ທະນາຄານການຄ້າຕ່າງປະເທດລາວ ມະຫາຊົນ
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC



Report on BCEL's Business Performance

For The Three-Month Period Of Quarter I

ENDED 31 March 2023

I. Overview of BCEL

1. Vision

BCEL has revised its long-term strategy for 2021-2025 to align with the bank's development work plan and to attain its goals and objectives under the vision of "Becoming a strong and modern bank that meets international standards".

2. Vision

To achieve its vision of becoming a strong and modern bank that meets international standards, BCEL has the following key missions: developing strong corporate governance that adapts to the changing times; strengthening its financial stability and complying with Basel 2 principles; improving its IT system and technology for better banking services; managing its information system with accuracy, transparency, speed, and adherence to international standards. In addition, the bank will focus on human resources development in each aspect to be professional, and skillful in banking services to enhance the change and development of BCEL and to create the satisfaction for customers and high profitability for shareholders with sustainable value.

❖ **Plans and Projects for 2023**

In order to develop and achieve sustainable strength to become the leading bank in terms of modern and international banking practices in the Lao PDR. BCEL has determined its development strategies covering the directions, goals, and detailed implementation plans for the year 2023, which comprise 11 Plans, and 38 Projects as follows:

- **Strategy 1: Organizational strengthening (5 Plans and 20 Projects)**

- Financial Management and the Sustainable Business Operation Enhancement: 5 projects;
- Credit Management: 5 projects.
- Empowerment and Effectiveness Enhancement of Human Resources: 4 projects.
- Create and Strengthen the Risk Management System and the Foundation of Anti-Money Laundering: 5 projects.
- International Standardize the Management Mechanism:1 project.

- **Strategy 2: Modernization, advanced technology, and innovation enhance the business operation. A step into the digital era of the economy (3 Plans and 13 Projects)**

- Development and Management of the IT System: 6 projects.
- Management Information System and the Development and Modernization of the Statistic System to meet the international standard: 5 projects.
- The Transformation to Digital Banking: 2 projects.

- **Strategy 3: Strengthen the governance and the international standard service (3 Plans and 5 Projects)**

- The Improvement of the Accounting System and the Reporting Standard: 3 projects.
- The Improvement of the Audit System to meet the International Standard: 2 projects.
- The Development of the PCI Compliance or Payment Card Industry Data Security Standard.

II. Financial Position and Performance

1. Lao Macro-Economy and Trends in the Future

Lao's economy in 2023 will gradually recover with the contribution of several sectors such as natural resources, energy, and tourism. In 2023, it is anticipated that the growth will increase by 4% (IMF 2023). Also, IMF estimates that the inflation rate will fall to 14% in 2023 due to the decrease in prices of food and oil. However, macro-economy remains uncertain especially conflicts in many nations resulting in the fluctuation of goods prices. In addition, an increase in public debts, income issues, and LAK depreciation remain challenging the growth of the Lao economy in 2023.

1.1. Inflation Rate

The average inflation rate in March 2023 increased by 40,97%, which was considerably higher than the last year (March 2022) which was 8,54%. The reason for the high inflation rate was the rise of product prices such as transportation, shipping, food, and non-alcoholic beverages. Moreover, the devaluation of LAK is one of the main factors causing inflation.

1.2. Exchange rate

As of March 2023, the average exchange rate of USD in the bank was 16.876 LAK/USD, which increased by 46.22% from the previous year (11.542 LAK/USD). The average market rate was 17.361 LAK/USD, which rose by 40.57% from the previous year (12.350 LAK/USD). For THB, the average exchange rate of THB in the bank was 501,14 LAK/THB, which increased by 37,17% from the previous year. The average market rate was 505,85 LAK/THB, which rose by 35,37% from the previous year (source: the Bank of the Lao PDR). The LAK devaluation is likely to persist in the future due to external and internal factors. However, the Bank of the Lao PDR will address the problem seriously with stricter monetary measures.

1.3. Import-Export and the Investment

As of March 2023, the value of Lao PDR's imports and exports amounted to 3.133 million USD. This figure comprised approximately 1.596 million USD of exports and about 1.537 million USD of imports, resulting in a surplus of 59 million USD. Major exported products were bronzes, gold bars, tapiocas, papers and paper-made goods, iron ore, gold ore, etc. The main imported products were diesel fuel, vehicles, electric appliances and machinery, steel and steel-made goods, plastic-made goods, etc.

2. Highlighted updates

In the 3rd quarter of 2023, BCEL held 2 Business Performance Review Meetings (the 2022 Business Performance Review Meeting and the 1st Quarter of the year 2023 Business Performance Review Meeting), 1 Ordinary Board of Directors Meeting, 1 Corporate Governance Committee Meeting, 1 Risk Management Committee Meeting, and 1 Audit Committee Meeting. Furthermore, the Management Team of BCEL has participated in the meeting between the Bank of the Lao PDR and commercial banks for the year 2022, the meeting with the Committee in charge of the cross-border payment service of Laos and Korea. The Management Team also approved the financial report of BCEL for the year 2022 audited by an independent audit firm that will be reported in the Shareholders' Meeting. BCEL finished reviewing the long-term strategic plan for 2021 – 2025 for the first phase which was the review of the first 2-year (2021 – 2022). BCEL finished selling the BOL's bond of the 2nd sale on 09/01/2023 and 28/02/2023. Regarding the system development, BCEL has made a go-live of BCEL's Loan Origination System of the 1st phase and the following features, a function to print out a proof of deposit, online new account opening form filling, employee statistical data collection system, Fast Track, and procurement bidding system on BCEL's official site. Additionally, there were several highlighted updates that BCEL has done, such as a new e-sticker of the road tax, and a new loan application service called M-loan on BCEL One. Regarding services, Thongpong Service Unit, Vientiane Branch, has been upgraded to Vehicle Registration & Management Center Service Unit. Nakasang Service Unit, Champasak Branch, has been renamed to Meuang Khong Service Unit. For marketing, BCEL held a VISA campaign for a 33% discount for 33 merchants and a deposit promotion for BCEL customers on Valentine's Day. Last but not least, BCEL was awarded the Lao Business Leader Award 2022 by LNCCI.

3. Key financial information of BCEL

In Q1.2023, BCEL has achieved the business performance as follows:

- Assets/Liabilities: 99.462.777 million LAK, completed 99,99% of the 2023 annual plan and increased by 33,45% compared to the same period of last year.
- Loans: 42.444.287 million LAK, completed 84,80% of the 2023 annual plan and increased by 35,61% compared to the same period of last year.
- NPL rate: 3,49%.
- Deposits: 91.407.313 million LAK, exceeded 0,45% of the 2023 annual plan and increased by 35,17% compared to the same period of last year.
- Capital: 2.483.790 million LAK, completed 90,65% of the 2023 annual plan and increased by 26,21% compared to the same period of last year.
- Profit/(Loss) Before Tax: 142.689 million LAK, completed 57,08% of the 2023 annual plan.
- Profit/(Loss) After Tax: 126.194 million LAK, completed 63,10% of the 2023 annual plan.

III. Overview of BCEL

- Locations and networks

The Bank's Head Office is located on No.01, Pangkham Street, Ban XiengNheun, Chanthabouly District, Vientiane, Lao PDR. As of 31 March 2023, the Bank has 1 Head Office, 6 joint ventures, 20 branches, 97 service units, and 11 exchange units all over the Lao PDR.

Contact

- Telephone (+856-21) 213200 or Call Center 1555
- Fax (+856-21) 213202
- Email: bcelhqv@bcel.com.la
- Website: www.bcel.com.la

- History of BCEL

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

BCEL) was established in accordance with the Decision on Bank Establishment No. 129/BOL dated 01 November 1989. 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 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.

On 17 August 2017, BCEL succeeded the recapitalization by public offering and right offering to the existing shareholders. BCEL operated under the new Decision no. 21/BOL dated 13 September 2017 issued by Bank of Lao PDR. On 15 September 2017, Lao Securities Exchange certified that BCEL increased its registered capital in the amount of 355.728.500.000 LAK (71.145.700 shares) according to certificate No. 01/LSX dated 15 September 2017. At that time, BCEL also had received the new amended Business License no. 0429 dated 18 May 2018 issued by the Ministry of Industry & Commerce.

On 11 October 2019, the Lao Securities Commission Office granted BCEL permission for restructuring BCEL's shareholders structure by offering more room to the public and the existing shareholders. The purpose of the restructuring aimed to diversify the shareholders, growth, and stability strengthening. On 29 November 2019, the Lao Securities Commission Office issued a certificate endorsing the offering completion of 10% of BCEL's shares.

At present, BCEL's shareholder structure consists of 60% held by the government, domestic investors (including BCEL's employees), 30% held by foreign investors, and 10% held by BCEL's strategic partner.

The main activities of BCEL are to provide banking services including fund mobilization and deposit-taking for short-term, medium-term, and long-term 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, payment services, international trade services, bank guarantee services, precious metal trading and other banking services allowed by the Bank of the Lao PDR such as insurance broker service.

Registered Capital

The registered capital of BCEL as of 31 March 2023 is 1.038.617 million LAK (31 December 2022: 1.038.617 million LAK)

IV. The organizational structure of the Board of Directors, Management, and the operations of the committees supervised by the Board of Directors

1. The Structure and Profiles of the Board of Directors

1.1. The Board of Directors of BCEL

The Board of Directors of BCEL, as of 31 March 2023, consists of 8 members as follows:

Name and surname	Position	Date of designation
Mr. Khamsouk Sundara	Independent Director, Vice Chairman, Acting Chairman	29th Oct 2021 (reappointed)
Mme. Saysamone Chanthachack	Director	22nd November 2022
Mr. Stephane Mangiavacca	Director	29th May 2020
Mr. Pasomphet Khamtanh	Director	3rd August 2021
A./Prof Mr. Thongphet Chanthanivong	Independent Director	3rd August 2021
Mrs. Latdavanh Songvilay	Independent Director	3rd August 2021
Mr. Sonexay Silaphet	Independent Director	3rd August 2021
Mr. Viengsouk Chounthavong	Director	27th April 2018

1.2.The Profiles of the Board of Directors



Khamsouk SUNDARA
Vice Chairman

Personal Information:
Date of Birth: 03 June 1945
Nationality: Lao
Language: 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 the UN Institute of Economic Management in Bangkok, Thailand.
1969: Graduated from High School and University in Australia (Bachelor of Arts from the 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 Background:
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.

Professional 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

Education Background:
1996 – 1999: Ecole Nationale Superieure des Mines de Saint-Etienne,

- Engineering Diploma with honors
- Joined an exchange program in Environmental Engineering, University of New Brunswick in Canada
- Undergraduate and graduate classes in Economics

Professional Experience:
01/2020 – present: Head of International, BRED Banque Populaire, France
2009 – 2010: Chief Risk & Compliance Officer, BRED Banque Populaire, France
2001 – 2009: Executive at Central Audit, Banque Populaire - Natixis - Coface (now BPCE GROUP), France
1999 – 2001: French Trade Commission, French Ministry of Economy and Finance, Guangzhou, China
1999: Intern, EDF, French Company of Electricity, Lyon, France
1998: Intern, The Yokohama Rubber Company, Hiratsuka, Japan
1997: Intern, Pechiney-Aluminium, lssoire, France



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 in Economics and Business from Kyung Hee University in South Korea.
1987-1993: Bachelor's 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 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 the Faculty of Economics and Business Administration, National University of Laos.

Education Background:
2018-2021: Ph.D. 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's 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 for PostGraduate 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 Masters's and Bachelor's courses in the subjects: Business, Accounting, Finance and Banking, and Economics at the National University of Laos.
- Guest speakers for the MBA course at Khonekhane University, Thailand.
- Trainer on IFRS and AIS



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 the 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.

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

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

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

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



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).

Professional 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



Viengsouk Chounthavong
Director

Personal Information:

Date of Birth: 15 August 1964
Nationality: Lao
Languages: Lao, English, and Czech
Designation: Deputy Managing Director of BCEL

Education Background:

2007: 45 days Political Theory Course, Politics and Administration School
1982-1989: Master's 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.

2. The Management Team

2.1.The Board of Management

The Board of Management of BCEL, as of 31 March 2023, consists of 6 members as follows:

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

2.2.Biography of the Management Team



Saysamone Chanthachack

Managing Director

Personal Information:

Date of birth: 15/03/1969

Nationality: Lao

Language: Lao, English

Designation: Managing Director of BCEL

Education Background:

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.

Professional 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.



Nanthalath Keopaseuth

Deputy Director

Personal Information:

Date of birth: 16/08/1978
Nationality: Lao
Language: Lao, English, and Chinese
Designation: Deputy Director of BCEL

Education Background:

2008–2010: Masters's Degree in 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's 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.



Kongsack SOUPHONESY

Deputy Director

Personal Information:

Date of Birth : 12/11/1977

Nationality : Lao

Language : Lao, English

Designation : Deputy Managing Director of BCEL

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



Viengsouk Chounthavong
Deputy Director

Personal Information:

Date of Birth: 15 August 1964
Nationality: Lao
Languages: Lao, English, and Czech
Designation: Deputy Managing Director of BCEL

Education Background:

2007: 45 days Political Theory Course, Politics and Administration School
1982-1989: Master's 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.



Bouaphayvanh Nandavong
Deputy Director

Personal Information:
Date of Birth : 26/11/1971
Nationality : Lao
Language : Lao, English
Designation : Deputy Managing Director of BCEL

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 Director

Personal Information:
Date of Birth : 11/02/1972
Nationality : Lao
Language : Lao, Englis, French
Designation : Deputy Managing Director of BCEL

Education Background:
2014: Master's 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

3. Operation of the Board of Directors and the Committees of the Board of Directors

3.1. The meetings of the Board of Directors

In 1Q2023, the Board of Directors held 1 Ordinary Meeting and approved some of the matters via circular letters as follows.

- Resolved to approve the audit result of the financial report of the year 2022 in order to propose to the shareholders' meeting for approval.
- Determined the record date of shareholder register book to determine the right of the shareholder to participate in the AGM of the Shareholders 2022.
- Approved the record date of shareholder register book to determine the right of the shareholders to receive the payment of the dividends.
- Approved the agendas in the AGM of the Shareholders for the year 2022.
- Approved the allocation of profits for the year 2022 in order to propose to the shareholders' meeting for approval.
- Approved the appointment of the Chairman of BCEL's Board of Directors in order to propose to the shareholders' meeting for approval;
- Approved the business plan for the year 2023 in order to propose to the shareholders' meeting for approval.
- Approved the selection of the independent audit firm for the year 2023 in order to propose to the shareholders' meeting for approval;
- Approved the loan applications under the approval authority of the Board of Directors for 2 customers.

3.2. Risk Management Committee

The committee has paid attention to supervising the research and development of the regulations and policies on risk management. The committee also approved the policies and regulations related to risk management and followed up on the implementation of the Basel 2 project which has been implemented since 2018. The Committee has held the meeting as regular practice as stipulated in the regulation. In 1Q2023, the Committee held 1 meeting with the following matters have been discussed:

- Acknowledged the report on the implementation of risk management and the Basel 2 project for the 4Q2022;
- Resolved on the process for seeking approval from the committee that in case of an urgent request, such a request can be made via a circular letter.

3.3. Nomination & Remuneration Committee

The Committee worked closely on the selection of high-ranking officers and executives and the organizational structure of BCEL's management from time to time. Moreover, the Committee worked on the amendment of the salary and remuneration of BCEL's employees from the working level to the C-level in accordance with BCEL's policies and with the aim of serving the best interests of BCEL and its shareholders.

3.4. Corporate Governance Committee

The Committee worked closely on maintaining the business performance of BCEL, especially loan customers expansion, solving NPL, and the treasury from time to time. Besides, the Committee has followed up on the performance of the bank, the implementation of the annual plan, the long-term strategic plans, working plans, and projects. The Committee also worked on human resource development. In 1Q2023, the Committee opened 1 meeting with the following matters:

- Acknowledged the report of the business performance for the year 2022 and the report of the business performance for 1Q2023.
- Approved the business targets of the plan for the year 2023 in order to report to the Board of Directors.
- Approved the plan for organizing the BOD's meeting and the Shareholder's meeting in order to report to the Board of Directors.

3.5. Audit Committee

Audit Committee supervised the area of internal audit and policymaking regarding the internal audit, the selection of an independent audit firm, and the coordination with the authorized and state auditors. The Committee also worked closely on resolving the audit findings and the recommendation of the auditor. The Committee pushed BCEL complying its accounting system along with the determined principle and regularly monitored the disclosure in accordance with the regulation of disclosure. The Committee held regular meetings as stipulated in BCEL's regulation. In the first quarter of 2023, the Committee held 1 meeting and discussed the following matters:

- Acknowledged the financial reports: the 2022 financial report (pre-audit), the Divisions and Branches' account audit report, the report on the implementation of the IFRS, the disclosure, and the 2022 report of the internal audit.
- Approved, in principle, the dividends from the profit for the year 2022 which will be 100 LAK/share which will be proposed to BOL for the execution approval and will be proposed in the BOD's meeting and the Shareholder's meeting.
- Approved, in principle, the selection of PwC as an independent auditor of BCEL for the year 2023 in order to report to the BOD's meeting and the Shareholder's meeting.

V. Corporate Social Responsibility

1. Tax payment

In the 1st quarter of 2023, BCEL paid tax in the total amount of 8.346 million LAK by the following details.

	Description	1Q2023	2022
1	Profit Tax	-	5.719,72
2	Value Added Tax	541,80	3.813,74
3	Salary Tax	7.601,74	23.123,86
4	Consumption Tax	-	-
5	Offshore Corporate Profit Tax	203,27	755,72
6	Other taxes	-	6.998,84
Total		**8.346,81**	**40.411,88**

2. Corporate Social Responsibility

Along with the business operation and the other tasks implementation, the management and the staff of BCEL have greatly contributed to the work related to Corporate Social Responsibility (CSR), which has been one of the key elements in the core values of BCEL, the detail is as follows:

By applying BCEL's potential in technology and advancements, BCEL has developed a product for CSR named "BCEL OneHeart", an intermediary platform for donation that supports both the donors and the recipients. For 1Q2023, there were 3 projects: The Fund-Raising Project to support the construction of the students' dormitories at the Elementary and Secondary School of Phuhuad, Nga District, Oudomxay Province; the 20.000 LAK project; and the fundraising to support Tou Bia, the victim of the house fire incident. The donation was valued at a total of 68,52 million LAK from 1.158 donations.

Moreover, BCEL has been supporting many areas in society, such as education and sport, the healthcare sector, the victims of natural disasters, and special events of the nation, in the form of cash and materials. In 1Q2023, BCEL's support reached 27 events in a total amount of 291,42 million LAK.

Managing Director

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

Saysamone CHANTHACHACK

BANQUE POUR LE COMMERCE EXTERIEUR
LAO PUBLIC

INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE-MONTH PERIOD OF QUARTER I ENDED
31 March 2023

CONTENTS	PAGES
Statement of income	1
Statement of comprehensive income	2
Statement of financial position	3
Statement of changes in equity	4
Statement of cash flows	5 - 6
Condensed notes to the interim financial information	7 - 20

Banque pour le commerce exterieur lao public

Statement of income (Unaudited)
For the Three-month period of quarter I ended 31 March 2023

	Notes	For the three-month period of quarter I ended 31 March 2023 LAKm	For the three-month period of quarter I ended 31 March 2022 LAKm
Interest incomes		791.583	515.753
Interest expenses		(513.894)	(416.135)
Net interest incomes	5	**277.689**	**99.618**
Fee and commission incomes		147.310	102.362
Fee and commission expenses		(51.303)	(18.532)
Net fee and commission incomes	6	**96.007**	**83.830**
Net gain/(loss) from dealing in foreign currencies		52.624	(15.542)
Other operating income		81.532	23.434
Total operating income		**507.852**	**191.340**
Credit loss expense of loans to customers		(214.125)	(211.443)
impairment losses of financial asset		(384)	-
NET OPERATING INCOME		**293.343**	**(20.103)**
Personnel expenses		(80.429)	(74.000)
Depreciation and amortization		(23.859)	(23.681)
Depreciation of right-of-use assets		(2.200)	(1.955)
Other operating expenses	7	(51.227)	(44.034)
Total operating expenses		**(157.715)**	**(143.670)**
Share of profit and loss of associates and joint ventures		7.061	4.568
PROFIT BEFORE TAX		**142.689**	**(159.205)**
Income tax		(16.495)	-
NET PROFIT FOR THE PERIOD		**126.194**	**(159.205)**
Earnings per share (LAK)	8	**608**	**(766)**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department

Approved by:

Mr. Khammone Vansana
Deputy Chief of Internal Audit Department

Approved by:

Mr. Saychit Simmavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 10 May 2023

The accompanying notes on pages 7 to 20 form an integral part of these interim financial information

Statement of comprehensive income (Unaudited)
For the three-month period of quarter I ended 31 March 2023

	For the three-month period of quarter I ended 31 March 2023 LAKm	For the three-month period of quarter I ended 31 March 2022 LAKm
NET PROFIT FOR THE PERIOD	**126.194**	**(159.205)**
OTHER COMPREHENSIVE INCOME		
Remeasurement loss on defined benefit plan	(455)	(3.391)
PL-Profit tax related to components of other comprehensive income	91	-
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD, NET OF TAX	**(364)**	**(3.391)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**125.830**	**(162.596)**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department

Approved by:

Mr. Khammone Vansana
Deputy Chief of Internal Audit Department

Approved by:

Mr. Saychit Simmavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 10 May 2023

The accompanying notes on pages 7 to 20 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Statement of financial position (Unaudited)
For the three-month period of quarter I ended 31 March 2023

	Notes	31 March 2023 LAKm	31 December 2022 LAKm
ASSETS			
Cash and balances with Bank of the Lao PDR		32.749.791	27.786.294
Due from banks	9	11.920.104	11.855.719
Loans to customers	10	46.722.938	47.235.372
Financial investments - Available-for-sale	11	89.739	90.123
Financial investments - Held-to-maturity	12	4.594.633	4.967.151
Investments in associates and joint ventures	13	696.369	691.081
Property and equipment	14	531.042	540.325
Intangible assets	15	281.146	283.285
Right-of-use assets		57.934	52.028
Deferred tax assets		121.548	116.520
Other assets		1.697.533	875.117
TOTAL ASSETS		**99.462.777**	**94.493.015**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	16	6.784.338	6.639.183
Due to customers	17	85.667.455	80.994.071
Borrowings from other banks	18	4.068.824	4.105.783
Current tax liabilities		37.619	21.907
Lease liabilities		25.076	26.553
Other liabilities		395.675	347.558
TOTAL LIABILITIES		**96.978.987**	**92.135.055**
EQUITY			
Share capital	19	1.038.617	1.038.617
Statutory reserves	20	836.635	836.635
Other comprehensive items		8.676	9.040
Retained earnings		599.862	473.668
TOTAL EQUITY		**2.483.790**	**2.357.960**
TOTAL LIABILITIES AND EQUITY		**99.462.777**	**94.493.015**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department

Approved by:

Mr. Khammone Vansana
Deputy Chief of Internal Audit Department

Approved by:

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

Mr. Saychit Simmavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 10 May 2023

The accompanying notes on pages 7 to 20 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Statement of changes in equity (Unaudited)
For the three-month period of quarter I ended 31 March 2023

	Share capital LAKm	Statutory reserves LAKm	Remeasurement of post-employment benefit reserve LAKm	Remeasurement of financial investment-Available-for-sale LAKm	Retained earnings LAKm	Total LAKm
Balances as at 31 December 2022	**1.038.617**	**836.635**	**9.040**	**-**	**473.668**	**2.357.960**
Net profit for the period	-	-		-	126.194	126.194
Remeasurement of post-employment benefit reserve	-	-	(455)	-	-	(455)
Profit tax related to components of other comprehensive income	-	-	91	-	-	91
Balances as at 31 March 2023	**1.038.617**	**836.635**	**8.676**	**-**	**599.862**	**2.483.790**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department

Approved by:

Mr. Khammone Vansana
Deputy Chief of Internal Audit Department

Approved by:

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

Mr. Saychit Simmavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 10 May 2023

The accompanying notes on pages 7 to 20 form an integral part of these interim financial information

Statement of cash flows (Unaudited)
For the three-month period of quarter I ended 31 March 2023

	Notes	For the three-month period of quarter I ended 31 March 2023 LAKm	For the three-month period of quarter I ended 31 March 2022 LAKm
OPERATING ACTIVITIES			
Profit before tax		**142.689**	**(159.205)**
Adjustments for:			
Depreciation and amortization charges	14,15	23.860	23.681
Depreciation of right-of-use assets		2.200	1.955
Expense for impairment losses	10	214.125	211.443
Impairment loss on financial investments – Available-for sale		-	(1.535)
Share of profit and loss of associates and joint ventures	13	(7.061)	(4.568)
Defined post-employment benefit expense		17.368	-
Changes in provision for impairment loss on investment securities		384	-
Unrealise loss on exchange rate		(80.962)	137.746
Loss on disposal/write off		169	-
Interest incomes		(791.583)	(515.753)
Interest expenses		513.894	416.135
Cash flows from operating profit before changing in operating assets and liabilities		**35.083**	**109.901**
Changes in operating assets			
Net change in balances with other banks		(3.743.410)	(2.292.298)
Net change in loans to customers		93.484	(262.929)
Net change in investment -Available-for-sale		-	(1.534)
Net change in financial investment - Held-to-maturity		-	(1.212)
Net change in other assets		(796.366)	122.123
Changes in operating liabilities			
Net change in due to other banks		173.205	787.682
Net change in due to customers		4.664.630	5.050.245
Net change in Borrowing from other banks		-	(88.310)
Net change in Lease liabilities		-	(27.417)
Net change in other liabilities		40.930	261.756
Interest received		1.018.689	(963.853)
Interest paid		(497.117)	(139.792)
Tax paid during the period		(5.720)	-
Net cash flows generated from operating activities		**983.408**	**2.554.363**
INVESTING ACTIVITIES			
Purchase and construction of fixed assets		(9.957)	(21.696)
Purchase of intangible asset		(759)	(239)
Proceeds from disposals of fixed assets		6.175	296
Purchase of right-of-use assets		(12.192)	6.460
Payment for associates and joint venture investments	13	-	(2.040)
Dividends received from associates and joint venture investment		1.773	-
Payment from investment in financial investments – hold to maturity	12	-	(27.821)
Proceed from investment in securities		415.980	-
Net cash flows used in investing activities		**401.020**	**(45.039)**

The accompanying notes on pages 7 to 20 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Statement of cash flows (Unaudited)
For the three-month period of quarter I ended 31 March 2023

	Notes	For the three-month period of quarter I ended 31 March 2023 LAKm	For the Three-month period of quarter I ended 31 March 2022 LAKm
FINANCING ACTIVITIES			
Payment on lease liabilities		(14.222)	21.164
Net cash flows used in financing activities		**(14.222)**	**21.164**
Net increase in cash and cash equivalents		**1.370.205**	**2.530.488**
Cash and cash equivalents at the beginning of the period		**35.715.071**	**25.867.759**
Cash and cash equivalents at the end of the period	21	**37.085.276**	**28.398.247**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department

Approved by:

Mr. Khammone Vansana
Deputy Chief of Internal Audit Department

Approved by:

Mr. Saychit Simmavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 10 May 2023

The accompanying notes on pages 7 to 20 form an integral part of these interim financial information

1. REPORTING ENTITY

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

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

The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Capital, Lao PDR, as at 31 March 2023. 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 are to provide banking services including:

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

The shareholding structure of the Bank as at 31 March 2023 is as follows:

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

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

The interim financial information was authorized for issue by BCEL Directors on 10 May 2023.

2. SIGNIFICANT EVENTS DURING THE CURRENT PERIOD

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.

2. SIGNIFICANT EVENTS DURING THE CURRENT PERIOD (CONTINUED)

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. BASIS OF ACCOUNTING

The interim financial information was prepared in accordance with the Bank's accounting policies as described in more detail in the annual financial statements for the year ended 31 December 2022. The primary financial statements (i.e. statements of financial position, income, comprehensive income, cash flows and changes in equity) are presented in a format consistent with the annual financial statements and comply with the reporting and disclosure regulations issued by the Lao Securities Commission Office (LSCO).

The interim financial information should be read in conjunction with the annual financial statements for the year ended 2022 and financial statements of three-month 2022.

The preparation of financial information requires management to make estimates and assumptions that affect the reported assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial information and the revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

4. ACCOUNTING POLICY

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2022.

5. NET INTEREST INCOMES

	For the three-month period of quarter I ended 31 March 2023 LAKm	For the three-month period of quarter I ended 31 March 2022 LAKm
Interest incomes:		
Lending to customers	651.748	402.346
Deposits at other banks	68.736	33.259
Investment - Hold-to-maturity	71.099	73.433
Other interest income and similar income	-	6.715
	791.583	**515.753**
Interest expenses:		
Due to other banks	(57.353)	(54.507)
Customer deposits	(456.541)	(361.628)
	(513.894)	**(416.135)**
Net interest incomes	**277.689**	**99.618**

6. NET FEES AND COMMISSION INCOMES

	For the three-month period of quarter I ended 31 March 2023 LAKm	For the Three-month period of quarter I ended 31 March 2022 LAKm
Fees and commission incomes from:		
Settlement services	125.388	84.360
Credit activities	879	1.392
Other activities	21.043	16.610
	147.310	**102.362**
Fees and commission expenses for:		
Settlement services	(24.361)	(10.366)
Other activities	(26.942)	(8.166)
	(51.303)	**(18.532)**
Net fees and commission incomes	**96.007**	**83.831**

7. OTHER OPERATING EXPENSES

	For the three-month period of quarter I ended 31 March 2023 LAKm	For the three-month period of quarter I ended 31 March 2022 LAKm
Deposit Insurance paid to Depositor Protection Fund	19.991	14.356
Repair and maintenance	6.218	5.685
Stationery and office materials	4.992	4.079
Insurance expense	2.316	2.028
Telecommunication	2.648	2.238
Utilities	2.108	1.822
Others	12.954	13.826
	51.227	**44.034**

8. EARNINGS PER SHARE

The calculations of basic earnings per share as at 31 March 2023 and 2022 were based on the profit for the period attributable to ordinary shareholders of the Bank and the weighted average number of ordinary shares outstanding during the period as follows:

	For the three-month period of quarter I ended 31 March 2023	For the three-month period of quarter I ended 31 March 2022
Profit attributable to ordinary shareholders of the Bank (LAKm)	126.194	(159.205)
Weighted average number of ordinary shares for basic earnings per share (shares)	207.723.300	207.723.300
Earnings per share (LAK)	608	(766)

Net operating profit for the three-month period of quarter I ended 31 March 2023 is LAK 119.133 million which loss per share is 574 LAK per share and operating loss For the three-month period of quarter I ended 31 March 2022 was LAK (163.773) million which loss per share was (788) LAK per share.

9. DUE FROM BANKS

	Unaudited 31 March 2023 LAKm	Audited 31 December 2022 LAKm
Current and saving accounts	**7.087.329**	**7.033.415**
- In LAK	10.749	255.257
- In foreign currencies	7.076.580	6.778.158
Term deposits	**4.790.050**	**4.722.038**
- In LAK	2.685.000	3.105.000
- In foreign currencies	2.105.050	1.617.038
Accrued interest receivable	42.725	**100.266**
	11.920.104	**11.855.719**

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

	31 March 2023 % Per annum	31 December 2022 % Per annum
Demand deposits	0,07 - 1,20	0,15 - 1,20
Saving deposits	0,07 - 2,16	2,16
Term deposits	3,50 - 7,50	2,00 - 7,50

10. LOANS TO CUSTOMERS

	Unaudited 31 March 2023 LAKm	Audited 31 December 2022 LAKm
Gross loans	42.444.287	42.808.801
Less: Allowance for impairment losses	(1.771.562)	(1.809.562)
Accrued interest receivable	6.050.213	6.236.133
	46.722.937	**47.235.372**

Changes in the allowance for impairment losses of loans to customers during the three-month ended 31 March 2023 as follows:

	LAKm
Balance as at 1 January 2023 - audited	**1.809.562**
Net change during the period	214.777
Non-performing loans written-off	(244.049)
Foreign exchange differences	(8.728)
Balance as at 31 March 2023 - unaudited	**1.771.562**

Break down of allowance for impairment losses of loans to customers as at 31 March 2023 are as follows:

	31 March 2023		31 December 2022	
	Outstanding balance LAKm	Impairment LAKm	Outstanding balance LAKm	Impairment LAKm
Individually impaired	5.611.890	1.470.992	5.764.485	1.586.358
Collectively impaired	36.832.397	300.571	37.044.316	223.205
	42.444.287	**1.771.562**	**42.808.801**	**1.809.562**

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

	31 March 2023 % Per annum	31 December 2022 % Per annum
Loans denominated in LAK	3,00 - 16,00	5,00 - 16,00
Loans denominated in USD	4,99 - 16,00	4,99 - 16,00
Loans denominated in THB	6,00 - 11,50	6,00 - 11,50

10. LOANS TO CUSTOMERS (CONTINUED)

Analysis of loan portfolio by currency:

	Unaudited 31 March 2023 LAKm	Audited 31 December 2022 LAKm
Loans denominated in LAK	12.960.065	12.763.474
Loans denominated in USD	24.181.143	24.790.269
Loans denominated in THB	5.303.079	5.255.058
	42.444.287	**42.808.801**

Analysis of loan portfolio by original maturity:

	Unaudited 31 March 2023 LAKm	Audited 31 December 2022 LAKm
Short-term loans	4.540.712	4.560.760
Medium-term loans	24.791.137	24.929.587
Long-term loans	13.112.438	13.318.454
	42.444.287	**42.808.801**

11. FINANCIAL INVESTMENTS - AVAILABLE-FOR-SALE

The Bank has investment in share of EDL-Generation Public Company which is a listed company on LSX and the fair value at 31 March 2023 is LAK 89.739 million.

12. FINANCIAL INVESTMENTS - HELD-TO-MATURITY

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

	LAKm
Balance as at 1 January 2023 - audited	**4.967.151**
Additions	37.900
Amortise during the period	5.564
Collection	(415.980)
Balance as at 31 March 2023 - unaudited	**4.594.633**

13. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Significant movement of investment in associates and joint ventures is as below:

	LAKm
Balance as at 1 January 2023 - audited	**691.081**
Share of profit and loss of associates and joint ventures	7.061
Invest in associates and joint venture	-
Less: Dividends received during the period	(1.773)
Balance as at 31 March 2023 - unaudited	**696.369**

Investment in associated and joint ventures as at 31 March 2023 were as follows:

	Ownership interest		Cost		Equity	
	31 March 2023	31 December 2022	Unaudited 31 March 2023	Audited 31 December 2022	Unaudited 31 March 2023	Audited 31 December 2022
	(%)		LAKm			
BCEL - Krung Thai Securities Company Limited	70	70	70.000	70.000	76.786	76.392
Lao Viet Joint Venture Bank	25	25	197.839	197.839	264.485	260.080
Banque Franco - Lao Limited	30	30	138.000	138.000	149.316	148.156
Lao China Bank Company Limited	39,87	39,87	151.458	151.458	181.642	181.030
Lao-Viet Insurance Joint Venture Company	35	35	9.168	9.168	16.321	17.549
Lao National Payment Network Company Limited	20	20	6.800	6.800	7.818	7.874
Total			**573.265**	**573.265**	**696.369**	**691.081**

14. PROPERTY AND EQUIPMENT

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

	LAKm
Balance as at 1 January 2023- audited	**540.325**
Additions*	13.188
Transfer to other assets	(1.121)
Write off/Disposal, net	(388)
Depreciation charge	(20.962)
Balance as at 31 March 2023 - unaudited	**531.042**

* In this period, the most additions to property and equipment were servers, IT equipment, money sorting machine etc.

15. INTANGIBLE ASSETS

Movements of intangible asset for the period are as follows:

	LAKm
Balance as at 1 January 2023 - audited	**283.285**
Additions	758
Depreciation charge	(2.896)
Balance as at 31 March 2023 - unaudited	**281.146**

16. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 31 March 2023 LAKm	Audited 31 December 2022 LAKm
Demand deposits	**5.924.721**	**5.260.211**
- In LAK	1.935.702	1.744.986
- In foreign currencies	3.989.019	3.515.225
Saving deposits	**291.617**	**356.226**
- In LAK	133.740	94.772
- In foreign currencies	157.877	261.454
Term deposits	**545.329**	**975.367**
- In LAK	233.585	238.485
- In foreign currencies	311.744	736.882
Others	**21.060**	**17.718**
- In LAK	14.223	17.689
- In foreign currencies	6.837	29
Accrued interest payable	**1.611**	**29.661**
	6.784.338	**6.639.183**

16. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS (CONTINUED)

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

	31 March 2023 % Per annum	31 December 2022 % Per annum
Demand deposits	0,00 – 0,30	0,00 – 0,30
Saving deposits	No interest	No interest
Term deposits	2,50 – 3,50	0,56 – 6,65

17. DUE TO CUSTOMERS

	Unaudited 31 March 2023 LAKm	Audited 31 December 2022 LAKm
Demand deposits	**11.244.751**	**10.938.271**
Demand deposits in LAK	4.401.429	4.438.412
Demand deposits in FC	6.843.322	6.499.859
Savings deposits	**46.513.746**	**42.874.328**
Demand saving deposits in LAK	20.695.134	17.924.403
Demand saving deposits in FC	25.818.612	24.949.925
Term deposits	**26.754.438**	**26.007.200**
Term deposits in LAK	9.301.420	8.885.920
Term deposits in FC	17.453.018	17.121.280
Margin deposits	**132.710**	**370.732**
Margin deposits in LAK	35.683	290.574
Margin deposits in FC	97.026	80.158
Other payables to customers	**349.206**	**139.691**
Accrued interest payable	**672.604**	**663.849**
	85.667.455	**80.994.071**

Saving deposits from customers denominated in LAK, USD, THB and CNY bear interest at rate ranging of 1,25% – 1,60%, 0,60% - 1,00%, 0,45% – 0,55% and 0,00% - 0,20% per annum respectively.

Fixed term deposits in LAK, USD, THB and CNY have terms of 3, 6, 9, 12 months and more than 1 year and are subject to interest rates ranging of 3,16% – 7,00%, 1,35% - 7,75%, 1,10% – 7,55% and 1,00% - 1,30% per annum respectively.

18. BORROWINGS FROM OTHER BANKS

Movements in long term borrowings as at 31 March 2023 were as follow:

	LAKm
Balance as at 1 January 2023 - audited	**3.635.601**
Additions	-
Repayments	-
Loss on exchange rate	(72.234)
Accrued interest payable	505.457
Balance as at 31 March 2023 - unaudited	**4.068.824**

	Unaudited 31 March 2023 LAKm	Audited 31 December 2022 LAKm
Borrowings from the BOL	3.542.367	3.614.601
Borrowings from others bank	21.000	21.000
Total	**3.563.367**	**3.635.601**
Accrued interest payable	505.457	470.182
	4.068.824	**4.105.783**

19. SHARE CAPITAL

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

20. STATUTORY RESERVES

There has been no change to Statutory Reserves during the period.

21. ADDITIONAL CASH FLOW INFORMATION

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

	Unaudited 31 March 2023 LAKm	Unaudited 31 March 2022 LAKm
Cash and cash equivalents on hand	4.632.314	3.430.036
Demand deposits with the BOL	24.400.633	16.779.784
Current accounts with other banks	7.087.328	7.237.489
Term deposit due within 90 days	965.000	950.937
	37.085.276	**28.398.247**

22. COMMITMENTS

	31 March 2023 LAKm	31 December 2022 LAKm
Un-drawn commitments to lend for customers (ii)	7.905.779	2.890.791
Letter of credit and bank guarantees (i)	401.478	796.757
At sight letters of credit	739.074	698.175
Deferred payment letters of credit	81.171	-
	9.127.502	**4.385.723**

(i) Letter of credit and bank guarantees

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

(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.

23. CAPITAL MANAGEMENT

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

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

- Tier 1 capital. which includes charter capital. regulatory reserve fund. business expansion fund and other funds. and retained earnings;
- Tier 2 capital. which is the lower of: 1,25% of total risk weighted balance sheet items; or outstanding balance of general provision and provision for risk and other expense during the six-month period.

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

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

	31 March 2023 LAKm	31 December 2022 LAKm
Tier 1 capital	2.483.790	2.357.960
Tier 2 capital		-
Total capital	**2.483.790**	**2.357.960**
Less: Deductions from capital (Investments in other entities)	(696.369)	(691.081)
Capital for CAR calculation (A)	**1.787.421**	**1.666.879**
Risk weighted balance sheet items	24.599.590	24.106.080
Risk weighted off balance sheet items	4.837.537	2.408.986
Total risk weighted assets (B)	**29.437.127**	**26.515.066**
Capital Adequacy Ratio (A/B)	**6,07%**	**6,29%**

24. RELATED PARTY DISCLOSURES

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

Information on the Bank's interests in associated and joint ventures is provided in Note 13.

b) Significant transactions as at 31 March 2023 with related parties were as follows:

	31 March 2023 LAKm	31 March 2022 LAKm
Interest income and other		
Parent company	71.498	82.447
Interest expense and other		
Related party	(46.619)	(30.989)

Transactions with key management personnel of the Bank

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

	31 March 2023 LAKm	31 March 2022 LAKm
Salaries	508	451
Responsibility allowance	239	268
	747	**719**

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

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

	31 March 2023 LAKm	31 December 2022 LAKm
Receivables		
Parent company	4.673.552	5.051.632
Associate and Joint venture	100.000	309.308
Related party	26.433.154	25.646.355
Payables		
Associate and Joint venture	1.924.557	1.968.187
Related party	4.047.055	4.084.469