ທະນາຄານການຄ້າຕ່າງປະເທດລາວ ມະຫາຊົນ
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC



Report on BCEL's Business Performance

Financial Statement for the Three-Month Period of Quarter I Ended 31 March 2024

I. Overview of BCEL

1. Vision

BCEL revises 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

To realize its vision of becoming a strong and modern bank that meets international standards, BCEL is committed to enhancing customer service while adapting to evolving trends, maintaining financial strength, and preparing for Basel II compliance. The bank also prioritizes keeping its IT systems current and integrating new technologies to improve services, ensuring transparency and speed in its management information systems (MIS) while upholding international security standards. Furthermore, BCEL places significant emphasis on human resource development to enhance staff expertise and professionalism, thereby facilitating the bank's adaptability to changes and fostering continuous growth. Ultimately, the bank aims to enhance customer experience, generate sustainable profits, and create value for shareholders.

❖ **Plans and Projects for 2024**

In its pursuit to become the foremost bank in modern and international banking practices in the Lao PDR, BCEL has outlined comprehensive development strategies encompassing directions, goals, and detailed implementation plans for 2024. These strategies consist of 11 Plans and 39 Projects as follows:

- **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 14 Projects)**

- Development and Management of the IT System: 7 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 PDR' Economy and Future Trends

In 2023, the gross domestic product (GDP) of the Lao PDR grew by 4.2%, although resolutions marked it at 4.5%, falling short of the set target. Several factors contributed to this shortfall, including the lingering impact of global and regional economic downturns on the Lao economy, currency depreciation (LAK), exchange rate fluctuations sensitive to global economic shifts, high demand for foreign currencies outstripping supply, and the nation's high debt burden. Overall, the Lao PDR's economy continued its recovery trajectory from the previous year. The factors contributed to the growth were from agricultural sector, which its growth reached 3.7% (exceeding the 1.2% target), while industrial growth stood at 3.1% (below the 1.9% target), and the service sector expanded by 5.6% (surpassing the 0.9% target), generating a value of 265,475 billion LAK and a per capita income of 1,832 USD.

In 2024, the global situation remains volatile due to geopolitical conflicts, monetary policy shifts in major economies affecting the capital flows, production policy changes, and unpredictable natural disasters and epidemics. The International Monetary Fund (IMF) anticipates a slight decline in global growth from 3% in 2023 to 2.9% in 2024. For the Lao economy, the Asian Development Bank (ADB) anticipates moderate growth of around 4%[1], driven by contributions from sectors such as tourism, investment, and trade. Additionally, Foreign Direct Investment (FDI), particularly in the electric power sector, is expected to be a significant growth driver for the Lao PDR.

However, challenges such as persistent inflationary pressures, high foreign debt, financial instability, labor shortages, recent disasters, and epidemics are likely to cause concerns among investors, business owners, and policymakers, potentially slowing down the pace of economic recovery.

1.1. Inflation

In March 2024, inflation in Laos stood at 24.9%[2]. This inflationary pressure is primarily driven by the sharp increase in prices of essential commodities. For instance, prices surged by up to 36.2% for clothing and shoes, 35.9% for restaurants and hotels, 34.6% for health supplements and medicines, 26.4% for alcoholic drinks and tobacco, and similarly, by 26.4% for housing, electricity, and water supply.

[1] https://www.adb.org/news/lao-pdr-see-moderate-growth-2024-navigating-debt-and-inflation-adb
[2] The inflation report of March 2024, the National Statistic Center

The causes of inflation were influenced by both external and internal factors, including the depreciation of the Lao Kip, weaknesses in domestic manufacturing, increased oil prices, and poor management of product and service pricing.

1.2. Exchange Rate

The exchange rate of the bank for USD in 2023 averaged 18,717 LAK/USD, marking a significant 30.64% increase compared to the previous year's rate of 14.327 LAK/USD. Meanwhile, the exchange rate of the market stood at 20,048 LAK/USD on average, representing a 27.03% increase compared to the previous year's rate of 15,782 LAK/USD.

Furthermore, the exchange rate of THB was recorded at 560.95 LAK/THB on average for every commercial bank, which experienced an increase of 29.24% compared to the previous year's rate. On the other hand, the black market's THB rate was 578.78 LAK/THB, indicating a 28.36% increase (Source: Bank of the Lao PDR).

The LAK continued to depreciate due to both external and internal factors. However, in 2024, the Bank of the Lao PDR will continue to apply monetary policy measures to strictly manage the exchange rate. Additionally, it will implement an exchange rate policy in line with market mechanisms while maintaining strict state control. One of the causes contributing to the depreciation of the LAK is the decline of the Lao economy, misappropriation in the market leading to exchange rate manipulation beyond the Bank of the Lao PDR's defined limits, high demand for foreign currencies, and subpar domestic production, which relies heavily on imports. Consequently, when the LAK depreciates or foreign currencies appreciate, it results in higher prices for imported goods.

2. Highlighted updates of BCEL

During the first quarter of 2024, BCEL convened its annual performance review meeting once (for the year 2023), conducted 2 Board of Directors' meetings (1 ordinary and 1 extraordinary), and participated in the "Promoting Green Finance in ASEAN" conference. Additionally, BCEL assessed the implementation of Key Performance Indicators (KPIs) in 2023, established new KPIs for 2024, evaluated and ranked its branches and service units for the year 2024, and presented awards for outstanding performance to selected branches. The audit section was expanded to include 2 branches, namely Salavan and Sekong. Furthermore, discussions were held with the Lao Security Exchange regarding recent business operations and future plans.

The development of the systems and products:

BCEL has successfully launched EzyKip, a mobile application designed for tourists visiting the Lao PDR, in conjunction with the "Travel Laos Year 2024" campaign. This application provides a convenient platform for tourists to make payments by scanning QR codes using their mobile phones. Additionally, BCEL has developed and launched SWIFT ISO20022, an enhanced version of the SWIFT service.

Service networks:

In accordance with formal agreements, BCEL has elevated the Vangtao-Songmek Money Exchange Unit to a service unit, now operating under the Champasak Branch. Additionally, the establishment of the Xaymoungkhoun Service Unit has been completed, overseen by the Vientiane Capital Branch. These 2 service units are currently undergoing final preparations and are slated for imminent opening. Furthermore, in a strategic move to enhance operational efficiency and optimize cost management, BCEL has reorganized all service units under the supervision of the 3 branches located in Vientiane Capital.

Cooperations:

BCEL has established a partnership with Duangdy Thavyxok Sole Co., Ltd. (Duangdy Lottery) at the request of Duangdy Lottery through OnePay E-Commerce for lottery payment processing. Additionally, BCEL has conducted a comprehensive review of its cooperation agreement with E-Wallet providers M-Money and U-Money. Moreover, BCEL has successfully renewed contracts with 13 customers for its Bill Payment service.

Marketing:

BCEL has initiated several marketing campaigns, including OnePay Cashback, VISA in Love, Deposit Heart Deposit Money with BCEL, Valentine's Day promotion, and Women's Day promotion.

Additionally, BCEL has been honored with 2 prestigious awards: the Best Issuing Member Award 2023 by UnionPay International and the Best Tax Payer of the year 2022 by the Ministry of Finance.

3. Financial Highlights

As of the first quarter of 2024, BCEL's financial highlights are as follows:

- Assets/Liabilities: 138,209,990 million LAK, surpassed the 2024 annual plan by 98% and registered an increase of 39% compared to the same period last year.
- Loans: 49,939,979 million LAK, achieved 84% of the 2024 annual plan and displayed a growth of 18% compared to the same period of last year.
- NPL rate: 2.97%.
- Deposits: 128,867,243 million LAK, exceeded the 2024 annual plan by 99% and increased by 41% compared to the same period of last year.
- Profit/Loss Before Tax: 116,584 million LAK, achieved 25% of the 2024 annual plan.
- Profit/Loss After Tax (Net): 110,182 million LAK, surpassed 28% of the 2024 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 June 2023, the Bank has 1 Head Office, 6 joint ventures, 20 branches, 99 service units, and 12 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 (BCEL) operates as a public company and is listed on the Lao Securities Exchange.

The bank was established in accordance with Decision on Bank Establishment No. 129/BOL dated 1 November 1989. On 23 December 2010, BCEL completed its initial public offering (IPO) and was renamed Banque Pour Le Commerce Exterieur Lao Public as per 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. Initially, the Government, represented by the Ministry of Finance, 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, Compagnie Financière de la BRED (COFIBRED), a subsidiary of BRED, the largest banking society in the Banque Populaire Group—a French group of cooperative banks.

On 17 August 2017, BCEL successfully completed a recapitalization through public and rights offerings to existing shareholders, operating under the new Decision no. 21/BOL dated 13 September 2017, issued by the Bank of Lao PDR. By 15 September 2017, Lao Securities Exchange certified that BCEL increased its registered capital to 355,728,500,000 LAK (71,145,700 shares) as per certificate No. 01/LSX dated 15 September 2017. BCEL also received a 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 to restructure its shareholder structure, offering more shares to the public and existing shareholders. This restructuring aimed to diversify shareholders, foster growth, and strengthen stability. The offering completion of 10% of BCEL's shares was endorsed by the Lao Securities Commission Office on 29 November 2019.

Currently, BCEL's shareholder structure comprises 60% government ownership, with domestic investors (including BCEL's employees) holding 30%, foreign investors holding 30%, and BCEL's strategic partner holding 10%.

BCEL's primary activities include providing banking services such as fund mobilization and deposit-taking for organizations and individuals on short-term, medium-term, and long-term bases. The bank also offers loans for short-term, medium-term, and long-term purposes to businesses and individuals based on lending capabilities and loan purposes. Additionally, BCEL engages in foreign exchange transactions, payment services, international trade services, bank guarantee services, precious metal trading, and other banking services permitted by the Bank of the Lao PDR, including insurance broker services.

Registered Capital

The registered capital of BCEL as of 31 March 2024 is 1,038,617 million LAK (31 December 2023: 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 2024, consists of 8 members as follows:

Name and surname	Position	Date of designation
Mr. Bounpone Vannachith	Chairman	27th April 2023
Mr. Khamsouk Sundara	Independent member, Vice 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
Assoc.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

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: Project Manager (Advancing Strategic Management, Leadership and Fundraising in Higher Education in Asia / ASTRA,) Erasmus+

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:

2018-2023: Vice-Dean, Faculty of Economics and Business Management (Responsible of Post-Graduate Program), National University of Laos.

2006: Associate Professor in Business Administration (2006).

2018-2024: Chairman of CPA's Curriculum, Lao Chamber of Professional Accountants and Auditors.

2018-2022: Member of Lao Chamber of Professional Accountants and Auditors Board Committees.

2018-2024: Member of Lao Telecom Company's Board Committees.

2023-2024: Member of Lao's Accounting System Improvement (Ministry of Finance)

2018-2024: Teacher of the Master and Bachelor courses of the subjects: Business, Accounting, Finance and Banking, Economics of the National University of Laos.

2020-2024: Guest speakers for the MBA course of Khon Kaen University, Thailand.

2015-2024: Trainer on IFRS and LAS Auditing



Latdavanh Songvilay
Independent Director

Personal Information:
Date of birth: 27/04/1982
Nationality. : Lao
Language: English
Position: 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

2. The Management Team

2.1.The Board of Management

The Board of Management of BCEL, as of 31 March 2024, consists of 5 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
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



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 1st quarter of the year 2024, the Board of Directors held 1 ordinary meeting and 1 extraordinary meeting and approved some of the matters which are as follows.

- Acknowledged the operation of audit in the year 2023;
- Acknowledged the operation of accounting in the year 2023;
- Acknowledged the operation of risk management in the 1st quarter of the year 2024;
- Acknowledged the business performance report as of 02/2024;
- Approved the selection of the independent audit firm for the year 2024 in order to propose to the shareholders' meeting;
- Approved the models and approaches of assessment for the BOD, the BOD's members, and the BOD committees for the year 2023 and 2024;
- Approved the organization plan for the meetings of the BOD and the BOD committees for the year 2024;
- Approved the business performance report of the year 2023 audited by an independent auditor which will be proposed to the shareholders' meeting;
- Approved the business plan for the year 2024 in order to propose to the shareholders' meeting for approval;
- Approved the allocation of profits for the year 2023 in order to propose to the shareholders' meeting;
- Approved the dividends payment plan for the year 2023 in order to propose to the shareholders' meeting as per the following details:
    - Amount: 300 LAK/share,
    - Book closure date: 26/04/2024,
    - Payment date: 14/05/2024;
- Approved the AGM 2023 date:
    - Book closure date: 25/03/2024,
    - Meeting date: 29/04/2024, 14:30,
    - Location: Lao Plaza Hotel Vientiane;
- Approved the repositioning of some officers within the Divisions and Branches;
- Approved loan applications subject to the approval authority of the Board of Directors for customers.

3.2. Risk Management Committee

The committee has focused on supervising the research and development of regulations and policies regarding risk management. Additionally, it has approved policies and regulations related to risk management and has monitored the progress of the Basel 2 project, which has been underway since 2018. The Committee has continued its regular practice of holding meetings as stipulated by regulations. In the first quarter of 2024, the Committee held one meeting where they discussed and acknowledged the report on the implementation of risk management and the Basel 2 project for the 1st quarter of the year 2024.

3.3. Nomination & Remuneration Committee

The Committee closely collaborated on the selection of senior officers and executives, as well as the organizational structure of BCEL's management periodically. Furthermore, it focused on amending the salaries and remuneration of BCEL's employees across all levels, up to the C-level, aligning with BCEL's policies and aiming to serve the best interests of BCEL and its shareholders. The Committee also conducted research on policies and regulations to be discussed in the upcoming shareholders' meeting. In the first quarter of 2024, the Committee made some appointment and repositioning of managers at branches, divisions and centers within the organization.

3.4. Corporate Governance Committee

The Committee closely monitored the business performance of BCEL, particularly focusing on expanding the customer base for loans, addressing non-performing loans (NPLs), and overseeing treasury activities regularly. Additionally, the Committee has been actively tracking the bank's overall performance, the execution of the annual plan, long-term strategic plans, operational plans, and various projects. The Committee also prioritized human resource development initiatives. In the first quarter of 2024, the Committee convened one meeting to acknowledge the report on the business performance for the year 2023 and for the beginning of the year 2024 and discuss the plans for the year 2024.

3.5. Audit Committee

The Audit Committee oversaw internal audit operations and policymaking, including selecting an independent audit firm and coordinating with authorized and state auditors. It also played a key role in addressing audit findings and implementing auditor recommendations. The Committee actively promoted BCEL's compliance with accounting principles and regularly monitored disclosure practices as per regulatory requirements. Meetings were conducted regularly as per BCEL's regulations. In the first quarter of 2024, the Committee held one meeting and discussed the following:

- Acknowledged the audited financial report for the year 2023 by PwC, to be proposed in the Board of Directors;
- Approved the nomination of the independent auditor for the year 2024 in order to further summit to the Board of Directors;
- In 2023, Internal Audit conducted routine audits on 161 entities across Divisions, Centers, Branches, Sections, and Service Units; 313 urgent audits on Sections and Service Units; 7 command audits; and 13 branch audits.

V. Corporate Social Responsibility

❖ Corporate Social Responsibility

BCEL's management and staff have played a significant role in Corporate Social Responsibility (CSR), an integral aspect of BCEL's core values, alongside business operations and other responsibilities.

Utilizing BCEL's technological prowess and advancements, the company has developed a CSR product known as "BCEL OneHeart," serving as an intermediary platform for donations that facilitates support for both donors and recipients. In the first quarter of 2024, BCEL recorded 918 donations via BCEL's OneHeart, totaling 41.91 million LAK.

Additionally, BCEL has been actively involved in supporting various sectors of society, including education, sports, healthcare, aid for victims of natural disasters, and participation in special national events through financial contributions and material support. During the first quarter of 2024, BCEL's support extended to 33 events, with a cumulative amount of 385 million LAK allocated for these initiatives.

For **Managing Director**

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

Nanthalath KEOPASEUTH

ທະນາຄານການຄ້າຕ່າງປະເທດລາວ ມະຫາຊົນ
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE-MONTH PERIOD OF QUARTER I ENDED 31 March 2024

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Banque pour le commerce exterieur lao public

Statement of income (Unaudited)
For the Three-month period of quarter I ended 31 March 2024

	Notes	For the three-month period of quarter I ended 31 March 2024 LAKm	For the three-month period of quarter I ended 31 March 2023 LAKm
Interest incomes		1,319,764	791,583
Interest expenses		(654,575)	(513,894)
Net interest incomes	5	**665,189**	**277,689**
Fee and commission incomes		210,466	147,310
Fee and commission expenses		(44,547)	(51,303)
Net fee and commission incomes	6	**165,919**	**96,007**
Net gain/(loss) from dealing in foreign currencies		109,141	52,624
Other operating income		152,490	81,532
Total operating income		**1,092,738**	**507,852**
Credit loss expense of loans to customers		(772,990)	(214,125)
impairment losses of financial asset		(1,534)	(384)
NET OPERATING INCOME		**318,214**	**293,343**
Personnel expenses		(98,952)	(80,429)
Depreciation and amortization		(24,004)	(23,859)
Depreciation of right-of-use assets		(2,192)	(2,200)
Other operating expenses	7	(94,844)	(51,227)
Total operating expenses		**(219,993)**	**(157,715)**
Share of profit and loss of associates and joint ventures		18,362	7,061
PROFIT BEFORE TAX		**116,584**	**142,689**
Income tax		(6,401)	(16,495)
NET PROFIT FOR THE PERIOD		**110,182**	**126,194**
Earnings per share (LAK)	8	**530**	**608**

Prepared by:

Mrs. Southanome Keolakhone
Chief of Accounting Department

Approved by:

Mr. Vithaya Chanthery
Deputy Chief of Internal Audit Department

Approved by:

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

Mr. Saychit Simmavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 07 May 2024

The accompanying notes on pages 7 to 18 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 I ended 31 March 2024

	For the three-month period of quarter I ended 31 March 2024 LAKm	For the three-month period of quarter I ended 31 March 2023 LAKm
NET PROFIT FOR THE PERIOD	**110,182**	**126,194**
OTHER COMPREHENSIVE INCOME		
Remeasurement loss on defined benefit plan	(12,335)	(455)
PL-Profit tax related to components of other comprehensive income	2,467	91
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD, NET OF TAX	**(9,868)**	**(364)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**100,315**	**125,830**

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Banque Pour Le Commerce Exterieur Lao Public

Statement of financial position (Unaudited)
For the three-month period of quarter I ended 31 March 2024

	Notes	31 March 2024 LAKm	31 December 2023 LAKm
ASSETS			
Cash and balances with Bank of the Lao PDR		33,580,960	31,684,143
Due from banks	9	24,455,080	21,964,355
Loans to customers	10	51,653,500	53,892,356
Financial investments - Available-for-sale	11	86,288	87,822
Financial investments - Held-to-maturity	12	24,291,798	14,865,690
Investments in associates and joint ventures	13	765,585	747,223
Property and equipment	14	597,185	568,104
Intangible assets	15	323,304	321,734
Right-of-use assets		52,684	53,500
Deferred tax assets		124,073	102,813
Other assets		2,279,533	2,146,019
TOTAL ASSETS		**138,209,990**	**126,433,759**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	16	11,233,498	9,463,117
Due to customers	17	119,041,793	109,471,717
Borrowings from other banks	18	4,494,357	4,378,394
Current tax liabilities		43,785	27,454
Lease liabilities		30,621	29,285
Other liabilities		687,957	486,128
TOTAL LIABILITIES		**135,532,011**	**123,856,095**
EQUITY			
Share capital	19	1,038,617	1,038,617
Statutory reserves	20	911,701	911,701
Other comprehensive items		8,239	18,107
Retained earnings		719,422	609,239
TOTAL EQUITY		**2,677,979**	**2,577,664**
TOTAL LIABILITIES AND EQUITY		**138,209,990**	**126,433,759**

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VIENTIANE CAPITAL

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Deputy Managing Director

Vientiane, Lao PDR
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Banque Pour Le Commerce Exterieur Lao Public

Statement of changes in equity (Unaudited)
For the three-month period of quarter I ended 31 March 2024

	Share capital LAKm	Statutory reserves LAKm	Remeasurement of post-employment benefit reserve LAKm	Retained earnings LAKm	Total LAKm
Balances as at 31 December 2023	**1,038,617**	**911,701**	**18,107**	**609,239**	**2,577,664**
Net profit for the period	-	-	-	110,183	110,183
Remeasurement of post-employment benefit reserve	-	-	(12,335)	-	(12,335)
Profit tax related to components of other comprehensive income	-	-	2,467	-	2,467
Balances as at 31 March 2024	**1,038,617**	**911,701**	**8,239**	**719,422**	**2,677,979**

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Deputy Managing Director

Vientiane, Lao PDR
Date: 07 May 2024

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Banque Pour Le Commerce Exterieur Lao Public

Statement of cash flows (Unaudited)
For the three-month period of quarter I ended 31 March 2024

	(Restated) Notes	For the three-month period of quarter I ended 31 March 2024 LAKm	For the three-month period of quarter I ended 31 March 2023 LAKm
OPERATING ACTIVITIES			
Profit before tax		**116,585**	**142,689**
Adjustments for:			
Depreciation and amortization charges	14,15	18,498	23,860
Depreciation of right-of-use assets		2,192	2,200
Expense for impairment losses	10	772,990	214,125
Share of profit and loss of associates and joint ventures	13	(18,362)	(7,061)
Defined post-employment benefit expense		15,775	17,368
Changes in provision for impairment loss on investment securities		1,534	384
Unrealise loss on exchange rate		126,286	(80,962)
Loss on disposal/write off		3	169
Interest incomes		(1,319,764)	(791,583)
Interest expenses		654,575	513,894
Cash flows from operating profit before changing in operating assets and liabilities		**370,311**	**35,083**
Changes in operating assets			
Net change in balances with other banks		1,435,767	(3,743,410)
Net change in loans to customers		(5,500,423)	93,484
Net change in other assets		259,780	(796,366)
Changes in operating liabilities			
Net change in due to other banks		1,795,002	173,205
Net change in due to customers		9,372,269	4,664,630
Net change in Borrowing from other banks		4,100	-
Net change in other liabilities		171,516	40,930
Interest received		4,005,048	1,018,689
Interest paid		(679,847)	(497,117)
Tax paid during the period		(8,864)	(5,720)
Net cash flows generated from operating activities		**11,224,659**	**983,408**
INVESTING ACTIVITIES			
Purchase and construction of fixed assets		(43,211)	(9,957)
Purchase of intangible asset		(4,910)	(759)
Proceeds from disposals of fixed assets		8,238	6,175
Purchase of right-of-use assets		(2,752)	(12,192)
Dividends received from associates and joint venture investment		-	1,773
Payment from investment in financial investments – hold to maturity		(5,486,230)	-
Proceed from investment in securities		-	415,980
Net cash flows used in investing activities		**(5,528,865)**	**401,020**

Banque Pour Le Commerce Exterieur Lao Public

Statement of cash flows (Unaudited)
For the three-month period of quarter I ended 31 March 2024

	Notes	For the three-month period of quarter I ended 31 March 2024 LAKm	For the Three-month period of quarter I ended 31 March 2023 LAKm
FINANCING ACTIVITIES			
Payment on lease liabilities		(2,650)	(14,222)
Net cash flows used in financing activities		**(2,650)**	**(14,222)**
Net increase in cash and cash equivalents		**5,693,144**	**1,370,205**
Cash and cash equivalents at the beginning of the period		**37,593,145**	**35,715,071**
Cash and cash equivalents at the end of the period	21	**43,286,289**	**37,085,276**

Prepared by:

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Deputy Chief of Internal Audit Department

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

Mr. Saychit Simmavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 07 May 2024

The accompanying notes on pages 7 to 18 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 2024. the Bank has one (01) Head Office, six (6) associates and joint ventures, twenty (20) main branches, ninety-nine (99) 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 31 March 2024 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 07 May 2024.

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 2023. 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 2023 and financial statements of three-month 2023.

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 2023.

5. NET INTEREST INCOMES

	For the three-month period of quarter I ended 31 March 2024 LAKm	For the three-month period of quarter I ended 31 March 2023 LAKm
Interest incomes:		
Lending to customers	824,695	651,748
Deposits at other banks	257,392	68,736
Investment - Hold-to-maturity	237.676	71,099
Other interest income and similar income	-	-
	1,319,764	**791,583**
Interest expenses:		
Due to other banks	(71,964)	(57,353)
Customer deposits	(582,610)	(456,541)
	(654,575)	**(513,894)**
Net interest incomes	**665,189**	**277,689**

6. NET FEES AND COMMISSION INCOMES

	For the three-month period of quarter I ended 31 March 2024 LAKm	For the Three-month period of quarter I ended 31 March 2023 LAKm
Fees and commission incomes from:		
Settlement services	181,860	125,388
Credit activities	2,684	879
Other activities	25,922	21,043
	210,466	**125,388**
Fees and commission expenses for:		
Settlement services	(40,450)	(24,361)
Other activities	(4,096)	(26,942)
	(44,547)	**(51,303)**
Net fees and commission incomes	**165,919**	**96,007**

7. OTHER OPERATING EXPENSES

	For the three-month period of quarter I ended 31 March 2024 LAKm	For the three-month period of quarter I ended 31 March 2023 LAKm
Deposit Insurance paid to Depositor Protection Fund	27,619	19,991
Repair and maintenance	8,075	6,218
Stationery and office materials	5,907	4,992
Insurance expense	2,383	2,316
Telecommunication	2,559	2,648
Utilities	3,182	2,108
Others	45,120	12,954
	94,844	**51,227**

8. EARNINGS PER SHARE

The calculations of basic earnings per share as at 31 March 2024 and 2023 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 2024	For the three-month period of quarter I ended 31 March 2023
Profit attributable to ordinary shareholders of the Bank (LAKm)	110,183	126,194
Weighted average number of ordinary shares for basic earnings per share (shares)	207,723,300	207,723,300
Earnings per share (LAK)	530	608

Net operating profit for the three-month period of quarter I ended 31 March 2024 is LAK 91,821 million which profit per share is 442 LAK per share and operating profit for the three-month period of quarter I ended 31 March 2023 was LAK 119,133 million which profit per share was 574 LAK per share.

9. DUE FROM BANKS

	Unaudited 31 March 2024 LAKm	Audited 31 December 2023 LAKm
Current and saving accounts	**10,938,046**	**11,804,977**
- In LAK	145	10,945
- In foreign currencies	10,937,901	11,794,032
Term deposits	**13,286,604**	**10,003,341**
- In LAK	4,804,000	4,042,000
- In foreign currencies	8,482,604	5,961,341
Accrued interest receivable	**230,430**	**156,037**
	24,455,080	**21,964,355**

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

	31 March 2024 % Per annum	31 December 2023 % Per annum
Demand deposits	0.07 – 1.20	0.15 – 1.20
Saving deposits	0.07 – 2.16	0.07 – 2.16
Term deposits	3.50 – 7.50	0.15 – 7.70

10. LOANS TO CUSTOMERS

	Unaudited 31 March 2024 LAKm	Audited 31 December 2023 LAKm
Gross loans	49,939,979	52,198,063
Less: Allowance for impairment losses	(1,742,818)	(1,687,920)
Accrued interest receivable	3,456,338	3,382,213
	51,653,500	**53,892,356**

Changes in the allowance for impairment losses of loans to customers during the three-month ended 31 March 2024 as follows:

	LAKm
Balance as at 1 January 2024 - audited	**1,687,920**
Net change during the period	772,992
Non-performing loans written-off	(731,822)
Foreign exchange differences	13,727
Balance as at 31 March 2024 - unaudited	**1,742,818**

Break down of allowance for impairment losses of loans to customers as at 31 March 2024 are as follows:

	31 March 2024		31 December 2023	
	Outstanding balance LAKm	Impairment LAKm	Outstanding balance LAKm	Impairment LAKm
Individually impaired	10,730,872	1,511,101	6,484,088	1,388,525
Collectively impaired	39,209,107	231,717	45,713,975	299,395
	49,939,979	**1,742,818**	**52,198,063**	**1,687,920**

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

	31 March 2024 % Per annum	31 December 2023 % Per annum
Loans denominated in LAK	3.00 - 17.00	3.00 - 17.00
Loans denominated in USD	5.80 - 16.00	5.80 - 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 2024 LAKm	Audited 31 December 2023 LAKm
Loans denominated in LAK	18,133,032	17,840,433
Loans denominated in USD	26,220,131	28,553,192
Loans denominated in THB	5,586,816	5,804,438
	49,939,979	**52,198,063**

Analysis of loan portfolio by original maturity:

	Unaudited 31 March 2024 LAKm	Audited 31 December 2023 LAKm
Short-term loans	4,257,383	3,794,827
Medium-term loans	34,130,630	34,227,684
Long-term loans	11,551,966	14,175,552
	49,939,979	**52,198,063**

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 2024 is LAK 86,288 million.

12. FINANCIAL INVESTMENTS - HELD-TO-MATURITY

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

	(Restated) LAKm
Balance as at 1 January 2024 - audited	**14,865,690**
Additions	14,917,147
Amortise during the period	8,961
Collection	(5,500,000)
Balance as at 31 March 2024 - unaudited	**24,291,798**

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 2024 - audited	**747,223**
Share of profit and loss of associates and joint ventures	18,362
Invest in associates and joint venture	-
Less: Dividends received during the period	-
Balance as at 31 March 2024 - unaudited	**765,585**

Investment in associated and joint ventures as at 31 March 2024 were as follows:

	Ownership interest		Cost		Equity	
	31 March 2024	31 December 2023	Unaudited 31 March 2024	Audited 31 December 2023	Unaudited 31 March 2024	Audited 31 December 2023
	(%)		LAKm			
BCEL - Krung Thai Securities Company Limited	70	70	70,000	70,000	81,671	79,766
Lao Viet Joint Venture Bank	25	25	197,839	197,839	271,918	268,770
Banque Franco - Lao Limited	30	30	138,000	138,000	180,903	175,985
Lao China Bank Company Limited	39.87	39.87	151,458	151,458	201,320	196,535
Lao-Viet Insurance Joint Venture Company	35	35	9,168	9,168	17,675	16,453
Lao National Payment Network Company Limited	20	20	6,800	6,800	12,098	9,714
Total			**573,265**	**573,265**	**765,585**	**747,223**

14. PROPERTY AND EQUIPMENT

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

	LAKm
Balance as at 1 January 2024- audited	**568,104**
Additions*	45,256
Transfer to other assets	4,145
Write off/Disposal, net	(5,161)
Depreciation charge	(15,159)
Balance as at 31 March 2024 - unaudited	**597,185**

* 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 2024 - audited	**321,734**
Additions	-
Transfer from CIP	4,910.36
Depreciation charge	(3,340)
Balance as at 31 March 2024 - unaudited	**323,304**

16. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 31 March 2024 LAKm	Audited 31 December 2023 LAKm
Demand deposits	**9,687,747**	**8,136,564**
- In LAK	3,574,357	2,551,312
- In foreign currencies	6,113,389	5,585,252
Saving deposits	**375,830**	**400,852**
- In LAK	225,715	154,784
- In foreign currencies	150,115	246,068
Term deposits	**1,134,851**	**881,074**
- In LAK	201,545	201,536
- In foreign currencies	933,306	679,538
Others	**30,031**	**40,130**
- In LAK	27,676	40,130
- In foreign currencies	2,355	-
Accrued interest payable	**5,040**	**4,497**
	11,233,498	**9,463,117**

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 2024 % Per annum	31 December 2023 % Per annum
Demand deposits	0.00 – 0.45	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 31 March 2024 LAKm	Audited 31 December 2023 LAKm
Demand deposits	**16,859,320**	**16,773,450**
Demand deposits in LAK	5,390,865	4,990,191
Demand deposits in FC	11,468,455	11,783,259
Savings deposits	**67,926,690**	**59,829,971**
Demand saving deposits in LAK	26,444,332	23,183,532
Demand saving deposits in FC	41,482,359	36,646,439
Term deposits	**32,658,520**	**31,394,673**
Term deposits in LAK	9,276,607	9,082,106
Term deposits in FC	23,381,913	22,312,567
Margin deposits	**224,285**	**210,254**
Margin deposits in LAK	44,192	32,218
Margin deposits in FC	180,093	178,036
Other payables to customers	**511,322**	**375,193**
Accrued interest payable	**861,656**	**888,176**
	119,041,793	**109,471,717**

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 2024 were as follow:

	LAKm
Balance as at 1 January 2024 - audited	**4,320,170**
Additions	4,100
Repayments	-
Loss on exchange rate	112,558
Balance as at 31 March 2024 - unaudited	**4,436,828**

	Unaudited 31 March 2024 LAKm	Audited 31 December 2023 LAKm
Borrowings from the BOL	4,374,568	4,257,910
Borrowings from others bank	62,260	62,260
Total	**4,436,828**	**4,320,170**
Accrued interest payable	**57,528**	**58,224**
	4,494,357	**4,378,394**

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 2024 LAKm	Unaudited 31 March 2023 LAKm
Cash and cash equivalents on hand	5,651,962	4,632,314
Demand deposits with the BOL	15,185,539	24,400,633
Current accounts with other banks	10,938,046	7,087,328
Term deposit due within 90 days	11,510,743	965,000
	43,286,289	**37,085,276**

22. COMMITMENTS

	31 March 2024 LAKm	31 December 2023 LAKm
Un-drawn commitments to lend for customers (ii)	9,434,707	8,461,014
Letter of credit and bank guarantees (i)	604,323	574,835
At sight letters of credit	1,029,333	1,241,528
Deferred payment letters of credit	108,926	51,348
	11,177,289	**10,328,725**

(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 31 March 2024 with related parties were as follows:

	31 March 2024 LAKm	31 March 2023 LAKm
Interest income and other		
Parent company	230,454	71,498
Interest expense and other		
Related party	(56,758)	(46,619)

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 2024 LAKm	31 March 2023 LAKm
Salaries	521	508
Bonus	131	-
Responsibility allowance	260	239
	912	**747**

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 2024 LAKm	31 December 2023 LAKm
Receivables		
Parent company	24,608,936	15,025,830
Associate and Joint venture	1,162,382	1,479,757
Related party	27,877,162	26,473,405
Payables		
Associate and Joint venture	612,920	2,146,492
Related party	4,432,097	4,316,134