assets following the

Bank of Lao PDR's regulations as well as international principles, 4) In addition, the bank attempts to improve marketing and sales by improving sales plan and transform the sales strategy for more products specification and clearer customer segmentation. Furthermore, the bank intensively conducts the assessment on customer behavior and demand in order to enhance the bank marketing, 5) develop and enhance a number of work instructions, manuals, procedures and policies;

- **Credit management:** BCEL acknowledges the importance of credit management as it is the primary source of income for BCEL. Specifically, the bank focuses on modernizing credit management, managing the credit quality under credit risk appetite statement, diversifying credit products for all customer segments, prioritizing non-performing loans management and maintain under its risk appetite of 3%, improving the credit policies, procedures and methodologies in compliance with Basel II, strengthening human resource and seeking for both domestic and internationan cooperation in credit management.
- **Improvement of the strength and quality of human resource:** human resource development plays a crucial role in the era of transformation, intensive competition and adoption of advanced technology in organization such as developing human resource according to the development purpose, providing all employees with technological knowledge, planning the capacity of human resource, improving employee nomination process, developing tool for employee monitoring and assessing in compliance with international standards, improving job rotation process based on knowledge and experience of employees (Put the right man on the right job).
- **Strengthening risk management and anti-money laundering systems:** building stronger foundation as well as following international standards in the forms of developing tools, influencing risk culture, deveping and improving related policies and procedures, monitoring bank risk as well as developing human resource in risk management and anti-money laundering.
- **Improving corporate governance in compliance with international standards and building foundation to become Qualifiled Asean Bank (QAB):** Improving corporate governance (CG), and building a strong foundation to become Qualifiled Asean Bank (QAB).
- **Making modernization strategy by adopting advanced technology and new innovation in supporting digital economy:** the main purpose is to move toward new service in the form of digital banking.
- **Making good governance strategy and international standard service:** improving and developing accounting system and financial reporting standards, developing and improving auditing management system with international audit-related standards, developing consumer management system with security and international standards.

6. Environment Management

BCEL adopts sustainable development as a model for bank's practice through providing opportunities to employee attending seminar titled "Dialogue on Responsible Business Practice in Lao PDR" to perceive the sustainable economic growth as well as human rights and environment protection. Furthermore, the employees are frequently assigned to attend other seminars related to environment management.

- BCEL takes part in environment protection by utilizing digitalization including applying advanced technology in banking service and at work in order to reduce paper usage.
- Educate employees in strictly emphasizing environment protection by issueing a saving policy covering mainly the energy saving as well as putting stickers about reducing environmental impact of materials on water closet walls and other places, notice on energy saving awareness and recycling.
- Participates in several activities for cleaning up as well as planting on special occations.

7. Social Support

BCEL takes part in social support in various aspects including donation application called “BCEL OneHeart” which is among key projects in promoting and further continue BCEL’s Corporate Socail Responsibility or CSR which is a product that optimize the bank’s advantages of technology and innovation in social support by acting as an intermediary channel that facilitate the donors and targeted recipients in fund mobilization. Moreover, the application is easy, convenient, quick, and transparent tool that can check donation information that entrusting both donors and targeted recipients. With this application, several sectors can easily participate more in improving the living conditions, life quality as well as the better society.

As of 2022, BCEL OneHeart comprises 82 projects amounted over 6.658.166.349 LAK with donation count of 58.547 times.

In addition, BCEL has contributed to the society through various forms of support including medical equipment for hospital during COVID-19 pandemic, helping the underprivileged people and funding the schools construction in rural areas, other supports tataled 78 projects amounted over 605.620.990 LAK.

IX. Independent Audits

1. Service and Fees

The shareholders' meeting for the year 2021 held on 29 April 2022 appointed PwC the independent auditor of BCEL for the year 2022 with remuneration of 920 LAK million. The audit service included the audits in accordance with IFRS and Lao accounting standard, audit review of the semi-annual financial status and audit report of the annual financial statements in Lao and English languages.

2. The Independent Auditor's Report

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

THE BANK

Banque Pour Le Commerce Exterieur Lao Public ("the Bank") is a joint-stock bank incorporated and registered in the Lao People's Democratic Republic ("Lao PDR").

ESTABLISHMENT AND OPERATIONS

The Bank was established from the equitisation of Banque Pour Le Commerce Exterieur Lao which had been 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, the MOF sold 10% of the total ordinary shares (equivalent to 13.657.759 shares) to its strategic partner named Compagnie Financière de la BRED ("COFIBRED") in accordance with the Ordinary Shares Purchase Agreement between the Ministry of Finance and COFIBRED. COFIBRED is a subsidiary of BRED, the biggest regional banking society in the Banque Populare Group - a French group of cooperative banks. The total purchased price of LAK 150.235.349.000 has been paid fully by COFIBRED.

On 17 August 2017, Lao Securities Commission Office approved the Bank to recapitalize by both Rights offering (which resulted in 68.047.300 shares) and Public offering (which resulted in 3.098.400 shares) 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 recapitalised 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.

The shareholding structure of the Bank as at 31 December 2022 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 principal activities of the Bank are to provide banking services including mobilizing and receiving short-term, medium-term, and long-term deposits from organisations and individuals; making short-term, medium-term, and long-term loans to organisations 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.

SHARE CAPITAL

The share capital as at 31 December 2022 is LAKm 1.038.617 (31 December 2021: LAKm 1.038.617).

LOCATION AND NETWORK

The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Capital, Lao PDR. As at 31 December 2022, the Bank has one (01) Head Office, six (6) associates and joint ventures, twenty (20) main branches, ninety-seven (97) services units, and eleven (11) exchange units all over Lao PDR.

INVESTMENTS IN ASSOCIATES AND INTEREST IN JOINT VENTURES

As at 31 December 2022, the Bank has investments in associates and interest in joint ventures totally six (06) as follows:

Name	Established in accordance with Business License No.	Business Sector	% owned by the Bank
BCEL - Krung Thai Securities Company Limited	1079/ERO issued by the Ministry of Industry and Commerce on 10 July 2019	Securities	70%
Lao Viet Joint Venture Bank	732/ERO dated 29 August 2016 by the Ministry of Industry and Commerce	Banking & Finance	25%
Banque Franco - Lao Limited	0495/ERO dated 7 June 2018 by the Ministry of Industry and Commence	Banking & Finance	30%
Lao-Viet Insurance Joint Venture Company	0600 dated 16 August 2013 by the Ministry of Industry and Commence	Insurance	35%
Lao China Bank Company Limited	041/ERM dated 27 January 2014 by the Department of Enterprise Register and Management of the Lao PDR	Banking & Finance	39,87%
Lao National Payment Network Company Limited	0349/ERO granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce of the Lao PDR on 12 March 2019	Transaction settlement management (Electronic)	20%

BOARD OF DIRECTORS

Members of the Board of Directors during the year ended 31 December 2022 and at the date of this report are as follows:

Name	Title	Date of appointment
Mr. Khamsouk Sundara	Acting Chairman	Reappointed on 14 July 2022
Mr. Pasomphet Khamtanh	Member	Appointed on 3 August 2021
Mr. Stéphane Mangiavacca	Member	Appointed on 29 May 2020
Mrs. Saysamone Chanthachack	Member	Appointed on 22 November 2022
Assoc.Prof.Thongphet Chanthanivong	Member	Appointed on 3 August 2021
Mrs. Latdavanh Songvilay	Member	Appointed on 3 August 2021
Mr. Sonexay Silaphet	Member	Appointed on 3 August 2021
Mr. Viengsouk Chounthavong	Member	Appointed on 27 April 2018

MANAGEMENT

Members of the Management during the year ended 31 December 2022 and at the date of this report are as follows:

Name	Title	Date of appointment
Mrs. Saysamone Chanthachack	General Managing Director	Appointed 2 August 2022
Mr. Kongsack Soukphonesy	Deputy Managing Director	Appointed 1 May 2021
Mr. Nanthalath Keopaseuth	Deputy Managing Director	Appointed 30 September 2014
Mr. Viengsouk Chounthavong	Deputy Managing Director	Appointed 18 February 2019
Mrs. Bouaphayvanh Nandavong	Deputy Managing Director	Appointed 1 May 2021
Mr. Saichit Simmavong	Deputy Managing Director	Appointed 1 May 2021

LEGAL REPRESENTATIVE

The legal representative of the Bank during the period and as at the date of this report is Mrs. Saysamone Chanthachack – General Managing Director, Mr. Saychit Simmavong is responsible for administrative, finance and accounting.

AUDITORS

The auditor of the Bank is PricewaterhouseCoopers (Lao) Sole Company Limited.

Independent auditor's report

To: Board of Director and Shareholders of Banque Pour Le Commerce Exterieur Lao Public

Our opinion

In our opinion, the financial statements of Banque Pour Le Commerce Exterieur Lao Public (the Bank)

for the year ended 31 December 2022 are prepared, in all material respects, in accordance with the accounting policies described in Note 3 to the financial statements.

What we have audited

The Bank's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of income for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

Emphasis of matter - Basis of accounting

We draw attention to Note 3 to the financial statements, which describe the basis of accounting. The financial statements have been prepared in accordance with the Bank's accounting policies which the accounting basis used in the preparation of these financial statements may differ from International Financial Reporting Standard (IFRS). The readers should therefore be aware that the accompanying financial statements are not intended to present the financial position and its financial performance and cash flows in accordance with IFRS. Our opinion is not modified in respect to this matter.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We determine one key audit matter: Provision for impairment of loan to customers. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Provision for impairment of loan to customers Refer to Note 15 – Provision for impairment. As of 31 December 2022, Loan to customer balance was LAK 42.808.801 million (45% of total asset), and provision for impairment balance was LAK 1.809.562 million. Provision for impairment of loan to customers was considered as significant in our audit due to the estimation of provision for impairment involved the management's judgements and assumptions in identifying evidence of impairment for individual and collective customers and calculating the impairment amount including uncertainly of timing for recognition. Management had set up provision for impairment on loan to customers by classifying in two type of impairment which were individual and collective impairment. For individual impairment was calculated by the present value of the estimated future cashflows expected from customer. For collective impairment, loan to customer were grouped based on similar credit risk characteristics. Future cashflows on a group of loan to customer were collectively evaluated for impairment and were estimated based on historical loss experience.	We performed the following procedures: • Performed risk assessment on both internal and external factors which may affect the operating result of individual, industry group and customer group which it might affect the judgement and estimation made by management. . • Evaluated and tested the Information Technology General Control over access program and data, control over completeness of customer's data used in calculation of provision impairment. • Evaluated and tested manual controls over loan to customer and provision for impairment processes as follows; - Loan origination and approval - Collateral valuation - Data input into system • Tested samples of loans which it had classified as individual and collective impairments, we performed as follows; - Inquired with management regarding processing of identify and classified loans as individual and collective impairments - Examined the assumptions used in the calculation of present value of future cashflows expected from customer with supporting document such as future cashflows expected from customer, collateral valuation, Recomputed discount rate and assess the appropriate of discount rate used in calculation of present value of future cashflows

Key audit matter	How our audit addressed the key audit matter
Based on the significant level of subjectivity and estimation uncertainly, provision for impairment account on loan to customers was a key audit matter.	- Assessed the appropriateness of assumptions used in calculation of probability of default, loss rate for calculation of collective impairment by examine with relevant supporting evidence and had a detailed discussion with management regarding the assumptions. - Recomputed provision for impairment at the end of reporting date. • Furthermore, for collateral valuations performed by the professional valuers, we evaluated their competence, capabilities and objectivity including evaluated the appropriateness of their work. Then, we sampled those valuations to check that the management used the –valuations in the calculation of provision for impairment for individual customer From those procedures performed, we found that management's judgements and assumptions regarding provision for impairment was appropriate.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the audit committee.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and presentation of the financial statements in accordance with the accounting policies described in Note 3 to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

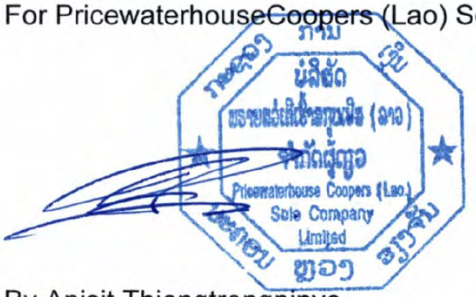
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

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

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For PricewaterhouseCoopers (Lao) Sole Company Limited



By Apisit Thiengtrongpinyo
Partner

Vientiane Capital, Lao PDR

Date: 11 April 2023

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 LAKm	2021 LAKm
Interest incomes	5	3.116.126	2.244.913
Interest expenses	5	(1.845.243)	(1.492.316)
Net interest incomes	**5**	**1.270.883**	**752.597**
Fee and commission incomes	6	513.818	317.892
Fee and commission expenses	6	(149.673)	(39.694)
Net fee and commission incomes	**6**	**364.145**	**278.198**
Net gain from dealing in foreign currencies	7	(38.154)	3.913
Net loss from dealing derivatives	8	-	171
Other operating incomes	9	121.260	180.385
Operating income		**1.718.134**	**1.215.264**
Credit loss expense of loans to customers	15	(912.720)	(649.075)
NET OPERATING INCOME		**805.414**	**566.189**
Personnel expenses	10	(329.249)	(305.806)
Depreciation and amortisation	19, 20	(112.823)	(81.350)
Depreciation of right-of-use assets	21	(7.898)	(8.040)
Other operating expenses	11	(195.263)	(175.296)
TOTAL OPERATING EXPENSES		**(645.233)**	**(570.492)**
Share of profit and loss of associates and joint ventures	18	36.898	16.888
PROFIT BEFORE TAX		**197.079**	**12.585**
Income tax	26.1	31.111	(1.175)
NET PROFIT FOR THE YEAR		**228.190**	**11.410**
Earnings per share (LAK)	33	**1.099**	**55**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department
Date: 11 April 2023

Approved by:

Mr. Sompasong Phothisane
Chief of Internal Audit Department
Date: 11 April 2023

Approved by:

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

Mr. Saychit Simmavong
Deputy Managing Director
Date: 11 April 2023

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 LAKm	2021 LAKm
NET PROFIT FOR THE YEAR		**228.190**	**11.410**
OTHER COMPREHENSIVE (EXPENSE)/INCOME			
Changes in the fair value of financial investments – Available-for-sale	16	-	1.534
Remeasurement of employee benefit	27	(1.053)	22.498
Profit tax related to components of other comprehensive income	26.3	211	-
OTHER COMPREHENSIVE (EXPENSE)INCOME FOR THE YEAR, NET OF TAX		**(842)**	**24.032**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**227.348**	**35.442**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department
Date: 11 April 2023

Approved by:

Mr. Sompasong Phothisane
Chief of Internal Audit Department
Date: 11 April 2023

Approved by:

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

Mr. Saychit Simmavong
Deputy Managing Director
Date: 11 April 2023

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF FINANCIAL POSITION

AS AT YEAR ENDED 31 DECEMBER 2022

	Notes	2022 LAKm	2021 LAKm
ASSETS			
Cash and balances with Bank of the Lao PDR	12	27.786.294	19.022.276
Due from banks	13	11.855.719	9.114.970
Loans to customers	14	47.235.372	32.372.070
Financial investments - Available-for-sale	16	90.123	91.657
Financial investments - Held-to-maturity	17	4.967.151	5.273.352
Investments in associates and joint ventures using the equity method	18	691.081	643.318
Property and equipment	19	540.325	563.503
Intangible assets	20	283.285	293.321
Right-of-use assets	21	52.028	55.713
Deferred tax assets	26.3	116.520	37.015
Advance profit tax	26.2	-	24.015
Other assets	22	875.117	745.782
TOTAL ASSETS		**94.493.015**	**68.236.991**
LIABILITIES ANS EQUITY			
LIABILITIES			
Due to banks and other financial institutions	23	6.639.183	5.269.436
Due to customers	24	80.994.071	57.169.169
Borrowings from other banks	25	4.105.783	3.354.623
Current tax liabilities	26.2	21.907	-
Lease liabilities		26.553	29.595
Other liabilities	27	347.558	282.022
TOTAL LIABILITIES		**92.135.055**	**66.104.845**
EQUITY			
Share capital	28	1.038.617	1.038.617
Statutory reserves	29	836.635	831.667
Other comprehensive items		9.040	11.416
Retained earnings		473.668	250.446
TOTAL EQUITY		**2.357.960**	**2.132.146**
TOTAL LIABILITIES AND EQUITY		**94.493.015**	**68.236.991**

Prepared by:	Approved by:	Approved by:
Mrs. Phousengthong Anoulakkham	Mr. Sompasong Phothisane	Mr. Saychit Simmavong
Chief of Accounting Department Date: 11 April 2023	Chief of Internal Audit Department Date: 11 April 2023	Deputy Managing Director Date: 11 April 2023

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

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital LAKm	Other comprehensive items			Retained earnings LAKm	Total LAKm
			Statutory reserves LAKm	Remeasurement of post-employment benefit reserve LAKm	Available-for-sale reserve LAKm		
Balance as at 31 December 2020		**1.038.617**	**753.399**	**(12.616)**	**-**	**433.629**	**2.213.029**
Dividend paid out to shareholders	34	-	-	-	-	(116.325)	(116.325)
Appropriation to reserves for the year 2020	29	-	78.268	-	-	(78.268)	-
Net profit for the year 2021		-	-	-	-	11.410	11.410
Remeasurement in the fair value of financial investment – Available-for-sale		-	-	-	1.534	-	1.534
Remeasurement of employee benefit	27	-	-	22.498	-	-	22.498
Profit tax related to components of other comprehensive income		-	-	-	-	-	-
Balances as at 31 December 2021		**1.038.617**	**831.667**	**9.882**	**1.534**	**250.446**	**2.132.146**

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital LAKm	Statutory reserves LAKm	Other comprehensive items: Remeasurement of post-employment benefit reserve LAKm	Other comprehensive items: Available-for-sale reserve LAKm	Retained earnings LAKm	Total LAKm
Balance as at 31 December 2021		**1.038.617**	**831.667**	**9.882**	**1.534**	**250.446**	**2.132.146**
Appropriation to reserves for the year 2021	29	-	4.968	-	-	(4.968)	-
Net profit for the year 2022		-	-	-	-	228.190	228.190
Remeasurement in the fair value of financial investments – Available-for-sale		-	-	-	(1.534)	-	(1.534)
Remeasurement of employee benefit	27	-	-	(1.053)	-	-	(1.053)
Profit tax related to components of other comprehensive income	26.3	-	-	211	-	-	211
Balances as at 31 December 2022		**1.038.617**	**836.635**	**9.040**	**-**	**473.668**	**2.357.960**

Prepared by:

Approved by:

Approved by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department
Date: 11 April 2023

Mr. Sompasong Phothisane
Chief of Internal Audit Department
Date: 11 April 2023

Mr. Saychit Simmavong
Deputy Managing Director
Date: 11 April 2023

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 LAKm	2021 LAKm
OPERATING ACTIVITIES			
Profit before tax		**197.079**	**12.584**
Adjustments for:			
Depreciation and amortisation charges	19, 20, 21	120.720	89.390
Expense for impairment losses	15	912.720	649.075
Post-employment benefit expense	10	9.288	8.784
Share of profit and loss of associates and joint ventures	18	(36.898)	(16.888)
Unrealise loss on exchange rate		1.532.273	(113.343)
Loss/(Gain) on disposal/written-off		6.359	12.340
Interest incomes	5	(3.116.126)	(2.244.913)
Interest expenses	5	1.845.243	1.492.316
Dividend income	9	(1.918)	(3.835)
Cash flows from operating profit before changing in operating assets and liabilities		**1.468.742**	**(114.490)**
Changes in operating assets			
Net change in balances with other banks		(1.486.073)	466.148
Net change in loans to customers		(13.983.518)	(4.276.295)
Financial investment - Held-to-maturity		-	83.857
Net change in other assets		(192.252)	(197.048)
Changes in operating liabilities			
Net change in due to other banks		1.361.992	1.790.480
Net change in due to customers		23.658.446	12.020.658
Net change in other liabilities		55.838	65.350
Net change in borrowing from other banks		(711.662)	311.146
Net change in Lease liabilities		-	2.218
Interest received		694.112	1.093.618
Interest paid		(1.380.334)	(1.309.769)
Tax paid during the year	26.2	(2.261)	(48.916)
Net cash flows from operating activities		**9.483.029**	**9.886.954**
INVESTING ACTIVITIES			
Purchase and construction in progress and property and equipment		(80.409)	(40.928)
Purchase of right of use	21	(5.364)	(2.431)
Purchase of intangible asset	20	(1.784)	(53.953)
Proceeds from disposals of property and equipment		7.468	-
Payment for investment in associates and joint ventures	18	(18.498)	(13.360)
Dividends received from investment in associates and joint venture investment	18	7.633	1.364
Dividends received from financial investments – available for sale	9	1.918	3.835
Payment from investment in financial investments – hold to maturity		(931.000)	-
Proceed from investment in investment in financial investments – hold to maturity		1.465.537	1.738.371
Net cash flows from/(used) in investing activities		**445.501**	**1.632.898**

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 LAKm	2021 LAKm
FINANCING ACTIVITIES			
Payment of dividends	34	-	(116.325)
Payment on lease payment		(13.345)	(474)
Net cash flows used in financing activities		**(13.345)**	**(116.799)**
Net change in cash and cash equivalents		**9.915.185**	**11.403.055**
Cash and cash equivalents at the beginning of the year	**30**	**25.799.885**	**14.396.829**
Cash and cash equivalents at the end of the year	**30**	**35.715.070**	**25.799.885**

Non-cash from financing and investing activities;

Acquisition of construction in progress and property and equipment	2.033	8.188
Settlement loan to customers and investment in hold-to-maturity securities	229.358	3.196.569
Acquisition of right-of-use assets	-	4.318

Prepared by:	Approved by:	Approved by:
Mrs. Phousengthong Anoulakkham	Mr. Sompasong Phothisane	Mr. Saychit Simmavong
Chief of Accounting Department	Chief of Internal Audit Department	Deputy Managing Director
Date: 11 April 2023	Date: 11 April 2023	Date: 11 April 2023

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

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

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

The Bank is incorporated and domiciled in Lao PDR. The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Capital, Lao PDR, As at 31 December 2022. the Bank has one (01) head office, six (6) associates and joint ventures, twenty (20) main branches, ninety-seven (97) services units, and eleven (11) exchange units all over Lao PDR.

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

- mobilising and receiving deposits from organisations and individuals
- making loans to organisations and individual
- foreign exchange transactions
- international trade financial services
- discounting of commercial papers
- bonds and other valuable papers
- insurance
- securities

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

The financial statements was authorised for issue by the board of directors on 11 April 2023.

2. SIGNIFICANT EVENTS DURING THE CURRENT YEAR

The Bank of Lao PDR has announced several COVID-19 pandemic temporary relief measures such as they have waived compliance with Regulation 512/BOL for commercial banks and financial institutions, dated 29 June 2018. This means that after loans are restructured, they can be classified in the same group as they were before restructuring. The waiver also allows commercial banks to restructure loans classified as 'non-performing loans' more than twice and lend credit to customers affected by COVID-19.

In response, the Bank has continually applied with the Bank of Lao PDR's announcement such as loan restructuring and closely monitored the effect of COVID-19 to customers which might have an impact to its loan portfolio.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of the financial statements are set out below.

3.1 Basis of preparation

According to the laws and regulations on accounting and auditing for the securities sector issued by the MoF and the Lao Securities Commission Office (LSCO), all listed companies who identified as PIE are required to prepare their financial statements in accordance with International Financial Reporting Standards (IFRS).

Notification No. 1137/MoF dated 27 April 2020 issued by MoF, and announcement No. 0009/LSC, dated 25 May 2020, issued by the LSCO, state 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, the PIE must set up a development plan to adopt IFRS and share this with the MoF and the LSCO for monitoring purposes.

In accordance with the MoF and LSCO's announcement mentioned above, the Bank is setting up a plan to fully adopt IFRS in the next few years for their accounting policies.

The financial statements are prepared in accordance with the accounting policies of the Bank as described in Note 3. The accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The accompanying financial statements are not intended to present the financial position and financial performance in accordance with other jurisdictions. Consequently, these financial statements are addressed only to those who are informed on the Bank's accounting policies.

The preparation of financial statements requires management to make estimates and assumptions affecting the amounts reported as assets and liabilities, the disclosure of any contingent assets and liabilities at the date of the financial statements and 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 (Note 15).

The financial statements have been prepared under the historical cost convention, except for certain financial assets (financial investments – available for sale) measured at fair value.

3.2 Foreign currency translation

Transactions in foreign currencies are initially recorded at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into LAK at the spot rate of exchange at the reporting date (see the list of exchange rates of applicable foreign currencies against LAK as at 31 December 2022 and 31 December 2021 as presented in Note 38). Unrealised exchange differences arising from the translation of monetary assets and liabilities on the balance sheet date are recognised in the statement of income.

3.3 Recognition of income and expense

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

3.3.1 Interest income and expense

For all financial instruments measured at amortised cost, interest-bearing financial assets classified as available-for-sale and financial instruments designated at fair value through profit or loss, interest income or expense are recorded using the effective interest rate (EIR).

The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

When the recorded value of a financial asset or a group of similar financial assets has been reduced by an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

3.3.2 Fees and commission incomes

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Bank's revenue contracts do not typically include multiple performance obligations, as explained further in 3.3.2.1 and 3.3.2.2 below.

When the Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time (unless otherwise specified in 3.3.2.1 and 3.3.2.2 below). The Bank has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

3.3.2.1 Fee and commission income from services where performance Obligations are satisfied over time

Performance obligations satisfied over time include services where the customer simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs.

3.3.2.2 Fee and commission income from providing services where performance obligations are satisfied at a point in time

Services provided where the Bank's performance obligations are satisfied at a point in time are recognised once control of the services is transferred to the customer. This is typically on completion of the underlying transaction or service or, for fees or components of fees that are linked to a certain performance, after fulfilling the corresponding performance criteria. These include fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/participation or negotiation of the

acquisition of shares or other securities, or the purchase or sale of businesses, brokerage and underwriting fees.

The Bank typically has a single performance obligation with respect to these services, which is to successfully complete the transaction specified in the contract.

3.3.3 Dividend income

Dividend income is recognised when the Bank's right to receive the payment is established.

3.3.4 Net trading income

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities 'held for trading'.

3.4 Cash and cash equivalents

Cash and cash equivalents as referred to in the statement of cash flows comprise cash on hand, non-restricted current accounts with the BOL and amounts due from banks on demand or with an maturity of three months or less.

3.5 Investments in associates and interest in joint ventures

The Bank has investment in associates and interest in joint ventures, which are jointly entities, whereby the ventures have a contractual arrangement that establishes joint control over the economic activities of the entities. The arrangement requires unanimous agreement for financial and operating decisions among the ventures.

The Bank recognises its interest in the associates and joint ventures using the equity method using the financial information available on hand.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Bank's share of the post-acquisition profits or losses of the investee in profit or loss, and the Bank's share of movements in other comprehensive income of the investee in other comprehensive income.

Dividends received or receivable from investment in associates and interest in joint ventures are recognised as a reduction in the carrying amount of the investment. Where the Bank's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Bank does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. The allowance for impairment is made for investments in associates and joint ventures when the associates and joint ventures are making a loss (except for the loss which is identified in the business plan before establishment). Accordingly, the allowance is made for the difference between actual investment in the associates and joint venture and the Bank's proportionate share in the associates and joint venture's net equity.

3.6 Financial instruments -initial recognition and subsequent measurement

3.6.1 Date of recognition

All financial assets and liabilities, with the exception of loans to customers and balances due to customers, are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes “regular way trades” - purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Loans to customers are recognised when funds are transferred to the customers’ account. The Bank recognises due to customer balances when funds reach the Bank.

3.6.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management’s intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

3.6.3 The effective interest rate method

The effective interest rate (EIR) is the rate exactly discounts estimated future cash payments or receipts through the contractual term of the financial instrument or, when appropriate a shorter period, to the net carrying amount of the financial asset or financial liability. The amortised cost of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted amortised cost is calculated based on the original or latest re-estimated EIR and the change in is recorded as ‘Interest and similar income’ for financial assets and ‘Interest and similar expense’ for financial liabilities.

3.6.4 ‘Day 1’ profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument, or based on a valuation technique whose variables include only data from observable markets, the Bank immediately recognises the difference between the transaction price and fair value (a ‘Day 1’ profit or loss) in ‘Net trading income’. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the statement of income when the inputs become observable, or when the instrument is derecognised.

3.6.5 Available for sale financial investments

Available for sale investments include equity investments. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss.

The Bank has not designated any loans or receivables as available for sale.

After initial measurement, available for sale financial investments are subsequently measured at fair value.

Unrealised gains and losses are recognised directly in equity (Other comprehensive income) in the ‘Available-for-sale reserve’. When the investment is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the statement of income in ‘Other

operating income'. Where the Bank holds more than one investment in the same security, they are deemed to be disposed of on a first–in first–out basis.

Dividends earned while holding available-for-sale financial investments are recognised in the statement of income as 'Other operating income' when the right of the payment has been established. The losses arising from impairment of such investments are recognised in the statement of income in 'Impairment losses on financial investments' and removed from the 'Available-for-sale reserve'.

3.6.6 Held-to-maturity financial investments

Held-to-maturity financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has the intention and ability to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently measured at amortised cost using the EIR. Periodically, held-to-maturity securities are subject to review for impairment. Allowance for impairment of these securities is made when there has been a significant or prolonged declined in the fair value below their cost. The losses arising from impairment of such investments are recognised in the statement of income line 'Impairment loss expense'.

If the Bank were to sell or reclassify more than an insignificant amount of held-to-maturity investments before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as available-for-sale investments. Furthermore, the Bank would be prohibited from classifying any financial asset as held-to-maturity during the following two years.

3.6.7 Due from banks and loans to customers

'Due from banks' and 'Loans customers' include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the Bank intends to sell immediately or in the near term and those that the Bank, upon initial recognition, designates as at fair value through profit or loss;
- Those that the Bank, upon initial recognition, designates as available-for-sale;
- Those for which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration.

After initial measurement, amounts 'Due from banks' and 'Loans to customers' are subsequently measured at amortised cost using the EIR method, less allowance for impairment. The amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. Therefore, the Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of the loan, hence, recognising the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (prepayments, penalty interest and charges).

If expectations are revised the adjustment is booked as a positive or negative adjustment to the carrying amount in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the statement of profit or loss.

3.6.8 Due to other banks and customers and other borrowed funds

"Due to other banks and customers and other borrowed funds" include arrangements where the substance of the contractual arrangements result in the Bank having an obligation either to deliver cash or another financial asset to the holder.

After initial measurement, "Due to other banks and customers and other borrowed funds" are subsequently measured at amortised cost using the EIR. The amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

3.6.9 Reclassification of financial assets

The Bank was permitted to reclassify, in certain circumstances, non-derivative financial assets out of the 'Held-for-trading' category and into the 'Available-for-sale', 'Loans and receivables', or 'Held-to-maturity' categories. From this date it was also permitted to reclassify, in certain circumstances, financial instruments out of the 'Available-for-sale' category and into the 'Loans and receivables' category. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortised cost.

For a financial asset reclassified out of the 'Available-for-sale' category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is recycled to the statement of profit or loss.

In rare circumstances, the Bank may reclassify a non-derivative trading asset out of the 'Held-for-trading' category and into the 'Loans and receivables' category if it meets the definition of loans and receivables and the Bank has the intention and ability to hold the financial asset for the foreseeable future or until maturity. If a financial asset is reclassified, and if the Bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Reclassification is at the election of management and is determined on an instrument by instrument basis.

3.7 De-recognition of financial assets and financial liabilities

3.7.1 Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired. The Bank also derecognises the assets if it has both transferred the asset, and the transfer qualifies for derecognition.

The Bank has transferred the asset if, and only if, either:

- The Bank has transferred its contractual rights to receive cash flows from the asset or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

A transfer only qualifies for derecognition if either:

- The Bank has transferred substantially all the risks and rewards of the asset or
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

In relation to the above, the Bank considers the control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in the asset. In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

The Bank also derecognises a financial asset, in particular, a loan to customer when the terms and conditions have been renegotiated to the extent that it substantially became a new loan, with the difference recognised as an impairment in the statement of profit or loss.

3.7.2 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.8 Impairment of financial assets (Loan to customers)

The Bank assesses at each reporting date, whether there is any objective evidence that a financial asset – loan to customers is impaired. A financial asset – loan to customer is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganisation; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3.8.1 Financial assets carried at amortised cost

Individual impairment losses

For financial assets – loan to customers carried at amortised cost, the Bank first assesses whether objective evidence of impairment exists for financial assets that are individually significant or are already under specific work out by management.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). An estimation of future cash flow of loan to customers under Non-Performing Loan classification are calculated from 40% of collateral value assessed by internal valuer together with a consideration of expected timeline to sale collateral. An estimate of future cash flow of loan to customer under Performing Loan classification are from the expected of collection of loan principal and interest throughout contractual period together with taking consideration of the expected recoverable rate using the rate for grade A at 99% and grade B at 97%-95%) plus 20% of collateral value.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in credit loss expense in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of interest and similar income.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write–off is later recovered, the recovery is credited to income.

The present value of the estimated future cash flows is discounted at the financial asset's contractual interest rate. If the Bank has reclassified trading assets to loans, the discount rate for measuring any impairment loss is the new EIR determined at the reclassification date.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Collective impairment model

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics that are indicative of the debtors' ability to pay all amounts due according to the contractual terms (for example, on the basis of a credit risk evaluation or grading process).

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss

experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows reflect and are directionally consistent with changes in related observable data from period to period (such as changes in unemployment rates, personal indebtedness, collateral values including property prices for mortgages, commodity prices, payment status or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

3.8.2 Impairment of available for sale investments

The Bank records impairment charges on available for sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Bank evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than its cost.

3.8.3 Collateral valuation

The Bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Bank's annually reporting schedule.

To the extent possible, the Bank uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties (if available) such as mortgage brokers, housing price indices, audited financial statements, and other independent sources.

3.8.4 Collateral repossessed

The Bank's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets that are determined better to be sold, are immediately transferred to assets held for sale at their fair value at the repossession date in line with the Bank's policy.

3.9 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial positions if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

3.10 Property and equipment

Property and equipment are stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Construction in progress is not depreciated. The following are annual rates used:

Buildings & improvements	5%-10%
Office equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%

Property and equipment are derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in ‘Other operating income' in the statement of income in the year the asset is derecognised.

3.11 Intangible assets

The Bank’s other intangible assets include the value of land use rights and software.

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Bank.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year–end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and they are treated as changes in accounting estimates. The amortsation expense on intangible assets with finite lives is recognised in the statement of income in the expense category consistent with the function of the intangible asset.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. The following are annual rates used:

Software	20% - 50%

The land use rights of the Bank were not amortised as land use rights have indefinite term and was granted by the Government of Lao PDR.

3.12 Impairment of non-financial assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit (CGU)'s fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of income.

3.13 Financial guarantees

In the ordinary course of business, the Bank issues financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognised in the financial statements (within 'Other liabilities') at fair value on the date the guarantee was issued, being the premium received.

Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of income, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the liability relating to financial guarantees is recorded in the statement of income in 'Credit loss expense'. The premium received is recognised in the statement of income in 'Net fees and commission income' on a straight-line basis over the life of the guarantee.

3.14 Leasing

3.14.1 Right-of-use assets

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease arrangement based on whether the contract that conveys to the user (the lessee) the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and services transactions, the consideration is allocated to each of these lease and non-lease components on conclusion and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. The Bank combines lease and non-lease components, in cases where splitting the non-lease component is not possible.

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease term includes periods covered by an option to extend if the Bank is reasonably certain to exercise that option. Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessment.

3.14.2 Lease liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating a lease, if the lease term reflects the Bank exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Bank uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying assets.

3.14.3 Short-term leases and leases of low-value assets

The Bank applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.15 Employee benefits

Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank at the time of retirement by the amount equal to (Latest Basic Salary + Wage + 25% of allowance (If have) + 25% of other benefits) x 1,5 x working years.

The fund for Post-employment benefits come from:

(i) the retirement reserve contributed by the employees, for which the Bank withholds a certain monthly amount from employees' salary (5,5%) of the amount (Equal to Basic Salary + Wage + 25% of allowance + 25% of other benefits);

(ii) and the Bank contribution by monthly, which is equal to 6% of the amount (Equal to Basic Salary + Wage + 25% of allowance + 25% of other benefits);

The Bank records its contribution as 'Payroll and other staff costs' into the statement of income on an accrual basis.

The employee benefit obligation is calculated annually by management using the projected unit credit method. The present value of the employee benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

In October 2022, the bank applied Social Security Fund therefore the Bank is required to contribute to the Social Security Organisation at the rate of 6% of employee's basic salary monthly and the bank has still pay post-employment benefit as mention above also.

Termination benefits

In accordance with Article 82 of the Amended Labour Law No. 43/NA approved by the President of the Lao People's Democratic Republic on 28 January 2014, the Bank has the obligation to pay allowance for employees who are terminated by dismissal in the following cases:

The worker lacks specialised skills or is not in good health and thus cannot continue to work;

The employer considers it necessary to reduce the number of workers in order to improve the work within the labour unit.

For the termination of an employment contract on any of the above-mentioned grounds, the employer must pay a termination allowance which is calculated on the basis of 10% of the basic monthly salary earned before the termination of work.

As at 31 December 2022, no employee of the Bank was dismissed under the above-mentioned grounds; therefore, the Bank has not made a provision for termination allowance in the separate financial statements.

3.16 Provisions

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Bank determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of income net of any reimbursement in other operating expenses.

3.17 Profit tax

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Bank operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same

taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.18 Statutory reserves

Under the requirements of the Law on Commercial Banks dated 7 December 2018, commercial banks are required to appropriate net profit to the following reserves:

- Regulatory reserve fund
- Business expansion fund and other funds

In accordance with Article 156, Enterprise Law dated 26 December 2013, the Bank is required to appropriate 10% of profit after tax each year into Regulatory reserve fund. When this reserve fund reaches 50% of the registered capital, the Bank may suspend such provision, unless otherwise provided by the laws. The Bank will record after getting approval from General Shareholders' Meeting.

The business expansion fund and other funds shall be created upon decision of the Board of Management.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Bank's separate financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

4.1 Effective interest rate method

The Bank's EIR method, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans and deposits and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behavior and life cycle of the instruments, as well expected changes to other fee income/expense that are integral parts of the instrument.

4.2 Impairment losses on loans to customers

The Bank reviews its individually significant loans at each reporting date to assess whether an impairment loss should be recorded in the statement of income.

The Bank's impairment methodology for assets carried at amortised cost results in the recording of provisions for:

Individual impairment losses on individually significant or specifically identified exposures;

This estimation requires an element of management's judgement, in particular for the estimation of the amount and timing of future cash flows and collateral values when determining individual impairment losses. These estimates are driven by a number of factors, the changing of which can result in different levels of allowances.

Collective impairment.

The loss allowances for financial assets are based on assumptions about default risk and loss rates. The Bank uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Bank's past history and existing market conditions at the end of each reporting period.

4.3 Impairment of available-for-sale investments

The Bank reviews its equity securities classified as available-for-sale investments at each reporting date to assess whether they are impaired.

This assessment, including the interpretation of what is ‘significant’ or ‘prolonged’ requires judgement. In making this judgement, the Bank evaluates, among other factors, historical share price movements, and the duration and extent to which the fair value of an investment is less than its cost.

4.4 Determination of lease terms

Critical judgement in determining the lease term, the Bank considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Bank considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Bank becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Bank.

4.5 Determination of discount rate applied to leases

The Bank determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, currency and security.

5. NET INTEREST INCOMES

	2022 LAKm	2021 LAKm
Interest income calculated using the effective interest method from:		
Lending to customers	2.537.667	1.912.270
Investment securities	315.734	263.777
Deposits in other banks	262.725	55.786
Other activities	-	13.080
	3.116.126	**2.244.913**
Interest expense calculated using the effective interest method for:		
Customer deposits	(1.604.004)	(1.291.278)
Due to banks	(241.239)	(201.038)
	(1.845.243)	**(1.492.316)**
Net interest incomes	**1.270.883**	**752.597**

6. FEE AND COMMISSION INCOMES

	2022 LAKm	2021 LAKm
Fee and commission income from:		
Settlement services	421.069	247.792
Treasury activities	16.493	17.374
Other activities	76.256	52.726
	513.818	**317.892**
Fee and commission expense for:		
Settlement services	(57.119)	(36.200)
Treasury activities	(92.554)	(3.494)
	(149.673)	**(39.694)**
Net fee and commission incomes	**364.145**	**278.198**

7. NET GAIN FROM DEALING IN FOREIGN CURRENCIES

	2022 LAKm	2021 LAKm
Gain from foreign currencies trading and revaluation of monetary items	19.843.888	5.834.698
Loss from foreign currencies trading and revaluation of monetary items	(19.882.042)	(5.830.785)
	(38.154)	**3.913**

8. NET LOSS FROM DEALING DERIVATIVES

	2022 LAKm	2021 LAKm
Gain from derivatives	-	1.787
Loss from derivatives	-	(1.616)
	-	**171**

9. OTHER OPERATING INCOMES

	2022 LAKm	2022 LAKm
Recovery of bad debts written off	79.983	156.784
Dividend income	1.918	3.835
Others	39.359	19.766
	121.260	**180.385**

10. PERSONNEL EXPENSES

	2022 LAKm	2021 LAKm
Salaries	175.210	175.293
Bonus and other allowances	131.925	115.602
Post-employment benefits expense	9.288	8.784
Other staff costs	12.926	6.127
	329.249	**305.806**

11. OTHER OPERATING EXPENSES

	2022 LAKm	2021 LAKm
Deposit Insurance paid to Depositor Protection Fund	66.506	48.435
Stationary and office materials	19.473	18.766
Repair and maintenance	23.698	19.060
Utilities	9.085	9.766
Telecommunication	9.435	9.538
Insurance expense	6.885	8.652
Tax and other duties	2.019	5.900
Training, meeting and seminar	9.162	4.582
Rental fee	7.533	4.497
Publication, marketing and promotion	5.052	4.424
Consulting and financial service fees	2.783	3.096
Fuel expense	4.502	2.067
Interest expense on lease liabilities	1.016	1.210
Other expenses	28.114	35.303
	195.263	**175.296**

12. CASH AND BALANCES WITH BANK OF THE LAO PDR ("THE BOL")

	2022 LAKm	2021 LAKm
Cash on hand in LAK	1.836.261	1.641.453
Cash on hand in foreign currencies ("FC")	2.003.515	1.232.341
Balances with the BOL:		
- Demand deposit	21.205.571	14.445.195
- Compulsory deposit (*)	2.196.153	1.350.120
- Term deposits	516.600	334.890
Accrued interest income	28.194	18.277
	27.786.294	**19.022.276**

Balances with the BOL include demand and compulsory deposits. These balances earn no interest.

(*) Under regulations of the BOL, the Bank is required to maintain certain reserves with the BOL in the form of compulsory deposits, which are computed at 5,00% for LAK and 5,00% for foreign currencies, on a bi-weekly basis, (2021: 3,00% and 5,00%) of customer deposits having original maturities of less than 12 months. During the year, the Bank maintained its compulsory deposits in compliance with the requirements by the BOL. This restricted deposits with bank of the Lao PDR are not available for use in the Bank's day-to-day operations.

13. DUE FROM BANKS

	2022 LAKm	2021 LAKm
Current and saving accounts	**7.033.415**	**7.639.523**
- In LAK	255.257	181.421
- In foreign currencies	6.778.158	7.458.102
Term deposits	**4.722.038**	**1.468.772**
- In LAK	3.105.000	747.890
- In foreign currencies	1.617.038	720.882
Accrued interest income	**100.266**	**6.675**
	11.855.719	**9.114.970**

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

	2022 % per annum	2021 % per annum
Demand deposits	0,15% - 1,20%	0,07% - 1,10%
Saving deposits	2,16%	0,07% - 2,16%
Term deposits	2,00% - 7,50%	0,15% - 6,36%

14. LOANS TO CUSTOMERS

	2022 LAKm	2021 LAKm
Gross loans	42.808.801	30.080.974
In which:		
Less: Allowance for impairment losses (Note 15)	(1.809.562)	(1.457.635)
Accrued interest income	6.236.133	3.748.731
	47.235.372	**32.372.070**

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

	2022 Interest rates % per annum	2021 Interest rates % per annum
Loans denominated in LAK	5,00% - 16,00%	5,00% - 16,00%
Loans denominated in USD	4,99% - 16,00%	4,15% - 16,00%
Loans denominated in THB	6,00% - 11,50%	6,00% - 10,00%

Analysis of loan portfolio by currency:

	2022 LAKm	2021 LAKm
Loans denominated in LAK	12.763.474	10.920.255
Loans denominated in USD	24.790.269	15.408.832
Loans denominated in THB	5.255.058	3.751.887
	42.808.801	**30.080.974**

Analysis of loan portfolio by original maturity:

	2022 LAKm	2021 LAKm
Short-term loans	4.560.760	2.714.300
Medium-term loans	24.929.587	17.234.346
Long-term loans	13.318.454	10.132.328
	42.808.801	**30.080.974**

Analysis of loan portfolio by industrial sectors of customers:

	2022		2021	
	LAKm	%	LAKm	%
Industrial services companies	23.252.832	54,32%	16.367.536	54,41%
Services companies	5.667.984	13,24%	4.609.807	15,31%
Trading companies	4.672.093	10,91%	3.830.878	12,73%
Construction companies	5.120.441	11,96%	3.723.445	12,37%
Transportation companies	1.751.815	4,09%	1.199.632	3,99%
Technical instruments enterprises	1.755.682	4,10%	50.507	0,17%
Agricultural & forestry	80.631	0,19%	45.683	0,15%
Handicrafts	2.830	0,01%	2.103	0,01%
Others	504.493	1,18%	251.383	0,86%
	42.808.801	**100,00%**	**30.080.974**	**100,00%**

15. ALLOWANCE FOR IMPAIRMENT LOSSES OF LOANS TO

Changes in allowance for impairment losses of loans to customers during the year ended are as follows:

	2022 LAKm	2021 LAKm
Balance as at 1 January	**1.457.635**	**1.073.649**
Net change during the year	912.703	649.075
Non-performing loans written off	(904.200)	(378.906)
Foreign exchange differences	343.424	113.817
Balance as at 31 December	**1.809.562**	**1.457.635**

Breakdown of allowance for impairment losses of loans to customers as at 31 December are as follows:

	2022		2021	
	Outstanding balance LAKm	Impairment LAKm	Outstanding balance LAKm	Impairment LAKm
Individually impaired	5.764.485	1.586.358	5.888.337	1.109.137
Collectively impaired	37.044.316	223.205	24.192.637	348.498
	42.808.801	**1.809.562**	**30.080.974**	**1.457.635**

16. FINANCIAL INVESTMENTS - AVAILABLE-FOR-SALE

As at 31 December 2022, the shares have fair value of amount LAKm 90.123 (2021: LAKm 91.657) and the bank recognized the changes of fair value during the year 2022 in other comprehensive expense.

17. FINANCIAL INVESTMENTS - HELD-TO-MATURITY

	2022 LAKm	2021 LAKm
Amortised cost of Treasury bills issued by the Ministry of Finance	855.777	418.769
Amortised cost of Bonds issued by the Ministry of Finance	4.111.374	4.854.583
	4.967.151	**5.273.352**

17.1 Treasury bills issued by the Ministry of Finance

Term	Purchase date	Maturity date	Face value (LAKm	Amortised cost LAKm	Interest rate per annum (nominal)
1 Year	28-Apr-2022	28-Apr-2023	470.000	469.874	5,00%
1 Year	27-May-2022	27-May-2023	61.000	60.982	5,00%
1 Year	14-Jul-2022	14-Jul-2023	220.000	219.933	5,00%
1 Year	22-Nov-2022	22-Nov-2023	105.000	104.988	5,00%
			856.000	**855.777**	

17.2 Bonds issued by the Ministry of Finance

➢ Details of other bonds by contractual maturity date are as follows:

	2022		2021	
	Face value LAKm	Amortised cost LAKm	Face value LAKm	Amortised cost LAKm
Within 1 year	-	-	-	-
1 to 5 years	1.836.096	1.814.313	2.712.741	2.690.173
Over 5 years	2.359.536	2.297.061	2.225.191	2.164.410
	4.195.632	**4.111.374**	**4.937.932**	**4.854.583**

➢ Details of other bonds interest by contractual maturity date are as follows:

	2022 % per annum	2021 % per annum
Within 1 year	5,00%	5,00%
1 to 5 years	3,80-6,95%	3,60 - 6,95%
Over 5 years	4,00-6,00%	4,00 - 6,00%

Other bonds represent the bonds which were issued by the Ministry of Finance to either for settlement the loans that that the Bank lend to MOF or for settlement the loan that the Bank lend to customers for construction of the government's projects

18. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	LAKm
Balance as at 1 January 2022	**643.318**
Share of profit of associates and joint ventures	36.898
Invest in associates and joint ventures	18.498
Less: Dividends received during the year	(7.633)
Balance as at 31 December 2022	**691.081**

Investment in associates and joint ventures as at 31 December, and dividend income for the year ended 31 December were as follows:

	Ownership interest		Cost		Equity		Dividend income	
	2022	2021	2022	2021	2022	2021	2022	2021
	(%)		LAKm					
BCEL – Krung Thai Securities Company Limited	70	70	70.000	70.000	76.392	74.920	-	-
Lao Viet Joint Venture Bank	25	25	197.839	197.839	260.080	252.650	-	-
Banque Franco – Lao Limited	30	30	138.000	126.000	148.156	128.048	-	-
Lao China Bank Company Limited	39,87	49	151.458	147.000	181.030	168.675	4.808	-
Lao-Viet Insurance Joint Venture Company	35	35	9.168	9.168	17.549	14.282	1.076	-
Lao National Payment Network Company Limited	20	20	6.800	4.760	7.874	4.743	1.749	1.364
Total			**573.265**	**554.767**	**691.081**	**643.318**	**7.633**	**1.364**

- BCEL - Krung Thai Securities Company Limited is incorporated in the Lao PDR under the Business License No. 180-10 granted by the Investment Promotion Department of the Ministry of Planning and Investment of the Lao PDR on 14 December 2010. The company's principal activities are to provide brokerage services, proprietary trading, finance and securities investment advisory services, custody services, underwriting for share issues and other value-added services.

- Lao Viet Joint Venture Bank ("LVB") is incorporated in the Lao PDR with its head office located in Vientiane and engages in the provision of banking services. It is a joint venture with the Bank for Investment and Development of Vietnam, a state-owned commercial bank incorporated in the Socialist Republic of Vietnam. The joint venture was granted the banking license on 31 March 2000 by the Bank of the Lao PDR for a period of 30 years. In 2015, LVB increased its contributed capital to LAK 791.357.560.000. The Bank's ownership rate in LVB after the capital increase is 25% in accordance with Investment License No. 004-15/KH-DDT4 issued by Ministry of Planning and Investment on 24 August 2015, equivalent to LAK 197.839.390.000.

- Lao China Bank Company Limited ("LCNB") is incorporated in the Lao PDR and engages in the provision of baking services. It is a joint venture with Fudian Bank China, a state-owned commercial bank incorporated in China. The joint venture bank was granted the Banking Business Licence on 20 January 2014 by the Bank of the Lao PDR. In 2022, According to the updated business license No. 0839/‡ſà‡ſó‡ſß, dated 26 April 2022, Lao China Bank Company Limited increased its share capital from 1.000 to 1.229 shares, but BCEL has consented to keep its ownership (490 shares) and no additional payment will be made for this capital increase. Another shareholder, "Fudian Bank Co., Ltd," is the only one who injects additional cash to increase the number of shares to 229 or 79.880 million LAK, causing BCEL's percentage of ownership to decline from 49.00% to 39.87%.

- Banque Franco - Lao Limited ("BFL") is incorporated in the Lao PDR with its head office located in Vientiane and engages in the provision of banking services. It is a joint venture with Cofibred Company Frances De La Bred which is a state-owned bank incorporated in Paris, France. The joint venture was granted the temporary banking license on 01 October 2009 and a permanent license on 16 July 2010 by the Bank of the Lao PDR. The legal capital of BFL was USD 20 million which was later revised to USD 37 million in accordance with the President's decree issued on 24 September 2009 and letter No. 01/BOL dated 28 January 2010 from BOL. As 31 December 2022, the total contributed capital of the Bank in this company was LAKm 138.000 (2021: LAKm 126.000).

- Lao National Payment Network Company Limited (LAPNet) is incorporated in the Lao PDR under the Business License No. 0349 granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce of the Lao PDR on 12 March 2019 and engages in the provision of financial services. It is an association among Bank of the Lao PDR, Union Pay International, Lao Development Bank, Agriculture Promotion Bank, Joint Development Bank, Lao-Viet Bank, ST Bank, BIC Bank and the Bank. The legal capital was LAKm 34.000. As 31 December 2022, the total contributed capital of the Bank in this company was LAKm 6.800 (2021: LAKm 4.760).

19. PROPERTY AND EQUIPMENT

	Construction in progress LAKm	Buildings & improvements LAKm	Office equipment LAKm	Furniture & fixtures LAKm	Motor vehicles LAKm	Total LAKm
Year ended 31 December 2022						
Opening net book value	63.521	335.630	145.464	10.004	8.884	563.503
Additions	79.549	161	422	3.243	-	83.375
Transferred in/(out)	(39.434)	14.004	17.898	3.412	3.186	(934)
Written-off net book value	(645)	(3.910)	(32)	(7)	(22)	(4.616)
Depreciation charge	-	(40.924)	(49.445)	(7.151)	(3.483)	(101.003)
As at 31 December 2022	**102.991**	**304.961**	**114.307**	**9.501**	**8.565**	**540.325**
As at 31 December 2022						
Cost	102.991	541.374	283.694	37.510	25.179	990.748
Accumulated depreciation	-	(236.413)	(169.387)	(28.009)	(16.614)	(450.423)
Net book value	**102.991**	**304.961**	**114.307**	**9.501**	**8.565**	**540.325**

20. INTANGIBLE ASSETS

	Land use rights LAKm	Software LAKm	Total LAKm
At 1 January 2022			
Cost	243.486	62.363	305.849
Accumulated amortisation	-	(12.528)	(12.528)
Net book amount	**243.486**	**49.835**	**293.321**
Year ended 31 December 2022			
Opening net book amount	243.486	49.835	293.321
Additions	851	-	851
Transfer in	-	933	933
Written-off net book value	-	-	-
Amortisation charge	-	(11.820)	(11.820)
As at 31 December 2022	**244.337**	**38.948**	**283.285**
At 31 December 2022			
Cost	244.337	62.683	307.020
Accumulated amortisation	-	(23.735)	(23.735)
Net book amount	**244.337**	**38.948**	**283.285**

21. RIGHT-OF-USE ASSETS

	Lands and buildings LAKm
As at 1 January 2022	
Cost	86.330
Accumulated depreciation	(30.617)
Net book amount	**55.713**
Accumulated depreciation:	
Opening balance	55.713
Additions	5.364
Written-off net book value	(1.151)
Depreciation charge	(7.898)
As at 31 December 2022	**52.028**
At 31 December 2022	
Cost	90.543
Accumulated depreciation	(38.515)
Net book value	**52.028**

22. OTHER ASSETS

	2022 LAKm	2021 LAKm
Assets available for sale	358.864	343.028
Accrued interest income	104.679	150.437
Advance for top-up	167.218	97.779
Advance payment for other operations	65.961	43.138
Stationeries and other tools	18.503	11.479
Prepaid expenses to be allocated	16.158	11.371
Advance payment to suppliers	3.302	9.739
Security deposits	36.975	23.012
Others	103.457	55.798
	875.117	**745.781**

23. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	2022 LAKm	2021 LAKm
Demand deposits	**5.260.211**	**4.239.624**
- In LAK	1.744.986	1.691.702
- In foreign currencies	3.515.225	2.547.922
Saving deposits	**356.226**	**222.603**
- In LAK	94.772	113.520
- In foreign currencies	261.454	109.083
Term deposits	**975.367**	**764.652**
- In LAK	238.485	261.870
- In foreign currencies	736.882	502.782
Others	**17.718**	**20.652**
- In LAK	17.689	19.912
- In foreign currencies	29	740
Accrued interest expense	**29.661**	**21.905**
	6.639.183	**5.269.436**

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

	2022 % per annum	2021 % per annum
Demand deposits	0,00% - 0,30%	0,00% - 0,30%
Saving deposits	No interest	No interest
Term deposits	0,56% - 6,65%	0,56% - 6,65%

24. DUE TO CUSTOMERS

	2022 LAKm	2021 LAKm
Demand deposits	**10.938.271**	**7.627.802**
Demand deposits in LAK	4.438.412	3.453.603
Demand deposits in FC	6.499.859	4.174.199
Saving deposits	**42.874.328**	**28.428.750**
Saving deposits in LAK	17.924.403	13.710.668
Saving deposits in FC	24.949.925	14.718.082
Term deposits	**26.007.200**	**20.439.404**
Term deposits in LAK	8.885.920	9.446.282
Term deposits in FC	17.121.280	10.993.122
Margin deposits	**370.732**	**79.905**
Margin deposits in LAK	290.574	24.830
Margin deposits in FC	80.158	55.075
Others	**139.691**	**95.915**
Accrued interest expense	**663.849**	**497.393**
	80.994.071	**57.169.169**

The interest rates during the year for these deposits are as follows:

	2022 % per annum	2021 % per annum
Demand deposits	No interest	No interest
Saving deposits in LAK	1,25% - 1,75%	1,25% - 1,89%
Saving deposits in USD	0,60% - 1,00%	0,90% - 1,15%
Saving deposits in THB	0,45% - 0,55%	0,45% - 0,70%
Term deposits in LAK	3,16% - 12,50%	3,16% - 12,15%
Term deposits in USD	1,65% - 7,75%	1,65% - 7,75%
Term deposits in THB	1,40% - 7,75%	1,40% - 7,75%

25. BORROWINGS FROM OTHER BANKS

	2022 LAKm	2021 LAKm
Borrowings from the BOL	3.614.601	2.251.071
Borrowings from other banks	21.000	910.510
Accrued interest expense	470.182	193.042
	4.105.783	**3.354.623**

	2022 LAKm	2021 LAKm
Current borrowings	3.841.066	2.672.285
Non-current borrowings	264.717	682.338
	4.105.783	**3.354.623**

Borrowings from the BOL as at 31 December 2022 include:

- USD 97.854.000 long-term borrowing (original borrowing amount was USD 100.000.000 with interest rate of 5,50% per annum) for the purpose of providing credit to certain Government-backed Hydropower projects. The loan's principal is paid annually from 27 August 2015 to 27 August 2025. Interest is paid quarterly.

- USD 97.900.000 long-term borrowing (original borrowing amount was USD 100.000.000 with interest rate of 5,30% per annum) for the purpose of providing credit to certain Government-backed Hydropower projects. The loan's principal is paid annually from 3 May 2016 to 3 May 2026. Interest is paid quarterly.

- LAK 4.050.000.000 long-term borrowing (credit line was LAK 4.050.000.000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment for loan principal is 30%, second time repayment for loan principal is 30%,and third time repayment for loan principal is 40%. Interest is paid two time per year (June and December). This borrowing period is started from 18 August 2020 to 18 August 2026.

- LAK 4.116.657.000 long-term borrowing (credit line was LAK 4.200.000.000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment for loan principal is 30%, second time repayment for loan principal is 30%,and third time repayment for loan principal is 40%. Interest is paid two time per year (June and December). This borrowing period is started from 3 November 2020 to 3 November 2026.

- LAK 3.000.000.000 long-term borrowing (credit line was LAK 3.080.000.000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment for loan principal is 30%, second time repayment for loan principal is 30%, and third time repayment for loan principal is 40%. Interest is paid two time per year (June and December). This borrowing period is started from 22 December 2020 to 22 December 2026.

- LAK 10.050.000.000 long-term borrowing (credit line was LAK 15.050.000.000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment for loan principal is 30%, second time repayment for loan principal is 30%, and third time repayment for loan principal is 40%. Interest is paid two time per year (June and December). This borrowing period is started from 15 March 2021 to 15 March 2027.

- LAK 102.500.000.000 long term borrowing (credit line was LAK 110.000.000.000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 2 times such as first-time repayment for loan principal is 40%- and second-time repayment for loan principal is 60% by start for repayment in 2026. Interest is paid two time per year (June and December). This borrowing period is started from 3 November 2022 to 3 November 2027.

- LAK 120.000.000.000 long term borrowing (credit line was LAK 120.000.000.000 with interest rate of 3% per annum) for the purpose of providing credit for the company to capital of investment to develop medical technology and medicine (Purchase the production equipment, raw material for use in production and use to develop staff and investment construction the factory building). The loan's principal is paid by 4 times by repayment each year is 25% such as first-time repayment is in 2025. Interest is paid quarterly. This borrowing period is started from 27 December 2021 to 27 December 2028.

- LAK 21.000.000.000 long term borrowing (Credit line was LAK 21.00.000.000 with interest rate of 0%) for the purpose of providing credit for the enterprises, small and medium corporates that Lao own 100% to continue or expanses their business. The loan principal is paid after the end of contract and the borrowing period is started from 6 December 2022 to 6 December 2033.

26. TAXATION

26.1 Income tax expense

Major components of tax expense are as follows:

	2022 LAKm	2021 LAKm
Current income tax expense	(48.184)	(1.175)
Deferred tax income	79.295	-
Total tax expense for the year	**31.111**	**(1.175)**

26.2 Current profit tax ("PT")

The Bank is obliged to pay tax at a rate of 20% (2021: 20%) on total profit before tax in accordance with the Tax Law.

The calculations of Profit tax for the years 2022 and 2021 are as follows:

	2022 LAKm	2021 LAKm
Profit before tax	**197.079**	**12.584**
Adjustments for:		
- Amotisation of financial investment – hold to maturity	3.077	4.939
- Amortisation of loans to customers	(281.447)	(88.651)
- Impairment losses of loans to customers	261.433	101.418
- Defined post-employment benefits plan obligation expense	(6.855)	(8.617)
- Non-taxable profit from investment in associates and joint ventures using the equity method	(29.266)	(15.524)
Profit before tax in accordance with the relevant regulations and notifications of the Bank of Lao People's Democratic Republic	**144.021**	**6.149**
Tax rate at 20% (2021: 20%)	**28.804**	**1.230**
Tax effect of;		
- Income exempted from PT	(3.924.746)	(1.152.253)
- Non-deductible expenses	3.942.513	1.152.198
- Other adjustments	1.613	-
Current income tax expense	**48.184**	**1.175**

	2022 LAKm	2021 LAKm
Total tax expense in the year	**48.184**	**1.175**
Payable/(Advance) at the beginning of the year	**(24.015)**	23.726
Tax adjustments	-	(1.198)
Paid in the year	(2.262)	(47.718)
(Advance PT)/PT payable at the end of the year	**21.097**	**(24.015)**

The Bank's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations in many types of transactions is susceptible to varying interpretations, amounts reported in the separate financial statements could be changed at a later date upon final determination by the tax authorities.

26.3 Deferred tax assets/(liabilities)

	Statement of financial position		Statement of income		Statement of comprehensive income	
	2022 LAKm	2021 LAKm	2022 LAKm	2021 LAKm	2022 LAKm	2021 LAKm
Deferred tax assets	121.615	43.883	77.521	-	211	-
Deferred tax liabilities	(5.095)	(6.868)	1.773	-	-	-
Deferred tax assets, net	**116.520**	**37.015**				
Net deferred tax credited/(charged) to the statement of income			**79.294**	**-**		**-**
Net deferred tax credited to the statement of comprehensive income					**211**	**-**

27. OTHER LIABILITIES

	2022 LAKm	2021 LAKm
Items waiting to settle	163.936	122.323
Defined post-employment benefit plan obligations	75.310	70.026
Other tax payable	55.238	53.759
Payable to suppliers	26.643	24.972
Payables to employees	13.347	2.757
Others	13.084	8.185
	347.558	**282.022**

Changes in defined post-employment benefit plan obligations are as follows:

	2022 LAKm	2021 LAKm
As at 1 January	70.026	86.866
Current service cost	4.355	4.126
Interest cost	4.933	4.658
Actuarial changes arising from changes in financial assumption	1.053	(22.498)
Benefits paid	(5.058)	(3.126)
As at 31 December	**75.310**	**70.026**

Net benefit expense (recognised in profit or loss):

	2022 LAKm	2021 LAKm
Current service cost	4.355	4.126
Interest cost	4.933	4.658
	9.288	**8.784**

The principal assumptions used in determining post-employment benefit obligations for the Bank's plans are shown below:

	2022 %	2021 %
Discount rate	5,00 – 10,40	5,00 - 10,55
Future salary increases	0,91	1,22
Employee turnover rate	4,24	2,41

A quantitative sensitivity analysis for significant assumptions as at 31 December is, as shown below:

	2022 LAKm	2021 LAKm
Discount rate		
increase 50 basis points	(4.432)	(4.207)
decrease 50 basis points	4.832	4.584
Future salary increases		
increase 50 basis points	5.154	4.886
decrease 50 basis points	(4.745)	(4.500)

28. SHARE CAPITAL

There was no change in share capital during the year 2022.

29. STATUTORY RESERVES

	Regulatory reserve fund LAKm	Business expansion fund and other funds LAKm	Total LAKm
As at 31 December 2020	**205.773**	**547.626**	**753.399**
Appropriation to reserves for the year 2020	22.362	55.906	78.268
As at 31 December 2021	**228.135**	**603.532**	**831.667**
Appropriation to reserves for the year 2021	496	4.472	4.968
As at 31 December 2022	**228.631**	**608.004**	**836.635**

30. ADDITIONAL CASH FLOW INFORMATION

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

	2022 LAKm	2021 LAKm
Demand deposits with the BOL	21.205.571	14.445.195
Current accounts with other banks	7.033.415	7.639.524
Cash and cash equivalents on hand	3.839.776	2.873.794
Term deposit due within 90 days	3.636.308	841.372
	35.715.070	**25.799.885**

31. CONTINGENT LIABILITIES AND COMMITMENTS

	2022 LAKm	2021 LAKm
Un-drawn commitments to lend for customers (ii)	2.890.791	1.917.706
At sight letters of credit	796.757	502.217
Letter of credit and bank guarantees (i)	698.175	375.568
Deferred payment letters of credit	-	-
Un-drawn commitments to lend for other banks (ii)	-	-
	4.385.723	**2.795.491**

(i) Letter of credit and bank guarantees

Letters of credit guarantees (including standby letters of credit) and acceptances 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.

(ii) Un-drawn commitments to lend

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.

32. RELATED PARTY DISCLOSURES

Significant transactions with other related parties during the year 2022 are as follows:

a) Parent entity

The Bank is controlled by the following entity

Name	Type	Place of incorporation
The Ministry of Finance of Lao PDR (“MOF”)	Parent	Lao PDR

The remaining 40% of the shares is widely held.

b) Transaction with related parties

Transactions with related parties are as follows:

	2022 LAKm	2021 LAKm
Interest and similar incomes		
Parent entity	293.105	268.716

c) Outstanding balances of significant related party

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

	2022 LAKm	2021 LAKm
Due from banks		
Joint venture and Associates	1.674.875	837.737
Financial investments - Held-to-maturity		
Parent entity	5.015.632	5.356.812
Other assets		
Parent entity	104.679	150.437
Joint venture and Associates	5.249	-
Due to banks and other financial institutions		
Joint venture and Associates	2.008.538	368.799

d) Key management compensation

Key management includes member of the board of director and board of management.

The compensation paid or payable to key management are as follows:

	2022 LAKm	2021 LAKm
Salaries and other short-term	2.807	2.911

33. EARNINGS PER SHARE

	2022	2021
Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the bank (LAKm)	228.190	11.410
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (Shares)	207.723.300	207.723.300
Total basic earnings per share attributable to the ordinary equity holders of the bank (LAK)	1.099	55

Net operating profit for the period ended 31 December 2022 is LAK 191.292 million which profit per share is LAK 921 per share and operating loss for the period ended 31 December 2021 was LAK 5.478 million which loss per share was 26 LAK per share

34. DIVIDENDS

The annual general meeting of shareholder, held on 5 May 2022, there is no approved the dividend payment from the company's business operation result in FY2021 (2020: LAK 560 per share amounting to a total LAK 116.325 million).

35. RISK MANAGEMENT POLICIES

Introduction

Risk is inherent in the Bank's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities.

The primary objective of the Bank in risk management is to comply with the BOL regulations. On the other hand, the Bank has recognised the importance of meeting international best practices on risk management. The Board of Directors and Board of Management, with support from an Asset and Liability Management Committee, are in the process of formulating broad parameters of acceptable risk for the Bank and monitor the activities against these parameters.

The Board has appointed the Asset and Liability Management Committee which has the responsibility to monitor the overall risk process within the Bank.

The Bank is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. It is also subject to various operating risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Bank's policy is to monitor those business risks through the Bank's strategic planning process.

Risk management structure

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Asset and Liability Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk-Compliance Department is responsible for managing risk decisions and monitoring risk levels and reports to the Board of Directors.

The Bank's policy is that risk management processes throughout the Bank are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Bank's compliance with the procedures. Internal Audit discusses the results of all assessments with management and reports its findings and recommendations to the Audit Committee.

36. CAPITAL MANAGEMENT

The Bank maintains minimum regulatory capital in accordance with Regulation No 536/BFSD/BOL dated 14 October 2009 by the Governor of the Commercial Bank Supervision Department of the BOL and other detailed guidance. The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirements by the BOL. The Bank recognises 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 is analysed into two tiers:

- Tier 1 capital, which includes share capital, the regulatory reserve fund, business expansion fund and other funds, and retained earnings;
- Tier 2 capital, which is equal to 45% of revaluation reserves; and the lower option between 1,25% of total risk weighted balance sheet items and outstanding balance of general provision during the year.

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 percent of tier 1 capital.

An analysis of the Bank's capital based on financial information deprived from special purpose separate financial statements is as follows:

	2022 LAKm	2021 LAKm
Tier 1 capital	2.357.960	2.132.146
Tier 2 capital	-	-
Total capital	**2.357.960**	**2.132.146**
Less: Deductions from capital (Investments in other entities)	(691.081)	(643.318)
Capital for CAR calculation (A)	**1.666.879**	**1.488.828**
Risk weighted balance sheet items	24.106.080	18.738.102
Risk weighted off balance sheet items	2.408.986	1.467.354
Total risk weighted assets (B)	**26.515.066**	**20.205.456**
Capital Adequacy Ratio (A/B)	**6,29%**	**7,37%**

37. EVENTS AFTER THE REPORTING DATE

The Ordinary Meeting of Board of Directors, held on 21 March 2023, approved the dividend payment from the Company's 2022 business operation result after deducting required regulation reserve to shareholders that determines the payment dividend of LAK 100 per share, and the date of dividend payment to shareholders is determined to be on 12 May 2023. This matter shall be proposed to the Annual general meeting 2023 for further consideration.

38. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST LAK AT YEAR END

	2022 LAK	2021 LAK
USD	17.220,00	11.163,00
EUR	18.287,00	12.650,00
THB	498,22	346,44
GBP	20.593,00	14.872,00
JPY	129,82	96,18
AUD	11.558,00	7.995,00
CNY	2.456,00	1.771,00

X. Branches and Service Unit

1. Head Office and Branches

As of 31/12/2022, BCEL has 1 Head Office and 20 Branches overall the country as follows:

No.	Office Names	Address and Contact		Telephone	FAX
		Village	District		
010	Head Office	Xieng Nheun	Chanthabouly	021 213200	021 213202
1	Phonhong Branch	Phonhong	Phonhong	023 212179	021 212178
2	Khammouane Branch	Chome Ngeun	Thakhek	051 212686	051 214409
3	Savannakhet Branch	Sounantha	Khanthabouly	041 212261	041 212723
4	Champasak Branch	Phatthana lakmeuang	Pakse	031 212770	031 212974
5	Luangprabang Branch	Phonphaeng	Luangprabang	071 252814	071 260598
6	Oudomxay Branch	Nawanoy	Xay	081 211260	081 211262
7	Luangnamtha Branch	Phonxay	Luangnamtha	086 211316	086 211319
8	Attapeu Branch	Phonsavang	Samakkhixay	036 211919	036 211939
9	Vientiane Capital Branch	Thongkhankham	Chanthabouly	021 213205	021 219765
10	Bokeo Branch	Huoixai	Huayxai	084 212162	084 212170
11	Sayaburi Branch	Simeuang	Sayabouly	074 260038	074 260038
12	Xiengkhuang Branch	Theun	Paek	061 213097	061 213293
13	Vangvieng Branch	Sengsavang	Vangvieng	023 511434	023 511403
14	Bolikhamxay Branch	Sivilay	Paksan	054 280112	054 790918
15	Dongdok Branch	Khamhoung	Xaythany	021 771495	021 771496
16	Huaphan Branch	Phanxay	Xamneua	064 312090	064 312178
17	Phongsaly Branch	Phoufa	Phongsaly	088 210224	088 210224
18	Xekong Branch	Vatluang	Lamam	038 211687	038 211689
19	Salavan Branch	Nalek	Salavan	034 260016	034 212037
20	Saysettha Branch	Sibounheuang	Chanthabouly	021 844200	021 844209

2. Service Units

As of 31/12/2022, BCEL has 97 Service Units overall the country as follows:

No.	Office Names	Address and Contact				
		Supervisor	Village	District	Telephone	FAX
1	Toulakhom Service Unit	Phonhong Branch	Phonhae	Thoulakhom	023-241515	023-241516
2	Keo Udom Service Unit	Phonhong Branch	Thinkeo	Keo'Udom	023-400242	023-400241
3	Km 52 Service Unit	Phonhong Branch	Phonkham Tai	Phonhong	023-331809	023-331810
4	Xanakham Service Unit	Phonhong Branch	Sanakhaam	Sanakhaam	023-600001	023-600002
5	Gnommalath Service Unit	Khammouane Branch	Donpeuai	Gnommalath	030-620220	030-620220
6	Nongbok Service Unit	Khammouane Branch	Nongbok	Khammouane	051-270339	051-270339
7	Hin Boun Service Unit	Khammouane Branch	Khamkeo	Hinboun	051-214520	051-214520
8	Naphao Service Unit	Khammouane Branch	Langkhang	Bualapha		
9	Souksomboun Service Unit	Khammouane Branch	Souksavan	Thakhaek	051-214251	051-214252
10	Khounkham Service Unit	Khammouane Branch	Khounkham	Khounkham	051-214689	051-214679
11	Xebangfai Service Unit	Khammouane Branch	Khuaxe	Xebangfai	051-260144	051-260144
12	Seno Service Unit	Savannakhet Branch	Seno	Outhoum phone	041-431432	041-431433
13	Meuang Songkhone Service Unit	Savannakhet Branch	Lattanasy	Songkhone	041-530372	041-530373
14	Meuang Artsaphang thong Service Unit	Savannakhet Branch	Donghen	Artsaphang thong	041-600171	041-600172
15	Meuang Kaisone Service Unit	Savannakhet Branch	Oudomvilay	Kaisone	041-252640	041-252641
16	Meuang Vilabuly Service Unit	Savannakhet Branch	Boungkham	Vilabuly	030 9428808	
17	Meuang Phin Service Unit	Savannakhet Branch	Pasomxay	Meuang Phin	041-259014	041-259013
18	35km Service Unit	Savannakhet Branch	Meuang Champhone PTT Station	Meuang Champhone	0304447162	
19	Dongdamduan Service Unit	Savannakhet Branch	Dongdamduan	Kaisone	030 5285592	
20	Daoheung Market Service Unit	Champasak Branch	Phonkoung	Pakse	031-251270	031-251270
21	Mixay Market Service Unit	Champasak Branch	Phatthanasa phanxay	Pakse	031-410399	031-410399
22	Paksong Service Unit	Champasak Branch	Huaybang liang	Paksong	031-211047	031-211047
23	Nakasang Service Unit	Champasak Branch	Nakaxang	Khong	030 9864269	
24	Km 8 Service Unit	Champasak Branch	Huaxae	Bachieng	031-251977	031-212934

25	Sabaidee Market Service Unit	Champasak Branch	Keosamphan	Pakse	031-260246	031-260248
26	CSC Service Unit	Champasak Branch	Chatsan	Pakse	031-256262	
27	Thongchaleun Service Unit	Luangprabang Branch	Thongchaleun	Luangprabang	071-260639	071-260638
28	Phosy Market Service Unit	Luangprabang Branch	Phosy	Luangprabang	071-260728	071-260729
29	Meuang Naan Service Unit	Luangprabang Branch	Paphai	Nan	071-450277	071-450278
30	Meuang Ngoiy Service Unit	Luangprabang Branch	Nongkhiew	Ngoi	071-810111	071-810110
31	Xangkhong Service Unit	Luangprabang Branch	Xangkhong	Luangpra bang	071-410151	071-410152
32	Naviengkham Service Unit	Luangprabang Branch	Naviengkham	Luangpra bang	071-260884	071-260885
33	Namthouam Service Unit	Luangprabang Branch	Namthouam Tai	Nambak	071-219045	071-219046
34	Meuang Xiengngeun Service Unit	Luangprabang Branch	Pakvaed	Xiengngeun	071-450113	071-450114
35	Meuang Houn Service Unit	Oudomxay Branch	Phonsavath	Houn	081-213011	081-213010
36	Namor Service Unit	Oudomxay Branch	Huay one	Namor	081-218009	081-218008
37	Nong Mengda Service Unit	Oudomxay Branch	Nong Maengda	Xay	081-312605	081-312606
38	Pakbeng Service Unit	Oudomxay Branch	Kokkhor	Pakbeng	081-214031	081-214030
39	Boten Service Unit	Luangnamtha Branch	Bopiat	Boten	086-263009	086-263009
40	Meuang Sing Service Unit	Luangnamtha Branch	Xiengchai	Sing	086-400037	086-400037
41	Meuang Long Service Unit	Luangnamtha Branch	Chomchaeng	Long	030 5734998	086 5000011
42	Borten Dangnam Service Unit	Luangnamtha Branch	Boten	Luangnamtha		
43	Usahakham Market Service Unit	Luangnamtha Branch	Nongbauvieng	Luangnamtha	086-260017	
44	Saysettha Atp Service Unit	Attapeu Branch	Fangdaeng	Saysettha (Atp)	030 5212221	036 213111
45	Sanamxay District Service Unit	Attapeu Branch	Yai-mitsamphan	Sanamxay		
46	Morning Market Service Unit	Vientiane Branch	Hadsady	Chanthabuly	021-216855	021-213206
47	Sikhay Service Unit	Vientiane Branch	Sikhai	Sikhottabong	021-217901	021-217900
48	Chomphet Service Unit	Vientiane Branch	Chomphet	Sisattanak	021-353290	021-353240
49	Nongduang Service Unit	Vientiane Branch	Nongduang	Sikhottabong	021-253483	021-253481
50	World Trade Center Service Unit	Vientiane Branch	Nongchan	Sisattanak	021-229120	021-229121
51	Sang Jiang Service Unit	Vientiane Branch	Wattay Noi	Sikhottabong	021-520502	021-520502
52	Vehicle Registration and	Vientiane Branch	Phonsavath	Sikhottabong	021-670570	

	Driving License Service Unit					
53	Kokpho Market Service Unit	Vientiane Branch	Wattaiyyai	Sikhottabong		
54	SDZ Service Unit	Vientiane Branch	Nano	Saysettha		
55	Meuang Tonpheung Service Unit	Bokeo Branch	Tonpheung	Tonpheung	084-213015	084-213015
56	Huay Xai Service Unit	Bokeo Branch		Huay Xai	084-215027	084-215027
57	Paklai Service Unit	Xayabouly Branch	Sisa'Ath Somphu	Sayabouly	074-550051	074-550053
58	Keinthao Service Unit	Xayabouly Branch	Chomphet	Kenthao	074-600003	074-600004
59	Hongsa Service Unit	Xayabouly Branch	Phonsa'Ath	Hongsa	074-266011	074-266012
60	Meuangphieng Service Unit	Xayabouly Branch	Viengchaleun	Meuang Phieng	074-212148	074-212149
61	Namngam Service Unit	Xiengkhouang Branch	Namngam	Paek	061-260013	061-260011
62	Meuang Kham Service Unit	Xiengkhouang Branch	Chomthong	Kham	061-263004	061-263005
63	Phonesavanh Market Service Unit	Xiengkhouang Branch	Phonsavanh Tai	Paek	061-260018	061-260020
64	Meuang khoun Service Unit	Xiengkhouang Branch	Somphon	Khoun	061-214032	061-214032
65	Xaysomboun Service Unit	Xaysomboun Branch	Phouhuaxang	Anouvong	026-210097	026-210100
66	Kasy Service Unit	Vangvieng Branch	Viengkeo	Kasy	023-700333	023-700123
67	Meuang Feuang Service Unit	Vangvieng Branch	Laokham	Meuang Feuang	023-650063	023-650023
68	Lakxao Service Unit	Bolikhamxay Branch	Km 20	Khamkeut	054-341622	054-341621
69	Thang Beng Lak 20 Service Unit	Bolikhamxay Branch	Viengkham	Pakkading	054-700013	054-700012
70	Naxaythong Service Unit	Dongdok Branch	Dongluang	Naxaythong	021-633020	021-633019
71	Nong Nieng Service Unit	Dongdok Branch	Nongnieng	Saysettha	021-720515	021-720516
72	NUOL Service Unit	Dongdok Branch	Dongdok	Xaythany	021-740828	021-740829
73	Tha Ngon Service Unit	Dongdok Branch	Tharsavang	Xaythany	021-752326	021-752321
74	Donenoon Service Unit	Dongdok Branch	Donenoon	Xaythany	021-740318	021-740319
75	Houayhong Service Unit	Dongdok Branch	Houayhong	Chanthabuly	021-566014	021-566015
76	Km 7 Service Unit	Dongdok Branch	Km 7	Xaythany	021-848888	021-850119
77	Dongchong Service Unit	Dongdok Branch	Dongchong	Saysettha	021-456244	021463245
78	Haynumyen Service Unit	Dongdok Branch	Haynumyen	Naxaythong	030-618848	
79	Ban Hai Park Gnem Service Unit	Dongdok Branch	Hai	Park Ngem		

80	Sob Bao Service Unit	Houaphan Branch	Sob Bao	Sob Bao	064-314388	064-314370
81	Meuang Sam Market Service Unit	Houaphan Branch	Nathongchong	Sam Neua	064-312116	064-312177
82	Meuang Viengxay Service Unit	Houaphan Branch	Nakai	Viengxay		
83	Bountai Service Unit	Phongsaly Branch	Phonthong	Bountai	088-210875	088-210875
84	Meuang Khoua Service Unit	Phongsaly Branch	Phonxay	Khoua	088-210944	088-210944
85	Bounneua Service Unit	Phongsaly Branch	Bounneua	Bounneua	088-212049	088-212049
86	Thateng Service Unit	Xekong Branch	Huayxay	Thateng	038-210049	038-210050
87	Darkcheung Service Unit	Xekong Branch	Nonsavan	Darkcheung	038-215050	038-215050
88	Lao Ngam Service Unit	Salavan Branch	Laongam	Lao Ngam	034-300230	034-300230
89	Khongsedone Service Unit	Salavan Branch	Khong Khoum 5	Khongsedone	034-411422	034-411422
90	Saphanthong Service Unit	Saysettha Branch	Saphanthong	Sisattanak	021-417720	021-417721
91	Nonghai Service Unit	Saysettha Branch	Nonghai	Hadxayfong	021-330723	021-330722
92	Lao-Thai Bridge Service Unit	Saysettha Branch	Dongphosy	Hadxayfong	021-812041	021-812041
93	LSX Service Unit	Saysettha Branch	Phonthan Neua	Saysettha	021-265477	021-265488
94	ITECC Service Unit	Saysettha Branch	Phonthan	Saysettha	021-419144	021-419144
95	Thanaleng Service Unit	Saysettha Branch	Thanaleng	Hadxayfong	021-832226	021-832226
96	Phonphanao Service Unit	Saysettha Branch	Phonphanao	Saysettha		
97	Hong Kae Service Unit (Saysethha + Thatluang)	Saysettha Branch	Hong Kae	Saysettha	021-265885	021-265882

3. Money Changers

As of 31/12/2022, BCEL has 11 money changers detailed as follows:

No.	Names of Service Units	Address and Contact				
		Supervisor	Village	District	Telephone	FAX
1	Chao Anouvong Money Changers	Head Office	Xieng Nheun	Chanthabuly	021 264395	021 264395
2	Lao-Thai Freindship Bridge I Money Changers	Head Office	Dongphosy	Hadxayfong	021 820488	
3	Wattay International Airport Money Changers	Head Office	Meuang Vathong	Sikhottabong	021 512208	021 512208
4	Lao-Thai Freindship Bridge III Money Changers	Khammouan e Branch	Veun	Thakhek	051 620334	051 620334

5	Savannakhet Branch Office Money Changers	Savannakhet Branch	Sounantha	Khanthabuly	041 212261	041 212723
6	Lao-Thai Freindship Bridge II Money Changers	Savannakhet Branch	Nakae	Kaisone Phomvihane	030 9874640	
7	SENO Market Money Changers	Savannakhet Branch	Seno	Outhoumphone	041 431432	041 431433
8	Champasack Branch Office Money Changers	Champasack Branch	Phatthanalak meuang	Pakse	031 213676	031 213676
9	Vangtao Money Changers	Champasack Branch	Phonthong	Champasack	031 245040	
10	Lao-Thai Freindship Bridge IV Money Changers	Bokeo Branch	Done	Huayxai	084 216060	
11	VangVieng Branch Office Money Changers	VangVieng Branch	Sengsavang	VangVieng	023 511434	023 511403

4. BCOME Agents

As of 31/12/2022, BCEL has 884 agents for the BCEL's Community Money Express (BCOME) as follows:

No.	Province	Number of BCOME Agents
1	Vientiane Capital City	224
2	Vientiane	99
3	Bolikhamxay	25
4	Khammouane	49
5	Savannakhet	85
6	Champasack	62
7	Xekong	14
8	Attapeu	23
9	Salavan	29

No.	Province	Number of BCOME Agents
10	Xaysomboun	18
11	Luangprabang	43
12	Xayabouly	51
13	Luangnamtha	14
14	Bokeo	30
15	Xiengkhouang	26
16	Oudomxay	28
17	Houaphan	31
18	Phongsaly	13

XI. Awards and Recognition

In 2022, BCEL received outstanding awards as follows

- ASEAN Business Award 2022.



- Award for Leadership in Merchant Sales Volume 2022 by VISA



XII. Correspondent Banks

Currency	Bank Name	Country	SWIFT Code
AUD			
1	SWIFT AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED (AUD)	AUSTRALIA	ANZBAU3MXXX
CNY			
1	SWIFT FUDIAN BANK CO., LTD (CNY)	CHINA	KCCBCN2KXXX
2	SWIFT INDUSTRIAL AND COMMERCIAL BANK OF CHINA (CNY)	CHINA	ICBKCNBJXXX
3	SWIFT STANDARD CHARTERED BANK HONGKONG (CNY)	HONG KONG	SCBLHKHHXXX
EUR			
1	SWIFT STANDARD CHARTERED BANK GERMANY BRANCH (EUR)	GERMANY	SCBLDEFXXXX
2	SWIFT CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK (CACIB)	FRANCE	BSUIFRPPXXX
3	SWIFT WELLS FARGO BANK, N.A., LONDON BRANCH (EUR)	FRANCE	PNBPGB2LXXX
4	SWIFT COMMERZBANK AG (EUR)	GERMANY	COBADEFFXXX
5	SWIFT SOCIETE GENERALE	UNITED KINGDOM	SOGEFRPPXXX
GBP			
1	SWIFT STANDARD CHARTERED BANK LONDON (GBP)	UNITED KINGDOM	SCBLGB2LXXX
JPY			
1	SWIFT MUFG BANK.,LTD	JAPAN	BOTKJPJTXXX
2	SWIFT STANDARD CHARTERED BANK TOKYO	JAPAN	SCBLJPJTXXX
3	SWIFT MIZUHO CORPORATE BANK, LTD. (CURRENT JPY)	JAPAN	MHCBJPJTXXX
THB			
1	SWIFT STANDARD CHARTERED BANK (THAI) PCL BANGKOK (SAVING THB)	THAILAND	SCBLTHBXXXX
2	SWIFT TMBTHANACHART BANK PUBLIC COMPANY LIMITED BANGKOK (SAVING THB)	THAILAND	TMBKTHBKXXX
3	SWIFT KASIKORNBANK PUBLIC COMPANY LIMITED BANGKOK (THB)	THAILAND	KASITHBKXXX
4	SWIFT CIMB THAI BANK PUBLIC COMPANY LIMITED BANGKOK (SAVING THB)	THAILAND	UBOBTHBKXXX
5	SWIFT KRUNG THAI BANK PUBLIC COMPANY LIMITED THB	THAILAND	KRTHTHBKXXX
6	SWIFT SIAM COMMERCIAL BANK PUBLIC CO., LTD., THE (THB)	THAILAND	SICOTHBKXXX
7	SWIFT BANGKOK BANK PUBLIC COMPANY LIMITED (CURRENT THB)	THAILAND	BKKBTHBKXXX
USD			
1	SWIFT FUDIAN BANK CO., LTD (USD)	THAILAND	KCCBCN2KXXX
2	SWIFT INDUSTRIAL AND COMMERCIAL BANK OF CHINA (USD)	CHINA	ICBKCNBJXXX
3	SWIFT JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM (USD)	CHINA	BFTVVNVXXXX
4	SWIFT TMBTHANACHART BANK PUBLIC COMPANY LIMITED HEAD OFFICE (SAVING USD)	VIETNAM	TMBKTHBKXXX
5	SWIFT STANDARD CHARTERED BANK NEW YORK (USD)	UNITED STATES	SCBLUS33XXX
6	SWIFT CIMB THAI BANK PUBLIC COMPANY LIMITED BANGKOK (SAVING USD)	KOREA, REPUBLIC	UBOBTHBKXXX

7	SWIFT WELLS FARGO BANK, N.A. NEW YORK (USD)	KOREA, REPUBLIC	PNBPUS3NNYC
8	SWIFT STANDARD CHARTERED BANK (SINGAPORE) LIMITED	JAPAN	SCBLSG22XXX
9	SWIFT KEB HANA BANK	UNITED STATES	KOEXKRSEXXX
10	SWIFT KOOKMIN BANK	SINGAPORE	CZNBKRSEXXX
11	SWIFT JPMORGAN CHASE BANK N.A.,NEW YORK	THAILAND	CHASUS33XXX
VND			
1	SWIFT JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM (VND)	VIETNAM	BFTVVNVXXXX

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