Banque Pour Le Commerce Exterieur Lao Public

A Summary of Business Performance for the three-month of Quarter III
Period Ended 30 September 2020

I. General Overview of BCEL.

1. Vision

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

2. Mission

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

❖ Programs and projects in 2020

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

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

II. Financial Position and Performance.

1. Lao Macro-Economy Outlook For The Year 2020.

For the year 2020, the Lao economy is expected to grow at the slow pace at around 3,3%[1] which decreases from the government's expectation at the beginning of the year of 6,5%. The spread of COVID-19 has affected significant incomes of various businesses as they are unable to operate as planned especially the businesses which are related to service, exportation, tourism, hotels and restaurants. However, the economy of Laos is estimated by IMF at 0,2% growth while the World Bank expected the growth of 1%. If the situation is not improved, the Lao economy might be declined at -1,8%[2]. Previously, the inflation had a downturn trend from 5,28% in 06/2020 to 4,63% in 09/2020 due to the policy to control the product and service prices by the government and other relaxed economic policies.

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

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

The risky factors that can be seen from the slow growth of the regional and world economies and the continual spreading of the COVID-19 in the neighboring countries, especially Myanmar which has already reached the number of effected people of more than 40.000, around 1.000 / day. Moreover, the trade deficit, the budget deficit, low level of national reserve and the economic measures adopted by the trade partner of Laos are the major risks for the macroeconomic growth for 2021.

2. Outstanding Performance in Brief.

During Q3/2020, BCEL has completed works in many areas: The bank has signed the MOU with Star Fintech Company to connect U-Money system with BCEL One to provide the banking service via mobile phone's network; signed the contract with LVI to sell insurance products online; signed the Bill Payment Agreement with Vandala Microfinance Institution and signed the MOU to issue ATM card as Student ID Cards for Dongkhamsang Technical College, Lao-German Technical College and other institutions. In addition, BCEL has held the Business Review Meeting for the first 6 months of 2020 at Don-Chan Palace Hotel. The bank has separated Anti-Money Laundering Division from the Risk Management and Anti-Money Laundering Division as the new established Division. The former division still maintain the name "Risk Management Division".

The bank's Road Tax Service was awarded the Mobile Banking & Payment Initiative of The Year by the Asian Banking and Finance Magazine.

3. BCEL's Key Financial Figures

During 03Q 2020 BCEL has followed the business plan as adopted by the shareholders' meeting which can achieve the figures in accordance with BCEL accounting as follows:

- **Assets/Liabilities**: 52.417,32 bil LAK, 105% of the year plan; 15% increase compared with the same period of last year;
- **Total Loan**: 29.910,02 bil LAK, 105% of the year plan; 13% increase compared with the same period of last year (The NPL amounted to 880,68 bil LAK of NPL, which covered 3,01% of Loans).
- **Deposit:** 46.571,41 bil LAK, 108% of the year plan; 20% increase compared to the same period of last year;
- **Total capital:** 2.151,32 bil LAK, 83% of the year plan; 2% increase compared to the same period of last year.
- **Profit Before Tax:** During the three month of Quarter III 2020: 154,68 bil LAK, for the nine-month period of 2020: 229,23 bil LAK, 64% of the BCEL 2020 plan.

III. General and Important Information.

- **Location & Networks**

The Bank's Head Office is located at No. 01, Pangkham Street, Ban XiengNheun, Chanthabouly District, Vientiane Capital, Lao PDR. As at 30 September 2020, the Bank has one (01) Head Office, six (6) joint ventures, twenty (20) branches, ninety-Seven (97) services units, and fifteen (15) exchange units all over Lao PDR.

- **Contacts**
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- **Brief History**

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

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

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

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

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

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

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

- **Registered Capital**

Registered capital as of 30 September 2020 is 1.038.617 mil LAK (31 December 2019:1.038.617 mil LAK)

IV. The Organizational Chart of the BOD, the Management and the Performance of Committees to the BOD.

1.1. The BOD of BCEL consists of 7 persons:

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

1.2. Biography of BOD's members:

➢ Dr. Bounleua Sinxayvoravong: Chairman



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

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



- Date of Birth: 03 June 1945
- Nationality: Lao
- Language(s): Lao, English, French
- Designation: Independent Director
- Education: George Town University (pew Fellowship Program) Washington D.C, USA. Indian Institute for Bank Management, Puna, India. A bachelor's degree from NSW University, Australia.

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



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

- **Mr. Phoutthakhan Khanty: Member**



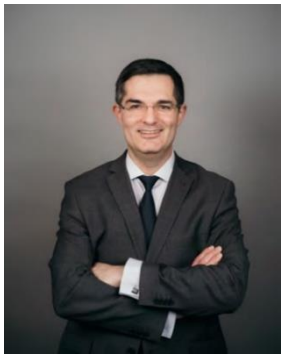
- Date of Birth: 02 May 1970
- Nationality: Lao
- Language(s): Lao, Vietnamese, Russian
- Designation: Deputy Director General of National Treasury, Ministry of Finance
- Education: Master Degree, Financial Institution, Hanoi, Vietnam. Bachelor's Degree at Dagestan State University, USSR

- **Mr. Phoukhong Chanthachack: Member**



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

- **Mr. Stéphane Mangiavacca: Member**



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

- **Mr. Viengsouk Chounthavong: Member**



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

2. The Management Of BCEL

2.1. The Management of BCEL consists of 6 persons:

- Mr. Phoukhong Chanthachack — General Managing Director
- Mr. Lachay Khanpravong — Deputy Director
- Mr. Nanthalath Keopaseuth — Deputy Director
- Mr. Souphak Thinxayphone — Deputy Director
- Mr. Bouavanh Simalyvong — Deputy Director (retired on 1st August 2020)
- Mr. Viengsouk Chounthavong — Deputy Director

2.2. BCEL's Management



Mr. Phoukhong Chanthachack
General Managing Director



Mr. Lachay Khanpravong
Deputy Director



Mr. Souphak Thinxayphone
Deputy Director



Mr. Nanthalath Keopaseuth
Deputy Director



Mr. Viengsouk Chounthavong
Deputy Director



Mr. Bouavanh Simalyvong
Deputy Director

3. The Performance of BOD and Committees to the BOD.

3.1. BOD Meetings

The Board of Directors has held the BOD's meeting for 3 times in total (1 ordinary meeting and 2 extraordinary meetings). The significant performance is as follows:

- Resolved to approve the Audited Financial Report for the first six months of 2020 (According to LAS and IFRS) audited by PWC by circulating letters after completing the audit.
- Approved the establishment of Saysomboun Branch, along with the Feasibility Study and the Supervision Regulation as the reference to propose to the BOL for the approval.
- Approved the recapitalization for Banque Franco Lao Ltd (BFL) according to the shareholding's proportion of BCEL.
- Approved the new loan proposal, additional loan and stimulus package related to the loan customers.
- Approved the appointment of some BCEL's senior management positions.

3.2. Risk Management Committee

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

- Risk rating of key risks such as credit risk indicator and liquidity risk indicator.
- Monitoring main risk appetite of the bank in various fields which have 14 risk indicators.
- Considering the Policy on Business Continuity Management of BCEL.
- Monitoring the plan on the implementation of the restructuring of the risk management framework for the first phase.
- Monitoring the progress of the sub-projects partly and under the BASEL 2 project (8 projects implemented regularly).

3.3. Corporate Governance Committee.

In 03Q2020, the Corporate Governance Committee has held 2 meetings to consider the Business Performance Result of BCEL and other issues to be proposed to the BOD for the approval. The important issues that have been approved are as follows:

- The Committee had closely monitored and supported on advising the business operation of BCEL and approved BCEL's Financial Report according to LAS and IFRS for the first six months of 2020.
- Advised the holding of the Business Review Meeting for 02Q2020.
- Monitored and supervised the work of treasury, liquidity management, the use of funds and foreign currency management periodically, especially finding the impact of using bank cards and finding the timely solutions.
- Followed up the business performance, Annual Strategy Plan, the Long-Term Strategy Plan for 2016-2020 and the implementation of work programs and other projects.
- Monitored the loan quality management, corporate customer management, the customers that have been affected by the spreading of the COVID-19 and actively supervise the resolution of NPL.
- Followed up the creation of the long-term plan 2020-2025.

- Monitored the work of Personnel and Human Resources: The improvement of staff through seminars, the use of budget for the Human Resource Development tasks and the research on the training topics to prepare for the growth in each work and to improve and issue some new regulations of BCEL.
- Followed up the recapitalization for BFL, the progress on the share selling of 9%, the implementation of New Core- Banking Project and the Basel II project.

3.4. Audit Committee.

- Monitored staff in implementing the rules, rights, procedures and paid attention to the urgent auditing, audit findings and feedback from customers to ensure the problems is resolved on time. Followed up the branches on the credit approval, and applied the appropriate measures to resolve the problems.
- Conducted the ordinary auditing, the special auditing, the specific auditing and the urgent auditing to all divisions, centers and branches of BCEL as well as followed up on resolving of the findings from the internal and external auditors in all divisions, centers and branches of BCEL.
- Followed up the solution of findings from the internal and external auditors regularly.
- Coordinated with PWC to review the Financial Report of BCEL for the first 6 months of 2020 according to LAS and IFRS.
- Monitored any negative issues and the reporting on the work of anti-corruption to the management and BOL.
- Followed up the implementation progress of IFRS 16.

V. The work of Corporate Social Responsibility.

➢ Taxes Payment

BCEL has been paying taxes to the government and as of September 2020 BCEL has paid the taxes in total of 35.253,18 million Kips as the following details:

	Items	Amount
1	Income taxes	19.168,70
2	Profit tax	12.000,22
3	Excise tax	18,58
4	Value added tax	3.358,80
5	Profits tax for non-resident vendors	706,88
	Total	**35.253,18**

Unit: million Kips

➢ The Contribution and Donation to the Community

Along with the business operation and other activities in 03Q2020, the management and all BCEL's staff paid great deal of attention on the contribution and participation in the social responsibility projects (Corporate Social Responsibility or CSR) which have been parts of the bank's core values. The detail is as follows:

- Provided the grant to repair 3 schools in the amount of 114 Mil LAK for 1. Phonsomboun Primary School in Sikhottabong District for 20 Mil LAK, 2. Nonsavang Primary School in

Saysettha District for 14 Mil LAK and 3. Phameaung High School in Borlikhan District, Borlikhamxay Province for 80 Mil LAK.

- Supported text books for local schools in Laungnamtha Province in the amount of 18 mil LAK.
- Mobilized fund to support the community via BCEL OneHeart, which the channel has become the important tool and the center for community donation. The channel has been convenient for both donors and recipients. There were 8 projects with 4,725 transactions in the amount of 309,21 Mil LAK (1 project has been closed for donation).

General Managing Director

MR PHOUKHONG CHANTHACHACK

BANQUE POUR LE COMMERCE EXTERIEUR
LAO PUBLIC

INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2020

Banque Pour Le Commerce Exterieur Lao Public

Interim financial information (Unaudited)
For the three-month of quarter lll period ended 30 September 2020

CONTENTS **PAGES**

Interim Statement of income	1
Interim Statement of comprehensive income	2
Interim Statement of financial position	3
Interim Statement of changes in equity	4
Interim Statement of cash flows	5-6
Notes to the condensed interim financial information	7-21

Banque pour le commerce exterieur lao public

Statement of income (Unaudited)
For the three-month of quarter III period ended 30 September 2020

	Notes	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 LAKm
Interest income		572.193	562.116
Interest expense		(329.188)	(304.564)
Net interest and similar income	6	**243.005**	**257.552**
Fee and commission income		67.566	62.892
Fee and commission expense		(5.801)	(7.098)
Net fee and commission income	7	**61.765**	**55.794**
Net gain from dealing in foreign currencies		38.614	6.785
Other operating income		9.797	1.289
Total operating income		**353.181**	**321.420**
Credit loss expense of loans to customers		(55.381)	(154.665)
Additional of impairment losses of financial asset		1.150	(16.112)
NET OPERATING INCOME		**298.950**	**150.643**
Personnel expenses		(100.631)	(32.204)
Depreciation and amortisation		(18.042)	(18.103)
Depreciation of right-of-use assets		(1.676)	(1.451)
Other operating expenses	8	(34.616)	(41.808)
Total operating expenses		**(154.965)**	**(93.566)**
Share of profit and loss of joint ventures		10.697	(10.676)
PROFIT BEFORE TAX		**154.682**	**46.400**
Income tax expense	20	(18.513)	(13.265)
NET PROFIT FOR THE PERIOD		**136.169**	**33.135**
Earnings per share			
Basic earnings per share (LAK)	9	**656**	**160**

Prepared by:

Mrs. Netnapha Sayalath
Deputy Chief of Accounting Department
Vientiane, Lao PDR
Date: 12 November 2020

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

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

Mr. Viengsouk Chounthavong
Deputy Managing Director

The accompanying notes on pages 7 to 22 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 of quarter III period ended 30 September 2020

	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 LAKm
NET PROFIT FOR THE PERIOD	**136.169**	**33.135**
OTHER COMPREHENSIVE INCOME		
Items that will be reclassified subsequently to profit or loss		
Remeasurements of post-employment benefit obligations	(55)	-
Profit tax related to components of other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD, NET OF TAX	**(55)**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**136.114**	**33.135**

Prepared by:

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Approved by:

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Approved by:

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

Mr. Viengsouk Chounthavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 12 November 2020

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Banque Pour Le Commerce Exterieur Lao Public

Statement of financial position (Unaudited)
As at 30 September 2020

	Notes	30 September 2020 LAKm	31 December 2019 Restated LAKm
ASSETS			
Cash and balances with Bank of the Lao PDR		12.310.321	9.202.045
Due from banks	10	4.281.101	4.493.536
Loans to customers	11	30.498.167	27.490.492
Financial asset - Available-for-sale	12	94.725	129.623
Investment - Hold-to-maturity	13	3.375.887	3.453.937
Investment in joint ventures using the equity method, net	14	615.592	568.897
Property and equipment	15	431.481	455.721
Right-of-use assets		53.799	54.814
Intangible assets	16	246.187	245.042
Deferred tax assets		18.996	28.768
Other assets		491.067	471.430
TOTAL ASSETS		**52.417.323**	**46.594.305**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	17	4.081.572	4.063.635
Due to customers	18	43.013.645	36.419.928
Borrowings from other banks	19	2.906.589	3.705.378
Lease liabilities		14.647	14.249
Current tax liabilities	20	50.056	41.309
Other liabilities		199.499	210.577
TOTAL LIABILITIES		**50.266.008**	**44.455.076**
EQUITY			
Share capital	21	1.038.617	1.038.617
Statutory and other reserves	22	753.400	604.423
Remeasurement of post-employment benefit reserve		12.137	12.082
Retained earnings		347.161	484.107
TOTAL EQUITY		**2.151.315**	**2.139.229**
TOTAL LIABILITIES AND EQUITY		**52.417.323**	**46.594.305**

Prepared by:

Approved by:

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

Mrs. Netnapha Sayalath Deputy Chief of Accounting Department	Mr. Kongsack Souphonesy Chief of Internal Audit Department	Mr. Viengsouk Chounthavong Deputy Managing Director

Vientiane, Lao PDR
Date: 12 November 2020

The accompanying notes on pages 7 to 22 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Statement of changes in equity
For the three-month of quarter III period ended 30 September 2020

	Share capital LAKm	Statutory and other reserves LAKm	Remeasurement of post-employment benefit reserve LAKm	Retained earnings LAKm	Total LAKm
Balances as at 31 December 2019 – restated	**1.038.617**	**604.423**	**12.082**	**484.107**	**2.139.229**
Dividend paid out to shareholders for the year 2019 (Note 23)	-	-	-	(168.879)	(168.879)
Net profit for the period	-	-	-	180.910	180.910
Appropriation to reserve for the year 2019	-	148.977	-	(148.977)	-
Remeasurement of post-employment benefit reserve	-	-	55	-	55
Balances as at 30 September 2020	**1.038.617**	**753.400**	**12.137**	**347.161**	**2.151.315**

Prepared by:

Mrs. Netnapha Sayalath
Deputy Chief of Accounting Department

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

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

Mr. Viengsouk Chounthavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 12 November 2020

The accompanying notes on pages 7 to 22 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 of quarter III period ended 30 September 2020

	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 Restated LAKm
OPERATING ACTIVITIES	**154.682**	**46.400**
Profit before tax		
Adjustments for:		
Depreciation and amortization charges	18.042	18.103
Depreciation of right-of-use assets	1.676	1.451
Lease obligation	-	(1.877)
Expense for impairment losses	55.381	154.665
Changes in provision for impairment loss on financial asset	(1.150)	(659)
Share of associate's profit under equity method	(10.697)	10.676
Defined post-employment benefit expense	(3.087)	(79.648)
Interest income	(572.193)	(558.589)
Interest expense	329.188	304.564
Dividend income	-	(1.988)
Cash flows from operating profit before changing in operating assets and liabilities	**(28.158)**	**(106.901)**
Changes in operating assets		
Due from banks	319.259	(172.048)
Loans to customers	(1.829.619)	549.114
Financial investment - Available-for-sale	-	19.175
Investment - Held-to-maturity	3.878	141.387
Other assets	13.846	12.747
Changes in operating liabilities		
Due to other banks and the BOL	72.096	541.708
Due to customers	3.070.967	1.408.533
Borrowing from banks	(136.702)	(756.417)
Other liabilities	(337.756)	47.063
Interest received	110.771	245.599
Interest paid	(283.643)	(105.395)
Profit tax paid during the period	(16.011)	(10.000)
Net cash flows from operating activities	**958.926**	**1.814.565**
INVESTING ACTIVITIES		
Purchase and construction of fixed assets	(11.980)	(16.032)
Purchase of Intangible asset	2.813	-
Proceeds from disposals of fixed assets	-	859
Dividends received	71	1.844
Net cash flows used in investing activities	**(9.095)**	**(13.329)**
FINANCING ACTIVITIES		
Payment of dividend	-	-
Net cash flows used in financing activities	**-**	**-**

The accompanying notes on pages 7 to 22 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 of quarter III period ended 30 September 2020

	Note	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 Restated LAKm
Net increase in cash and cash equivalents		**949.834**	**1.801.237**
Cash and cash equivalents at the beginning of the period		**-**	**-**
Cash and cash equivalents at the end of the period		**949.834**	**1.801.237**

Prepared by:

Mrs. Netnapha Sayalath
Deputy Chief of Accounting Department

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

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

Mr. Viengsouk Chounthavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 12 November 2020

The accompanying notes on pages 7 to 22 form an integral part of these interim financial information

1. REPORTING ENTITY

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

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

The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Capital, Lao PDR, As at 30 September 2020. the Bank has one (01) Head Office, six (6) joint ventures, twenty (20) main branches, ninety-seven (97) services units, and fifteen (15) exchange units all over Lao PDR.

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

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

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

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

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

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

The interim financial information was authorised for issue by Board of Director on 12 November 2020.

2. SIGNIFICANT EVENTS DURING THE CURRENT PERIOD

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

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

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

3. BASIS OF ACCOUNTING

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

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

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

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

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

In order to compare the financial report of three-month period of quarter III, it should be compared with financial report of six-month period.

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

4. ACCOUNTING POLICY

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

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

5. PRIOR YEAR ADJUSTMENT

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

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

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

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

	As at 30 September 2019		
	Originally stated LAKm	**Increase/ (decrease) LAKm**	**As restated LAKm**
Statement of income			
Interest income	1.642.933	(5.175)	1.637.758
Interest expense	(882.257)	-	(882.257)
Net interest and similar income	**760.676**	**(5.175)**	**755.501**
Fee and commission income	185.402	(2.519)	182.883
Fee and commission expense	(24.716)	3.670	(21.046)
Net fee and commission income	**160.686**	**1.151**	**161.837**
Net gain from dealing in foreign currencies	25.852	3	25.855
Net loss from dealing derivatives	(1.204)	-	(1.204)
Other operating income	73.101	(220)	72.881
Total operating income	**1.019.111**	**(4.241)**	**1.014.870**
Credit loss expense of loans to customers	(277.296)	-	(277.296)
Additional of impairment losses of financial asset	(17.973)	-	(17.973)
NET OPERATING INCOME	**723.842**	**(4.241)**	**719.601**
Personnel expenses	(186.767)	1.887	(184.880)
Depreciation and amortisation	(53.908)	284	(53.624)
Depreciation of right-of-use assets	(4.013)	204	(3.809)
Other operating expenses	(117.836)	1.169	(116.667)
Total operating expenses	**(362.524)**	**3.544**	**(358.980)**
Share of profit and loss of joint ventures	13.235	2.090	15.325
PROFIT BEFORE TAX	**374.553**	**1.392**	**375.945**
Income tax expense	(86.015)	(735)	(85.266)
NET PROFIT FOR THE PERIOD	**288.538**	**2.141**	**290.679**
Earnings per share	**1.385**		**1.399**

5. PRIOR YEAR ADJUSTMENT (CONTINUED)

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

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

	As at 30 September 2019		
	Originally stated LAKm	Increase/ (decrease) LAKm	As restated LAKm
Statement of cash flows			
Operating activities	4.786.221	(1.278)	4.784.943
Investing activities	(51.050)	1.087	(49.963)
Financing activities	205.854	-	205.854
Net increase in cash and cash equivalent	4.529.125	-	4.529.125
Cash and cash equivalents at the beginning of the period	7.204.432	(2.663)	7.201.769
Cash and cash equivalents at the end of the period	11.733.749	(2.855)	11.730.894

6. NET INTEREST AND SIMILAR INCOME

	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 LAKm
Interest income:		
Lending to customers	495.158	489.780
Deposits at other banks	13.823	16.021
Investment - Hold-to-maturity	55.390	51.361
Other interest income and similar income	7.822	4.954
	572.193	**562.116**
Interest expense:		
Due to other banks	(47.016)	(70.512)
Customer deposits	(282.172)	(234.052)
	(329.189)	**(304.564)**
Net interest and similar income	**243.005**	**257.552**

7. NET FEES AND COMMISSION INCOME

	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 LAKm
Fees and commission income from:		
Settlement services	44.425	45.855
Credit activities	14.340	10.876
Other activities	8.801	6.161
	67.566	**62.892**
Fees and commission expense for:		
Settlement services	(5.992)	(6.200)
Other activities	191	(898)
	(5.801)	**(7.098)**
Net fees and commission income	**61.765**	**55.794**

8. OTHER OPERATING EXPENSE

	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 LAKm
Deposit Insurance paid to Depositor Protection Fund	5.608	7.831
Others	29.008	33.977
	34.616	**41.808**

9. EARNINGS PER SHARE

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

	For the three-month of quarter III period ended 30 September 2020	For the three-month of quarter III period ended 30 September 2019
Profit attributable to ordinary shareholders of the Company (LAKm)	136.169	33.135
Weighted average number of ordinary shares for basic earnings per share (shares)	207.723.300	207.723.300
Earnings per share (LAK)	656	160

10. DUE FROM BANKS

	Unaudited 30 September 2020 LAKm	Restated Audited 31 December 2019 LAKm
Current and saving accounts	**3.224.305**	**3.919.881**
- In LAK	14.262	23
- In foreign currencies	3.210.043	3.919.858
Term deposits	**1.056.796**	**573.655**
- In LAK	113.405	219.775
- In foreign currencies	943.391	353.880
	4.281.101	**4.493.536**

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

	30 September 2020 % per annum	31 December 2019 % per annum
Demand deposits	0,07 – 1,10	0,00 – 3,10
Saving deposits	0,07 – 2,16	0,00 – 0,80
Term deposits	0,14 – 6,37	0,50 – 4,95

11. LOANS TO CUSTOMERS

	Unaudited 30 September 2020 LAKm	Audited 31 December 2019 LAKm
Gross loans to customers	31.536.466	28.141.033
Loans funded by borrowings from BOL (see Note 19)	1.940.625	1.825.039
Less: Allowance for impairment losses	(1.038.299)	(650.541)
	30.498.167	**27.490.492**

11. LOANS TO CUSTOMERS (CONTINUED)

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

	LAKm
Balance as at 1 January 2020 - audited	**650.541**
Net change during the period	358.623
Non-performing loans written-off	13.025
Foreign exchange differences	16.110
Balance as at 30 September 2020 - unaudited	**1.038.299**

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

	30 September 2020		31 December 2019	
	Outstanding balance LAKm	Impairment LAKm	Outstanding balance LAKm	Impairment LAKm
Individually impaired	3.388.161	982.779	4.008.282	401.513
Collectively impaired	26.521.861	55.520	22.979.708	249.028
	29.910.022	**1.038.299**	**26.987.990**	**650.541**

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

	30 September 2020 % per annum	31 December 2019 % per annum
Loans denominated in LAK	5,50 - 16,00	6,00 – 16,00
Loans denominated in USD	4,32 - 10,00	5,80 – 16,00
Loans denominated in THB	6,00 - 16,00	6,00 – 10,00

Analysis of loan portfolio by currency:

	Unaudited 30 September 2020 LAKm	Audited 31 December 2019 LAKm
Loans denominated in LAK	13.932.987	12.649.118
Loans denominated in USD	13.829.741	12.054.073
Loans denominated in THB	3.773.738	3.437.842
	31.536.466	**28.141.033**

Analysis of loan portfolio by original maturity:

	Unaudited 30 September 2020 LAKm	Audited 31 December 2019 LAKm
Short-term loans	2.546.430	1.581.901
Medium-term loans	17.501.686	16.311.131
Long-term loans	11.488.350	10.248.001
	31.536.466	**28.141.033**

12. FINANCIAL ASSET - AVAILABLE-FOR-SALE

The Bank has investment in share of EDL-Generation Public Company. EDL is a listed company on LSX and the fair value at 30 September 2020 is LAK 94.725 million.

13. INVESTMENT - HOLD-TO-MATURITY

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

	LAKm
Balance as at 1 January 2020 - audited	**3.453.937**
Additions	1.078.481
Collection	(1.156.531)
Balance as at 30 September 2020 - unaudited	**3.375.887**

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

	LAKm
Balance as at 1 January 2020 - restated	**568.897**
Share of profit of joint ventures	23.003
Invest in joint venture	25.360
Less: Dividends received during the period	(1.668)
Balance as at 30 September 2020 - unaudited	**615.592**

Investment in joint ventures as at 30 September 2020, and for the nine-month periods ended 30 September 2020 were as follows:

	Ownership interest		Cost		Equity	
	30 September 2020	31 December 2019	Unaudited 30 September 2020	Restated Audited 31 December 2019	Unaudited 30 September 2020	Restated Audited 31 December 2019
	(%)		LAKm			
BCEL – KT Lao Viet Joint Venture Bank	25	25	197.839	197.839	243.495	235.339
Banque Franco - Lao Limited	30	30	114.000	90.000	110.942	84.431
Lao China Bank Company Limited	49	49	147.000	147.000	171.208	162.464
Lao-Viet Insurance Joint Venture Company	35	35	9.168	9.168	12.135	10.837
Lao National Payment Network Company Limited	20	20	3.400	2.040	3.262	1.595
Total			**541.407**	**516.047**	**615.592**	**568.897**

15. PROPERTY AND EQUIPMENT

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

	LAKm
Balance as at 1 January 2020 - restated	**455.721**
Additions	32.560
Disposal	(4.678)
Depreciation charge	(52.122)
Balance as at 30 September 2020 - unaudited	**431.481**

16. INTANGIBLE ASSETS

Movements of intangible asset for the period are as follows:

	LAKm
Balance as at 1 January 2020 - restated	**245.042**
Additions	3.327
Depreciation charge	(2.182)
Balance as at 30 September 2020 - unaudited	**246.187**

17. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 30 September 2020 LAKm	Restated Audited 31 December 2019 LAKm
Demand deposits	**3.283.342**	**3.522.988**
- In LAK	1.144.458	1.127.264
- In foreign currencies	2.138.884	2.395.724
Saving deposits	**80.995**	**302.654**
- In LAK	45.410	45.567
- In foreign currencies	35.585	257.087
Term deposits	**707.460**	**215.345**
- In LAK	319.800	137.359
- In foreign currencies	387.660	77.986
Others	**9.775**	**22.648**
- In LAK	8.865	15.166
- In foreign currencies	910	7.482
	4.081.572	**4.063.635**

17 DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS (CONTINUED)

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

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

18. DUE TO CUSTOMERS

	Unaudited 30 September 2020 LAKm	Restated Audited 31 December 2019 LAKm
Demand deposits	**6.105.219**	**5.851.192**
Demand deposits in LAK	2.935.248	2.828.297
Demand deposits in FC	3.169.971	3.022.895
Demand savings	**20.408.514**	**16.422.065**
Demand saving deposits in LAK	9.975.086	8.015.243
Demand saving deposits in FC	10.433.428	8.406.822
Term deposits	**16.345.605**	**13.900.002**
Term deposits in LAK	8.732.046	7.640.736
Term deposits in FC	7.613.559	6.259.266
Margin deposits	**60.033**	**104.854**
Margin deposits in LAK	38.873	33.832
Margin deposits in FC	21.160	71.022
Other payables to customers	**94.274**	**141.815**
	43.013.645	**36.419.928**

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

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

19. BORROWINGS FROM OTHER BANKS

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

	LAKm
Balance as at 1 January 2020 - audited	**3.705.378**
Additions	124.867
Repayments	(1.062.590)
Loss on exchange rate	138.934
Balance as at 30 September 2020 - unaudited	**2.906.589**

19. BORROWINGS FROM OTHER BANKS (CONTINUED)

	Unaudited 30 September 2020 LAKm	Audited 31 December 2019 LAKm
Borrowings from the BOL	1.940.625	1.825.039
Borrowings from others bank	965.964	1.880.339
	2.906.589	**3.705.378**

20. CURRENT TAX LIABILITIES

	Unaudited 30 September 2020 LAKm	Restated Audited 31 December 2019 LAKm
Profit tax payable (1)	32.862	28.553
Value Added Tax payable	16.577	12.156
Other payable	617	600
	50.056	**41.309**

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

	LAKm
Balance as at 1 January 2020 - restated	**28.553**
Profit tax during the period (2) *	40.996
Payment during the period	(36.687)
Balance as at 30 September 2020 - unaudited	**32.862**

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

(2) Income tax expense for three-month of quarter III period ended 30 September 2020 and 30 September 2019 are as follows:

.

	Unaudited 30 September 2020 LAKm	Restated 30 September 2019 LAKm
Current income tax	(28.382)	(15.186)
Deferred income tax	9.869	1.921
	(18.513)	**(13.265)**

21. SHARE CAPITAL

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

22. STATUTORY RESERVES AND OTHER RESERVES

	Regulatory reserve fund LAKm	Business expansion fund LAKm	Other Reserve LAKm	Total LAKm
Balance as at 1 January 2020 - restated	**170.892**	**433.531**	**-**	**604.423**
Appropriations to reserves from LAS profit of BCEL Bank	34.881	104.640	9.456	148.977
Balance as at 30 September 2020 - unaudited	**205.773**	**538.171**	**9.456**	**753.400**

23 DIVIDENDS

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

24. ADDITIONAL CASH FLOW INFORMATION

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

	Unaudited 30 September 2020 LAKm	Restated 30 September 2019 LAKm
Cash and cash equivalents on hand	2.062.385	1.920.685
Demand deposits with the BOL	8.304.667	4.322.595
Current accounts with other banks	3.224.305	4.786.818
Term deposit due within 90 days	102.151	700.797
	13.693.508	**11.730.895**

25. COMMITMENTS

	30 September 2020 LAKm	31 December 2019 LAKm
Financial letter of guarantees	449.468	400.347
At sight letters of credit	173.890	350.346
Credit limit given to customers	3.204.595	2.434.380
Credit limit given to other banks	548	548
	3.828.501	**3.185.621**

Financial letter of guarantees

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

Credit limit given to customers and other banks

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

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

26. CAPITAL MANAGEMENT

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

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

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

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

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

	30 September 2020 LAKm	31 December 2019 LAKm
Tier 1 capital	2.151.315	2.139.229
Tier 2 capital	-	-
Total capital	**2.151.315**	**2.139.229**
Less: Deductions from capital (Investments in other entities)	(615.592)	(568.897)
Capital for CAR calculation (A)	**1.535.723**	**1.570.332**
Risk weighted balance sheet items	15.536.764	13.421.211
Risk weighted off balance sheet items	1.777.808	1.595.547
Total risk weighted assets (B)	**17.314.572**	**15.016.758**
Capital Adequacy Ratio (A/B)	**8,87%**	**10,46%**

27. RELATED PARTY DISCLOSURES

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

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

b) Outstanding balances arising from interest income. interest expense and other:

	30 September 2020 LAKm	30 September 2019 LAKm
Interest income and other		
Parent company	133.256	125.103
Interest expense and other		
Related party	(73.829)	(93.437)

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 2020 LAKm	30 September 2019 LAKm
Salaries	966	1.098
Bonus	523	518
Responsibility allowance	680	756
Other benefits	-	48
	2.169	**2.420**

d) Significant transactions as at 30 September 2020 with related parties were as follows:

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

	30 September 2020 LAKm	31 December 2019 LAKm
Receivables		
Parent company	3.377.442	3.458.956
Joint venture	1.459.432	1.196.531
Related party	10.236.270	7.151.949
Payables		
Joint venture	1.268.263	1.104.779
Related party	1.944.896	1.831.849

BANQUE POUR LE COMMERCE EXTERIEUR
LAO PUBLIC

INTERIM SEPARATE FINANCIAL INFORMATION
(UNAUDITED)

FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED
30 SEPTEMBER 2020

Banque Pour Le Commerce Exterieur Lao Public

Interim separate financial information (Unaudited)
For the three-month of quarter III period ended 30 September 2020

CONTENTS **PAGES**

Interim Separate statement of income	1
Interim Separate statement of comprehensive income	2
Interim Separate statement of financial position	3
Interim Separate statement of changes in equity	4
Interim Separate statement of cash flows	5-6
Notes to the condensed interim separate financial information	7-19

Banque Pour Le Commerce Exterieur Lao Public

Separate statement of income (Unaudited)
For the three-month of quarter III period ended 30 September 2020

	Notes	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 LAKm
Interest income		572.193	562.116
Interest expense		(329.188)	(304.564)
Net interest and similar income	6	**243.005**	**257.552**
Fee and commission income		67.566	62.892
Fee and commission expense		(5.801)	(7.098)
Net fee and commission income	7	**61.765**	**55.794**
Net gain from dealing in foreign currencies		38.614	6.785
Other operating income		9.869	1.145
Total operating income		**353.252**	**321.276**
Credit loss expense of loans to customers		(55.381)	(154.665)
Additional of impairment losses of financial asset		1.150	(16.112)
NET OPERATING INCOME		**299.021**	**150.499**
Personnel expenses		(100.631)	(32.204)
Depreciation and amortisation		(18.042)	(18.103)
Depreciation of right-of-use assets		(1.676)	(1.451)
Other operating expenses	8	(34.616)	(41.808)
Total operating expenses		**(154.965)**	**(93.566)**
PROFIT BEFORE TAX		**144.056**	**56.933**
Income tax expense	20	(18.513)	(13.265)
NET PROFIT FOR THE PERIOD		**125.543**	**43.668**
Earnings per share (LAK)	9	**604**	**210**

Prepared by:

Mrs. Netnapha Sayalath
Deputy Chief of Accounting Department
Vientiane, Lao PDR
Date: 12 Novermber 2020

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

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

Mr. Viengsouk Chounthavong
Deputy Managing Director

The accompanying notes on pages 7 to 19 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Separate statement of comprehensive income (Unaudited)
For the three-month of quarter III period ended 30 September 2020

	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 LAKm
NET PROFIT FOR THE PERIOD	**125.543**	**43.668**
OTHER COMPREHENSIVE INCOME		
Items that will be reclassified subsequently to profit or loss		
Remeasurements of post-employment benefit obligations	(55)	-
Profit tax related to components of other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD, NET OF TAX	**(55)**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**125.488**	**43.668**

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VIEN TIANE CAPITAL

Mr. Viengsouk Chounthavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 12 November 2020

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Banque Pour Le Commerce Exterieur Lao Public

Separate statement of financial position (Unaudited)
As at 30 September 2020

	Notes	30 September 2020 LAKm	31 December 2019 Restated LAKm
ASSETS			
Cash and balances with Bank of the Lao PDR		12.310.321	9.202.045
Due from banks	10	4.281.101	4.493.536
Loans to customers	11	30.498.167	27.490.492
Financial asset - Available-for-sale	12	94.725	129.623
Investment - Hold-to-maturity	13	3.375.887	3.453.937
Investment in joint ventures	14	541.407	516.047
Property and equipment	15	431.481	455.721
Right-of-use assets		53.799	54.814
Intangible assets	16	246.187	245.042
Deferred tax assets		18.996	28.768
Other assets		491.067	471.430
TOTAL ASSETS		**52.343.138**	**46.541.455**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	17	4.081.572	4.063.635
Due to customers	18	43.013.645	36.419.928
Borrowings from other banks	19	2.906.589	3.705.378
Lease liabilities		14.647	14.249
Current tax liabilities	20	50.056	41.309
Other liabilities		199.499	210.577
TOTAL LIABILITIES		**50.266.008**	**44.455.076**
EQUITY			
Share capital	21	1.038.617	1.038.617
Statutory and other reserves	22	753.400	604.423
Remeasurement of post-employment benefit reserve		12.137	12.082
Retained earnings		272.976	431.257
TOTAL EQUITY		**2.077.130**	**2.086.379**
TOTAL LIABILITIES AND EQUITY		**52.343.138**	**46.541.455**

Prepared by:

Approved by:

Approved by:

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

Mrs. Netnapha Sayalath	Mr. Kongsack Souphonesy	Mr. Viengsouk Chounthavong
Deputy Chief of Accounting Department	Chief of Internal Audit Department	Deputy Managing Director

Vientiane, Lao PDR
Date: 12 November 2020

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Banque Pour Le Commerce Exterieur Lao Public

Separate statement of changes in equity (Unaudited)
For the three-month of quarter III period ended 30 September 2020

	Share capital LAKm	Statutory and other reserves LAKm	Remeasurement of post-employment benefit reserve LAKm	Retained earnings LAKm	Total LAKm
Balances as at 31 December 2019 - restated	**1.038.617**	**604.423**	**12.082**	**431.257**	**2.086.379**
Dividend paid out to shareholders for the year 2019 (Note 23)	-	-	-	(168.879)	(168.879)
Net profit for the period	-	-	-	159.575	159.575
Appropriation to reserve for the year 2019	-	148.977	-	(148.977)	-
Remeasurement of post-employment benefits	-	-	55	-	55
Balances as at 30 September 2020	**1.038.617**	**753.400**	**12.137**	**272.976**	**2.077.130**

Prepared by:

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Deputy Chief of Accounting Department

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

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VIEN TIANE CAPITAL

Mr. Viengsouk Chounthavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 12 November 2020

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Banque Pour Le Commerce Exterieur Lao Public

Separate statement of cash flows (Unaudited)
For the three-month of quarter III period ended 30 September 2020

	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 LAKm
OPERATING ACTIVITIES	**144.056**	**56.933**
Profit before tax		
Adjustments for:		
Depreciation and amortization charges	18.042	18.103
Depreciation of right-of-use assets	1.676	1.451
Adjustments for OB under IFRS 16	-	(1.878)
Expense for impairment losses	55.381	154.665
Changes in provision for impairment loss on financial asset	(1.150)	(659)
Defined post-employment benefit expense	(3.087)	(79.648)
Interest income	(572.193)	(558.589)
Interest expense	329.188	304.564
Dividend income	(71)	(1.844)
Cash flows from operating profit before changing in operating assets and liabilities	**(28.158)**	**(106.901)**
Changes in operating assets		
Due from banks	319.259	(172.048)
Loans to customers	(1.829.619)	549.114
Financial investment - Available-for-sale	-	19.175
Investment - Held-to-maturity	3.878	141.387
Other assets	13.845	12.747
Changes in operating liabilities		
Due to other banks and the BOL	72.096	541.708
Due to customers	3.070.967	1.408.533
Borrowing from banks	(136.702)	(756.417)
Other liabilities	(337.757)	47.063
Interest received	110.771	245.599
Interest paid	(283.643)	(105.395)
Profit tax paid during the period	(16.011)	(10.000)
Net cash flows from operating activities	**958.926**	**1.814.565**
INVESTING ACTIVITIES		
Purchase and construction of fixed assets	(11.980)	(16.032)
Purchase intangible asset	2.813	-
Proceeds from disposals of fixed assets	-	859
Dividends received	71	1.844
Net cash flows used in investing activities	**(9.095)**	**(13.329)**
FINANCING ACTIVITIES		
Payment of dividend	-	-
Net cash flows used in financing activities	**-**	**-**

The accompanying notes on pages 7 to 19 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Separate statement of cash flows (Unaudited)
For the three-month of quarter III period ended 30 September 2020

	Notes	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 LAKm
Net increase in cash and cash equivalents		**949.834**	**1.801.237**
Cash and cash equivalents at the beginning of the period		**-**	**-**
Cash and cash equivalents at the end of the period		**949.834**	**1.801.237**

Prepared by:

Mrs. Netnapha Sayalath
Deputy Chief of Accounting Department

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

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

Mr. Viengsouk Chounthavong
Deputy Managing Director

Vientiane, Lao PDR
Date: 12 November 2020

The accompanying notes on pages 7 to 19 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 2020, the Bank has one (01) Head Office, six (6) joint ventures, twenty (20) main branches, ninety-seven (97) services units, and fifteen (15) exchange units all over Lao PDR.

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

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

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

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

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

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

The interim financial information was authorised for issue by Board of director on 12 November 2020.

2. SIGNIFICANT EVENTS DURING THE CURRENT PERIOD

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

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

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

3. BASIS OF ACCOUNTING

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

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

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

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

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

In order to compare the financial report of nine-month period, it should be compared with financial report of six-month period.

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

4. ACCOUNTING POLICY

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

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

5. PRIOR YEAR ADJUSTMENT

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

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

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

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

6. NET INTEREST AND SIMILAR INCOME

	For the three-month of quarter III period ended 30 September 2020 LAKm	**For the three-month of quarter III period ended 30 September 2019 LAKm**
Interest income:		
Lending to customers	495.158	489.780
Deposits at other banks	13.823	16.021
Investment - Hold-to-maturity	55.390	51.361
Other interest income and similar income	7.822	4.954
	572.193	**562.116**
Interest expense:		
Due to other banks	(47.016)	(70.512)
Customer deposits	(282.172)	(234.052)
	(329.188)	**(304.564)**
Net interest and similar income	**243.005**	**257.552**

7. NET FEES AND COMMISSION INCOME

	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 LAKm
Fees and commission income from:		
Settlement services	44.425	45.855
Credit activities	14.340	10.876
Other activities	8.801	6.161
	67.566	**62.892**
Fees and commission expense for:		
Settlement services	(5.992)	(6.200)
Other activities	191	(898)
	(5.801)	**(7.098)**
Net fees and commission income	**61.765**	**55.794**

8. OTHER OPERATING EXPENSE

	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 LAKm
Deposit Insurance paid to Depositor Protection Fund	5.608	7.831
Others	29.008	33.977
	34.616	**41.808**

9. EARNINGS PER SHARE

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

	For the three-month of quarter III period ended 30 September 2020	For the three-month of quarter III period ended 30 September 2019
Profit attributable to ordinary shareholders of the Company (LAKm)	125.543	43.668
Weighted average number of ordinary shares for basic earnings per share (shares)	207.723.300	207.723.300
Earnings per share (LAK)	604	210

10. DUE FROM BANKS

	Unaudited 30 September 2020 LAKm	Audited 31 December 2019 LAKm
Current and saving accounts	**3.224.305**	**3.919.881**
- In LAK	14.262	23
- In foreign currencies	3.210.043	3.919.858
Term deposits	**1.056.796**	**573.655**
- In LAK	113.405	219.775
- In foreign currencies	943.391	353.880
	4.281.101	**4.493.536**

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

	30 September 2020 % per annum	31 December 2019 % per annum
Demand deposits	0,07 – 1,10	0,00 – 3,10
Saving deposits	0,07 – 2,16	0,00 – 0,80
Term deposits	0,14 – 6,37	0,50 – 4,95

11. LOANS TO CUSTOMERS

	Unaudited 30 September 2020 LAKm	Audited 31 December 2019 LAKm
Gross loans to customers	31.536.466	28.141.033
Loans funded by borrowings from BOL (see Note 19)	1.940.625	1.825.039
Less: Allowance for impairment losses	(1.038.299)	(650.541)
	30.498.167	**27.490.492**

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

	LAKm
Balance as at 1 January 2020 - audited	**650.541**
Net change during the period	358.623
Non-performing loans written-off	13.025
Foreign exchange differences	16.110
Balance as at 30 September 2020 - unaudited	**1.038.299**

11. LOANS TO CUSTOMERS (CONTINUED)

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

	30 September 2020		31 December 2019	
	Outstanding balance LAKm	Impairment LAKm	Outstanding balance LAKm	Impairment LAKm
Individually impaired	3.388.161	982.779	4.008.282	401.513
Collectively impaired	26.521.861	55.520	22.979.708	249.028
	29.910.022	**1.038.299**	**26.987.990**	**650.541**

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

	30 September 2020 % per annum	31 December 2019 % per annum
Loans denominated in LAK	5,50 - 16,00	6,00 – 16,00
Loans denominated in USD	4,32 - 10,00	5,80 – 16,00
Loans denominated in THB	6,00 - 16,00	6,00 – 10,00

Analysis of loan portfolio by currency:

	Unaudited 30 September 2020 LAKm	Audited 31 December 2019 LAKm
Loans denominated in LAK	13.932.987	12.649.118
Loans denominated in USD	13.829.741	12.054.073
Loans denominated in THB	3.773.738	3.437.842
	31.536.466	**28.141.033**

Analysis of loan portfolio by original maturity:

	Unaudited 30 September 2020 LAKm	Audited 31 December 2019 LAKm
Short-term loans	2.546.430	1.581.901
Medium-term loans	17.501.686	16.311.131
Long-term loans	11.488.350	10.248.001
	31.536.466	**28.141.033**

12. FINANCIAL ASSET - AVAILABLE-FOR-SALE

The Bank has investment in share of EDL-Generation Public Company. EDL is a listed company on LSX and the fair value at 30 September 2020 is LAK 94.725 million.

13. INVESTMENT - HOLD-TO-MATURITY

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

	LAKm
Balance as at 1 January 2020 - audited	**3.453.937**
Additions	1.078.481
Collection	(1.156.531)
Balance as at 30 September 2020 - unaudited	**3.375.887**

14. INVESTMENT IN JOINT VENTURES

Investment in joint ventures as at 30 September 2020, and for the nine-month periods ended 30 September 2020 were as follows:

	Ownership interest		Cost	
	30 September 2020	31 December 2019	Unaudited 30 September 2020	Audited 31 December 2019
	(%)		(LAKm)	
BCEL - KT	70	70	70.000	70.000
Lao Viet Joint Venture Bank	25	25	197.839	197.839
Banque Franco - Lao Limited	30	30	114.000	90.000
Lao China Bank Company Limited	49	49	147.000	147.000
Lao-Viet Insurance Joint Venture Company	35	35	9.168	9.168
Lao National Payment Network Company Limited	20	20	3.400	2.040
Total			**541.407**	**516.047**

15. PROPERTY AND EQUIPMENT

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

	LAKm
Balance as at 1 January 2020 - audited	**455.721**
Additions	32.560
Disposal	(4.678)
Depreciation charge	(52.122)
Balance as at 30 September 2020 - unaudited	**431.481**

16. INTANGIBLE ASSET

Movements of intangible asset for the period are as follows:

	LAKm
Balance as at 1 January 2020 - audited	**245.042**
Additions	3.327
Depreciation charge	(2.182)
Balance as at 30 September 2020 - unaudited	**246.187**

17. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 30 September 2020 LAKm	Audited 31 December 2019 LAKm
Demand deposits	**3.283.342**	**3.522.988**
- In LAK	1.144.458	1.127.264
- In foreign currencies	2.138.884	2.395.724
Saving deposits	**80.995**	**302.654**
- In LAK	45.410	45.567
- In foreign currencies	35.585	257.087
Term deposits	**707.460**	**215.345**
- In LAK	319.800	137.359
- In foreign currencies	387.660	77.986
Others	**9.775**	**22.648**
- In LAK	8.865	15.166
- In foreign currencies	910	7.482
	4.081.572	**4.063.635**

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

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

18. DUE TO CUSTOMERS

	Unaudited 30 September 2020 LAKm	Audited 31 December 2019 LAKm
Demand deposits	**6.105.219**	**5.851.192**
Demand deposits in LAK	2.935.248	2.828.297
Demand deposits in FC	3.169.971	3.022.895
Demand savings	**20.408.514**	**16.422.065**
Demand saving deposits in LAK	9.975.086	8.015.243
Demand saving deposits in FC	10.433.428	8.406.822
Term deposits	**16.345.605**	**13.900.002**
Term deposits in LAK	8.732.046	7.640.736
Term deposits in FC	7.613.559	6.259.266
Margin deposits	**60.033**	**104.854**
Margin deposits in LAK	38.873	33.832
Margin deposits in FC	21.160	71.022
Other payables to customers	**94.274**	**141.815**
	43.013.645	**36.419.928**

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

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

19. BORROWINGS FROM OTHER BANKS

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

	LAKm
Balance as at 1 January 2020 - audited	**3.705.378**
Additions	124.867
Repayments	(1.062.590)
Loss on exchange rate	138.934
Balance as at 30 September 2020 - unaudited	**2.906.589**

	Unaudited 30 September 2020 LAKm	Audited 31 December 2019 LAKm
Borrowings from the BOL	1.940.625	1.825.039
Borrowings from others bank	965.964	1.880.339
	2.906.589	**3.705.378**

20. CURRENT TAX LIABILITIES

	Unaudited 30 September 2020 LAKm	Audited 31 December 2019 LAKm
Profit tax payable (1)	32.862	28.553
Value Added Tax payable	16.577	12.156
Other payable	617	600
	50.056	**41.309**

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

	LAKm
Balance as at 1 January 2020 - audited	**28.553**
Profit tax during the period (2) *	40.996
Payment during the period	(36.687)
Balance as at 30 September 2020 - unaudited	**32.862**

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

(1) Income tax expense for three-month of quarter III period ended 30 September 2020 and 30 September 2019 are as follows:

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	For the three-month of quarter III period ended 30 September 2020 LAKm	For the three-month of quarter III period ended 30 September 2019 LAKm
Current income tax	(28.382)	(15.186)
Deferred income tax	9.869	1.921
	(18.513)	**(13.265)**

21. SHARE CAPITAL

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

22. STATUTORY RESERVES AND OTHER RESERVES

	Regulatory reserve fund LAKm	Business expansion fund LAKm	Other Reserve LAKm	Total LAKm
Balance as at 1 January 2020 - audited	**170.892**	**433.531**	**-**	**604.423**
Appropriations to reserves from LAS profit of BCEL Bank	34.881	104.640	9.456	148.977
Balance as at 30 September 2020 -unaudited	**205.773**	**538.171**	**9.456**	**753.400**

23 DIVIDENDS

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

24. ADDITIONAL CASH FLOW INFORMATION

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

	Unaudited 30 September 2020 LAKm	Unaudited 30 September 2019 LAKm
Cash and cash equivalents on hand	2.062.385	1.920.685
Demand deposits with the BOL	8.304.667	4.322.595
Current accounts with other banks	3.224.305	4.786.818
Term deposit due within 90 days	102.151	700.797
	13.693.508	**11.730.895**

25. COMMITMENTS

	30 September 2020 LAKm	31 December 2019 LAKm
Financial letter of guarantees	449.468	400.347
At sight letters of credit	173.890	350.346
Credit limit given to customer	3.204.595	2.434.380
Credit limit given to other banks	548	548
	3.828.501	**3.185.621**

Financial letter of guarantees

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

Credit limit given to customers and other banks

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

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

26. CAPITAL MANAGEMENT

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

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

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

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

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

	30 September 2020 LAKm	31 December 2019 LAKm
Tier 1 capital	2.077.130	2.086.379
Tier 2 capital	-	-
Total capital	**2.077.130**	**2.086.379**
Less: Deductions from capital (Investments in other entities)	(541.407)	(516.047)
Capital for CAR calculation (A)	**1.535.723**	**1.570.332**
Risk weighted balance sheet items	15.536.764	13.346.980
Risk weighted off balance sheet items	1.777.808	1.595.547
Total risk weighted assets (B)	**17.314.572**	**14.942.527**
Capital Adequacy Ratio (A/B)	**8,87%**	**10,51%**

27. RELATED PARTY DISCLOSURES

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

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

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

	30 September 2020 LAKm	30 September 2019 LAKm
Interest income and other		
Parent company	133.256	125.103
Interest expense and other		
Parent company	(73.829)	(93.437)

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 2020 LAKm	30 September 2019 LAKm
Salaries	966	1.098
Bonus	523	518
Responsibility allowance	680	756
Other benefits	-	48
	2.169	**2.420**

d) Significant transactions as at 30 September 2020 with related parties were as follows:

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

	30 September 2020 LAKm	31 December 2019 LAKm
Receivables		
Parent company	3.377.442	3.458.956
Joint venture	1.459.432	1.196.531
Related party	10.236.270	7.151.949
Payables		
Joint venture	1.268.263	1.104.779
Related party	1.944.896	1.831.849