ທະນາຄານການຄ້າຕ່າງປະເທດລາວ ມະຫາຊົນ
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC



Report on BCEL's Business Performance

Financial Statement for the Three-Month Period of Quarter III Ended 30 September 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. Mission

BCEL's vision is to become a strong and modern bank that meets international standards. To achieve this vision, BCEL has the following key missions: to develop strong corporate governance that adapts to the changing times; to strengthen its financial stability and comply with Basel 2 principles; to improve its IT system and technology for better banking services; to manage its information system with accuracy, transparency, speed, and adherence to international standards; and to enhance its staff's expertise, customer experience, and shareholder sustainable value through human resource development that supports its new vision.

❖ **Plans and Projects for 2023**

In its pursuit to evolve and maintain sustainable growth, with the aim of becoming a leading bank that adheres to modern and international banking practices within the Lao PDR, BCEL has outlined its development strategies for the year 2023. These strategies encompass the directions, objectives, and detailed implementation plans, which are organized into 11 distinct Plans and 38 specific Projects.

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

- Financial Management and 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.
- Developing corporate governance in accordance with international Standards: 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.
- Developing the products to transform the digital banking services: 2 projects.

- **Strategy 3: Strengthen the governance and the international standard services (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 Standards: 2 projects.
- The Development of the PCI Compliance or Payment Card Industry Data Security Standard.

II. Financial Position and Highlights

1. Lao Macro-Economy and Trends in the Future

In the nine months of 2023, the Lao economy saw a growth in its Gross Domestic Product (GDP) at a rate of 4,4% (with Q1 at 4,8%, Q2 at 4,5%, and Q3 at 3,8%). The GDP for the entire year of 2023 is projected to grow at a rate of 4,2%, which falls short of the anticipated rate of 4,5% as outlined in the National Assembly's resolutions.

Several respected organizations have offered their predictions for Laos' economic growth. The International Monetary Fund projects a growth rate of 4%, the World Bank estimates a rate of 3,8%, and the Asian Development Bank anticipates a 4% growth rate.

However, there are several factors that contribute to the uncertainty surrounding Laos' economic growth. These include the soaring inflation rate, the fallout from the conflict between Russia and Ukraine, and the economic recovery from the Covid-19 pandemic. These challenging factors continue to apply downward pressure on growth, making it difficult to reach the targets set by the National Assembly.

Despite these challenges, there are still positive developments. The country's openness has attracted more tourists, and there appears to be a surge in agricultural production, as well as in the export of minerals and ores such as Potassium. Notable improvements in the transportation ecosystem, including the Laos-China railway and cross-border transportation and logistics, are also contributing to economic growth. These factors are expected to draw more foreign currency into the country than in the previous year, thereby contributing to economic growth.

1.1. Inflation

In the nine months of 2023, the overall inflation rate reached 33,7%, a significant increase from the 17,7% recorded in September 2022. The most substantial inflation was observed in the food and non-alcoholic beverages sector, which saw a rise of 42,8%. This was closely followed by the restaurants and hotels sector, which experienced an increase of 34,5%.

Health and medicine products weren't far behind, with an inflation rate of 31,9%. Home appliances saw a rise of 29,8%, while the communication and transportation sector experienced an increase of 27,1%. Clothing prices inflated by 26,3%, and the cost of alcohol

and cigarettes rose by 24,5%. Lastly, housing, water supply, electricity, and cooking gas saw an increase of 21,8%.[1]

The continuous upward trend in the prices of commodities and services is a clear indication of the persistent inflationary pressures.

1.2. Exchange Rate

In September 2023, the average exchange rate for USD in banks was recorded at 20.001 LAK/USD, marking a significant increase of 25,29% compared to the previous year's rate of 15.964 LAK/USD. Concurrently, the market's average exchange rate stood at 22.565 LAK/USD, reflecting a 23,22% increase from the previous year's rate of 18.313 LAK/USD.

The THB exchange rate followed a similar trend. Commercial banks recorded an average rate of 594,43 LAK/THB, a 26,91% increase from the previous year. Meanwhile, the black market's THB rate averaged at 638,81 LAK/THB, indicating a 28,11% increase (Source: Bank of the Lao PDR).

Despite the challenges posed by both internal and external factors leading to the depreciation of the LAK, the Bank of the Lao PDR (BOL) remains steadfast in its commitment to implement stringent monetary measures to stabilize the exchange rate in the last three months of 2023. Additionally, the government plans to employ regulated floating exchange rate measures to more strictly regulate the market rate.[2]

2. Highlighted Updates of BCEL

In the 3rd quarter of 2023, BCEL conducted several significant meetings and events to evaluate its business performance, financial reports, and strategic plans. These included the Business Performance Review Meeting for Q2 of 2023 and the Ordinary Board of Directors Meeting. Representatives from BCEL's Management Team also participated the Board of Directors Meeting of the Lao-Viet Bank held in Vietnam. Furthermore, BCEL engaged in a knowledge exchange session on accounting and financial reporting with 6 partner companies. The bank disclosed its financial report for the first half of 2023, audited by PwC, and established the criteria for awarding and remunerating branches implementing Key Performance Indicators (KPIs) for the year 2023. In addition, BCEL completed the determination of KPIs for branches for the year 2024. The bank also successfully distributed the 3rd BOL's bond to the public.

Systems development:

BCEL has achieved success in developing a Single Gate Tax Payment Channel that enables multi-currency payment. Additionally, the LAPNET network has integrated the BCOME service for efficient money transfer services. BCEL has also introduced two new features on BCEL One - a loan application function for consumer loans and an option for customers to purchase AGL insurance.

[1] The inflation report of September 2023
[2] Bank of Lao PDR Facebook Page, 26/10/2023

Service networks:
BCEL has opened a money changer at Oudomxay Branch and separated Xaysomboun Service Unit from Xiengkhuang Branch to be a single Service Unit, which is now under the direct supervision of the management team. Additionally, BCEL has set plans for service expansion for the year 2024.

Cooperations: BCEL signed a MOU regarding the coordination mechanism between the Office of The Supreme People's Prosecutor and BCEL.

Marketing:
BCEL has organized 5 campaigns, including the Fin & Fun campaign with MasterCard, the 10th anniversary of BCEL One promotion, the OneCash wallet for tourists, the OnePay promotion to encourage payment via OnePay, and the Lao Women Union Day promotion. BCEL was awarded four times for its outstanding business performance in VISA Client Forum 2023. The awards include the Cross-border Payment Leading Award, Leading Merchant Award, Good Acquiring Award, and Payment Leading Award.

3. Financial Highlights

- **Assets/Liabilities:** 116.378.198 million LAK, surpassed the 2023 annual plan by 17% and registered an increase of 34% compared to the same period last year.
- **Loans:** 49.004.646 million LAK, achieved 98% of the 2023 annual plan and displayed a growth of 20% compared to the same period of last year.
- **NPL rate:** 2,3%.
- **Deposits:** 106.768.288 million LAK, exceeded the 2023 annual plan by 17% and increased by 34% compared to the same period of last year.
- **Capital:** 2.555.806 million LAK, attained 93% of the 2023 annual plan and increased by 19% compared to the same period of last year.
- **Profit/(Loss) Before Tax:** 85.922 million LAK for Q3 2023 and 228.616 million LAK for the nine months of 2023, achieved 91% of the 2023 annual plan.
- **Profit/(Loss) After Tax:** 100.523 million LAK for Q3 2023 and 202.545 million LAK for the nine months of 2023, surpassed 1% 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 30 September 2023, the Bank has 1 Head Office, 6 joint ventures, 20 branches, 98 service units, and 12 exchange units all over the Lao PDR.

Contact

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- 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 30 September 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 30 September 2023, consists of 9 members as follows:

Name and surname	Position	Date of designation
Mr. Bounpone Vannachith	Chairman	27th April 2023
Mr. Khamsouk Sundara	Independent member, Vice Chairman, Acting Chairman	29th October 2021 (reappointed)
Mme. Saysamone Chanthachack	Member	22nd November 2022
Mr. Stephane Mangiavacca	Member	29th May 2020
Mr. Pasomphet Khamtanh	Member	3rd August 2021
A./Prof Mr. Thongphet Chanthanivong	Independent member	3rd August 2021
Mrs. Latdavanh Songvilay	Independent member	3rd August 2021
Mr. Sonexay Silaphet	Independent member	3rd August 2021
Mr. Viengsouk Chounthavong	Member	27th April 2018

1.2.The Profiles of the Board of Directors



Bounpone VANNACHITH
Chairman

Personal Information:
Date of Birth: 14 April 1959
Nationality: Lao
Language: English and Vietnamese
Designation: Vice Minister of Finance

Education Background:
2012: Master's Degree in Economics (Economic Management), National Academy of Political and Public Administration
2010: Bachelor's Degree in Economics (Economic Management), National Academy of Political and Public Administration
1998: Higher Diploma in Economics (Economic Management), National Academy of Political and Public Administration

Professional Experience:
02/04/2021 - present:Deputy Minister of Finance
2016-2021: Vice Chairman of the State Audit Organization
2010-2016: Vice Chairman of National Economy Development Committee, Prime Minister's Office
2005-2010: Vice Governor of Oudomxay Province
1999-2005: Chief of the Provincial Finance Office, Oudomxay Province
1995-1998: Deputy Chief of the Provincial Planning-Cooperation Office, Oudomxay Province
1989-1995: Head of the Finance Office of Meuang Houn District, Oudomxay Province
1985-1988: Deputy Head of the Economic Planning & Finance Office of Meuang Houn District, Oudomxay Province
1984-1985: Head of the Statistical Planning Office of Meuang Houng District, Oudomxay Province
1981-1984: Officer of the Statistical Planning Office of Meuang Houng, Oudomxay Province
1976 -1981: Soldier in the 28th Battalion and the 63th Office.



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:

2015: 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:

2001-2003: 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: BCEL Deputy Managing Director

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 30 September 2023, consists of 6 members as follows:

Name and Surname	Position	Date of Designation
Mrs. 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

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: BCEL Deputy Managing Director

Education Background:

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

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

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: BCEL Deputy Managing Director

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: 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 Director

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

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

During the Q3 of the year 2023, the Board of Directors held 1 Ordinary Meeting and approved some of the matters via circular letters which are as follows.

- Approved the financial report of the first 6 months of 2023 (reviewed by the auditor PWC);
- Approved the change of the technology system of the Data Center room of BCEL from a Traditional Data Center to a Modular Data Center;
- Approved the value of additional works and the revised value of the construction project of BCEL's Data Center at Phase 1;
- Approved the revised policy for BCEL's employees;
- Approved the plan for organizing the Board of Directors meetings
- Approved the repositioning of some officers within the Divisions and Branches;
- Approved loan applications under the approval authority of the Board of Directors for customers.

3.2. Risk Management Committee

The committee has been overseeing the research and development of regulations and policies on risk management. It has also approved policies and regulations related to risk management and has been monitoring the implementation of the Basel 2 project since its launch in 2018. The committee has been holding regular meetings as stipulated in the regulations. In Q3 of 2023, the committee held one meeting where the following matters were discussed:

- Acknowledged the report on the implementation of risk management and the Basel 2 project;
- Amended the guideline on the loss report and incorporated it into BCEL's loss and risk operation report system (amended in 2023).
- Amended the policy on the Internal Capital Adequacy Assessment (ICAAP)

3.3. Nomination & Remuneration Committee

The Committee closely collaborated on the selection of high-ranking officers and executives, as well as the organizational structure of BCEL's management, on an ongoing basis. Additionally, the Committee worked on amending the salary and remuneration of BCEL's employees, ranging from working-level to C-level, in accordance with BCEL's policies and with the goal of serving the best interests of BCEL and its shareholders. During Q3 2023, the committee approved the repositioning of certain officers within the Divisions and Branches, considered a welfare policy to support employees during economic constraints in 2023, and amended the employees' policy for the year 2024.

3.4. Corporate Governance Committee

The Committee closely collaborated on maintaining the business performance of BCEL, particularly with regard to expanding loan customers, resolving NPLs, and managing the

treasury on an ongoing basis. Additionally, the Committee monitored the bank's performance, the implementation of annual plans, long-term strategic plans, working plans, and projects. The Committee also focused on human resource development. During Q3 2023, the Committee held one meeting to discuss the following matters:

- Acknowledged the report of the business performance for the first 6 months of the year 2023 and its business plan.

3.5. Audit Committee

The Audit Committee supervised the internal audit area and policies, including the selection of an independent audit firm and coordination with authorized and state auditors. The Committee also closely collaborated on resolving audit findings and recommendations. It pushed for BCEL's compliance with its accounting system and determined principles, as well as regularly monitored disclosures in accordance with disclosure regulations. The Committee held regular meetings as stipulated in BCEL's regulations. During Q3 2023, the Committee held one meeting to discuss the following matters:

- Acknowledged the financial reports for the first 6 months of the year 2023 reviewed by PWC to propose to the BOD's approval
- In Q3 2023, the Internal Audit conducted common audits on 40 parties across the Divisions, Centers, Branches, Sections, and Service Units; 86 urgent audits on the Section and Service Unit parties; 05 on command audits; and reviews the audit works with 13 branches.

V. Corporate Social Responsibility

1. Tax payment

In the nine months of 2023, BCEL paid tax in the total amount of 43.579 million LAK.

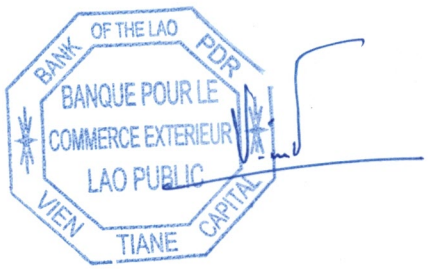
2. Corporate Social Responsibility

BCEL's management and staff have made significant contributions to Corporate Social Responsibility (CSR), which is a fundamental element of BCEL's core values, in addition to their business operations and other tasks.

BCEL has utilized its potential in technology and advancements to develop a CSR product called "BCEL OneHeart", an intermediary for donations that supports both donors and recipients. During the nine months of 2023, seven projects were implemented, including the Fund-Raising Project to support the construction of students' dormitories at the Elementary and of Phuhuad, Nga District, Oudomxay Province; the 20.000 LAK for Children project; fundraising to support Tou Bia, the victim of a house fire incident; and the school renovation and construction project in Thamdeng Village, Kaleum District, Sekong Province. Additionally, BCEL supported the Fund-Raising project to aid the floods nationwide; the project to support the construction of teacher and student dormitories at Muang Suem High School, Add District, Huanphan Province; supporting the fund to purchase lands for the construction of traditional medicine the Champasack Buddhism Organization, and the construction of the Fine Art Training Center. The platform received a total of 3.361 donations valued at 213,61 million LAK.

Furthermore, BCEL has been supporting various areas in society, such as education, sports, healthcare, victims of natural disasters, and special national events, through the provision of cash and materials. During the nine months of 2023, BCEL's support reached 79 events, with a total amount of 1.160,24 million LAK.

Managing Director



Bouaphayvanh NANDAVONG

ທະນາຄານການຄ້າຕ່າງປະເທດລາວ ມະຫາຊົນ
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE-MONTH PERIOD OF QUARTER III ENDED 30 SEPTEMBER 2023

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Banque pour le commerce exterieur lao public

Statement of income (Unaudited)
For the Three-month period of quarter III ended 30 September 2023

	Notes	For the three-month period of quarter III ended 30 September 2023 LAKm	For the three-month period of quarter III ended 30 September 2022 LAKm
Interest incomes		1.076.987	691.165
Interest expenses		(583.798)	(471.356)
Net interest incomes	5	**493.189**	**219.809**
Fee and commission incomes		177.412	140.602
Fee and commission expenses		(32.971)	(11.676)
Net fee and commission incomes	6	**144.441**	**128.926**
Net gain/(loss) from dealing in foreign currencies		85.375	21.125
Other operating income		24.326	10.767
Total operating income		**747.331**	**380.627**
Credit loss expense of loans to customers		(516.555)	(175.817)
impairment losses of financial asset		383	1.918
NET OPERATING INCOME		**231.159**	**206.728**
Personnel expenses		(83.504)	(70.224)
Depreciation and amortization		(22.852)	(40.661)
Depreciation of right-of-use assets		(2.068)	(28.548)
Other operating expenses	7	(52.232)	(49.106)
Total operating expenses		**(160.656)**	**(188.539)**
Share of profit and loss of associates and joint ventures		15.419	10.159
PROFIT BEFORE TAX		**85.922**	**28.348**
Profit tax		14.601	9.089
NET PROFIT FOR THE PERIOD		**100.523**	**37.437**
Earnings per share (LAK)	8	484	180

Prepared by:

Approved by:

Approved by:

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

Mr. Sisavath Douangsavanh	Mr. Vongsak Lattanavong	Mr. Saychit Simmavong
Deputy Chief of Accounting Division	Chief of Internal Audit Division	Deputy Managing Director

Vientiane, Lao PDR
Date: 09 November 2023

The accompanying notes on pages 12 to 23 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Statement of comprehensive income (Unaudited)
For the Three-month period of quarter III ended 30 September 2023

	For the three-month period of quarter III ended 30 September 2023 LAKm	For the three-month period of quarter III ended 30 September 2022 LAKm
NET PROFIT FOR THE PERIOD	**100.523**	**37.437**
OTHER COMPREHENSIVE INCOME		
Remeasurement loss on defined benefit plan	1.513	(5.829)
Profit tax related to components of other comprehensive income	(302)	-
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD, NET OF TAX	**1.211**	**(5.829)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**101.734**	**31.608**

Prepared by:

Mr. Sisavath Douangsavanh
Deputy Chief of Accounting Division
Vientiane, Lao PDR
Date: 09 November 2023

Approved by:

Mr. Vongsak Lattanavong
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BANQUE POUR LE COMMERCE EXTERIEUR
LAO PUBLIC
VIEN TIANE CAPITAL

Mr. Saychit Simmavong
Deputy Managing Director

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Banque pour le commerce exterieur lao public

Statement of income (Unaudited)
For the Nine-month period ended 30 September 2023

	For the Nine-month period ended 30 September 2023 LAKm	For the Nine-month period ended 30 September 2022 LAKm
Interest incomes	3.014.505	2.128.987
Interest expenses	(1.644.855)	(1.343.442)
Net interest incomes	**1.369.650**	**785.545**
Fee and commission incomes	487.067	363.677
Fee and commission expenses	(125.336)	(117.879)
Net fee and commission incomes	**361.731**	**245.798**
Net gain/(loss) from dealing in foreign currencies	298.905	(117.145)
Other operating income	208.813	130.973
Total operating income	**2.239.099**	**1.045.171**
Credit loss expense of loans to customers	(1.555.840)	(568.394)
impairment losses of financial asset	(1.918)	-
NET OPERATING INCOME	**681.341**	**476.777**
Personnel expenses	(245.359)	(222.177)
Depreciation and amortization	(70.427)	(89.050)
Depreciation of right-of-use assets	(6.391)	(32.544)
Other operating expenses	(166.100)	(135.691)
Total operating expenses	**(488.277)**	**(479.462)**
Share of profit and loss of associates and joint ventures	35.552	28.265
PROFIT BEFORE TAX	**228.616**	**25.580**
Income tax expense	(26.071)	(841)
NET PROFIT FOR THE PERIOD	**202.545**	**24.739**
Earnings per share (LAK)	975	119

Prepared by:

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Chief of Internal Audit Division

Approved by:

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BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIENTIANE CAPITAL

Mr. Saychit Simmavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 09 November 2023

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Banque Pour Le Commerce Exterieur Lao Public

Statement of comprehensive income (Unaudited)
For the Nine-month period ended 30 September 2023

	For the Nine-month period ended 30 September 2023 LAKm	For the Nine-month period ended 30 September 2022 LAKm
NET PROFIT FOR THE PERIOD	**202.545**	**24.739**
OTHER COMPREHENSIVE INCOME		
Remeasurement loss on defined benefit plan	20.091	(6.175)
Profit tax related to components of other comprehensive income	(4.018)	-
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD, NET OF TAX	**16.073**	**(6.175)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**218.618**	**18.564**

Prepared by:

Mr. Sisavath Douangsavanh
Deputy Chief of Accounting Division
Vientiane, Lao PDR
Date: 09 November 2023

Approved by:

Mr. Vongsak Lattanavong
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BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIEN TIANE CAPITAL

Mr. Saychit Simmavong
Deputy Managing Director

The accompanying notes on pages 12 to 23 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Statement of financial position (Unaudited)
As at 30 September 2023

	Notes	30 September 2023 LAKm	31 December 2022 LAKm
ASSETS			
Cash and balances with Bank of the Lao PDR		28.765.838	27.786.294
Due from banks	9	17.051.541	11.855.719
Loans to customers	10	50.500.325	47.235.372
Financial investments - Available-for-sale	11	88.205	90.123
Financial investments - Held-to-maturity	12	16.308.329	4.967.151
Investments in associates and joint ventures	13	718.382	691.081
Property and equipment	14	528.277	540.325
Intangible assets	15	275.555	283.285
Right-of-use assets		55.049	52.028
Deferred tax assets		109.249	116.520
Other assets		1.977.448	875.117
TOTAL ASSETS		**116.378.198**	**94.493.015**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	16	9.761.699	6.639.183
Due to customers	17	99.100.384	80.994.071
Borrowings from other banks	18	4.415.185	4.105.783
Current tax liabilities		17.399	21.907
Lease liabilities		29.267	26.553
Other liabilities		498.458	347.558
TOTAL LIABILITIES		**113.822.392**	**92.135.055**
EQUITY			
Share capital	19	1.038.617	1.038.617
Statutory reserves	20	911.700	836.635
Other comprehensive items		25.113	9.040
Retained earnings		580.376	473.668
TOTAL EQUITY		**2.555.806**	**2.357.960**
TOTAL LIABILITIES AND EQUITY		**116.378.198**	**94.493.015**

Prepared by:

Approved by:

Approved by:

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

Mr. Sisavath Douangsavanh
Deputy Chief of Accounting Division
Vientiane, Lao PDR
Date: 09 November 2023

Mr. Vongsak Lattanavong
Chief of Internal Audit Division

Mr. Saychit Simmavong
Deputy Managing Director

The accompanying notes on pages 12 to 23 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 III ended 30 September 2023

	Share capital LAKm	Statutory reserves LAKm	Remeasurement of post-employment benefit reserve LAKm	Retained earnings LAKm	Total LAKm
Balances as at 01 July 2023	**1.038.617**	**911.700**	**23.902**	**479.853**	**2.357.960**
Dividend paid out to shareholders	-	-	-	-	-
Appropriation to reserve for the period	-	-	-		-
Net profit for the period		-	-	100.523	100.523
Remeasurement of post-employment benefit reserve	-	-	1.514	-	1.514
Profit tax related to components of other comprehensive	-	-	(303)	-	(303)
Balances as at 30 September 2023	**1.038.617**	**911.700**	**25.113**	**580.376**	**2.555.806**

Prepared by:

Mr. Sisavath Douangsavanh
Deputy Chief of Accounting Division
Vientiane, Lao PDR
Date: 09 November 2023

Approved by:

Mr. Vongsak Lattanavong
Chief of Internal Audit Division

Approved by:

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

Mr. Saychit Simmavong
Deputy Managing Director

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Banque Pour Le Commerce Exterieur Lao Public

Statement of changes in equity (Unaudited)
For the nine-month period ended 30 September 2023

	Share capital LAKm	Statutory reserves LAKm	Remeasurement of post-employment benefit reserve LAKm	Retained earnings LAKm	Total LAKm
Balances as at 31 December 2022	**1.038.617**	**836.635**	**9.040**	**473.668**	**2.357.960**
Dividend paid out to shareholders	-	-	-	(20.772)	(20.772)
Appropriation to reserve for the period	-	75.065	-	(75.065)	-
Net profit for the period		-	-	202.545	202.545
Remeasurement of post-employment benefit reserve	-	-	20.091	-	20.091
Profit tax related to components of other comprehensive	-	-	(4.018)	-	(4.018)
Balances as at 30 September 2023	**1.038.617**	**911.700**	**25.113**	**580.376**	**2.555.806**

Prepared by:

Mr. Sisavath Douangsavanh
Deputy Chief of Accounting Division
Vientiane, Lao PDR
Date: 09 November 2023

Approved by:

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Chief of Internal Audit Division

Approved by:

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

Mr. Saychit Simmavong
Deputy Managing Director

The accompanying notes on pages 12 to 23 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 III ended 30 September 2023

	Notes	For the Three-month period of quarter III ended 30 September 2023 LAKm	For the Three-month period of quarter III ended 30 September 2022 LAKm
OPERATING ACTIVITIES			
Profit before tax		**85.922**	**28.348**
Adjustments for:			
Depreciation and amortization charges	14,15	22.854	31.636
Depreciation of right-of-use assets		2.068	1.951
Expense for impairment losses	10	516.555	175.817
Impairment loss on financial investments – Available-for sale		(384)	(1.918)
Share of profit and loss of associates and joint ventures	13	(15.419)	(10.159)
Defined post-employment benefit expense		(3.954)	(3.010)
Loss on disposal/written-off		143	(3)
Unrealise loss on exchange rate		288.481	944.081
Interest incomes		(1.076.987)	(691.165)
Interest expenses		583.798	471.356
Cash flows from operating profit before changing in operating assets and liabilities		**403.077**	**946.934**
Changes in operating assets			
Net change in balances with other banks		(801.146)	297.686
Net change in loans to customers		(6.548.773)	(3.874.464)
Advance profit tax		-	(323)
Net change in other assets		(212.544)	(133.563)
Changes in operating liabilities			
Net change in due to other banks		1.450.208	353.452
Net change in due to customers		3.070.618	2.663.294
Net change in Borrowing from other banks		21.001	(1.345.251)
Net change in other liabilities		173.535	20.768
Interest received		853.002	314.004
Interest paid		(450.782)	(404.968)
Tax paid during the period		(21.606)	880
Net cash flows generated from operating activities		**2.063.411**	**(1.161.550)**
INVESTING ACTIVITIES			
Purchase and construction of fixed assets		(29.525)	(10.194)
Proceeds from disposals of fixed assets		8.630	(15.899)
Purchase of right-of-use assets		(6.682)	(4.831)
Dividends received from associates and joint venture investment	13	3.905	4.809
Payment for from investment in securities-hold to maturity		(4.532.745)	-
Proceed from investment in investment in financial investments – hold to maturity	12	223.000	-
Net cash flows used in investing activities		**(4.333.418)**	**(26.115)**

The accompanying notes on pages 12 to 23 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 III ended 30 September 2023

	Notes	For the Three-month period of quarter III ended 30 September 2023 LAKm	For the Three-month period of quarter III ended 30 September 2022 LAKm
FINANCING ACTIVITIES			
Payment on lease liabilities		(8.705)	3.026
Net cash flows used in financing activities		**(8.705)**	**3.026**
Net increase in cash and cash equivalents		**(6.405.535)**	**(1.184.639)**
Cash and cash equivalents at the beginning of the period		**-**	**-**
Cash and cash equivalents at the end of the period		**(6.405.535)**	**(1.184.639)**

Prepared by:

Mr. Sisavath Douangsavanh
Deputy Chief of Accounting Division

Approved by:

Mr. Vongsak Lattanavong
Chief of Internal Audit Division

Approved by:

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

Mr. Saychit Simmavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 09 November 2023

Banque Pour Le Commerce Exterieur Lao Public

Statement of cash flows (Unaudited)
For the Nine-month period ended 30 September 2023

	For the Nine-month period ended 30 September 2023 LAKm	For the Nine-month period ended 30 September 2022 LAKm
OPERATING ACTIVITIES		
Profit before tax	**228.616**	**25.580**
Adjustments for:		
Depreciation and amortization charges	70.429	80.025
Depreciation of right-of-use assets	6.391	5.947
Expense for impairment losses	1.555.840	568.394
Impairment loss on financial investments – Available-for sale	1.918	-
Share of profit and loss of associates and joint ventures	(35.552)	(28.265)
Defined post-employment benefit expense	14.935	-
Loss on disposal/written-off	4.016	(1.648)
Unrealise loss on exchange rate	714.197	2.247.547
Interest incomes	(3.014.505)	(2.128.987)
Interest expenses	1.644.855	1.343.442
Dividend income	(1.918)	(1.918)
Cash flows from operating profit before changing in operating assets and liabilities	**1.189.221**	**2.110.117**
Changes in operating assets		
Net change in balances with other banks	(5.917.313)	(3.341.618)
Net change in loans to customers	(15.614.814)	(12.565.931)
Net change in Financial investment - Held-to-maturity		
Advance profit tax	-	(1.385)
Net change in other assets	(979.309)	(94.665)
Changes in operating liabilities		
Net change in due to other banks	3.150.064	1.705.099
Net change in due to customers	17.918.646	16.154.599
Net change in Borrowing from other banks	28.501	(1.313.600)
Net change in other liabilities	172.203	24.733
Interest received	6.219.581	347.964
Interest paid	(1.782.604)	(1.010.501)
Tax paid during the period	(27.326)	880
Net cash flows generated from operating activities	**4.356.849**	**2.015.692**
INVESTING ACTIVITIES		
Purchase and construction of fixed assets	(51.516)	(66.927)
Purchase of intangible asset	(979)	-
Proceeds from disposals of fixed assets	10.413	6.782
Purchase of right-of-use assets	(13.498)	(6.504)
Dividends received from associates and joint venture investment	8.251	7.634
Payment for joint venture investment	-	(2.040)
Dividends received from from investment	1.918	1.918
Payment from investment in secuities	(5.526.745)	-
Proceed from investment in investment in financial investments – hold to maturity	1.501.001	348.401
Net cash flows used in investing activities	**(4.071.157)**	**289.264**

The accompanying notes on pages 12 to 23 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Statement of cash flows (Unaudited)
For the Nine-month period ended 30 September 2023

	Notes	For the Nine-month period ended 30 September 2023 LAKm	For the Nine-month period ended 30 September 2022 LAKm
FINANCING ACTIVITIES			
Payment on lease liabilities		(16.212)	556
Payment of dividend		(20.772)	-
Net cash flows used in financing activities		**(36.985)**	**556**
Net increase in cash and cash equivalents		**248.707**	**2.305.512**
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**	**35.963.778**	**28.173.271**

Prepared by:

Mr. Sisavath Douangsavanh
Deputy Chief of Accounting Division

Approved by:

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Chief of Internal Audit Division

Approved by:

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

Mr. Saychit Simmavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 09 November 2023

The accompanying notes on pages 12 to 23 form an integral part of these interim financial information

1. REPORTING ENTITY

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

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

The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Capital, Lao PDR, as at 30 September 2023. the Bank has one (01) Head Office, six (6) associates and joint ventures, twenty (20) main branches, ninety-eight (98) services units, and twelve (12) 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 30 September 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 03 November 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 financial statements of six-month 2023 and annual financial statements for the year ended 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 III ended 30 September 2023 LAKm	For the Three-month period of quarter III ended 30 September 2022 LAKm
Interest incomes:		
Lending to customers	807.100	534.963
Deposits at other banks	128.990	77.383
Investment - Hold-to-maturity	140.896	78.819
	1.076.987	**691.165**
Interest expenses:		
Due to other banks	(63.605)	(58.597)
Customer deposits	(520.193)	(412.759)
	(583.798)	**(471.356)**
Net interest incomes	**493.189**	**219.809**

6. NET FEES AND COMMISSION INCOMES

	For the Three-month period of quarter III ended 30 September 2023 LAKm	For the Three-month period of quarter III ended 30 September 2022 LAKm
Fees and commission incomes from:		
Settlement services	150.632	109.726
Credit activities	(2.056)	13.215
Other activities	28.835	17.661
	177.412	**140.602**
Fees and commission expenses for:		
Settlement services	(29.582)	(10.120)
Other activities	(3.389)	(1.556)
	(32.971)	**(11.676)**
Net fees and commission incomes	**144.441**	**128.926**

7. OTHER OPERATING EXPENSES

	For the Three-month period of quarter III ended 30 September 2023 LAKm	For the Three-month period of quarter III ended 30 September 2022 LAKm
Deposit Insurance paid to Depositor Protection Fund	23.509	17.124
Repair and maintenance	6.123	6.005
Stationery and office materials	7.018	5.327
Telecommunication	2.134	1.910
Utilities	3.631	2.562
Insurance expense	2.424	724
Others	7.394	15.454
	52.232	**49.106**

8. EARNINGS PER SHARE

The calculations of basic earnings per share as at 30 September 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 III ended 30 September 2023	For the Three-month period of quarter III ended 30 September 2022
Profit attributable to ordinary shareholders of the Bank (LAKm)	100.523	37.437
Weighted average number of ordinary shares for basic earnings per share (shares)	207.723.300	207.723.300
Earnings per share (LAK)	484	180

9. DUE FROM BANKS

	Unaudited 30 September 2023 LAKm	Audited 31 December 2022 LAKm
Current and saving accounts	**7.931.551**	**7.033.415**
- In LAK	10.799	255.257
- In foreign currencies	7.920.752	6.778.158
Term deposits	**8.982.459**	**4.722.038**
- In LAK	2.505.000	3.105.000
- In foreign currencies	6.477.459	1.617.038
Accrued interest receivable	**137.531**	**100.266**
	17.051.541	**11.855.719**

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

	30 September 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	1,80 - 7,70	2,00 - 7,50

10. LOANS TO CUSTOMERS

	Unaudited 30 September 2023 LAKm	Audited 31 December 2022 LAKm
Gross loans	49.004.646	42.808.801
Less: Allowance for impairment losses	(1.724.072)	(1.809.562)
Accrued interest receivable	3.219.751	6.236.133
	50.500.325	**47.235.372**

Changes in the allowance for impairment losses of loans to customers during the Nine-month ended 30 September 2023 as follows:

	LAKm
Balance as at 1 January 2023 - audited	**1.809.562**
Net change during the period	1.560.048
Non-performing loans written-off	(1.772.921)
Foreign exchange differences	127.382
Balance as at 30 September 2023 - unaudited	**1.724.072**

Break down of allowance for impairment losses of loans to customers as at 30 September 2023 are as follows:

	30 September 2023		31 December 2022	
	Outstanding balance LAKm	Impairment LAKm	Outstanding balance LAKm	Impairment LAKm
Individually impaired	2.792.840	734.864	5.764.485	1.586.358
Collectively impaired	46.211.806	989.208	37.044.316	223.205
	49.004.646	**1.724.072**	**42.808.801**	**1.809.562**

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

	30 September 2023 % Per annum	31 December 2022 % Per annum
Loans denominated in LAK	3,00 - 17,00	5,00 - 16,00
Loans denominated in USD	5,80 - 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 30 September 2023 LAKm	Audited 31 December 2022 LAKm
Loans denominated in LAK	15.381.580	12.763.474
Loans denominated in USD	28.180.986	24.790.269
Loans denominated in THB	5.442.080	5.255.058
	49.004.646	**42.808.801**

Analysis of loan portfolio by original maturity:

	Unaudited 30 September 2023 LAKm	Audited 31 December 2022 LAKm
Short-term loans	3.313.446	4.560.760
Medium-term loans	32.341.319	24.929.587
Long-term loans	13.349.881	13.318.454
	49.004.646	**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 30 September 2023 is LAK 88.205 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	7.597.908
Amortise during the period	5.244.271
Collection	(1.501.001)
Balance as at 30 September 2023 - unaudited	**16.308.329**

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	35.552
Invest in associates and joint venture *	
Less: Dividends received during the period	(8.251)
Balance as at 30 September 2023 - unaudited	**718.382**

* The bank has additional investment in Lao nation payment network company totally LAK 2.040 million.

Investment in associated and joint ventures as at 30 September 2023 were as follows:

	Ownership interest		Cost		Equity	
	30 September 2023	31 December 2022	Unaudited 30 September 2023	Audited 31 December 2022	Unaudited 30 September 2023	Audited 31 December 2022
	(%)		LAKm			
BCEL - Krung Thai Securities Company Limited	70	70	70.000	70.000	79.702	76.392
Lao Viet Joint Venture Bank	25	25	197.839	197.839	267.101	260.080
Banque Franco - Lao Limited	30	30	138.000	138.000	156.088	148.156
Lao China Bank Company Limited	40	49	151.458	151.458	191.945	181.030
Lao-Viet Insurance Joint Venture Company	35	35	9.168	9.168	15.718	17.549
Lao National Payment Network Company Limited	20	20	6.800	6.800	7.827	7.874
Total			**573.265**	**573.265**	**718.382**	**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*	33.449
Transfer to other assets	20.847
Write off/Disposal, net	(4.626)
Depreciation charge	(61.718)
Balance as at 30 September 2023 - unaudited	**528.277**

* 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	-
Transferred from CIP	979
Depreciation charge	(8.709)
Balance as at 30 September 2023 - unaudited	**275.555**

16. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 30 September 2023 LAKm	Audited 31 December 2022 LAKm
Demand deposits	**8.439.918**	**5.260.211**
- In LAK	3.020.775	1.744.986
- In foreign currencies	5.419.142	3.515.225
Saving deposits	**362.848**	**356.226**
- In LAK	154.540	94.772
- In foreign currencies	208.308	261.454
Term deposits	**240.004**	**975.367**
- In LAK	230.485	238.485
- In foreign currencies	9.519	736.882
Others	**716.817**	**17.718**
- In LAK	91.252	17.689
- In foreign currencies	625.566	29
Accrued interest payable	**2.113**	**29.661**
	9.761.699	**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:

	30 September 2023 % Per annum	31 December 2022 % Per annum
Demand deposits	0,00 – 0,20	0,00 – 0,30
Saving deposits	No interest	No interest
Term deposits	0,36 – 6,00	0,56 – 6,65

17. DUE TO CUSTOMERS

	Unaudited 30 September 2023 LAKm	Audited 31 December 2022 LAKm
Demand deposits	**13.097.693**	**10.938.271**
Demand deposits in LAK	4.072.571	4.438.412
Demand deposits in FC	9.025.122	6.499.859
Savings deposits	**53.470.881**	**42.874.328**
Saving deposits in LAK	20.912.466	17.924.403
Saving deposits in FC	32.558.414	24.949.925
Term deposits	**30.943.128**	**26.007.200**
Term deposits in LAK	9.178.477	8.885.920
Term deposits in FC	21.764.651	17.121.280
Margin deposits	**213.817**	**370.732**
Margin deposits in LAK	33.932	290.574
Margin deposits in FC	179.885	80.158
Other payables to customers	**523.348**	**139.691**
Accrued interest payable	**851.517**	**663.849**
	99.100.384	**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 30 September 2023 were as follow:

	LAKm
Balance as at 1 January 2023 - audited	3.635.602
Additions	28.500
Repayments	-
Gain/(Loss) on exchange rate	586.815
Balance as at 30 September 2023 - unaudited	**4.250.917**

	Unaudited 30 September 2023 LAKm	Audited 31 December 2022 LAKm
Borrowings from the BOL	4.229.917	3.614.601
Borrowings from others bank	21.000	21.000
Total	**4.250.917**	**3.635.601**
Accrued interest payable	164.268	470.182
	4.415.185	**4.105.783**

19. SHARE CAPITAL

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

20. STATUTORY RESERVES

	Regulatory reserve fund LAKm	Business expansion fund and other reserve LAKm	Total LAKm
Balance as at 1 January 2023 - audited	**228.631**	**608.004**	**836.635**
Appropriation to reserve for the year 2022	9.584	65.481	75.065
Balance as at 30 September 2023 - unaudited	**238.215**	**673.485**	**911.700**

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 30 September 2023 LAKm	Unaudited 30 September 2022 LAKm
Cash and cash equivalents on hand	4.704.610	3.537.105
Demand deposits with the BOL	15.498.118	16.237.873
Current accounts with other banks	7.931.551	7.579.047
Term deposit due within 90 days	7.829.499	819.246
	35.963.778	**28.173.271**

22. COMMITMENTS

	Unaudited 30 September 2023 LAKm	31 December 2022 LAKm
Un-drawn commitments to lend for customers (ii)	9.680.806	2.890.791
Letter of credit and bank guarantees (i)	631.356	698.175
At sight letters of credit	1.300.622	796.757
Deferred payment letters of credit	51.348	-
	11.664.132	**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. 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 30 September 2023 with related parties were as follows:

	30 September 2023 LAKm	30 September 2022 LAKm
Interest income and other		
Parent company	276.197	243.266
Interest expense and other		
Related party	149.144	109.048

Transactions with key management personnel of the Bank

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

	30 September 2023 LAKm	30 September 2022 LAKm
Salaries	1.330	1.158
Bonus	39	-
Responsibility allowance	734	814
	2.103	**1.972**

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

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

	30 September 2023 LAKm	31 December 2022 LAKm
Receivables		
Parent company	16.354.405	5.051.632
Associate and Joint venture	203.250	309.308
Related party	21.081.303	25.646.355
Payables		
Associate and Joint venture	1.748.188	1.968.187
Related party	4.393.616	4.084.469