

**BANQUE POUR LE COMMERCE EXTERIEUR  
LAO PUBLIC**



**INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

# Banque Pour Le Commerce Extérieur Lao Public

## Interim financial information (Unaudited)

For the six-month period ended 30 June 2020

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## Report on review of interim financial information

To the Shareholders and Board of Directors of Banque Pour Commerce Extérieur Lao Public.

We have reviewed the interim financial information of Banque Pour Le Commerce Extérieur Lao Public (The Bank). These comprise statement of financial position as at 30 June 2020, the related statement of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and notes to the condensed the interim financial information. The management is responsible for the preparation of these interim financial information in accordance with accounting policies as described in Note 3 and 4 to this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410. 'Review of interim financial information performed by the independent auditor of the entity'. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

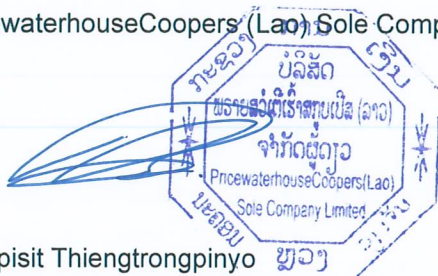
### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information of the Bank for the six-month period ended 30 June 2020 is not prepared, in all material respects, in accordance with the significant accounting policies described in Note 3 and 4 to this interim financial information.

### Emphasis of matter - basis of accounting

Without qualifying our conclusion, we draw attention to Note 3 and 4 to the interim financial information, which describe the basis of accounting. The accounting basis used in the preparation of these financial information may differ from International Financial Reporting Standards (IFRSs). The readers should therefore be aware that the accompanying financial information are not intended to present the financial position and its financial performance and cash flows in accordance with International Financial Reporting Standards (IFRSs).

PricewaterhouseCoopers (Lao) Sole Company Limited.



By Apisit Thiangtrongpinyo ພົມມະຈັນ  
Partner

Vientiane, Lao PDR  
Date: 7 September 2020

# Banque pour le commerce extérieur lao public

## Statement of income For the six-month period ended 30 June 2020

		30 June 2020	30 June 2019 Restated
	Notes	LAKm	LAKm
Interest income		1.202.862	1.075.642
Interest expense		(635.405)	(577.693)
<b>Net interest and similar income</b>	6	<b>567.457</b>	<b>497.949</b>
Fee and commission income		124.758	119.991
Fee and commission expense		(13.733)	(13.948)
<b>Net fee and commission income</b>	7	<b>111.025</b>	<b>106.043</b>
Net gain from dealing in foreign currencies		16.909	19.070
Net loss from dealing derivatives		-	(1.204)
Other operating income		10.481	71.592
<b>Total operating income</b>		<b>705.872</b>	<b>693.450</b>
Credit loss expense of loans to customers		(351.835)	(122.631)
Additional of impairment losses of financial asset		(36.049)	(1.861)
<b>NET OPERATING INCOME</b>		<b>317.988</b>	<b>568.958</b>
Personnel expenses		(138.939)	(152.676)
Depreciation and amortisation		(36.263)	(35.521)
Depreciation of right-of-use assets		(3.187)	(2.358)
Other operating expenses	8	(77.359)	(74.859)
<b>Total operating expenses</b>		<b>(255.748)</b>	<b>(265.414)</b>
Share of profit and loss of joint ventures		12.306	26.001
<b>PROFIT BEFORE TAX</b>		<b>74.546</b>	<b>329.545</b>
Income tax expense	20	(29.805)	(72.001)
<b>NET PROFIT FOR THE PERIOD</b>		<b>44.741</b>	<b>257.544</b>
<b>Earnings per share</b>			
Basic earnings per share (LAK)	9	215	1.240

Prepared by:



Mrs. Phousengthong Anoulakkham  
Chief of Accounting Department

Vientiane, Lao PDR  
Date: 7 September 2020

Approved by:



Mr. Kongsack Souphonesy  
Chief of Internal Audit  
Department



Approved by:



Mr. Phoukhong Chanthachack  
General Managing Director

The accompanying notes on pages 8 to 22 form an integral part of these interim financial information

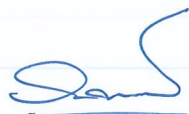


# Banque Pour Le Commerce Exterieur Lao Public

## Statement of comprehensive income For the six-month period ended 30 June 2020

	30 June 2020	30 June 2019 Restated
	LAKm	LAKm
<b>NET PROFIT FOR THE PERIOD</b>	<b>44.741</b>	<b>257.544</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Items that will be reclassified subsequently to profit or loss</i>		
Remeasurements of post-employment benefit obligations	(1.464)	-
Profit tax related to components of other comprehensive income	-	-
Total items that will be reclassified subsequently to profit or loss	(1.464)	-
<b>OTHER COMPREHENSIVE INCOME (EXPENSE)</b>		
<b>FOR THE PERIOD, NET OF TAX</b>	<b>(1.464)</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>43.277</b>	<b>257.544</b>

Prepared by:



Mrs. Phousengthong Anoulakham  
Chief of Accounting Department

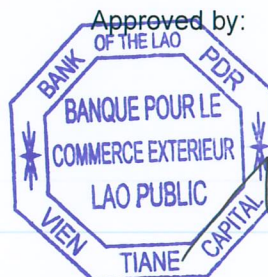
Vientiane, Lao PDR  
Date: 7 September 2020

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Department

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General Managing Director

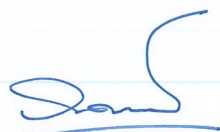
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# Banque Pour Le Commerce Extérieur Lao Public

## Statement of financial position As at 30 June 2020

		30 June 2020	31 December 2019
	Notes	LAKm	Restated LAKm
<b>ASSETS</b>			
Cash and balances with Bank of the Lao PDR		11.319.688	9.202.045
Due from banks	10	3.927.847	4.493.536
Loans to customers	11	29.079.992	27.490.492
Financial asset - Available-for-sale	12	93.574	129.623
Investment - Hold-to-maturity	13	3.363.383	3.453.937
Investment in joint ventures using the equity method, net	14	580.966	568.897
Property and equipment	15	440.038	455.721
Right-of-use assets		55.108	54.814
Intangible assets	16	244.529	245.042
Deferred tax assets		11.578	28.768
Other assets		551.450	471.430
<b>TOTAL ASSETS</b>		<b>49.668.153</b>	<b>46.594.305</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks and other financial institutions	17	4.004.350	4.063.635
Due to customers	18	39.989.216	36.419.928
Borrowings from other banks	19	3.029.485	3.705.378
Lease liabilities		14.232	14.249
Current tax liabilities	20	33.247	41.309
Other liabilities		583.996	210.577
<b>TOTAL LIABILITIES</b>		<b>47.654.526</b>	<b>44.455.076</b>
<b>EQUITY</b>			
Share capital	21	1.038.617	1.038.617
Statutory and other reserves	22	753.399	604.423
Remeasurement of post-employment benefit reserve		10.618	12.082
Retained earnings		210.993	484.107
<b>TOTAL EQUITY</b>		<b>2.013.627</b>	<b>2.139.229</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>49.668.153</b>	<b>46.594.305</b>

Prepared by:



Mrs. Phousengthong Anoulakkham  
Chief of Accounting Department

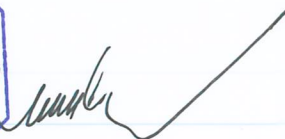
Vientiane, Lao PDR  
Date: 7 September 2020

Approved by:



Mr. Kongsack Souphonesy  
Chief of Internal Audit  
Department

Approved by:

Mr. Phoukhong Chanthachack  
General Managing Director

The accompanying notes on pages 8 to 22 form an integral part of these interim financial information



# Banque Pour Le Commerce Extérieur Lao Public

## Statement of changes in equity For the six-month period ended 30 June 2020

	Share capital LAKm	Statutory and other reserves LAKm	Remeasurement of post- employment benefit reserve LAKm	Retained earnings LAKm	Total LAKm
<b>Balances as at 31 December 2019 – restated</b>	<b>1.038.617</b>	<b>604.423</b>	<b>12.082</b>	<b>484.107</b>	<b>2.139.229</b>
Dividend paid out to shareholders for the year 2019 (Note 23)	-	-	-	(168.879)	(168.879)
Net loss for the period	-	-	-	44.741	44.741
Appropriation to reserve for the year 2019	-	148.976	-	(148.976)	-
Remeasurement of post-employment benefit reserve	-	-	(1.464)	-	(1.464)
<b>Balances as at 30 June 2020</b>	<b>1.038.617</b>	<b>753.399</b>	<b>10.618</b>	<b>210.993</b>	<b>2.013.627</b>

Prepared by:



Mrs. Phousengthong Anoulakkham  
Chief of Accounting Department

Vientiane, Lao PDR  
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General Managing Director

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# Banque Pour Le Commerce Extérieur Lao Public

## Statement of cash flows

For the six-month period ended 30 June 2020

	30 June 2020	30 June 2019
	LAKm	Restated LAKm
<b>OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>74.546</b>	<b>329.545</b>
<i>Adjustments for:</i>		
Depreciation and amortization charges	36.263	35.521
Depreciation of right-of-use assets	3.187	2.358
Lease obligation	-	(3.923)
Expense for impairment losses	351.835	122.631
Changes in provision for impairment loss on financial asset	36.049	1.861
Share of associate's profit under equity method	(12.306)	(26.001)
Defined post-employment benefit expense	3.126	3.664
Interest income	(1.202.862)	(1.079.169)
Interest expense	635.405	577.693
Dividend income	(3.835)	(5.992)
<b>Cash flows from operating profit before changing in operating assets and liabilities</b>	<b>(78.592)</b>	<b>(41.812)</b>
<i>Changes in operating assets</i>		
Due from banks	(531.694)	464.100
Loans to customers	(1.265.012)	(1.732.243)
Investment - Held-to-maturity	74.172	51.446
Other assets	(33.483)	(23.000)
<i>Changes in operating liabilities</i>		
Due to other banks and the BOL	(54.159)	1.033.034
Due to customers	3.522.750	2.143.215
Borrowing from banks	(662.087)	756.417
Other liabilities	326.678	(67.955)
Interest received	543.951	959.168
Interest paid	(612.203)	(511.998)
Profit tax paid during the period	(20.676)	(59.994)
<b>Net cash flows from operating activities</b>	<b>1.209.645</b>	<b>2.970.378</b>
<b>INVESTING ACTIVITIES</b>		
Purchase and construction of fixed assets	(20.580)	(64.108)
Proceeds from disposals of fixed assets	514	22.085
Purchase of right-of-use assets	(3.481)	-
Dividends received	5.431	7.429
Payment for joint venture investment	(1.360)	(2.040)
<b>Net cash flows used in investing activities</b>	<b>(19.476)</b>	<b>(36.634)</b>
<b>FINANCING ACTIVITIES</b>		
Payment of dividend	(168.879)	(205.855)
<b>Net cash flows used in financing activities</b>	<b>(168.879)</b>	<b>(205.855)</b>

The accompanying notes on pages 8 to 22 form an integral part of these interim financial information



**Banque Pour Le Commerce Extérieur Lao Public**

**Statement of cash flows**

**For the six-month period ended 30 June 2020**

		30 June 2020	30 June 2019
	Note	LAKm	Restated LAKm
Net increase in cash and cash equivalents		1.021.290	2.727.889
Cash and cash equivalents at the beginning of the period		11.722.384	7.201.769
Cash and cash equivalents at the end of the period	24	12.742.674	9.929.658

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General Managing Director

Vientiane, Lao PDR  
Date: 7 September 2020

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**Notes to the condensed interim financial information (Unaudited)  
As at and for the six-month period ended 30 June 2020**

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**1. REPORTING ENTITY**

Banque Pour Le Commerce Extérieur 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 June 2020. the Bank has one (01) Head Office, six (6) joint ventures, twenty (20) main branches, ninety-three (93) services units, and sixteen (16) 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 June 2020 is as follows:

<b>Shareholders</b>	<b>Number of shares</b>	<b>%</b>
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
	<b>207.723.300</b>	<b>100</b>

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 7 September 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.



**Notes to the condensed interim financial information (Unaudited)  
As at and for the six-month period ended 30 June 2020**

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**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.

Statement of changes in equity for the 6-month period ended 30 June 2019 did not present for comparative figure in this interim financial information same as previous year.

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.

**Notes to the condensed interim financial information (Unaudited)**  
**As at and for the six-month period ended 30 June 2020**

**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 June 2019		
	Originally stated LAKm	Increase/ (decrease) LAKm	As restated LAKm
<b>Statement of income</b>			
Interest income	1.079.169	(3.527)	1.075.642
Interest expense	(577.693)	-	(577.693)
<b>Net interest and similar income</b>	<b>501.476</b>	<b>(3.527)</b>	<b>497.949</b>
Fee and commission income	121.378	(1.387)	119.991
Fee and commission expense	(13.948)	-	(13.948)
<b>Net fee and commission income</b>	<b>107.430</b>	<b>(1.387)</b>	<b>106.043</b>
Net gain from dealing in foreign currencies	19.070	-	19.070
Net loss from dealing derivatives	(1.204)	-	(1.204)
Other operating income	71.803	(211)	71.592
<b>Total operating income</b>	<b>698.575</b>	<b>(5.125)</b>	<b>693.450</b>
Credit loss expense of loans to customers	(122.631)	-	(122.631)
Additional of impairment losses of financial asset	(1.938)	77	(1.861)
<b>NET OPERATING INCOME</b>	<b>574.006</b>	<b>(5.048)</b>	<b>568.958</b>
Personnel expenses	(153.970)	1.294	(152.676)
Depreciation and amortisation	(35.708)	187	(35.521)
Depreciation of right-of-use assets	(2.562)	204	(2.358)
Other operating expenses	(75.599)	740	(74.859)
<b>Total operating expenses</b>	<b>(267.839)</b>	<b>2.425</b>	<b>(265.414)</b>
Share of profit and loss of joint ventures	24.189	1.812	26.001
<b>PROFIT BEFORE TAX</b>	<b>330.356</b>	<b>(811)</b>	<b>329.545</b>
Income tax expense	(72.601)	600	(72.001)
<b>NET PROFIT FOR THE PERIOD</b>	<b>257.755</b>	<b>(211)</b>	<b>257.544</b>
Earnings per share	1.237		1.240



**Notes to the condensed interim financial information (Unaudited)**  
**As at and for the six-month period ended 30 June 2020**

**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
<b>Statement of financial position</b>			
<b>ASSETS</b>			
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
<b>TOTAL ASSETS</b>	<b>46.626.704</b>	<b>(32.399)</b>	<b>46.594.305</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
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
<b>TOTAL LIABILITIES</b>	<b>44.457.018</b>	<b>(1.942)</b>	<b>44.455.076</b>
<b>EQUITY</b>			
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
<b>TOTAL EQUITY CONTRIBUTABLE TO THE PARENT</b>	<b>2.137.959</b>	<b>1.270</b>	<b>2.139.229</b>
Total equity contributable to non-controlling interest	31.727	(31.727)	-
<b>TOTAL EQUITY</b>	<b>2.169.686</b>	<b>(31.727)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>46.626.704</b>	<b>(32.399)</b>	<b>46.594.305</b>
<b>As at 30 June 2019</b>			
	Originally stated LAKm	Increase/ (decrease) LAKm	As restated LAKm
<b>Statement of income</b>			
Net interest and similar income	501.476	(3.527)	497.949
Net fee and commission income	107.430	(1.387)	106.043
Total operating expenses	(267.839)	2.425	(265.414)
Profit tax expense	(54.326)	593	(53.733)
Others	(28.986)	1.685	(27.301)
Net profit for the period	257.755	(211)	257.544
Equity holders of the parent	256.993	(256.993)	-
Non-controlling interest	762	(762)	-

**Notes to the condensed interim financial information (Unaudited)**  
**As at and for the six-month period ended 30 June 2020**

**6. NET INTEREST AND SIMILAR INCOME**

	Unaudited 30 June 2020 LAKm	Restated 30 June 2019 LAKm
<b>Interest income:</b>		
Lending to customers	1.094.132	960.957
Deposits at other banks	27.374	31.990
Investment - Hold-to-maturity	81.330	82.610
Other interest income and similar income	26	85
	<b>1.202.862</b>	<b>1.075.642</b>
<b>Interest expense:</b>		
Due to other banks	(106.584)	(145.752)
Customer deposits	(528.821)	(431.941)
	<b>(635.405)</b>	<b>(577.693)</b>
<b>Net interest and similar income</b>	<b>567.457</b>	<b>497.949</b>

**7. NET FEES AND COMMISSION INCOME**

	Unaudited 30 June 2020 LAKm	Restated 30 June 2019 LAKm
<b>Fees and commission income from:</b>		
Settlement services	96.414	86.922
Credit activities	13.904	23.244
Other activities	14.440	9.825
	<b>124.758</b>	<b>119.991</b>
<b>Fees and commission expense for:</b>		
Settlement services	(12.033)	(11.993)
Other activities	(1.700)	(1.955)
	<b>(13.733)</b>	<b>(13.948)</b>
<b>Net fees and commission income</b>	<b>111.025</b>	<b>106.043</b>

**8. OTHER OPERATING EXPENSE**

	Unaudited 30 June 2020 LAKm	Restated 30 June 2019 LAKm
Deposit Insurance paid to Depositor Protection Fund	22.897	14.642
Others	54.462	60.217
	<b>77.359</b>	<b>74.859</b>

**Notes to the condensed interim financial information (Unaudited)**  
**As at and for the six-month period ended 30 June 2020**

**9. EARNINGS PER SHARE**

The calculations of basic earnings per share as at 30 June 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:

	Unaudited 30 June 2020	Restated 30 June 2019
Profit attributable to ordinary shareholders of the Company (LAKm)	44.741	257.544
Weighted average number of ordinary shares for basic earnings per share (shares)	207.723.300	207.723.300
Earnings per share (LAK)	215	1.240

**10. DUE FROM BANKS**

	Unaudited 30 June 2020 LAKm	Restated Audited 31 December 2019 LAKm
<b>Current and saving accounts</b>	<b>3.111.056</b>	<b>3.919.881</b>
- In LAK	7.965	23
- In foreign currencies	3.103.091	3.919.858
<b>Term deposits</b>	<b>816.791</b>	<b>573.655</b>
- In LAK	193.778	219.775
- In foreign currencies	623.013	353.880
	<b>3.927.847</b>	<b>4.493.536</b>

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

	30 June 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	0,15 – 6,36	0,50 – 4,95

**11. LOANS TO CUSTOMERS**

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Gross loans to customers	30.087.656	28.141.033
<i>Loans funded by borrowings from BOL (see Note 19)</i>	1.875.748	1.825.039
Less: Allowance for impairment losses	(1.007.664)	(650.541)
	<b>29.079.992</b>	<b>27.490.492</b>



Notes to the condensed interim financial information (Unaudited)  
As at and for the six-month period ended 30 June 2020

11. LOANS TO CUSTOMERS (CONTINUED)

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

	LAKm
<b>Balance as at 1 January 2020 - audited</b>	<b>650.541</b>
Net change during the period	363.063
Non-performing loans written-off	(5.940)
<b>Balance as at 30 June 2020 - unaudited</b>	<b>1.007.664</b>

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

	30 June 2020		31 December 2019	
	Outstanding balance LAKm	Impairment LAKm	Outstanding balance LAKm	Impairment LAKm
Individually impaired	5.533.603	792.211	4.008.282	401.513
Collectively impaired	22.678.958	215.453	22.979.708	249.028
	<b>28.212.561</b>	<b>1.007.664</b>	<b>26.987.990</b>	<b>650.541</b>

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

	30 June 2020 % per annum	31 December 2019 % per annum
Loans denominated in LAK	6,00 – 16,00	6,00 – 16,00
Loans denominated in USD	5,41 – 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 June 2020 LAKm	Audited 31 December 2019 LAKm
Loans denominated in LAK	13.289.504	12.649.118
Loans denominated in USD	13.157.871	12.054.073
Loans denominated in THB	3.640.281	3.437.842
	<b>30.087.656</b>	<b>28.141.033</b>

Analysis of loan portfolio by original maturity:

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Short-term loans	2.086.354	1.581.901
Medium-term loans	17.147.602	16.311.131
Long-term loans	10.853.700	10.248.001
	<b>30.087.656</b>	<b>28.141.033</b>

**Notes to the condensed interim financial information (Unaudited)**  
**As at and for the six-month period ended 30 June 2020**

**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 June 2020 is LAK 93.574 million.

**13. INVESTMENT - HOLD-TO-MATURITY**

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

	LAKm
<b>Balance as at 1 January 2020 - audited</b>	<b>3.453.937</b>
Additions	910.327
Collection	(1.000.881)
<b>Balance as at 30 June 2020 - unaudited</b>	<b>3.363.383</b>

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

	LAKm
<b>Balance as at 1 January 2020 - restated</b>	<b>568.897</b>
Share of profit of joint ventures	12.306
Invest in joint venture	1.360
Less: Dividends received during the period	(1.597)
<b>Balance as at 30 June 2020 - unaudited</b>	<b>580.966</b>

Investment in joint ventures as at 30 June 2020, and dividend income for the six-month periods ended 30 June 2020 were as follows:

	Ownership interest		Cost		Equity	
	30 June 2020	31 December 2019	Unaudited 30 June 2020	Restated Audited 31 December 2019	Unaudited 30 June 2020	Restated Audited 31 December 2019
	(%)		LAKm			
BCEL – KT	70	70	70.000	70.000	72.768	74.231
Lao Viet Joint Venture Bank	25	25	197.839	197.839	238.987	235.339
Banque Franco - Lao Limited	30	30	90.000	90.000	86.653	84.431
Lao China Bank Company Limited	49	49	147.000	147.000	168.043	162.464
Lao-Viet Insurance Joint Venture Company	35	35	9.168	9.168	11.505	10.837
Lao National Payment Network Company Limited	20	20	3.400	2.040	3.010	1.595
<b>Total</b>			<b>517.407</b>	<b>516.047</b>	<b>580.966</b>	<b>568.897</b>

Notes to the condensed interim financial information (Unaudited)  
As at and for the six-month period ended 30 June 2020

15. PROPERTY AND EQUIPMENT

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

	LAKm
<b>Balance as at 1 January 2020 - restated</b>	<b>455.721</b>
Additions	20.607
Transfer in	2.812
Disposal	(4.289)
Depreciation charge	(34.813)
<b>Balance as at 30 June 2020 - unaudited</b>	<b>440.038</b>

16. INTANGIBLE ASSETS

Movements of intangible asset for the period are as follows:

	LAKm
<b>Balance as at 1 January 2020 - restated</b>	<b>245.042</b>
Additions	937
Depreciation charge	(1.450)
<b>Balance as at 30 June 2020 - unaudited</b>	<b>244.529</b>

17. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 30 June 2020 LAKm	Restated 31 December 2019 LAKm
<b>Demand deposits</b>	<b>3.021.707</b>	<b>3.522.988</b>
- In LAK	1.179.527	1.127.264
- In foreign currencies	1.842.180	2.395.724
<b>Saving deposits</b>	<b>330.568</b>	<b>302.654</b>
- In LAK	106.398	45.567
- In foreign currencies	224.170	257.087
<b>Term deposits</b>	<b>629.562</b>	<b>215.345</b>
- In LAK	324.673	137.359
- In foreign currencies	304.889	77.986
<b>Others</b>	<b>22.513</b>	<b>22.648</b>
- In LAK	22.197	15.166
- In foreign currencies	316	7.482
	<b>4.004.350</b>	<b>4.063.635</b>



**Notes to the condensed interim financial information (Unaudited)**  
**As at and for the six-month period ended 30 June 2020**

**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:

	<b>30 June 2020</b> <b>% per annum</b>	<b>31 December 2019</b> <b>% per annum</b>
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**

	<b>Unaudited</b> <b>30 June 2020</b> <b>LAKm</b>	<b>Restated</b> <b>31 December 2019</b> <b>LAKm</b>
<b>Demand deposits</b>	<b>5.487.705</b>	<b>5.851.192</b>
Demand deposits in LAK	2.657.909	2.828.297
Demand deposits in FC	2.829.796	3.022.895
<b>Demand savings</b>	<b>19.362.540</b>	<b>16.422.065</b>
Demand saving deposits in LAK	9.716.688	8.015.243
Demand saving deposits in FC	9.645.852	8.406.822
<b>Term deposits</b>	<b>14.942.507</b>	<b>13.900.002</b>
Term deposits in LAK	8.086.179	7.640.736
Term deposits in FC	6.856.328	6.259.266
<b>Margin deposits</b>	<b>55.042</b>	<b>104.854</b>
Margin deposits in LAK	32.434	33.832
Margin deposits in FC	22.608	71.022
<b>Other payables to customers</b>	<b>141.422</b>	<b>141.815</b>
	<b>39.989.216</b>	<b>36.419.928</b>

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.

Notes to the condensed interim financial information (Unaudited)  
As at and for the six-month period ended 30 June 2020

19. BORROWINGS FROM OTHER BANKS

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

	LAKm
<b>Balance as at 1 January 2020 - audited</b>	<b>3.705.378</b>
Additions	85.217
Repayments	(823.778)
Loss on exchange rate	62.668
<b>Balance as at 30 June 2020 - unaudited</b>	<b>3.029.485</b>

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Borrowings from the BOL	1.875.748	1.825.039
Borrowings from others bank	1.153.737	1.880.339
	<b>3.029.485</b>	<b>3.705.378</b>

20. CURRENT TAX LIABILITIES

	Unaudited 30 June 2020 LAKm	Restated 31 December 2019 LAKm
Profit tax payable (1)	16.480	28.553
Value Added Tax payable	15.426	12.156
Other payable	1.341	600
	<b>33.247</b>	<b>41.309</b>

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

	LAKm
<b>Balance as at 1 January 2020 - restated</b>	<b>28.553</b>
Profit tax during the period (2) *	12.614
Payment during the period	(24.687)
<b>Balance as at 30 June 2020 - unaudited</b>	<b>16.480</b>

\*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 six-month period ended 30 June 2020 and 30 June 2019 are as follows:

	Unaudited 30 June 2020 LAKm	Restated 30 June 2019 LAKm
Current income tax	12.614	53.733
Deferred income tax	17.191	18.268
	<b>29.805</b>	<b>72.001</b>

**Notes to the condensed interim financial information (Unaudited)**  
**As at and for the six-month period ended 30 June 2020**

**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
<b>Balance as at 1 January 2020 - restated</b>	<b>170.892</b>	<b>433.531</b>	<b>-</b>	<b>604.423</b>
Appropriations to reserves from LAS profit of BCEL Bank	34.881	104.640	9.455	148.976
<b>Balance as at 30 June 2020 - unaudited</b>	<b>205.773</b>	<b>538.171</b>	<b>9.455</b>	<b>753.399</b>

**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 June 2020 LAKm	Restated 30 June 2019 LAKm
Cash and cash equivalents on hand	2.260.843	2.001.960
Demand deposits with the BOL	7.178.268	4.200.054
Current accounts with other banks	3.111.056	2.877.943
Term deposit due within 90 days	193.507	849.701
	<b>12.743.674</b>	<b>9.929.658</b>



**Notes to the condensed interim financial information (Unaudited)**  
**As at and for the six-month period ended 30 June 2020**

**25. COMMITMENTS**

	<b>30 June 2020</b>	<b>31 December 2019</b>
	<b>LAKm</b>	<b>LAKm</b>
Financial letter of guarantees	447.902	400.347
At sight letters of credit	256.523	350.346
Credit limit given to customers	2.417.849	2.434.380
Credit limit given to other banks	548	548
	<b>3.122.822</b>	<b>3.185.621</b>

**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.

**Notes to the condensed interim financial information (Unaudited)**  
**As at and for the six-month period ended 30 June 2020**

**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 June 2020 LAKm	31 December 2019 LAKm
Tier 1 capital	2.013.627	2.139.229
Tier 2 capital	-	-
<b>Total capital</b>	<b>2.013.627</b>	<b>2.139.229</b>
Less: Deductions from capital (Investments in other entities)	(580.966)	(568.897)
<b>Capital for CAR calculation (A)</b>	<b>1.432.661</b>	<b>1.570.332</b>
Risk weighted balance sheet items	14.969.685	13.421.211
Risk weighted off balance sheet items	1.539.150	1.595.547
<b>Total risk weighted assets (B)</b>	<b>16.508.835</b>	<b>15.016.758</b>
<b>Capital Adequacy Ratio (A/B)</b>	<b>8,68%</b>	<b>10,46%</b>



**Notes to the condensed interim financial information (Unaudited)**  
**As at and for the six-month period ended 30 June 2020**

**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) Significant transactions as at 30 June 2020 with related parties were as follows:

	30 June 2020 LAKm	30 June 2019 LAKm
<b>Interest income and other</b>		
Parent company	87.501	81.453
<b>Interest expense and other</b>		
Related party	48.753	61.710

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 June 2020 LAKm	30 June 2019 LAKm
Salaries	690	788
Bonus	523	518
Responsibility allowance	468	523
Other benefits	-	48
	<b>1.681</b>	<b>1.877</b>

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

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

	30 June 2020 LAKm	31 December 2019 LAKm
<b>Receivables</b>		
Parent company	3.374.574	3.458.956
Joint venture	968.738	1.196.531
Related party	9.065.877	7.151.949
<b>Payables</b>		
Joint venture	1.006.560	1.104.779
Related party	1.880.020	1.831.849