

**BANQUE POUR LE COMMERCE EXTERIEUR  
LAO PUBLIC**

**INTERIM FINANCIAL INFORMATION (UNAUDITED)**

**FOR THE THREE-MONTH PERIOD OF QUARTER III ENDED  
30 SEPTEMBER 2022**

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Banque pour le commerce extérieur lao public

Statement of income (Unaudited)

For the Three-month period of quarter III ended 30 September 2022

		For the three-month period of quarter III ended 30 September 2022	For the three-month period of quarter III ended 30 September 2021
	Notes	LAKm	LAKm
Interest incomes		691.165	616.154
Interest expenses		(471.356)	(372.524)
<b>Net interest incomes</b>	5	<b>219.809</b>	<b>243.630</b>
Fee and commission incomes		140.602	77.341
Fee and commission expenses		(11.676)	(9.297)
<b>Net fee and commission incomes</b>	6	<b>128.926</b>	<b>68.044</b>
Net gain/(loss) from dealing in foreign currencies		21.125	23.520
Net loss from dealing derivatives		-	(893)
Other operating income		10.767	25.477
<b>Total operating income</b>		<b>380.627</b>	<b>359.778</b>
Credit loss expense of loans to customers		(175.817)	(264.301)
impairment losses of financial asset		1.918	6.520
<b>NET OPERATING INCOME</b>		<b>206.728</b>	<b>101.997</b>
Personnel expenses		(70.224)	(51.179)
Depreciation and amortization		(40.661)	(22.317)
Depreciation of right-of-use assets		(28.548)	(1.928)
Other operating expenses	7	(49.106)	(43.883)
<b>Total operating expenses</b>		<b>(188.539)</b>	<b>(119.307)</b>
Share of profit and loss of associates and joint ventures		10.159	10.173
<b>PROFIT BEFORE TAX</b>		<b>28.348</b>	<b>(7.137)</b>
Income tax expense		9.089	14.748
Deferred profit tax (expense)/income		-	1.105
<b>NET PROFIT FOR THE PERIOD</b>		<b>37.437</b>	<b>8.716</b>
<b>Earnings per share (LAK)</b>	8	<b>180</b>	<b>42</b>

Prepared by:

Mrs. Phousengthong Anoulakham  
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Mr. Khammone Vansana  
Deputy Chief of Internal  
Audit Division

Approved by:



Mr. Saychit Simmavong  
Deputy Managing Director

Vientiane, Lao PDR  
Date: 01 November 2022

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

Banque Pour Le Commerce Extérieur Lao Public

Statement of comprehensive income (Unaudited)  
For the Three-month period of quarter III ended 30 September 2022

	For the three-month period of quarter III ended 30 September 2022 LAKm	For the three-month period of quarter III ended 30 September 2021 LAKm
<b>NET PROFIT FOR THE PERIOD</b>	<b>37.437</b>	<b>8.716</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Remeasurement loss on defined benefit plan	(5.829)	2.630
<b>OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD, NET OF TAX</b>	<b>(5.829)</b>	<b>2.630</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>31.608</b>	<b>11.346</b>

Prepared by:

Approved by:

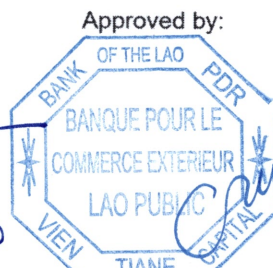
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**Banque Pour Le Commerce Extérieur Lao Public**

**Statement of financial position (Unaudited)  
As at 30 September 2022**

	Notes	30 September 2022 LAKm	31 December 2021 LAKm
<b>ASSETS</b>			
Cash and balances with Bank of the Lao PDR		22.387.624	19.022.276
Due from banks	9	11.544.847	9.182.845
Loans to customers	10	44.887.718	32.372.070
Financial investments - Available-for-sale	11	90.123	91.657
Financial investments - Held-to-maturity	12	5.315.517	5.273.352
Investments in associates and joint ventures	13	670.447	643.318
Property and equipment	14	557.820	563.503
Intangible assets	15	284.632	293.321
Right-of-use assets		54.444	55.713
Deferred tax assets		37.015	37.015
Advance profit tax		24.559	24.015
Other assets		798.026	677.906
<b>TOTAL ASSETS</b>		<b>86.652.772</b>	<b>68.236.991</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks and other financial institutions	16	6.973.562	5.269.436
Due to customers	17	73.440.610	57.169.169
Borrowings from other banks	18	3.747.288	3.354.623
Current tax liabilities		880	-
Lease liabilities		26.292	29.595
Other liabilities		324.845	282.022
<b>TOTAL LIABILITIES</b>		<b>84.513.478</b>	<b>66.104.845</b>
<b>EQUITY</b>			
Share capital	19	1.038.617	1.038.617
Statutory reserves	20	836.635	831.667
Other comprehensive items		(6.175)	11.416
Retained earnings		270.217	250.446
<b>TOTAL EQUITY</b>		<b>2.139.294</b>	<b>2.132.146</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>86.652.772</b>	<b>68.236.991</b>

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## Statement of changes in equity (Unaudited)

For the Three-month period of quarter III ended 30 September 2022

	Share capital LAKm	Statutory reserves LAKm	Remeasurement of post-employment benefit reserve LAKm	Remeasure ment of financial investment- Available- for-sale LAKm	Retained earnings LAKm	Total LAKm
<b>Balances as at 31 December 2021</b>	<b>1.038.617</b>	<b>831.667</b>	<b>9.882</b>	<b>1.534</b>	<b>250.446</b>	<b>2.132.146</b>
Net profit for the period	-	-	-	-	24.739	24.739
Appropriation to reserve for the period	-	4.968	-	-	(4.968)	-
Remeasurement of post-employment benefit reserve	-	-	(16.057)	-	-	(16.057)
Remeasurement in the fair value of financial investment- Available-for-sale	-	-	-	(1.534)	-	(1.534)
<b>Balances as at 30 September 2022</b>	<b>1.038.617</b>	<b>836.635</b>	<b>(6.175)</b>	<b>-</b>	<b>270.217</b>	<b>2.139.294</b>

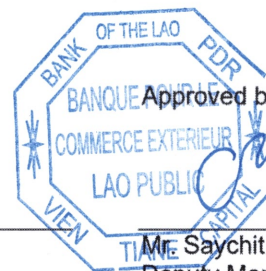
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Banque Pour Le Commerce Extérieur Lao Public

Statement of cash flows (Unaudited)

For the Three-month period of quarter III ended 30 September 2022

		For the Three-month period of quarter III ended 30 September 2022	For the Three-month period of quarter III ended 30 September 2021
	Notes	LAKm	LAKm
<b>OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>28.348</b>	<b>(7.137)</b>
<i>Adjustments for:</i>			
Depreciation and amortization charges	14,15	31.636	22.317
Depreciation of right-of-use assets		1.951	1.928
Expense for impairment losses	10	175.817	264.301
Impairment loss on financial investments – Available-for sale		(1.918)	(6.520)
Share of profit and loss of associates and joint ventures	13	(10.159)	(10.173)
Defined post-employment benefit expense		(3.010)	3.128
Loss on disposal/written-off		(3)	12
Unrealise loss on exchange rate		944.081	288.846
Interest incomes		(691.165)	(616.154)
Interest expenses		471.356	372.524
<b>Cash flows from operating profit before changing in operating assets and liabilities</b>		<b>946.934</b>	<b>313.072</b>
<i>Changes in operating assets</i>			
Net change in balances with other banks		297.686	269.161
Net change in loans to customers		(3.874.464)	(1.962.676)
Net change in Financial investment - Held-to-maturity		-	16.296
Advance profit tax		(323)	-
Net change in other assets		(133.563)	(16.556)
<i>Changes in operating liabilities</i>			
Net change in due to other banks		353.452	194.404
Net change in due to customers		2.663.294	3.466.745
Net change in Borrowing from other banks		(1.345.251)	(223.611)
Net change in other liabilities		20.768	(7.344)
Interest received		314.004	215.543
Interest paid		(404.968)	(401.391)
Tax paid during the period		880	(27.529)
<b>Net cash flows generated from operating activities</b>		<b>(1.161.550)</b>	<b>1.836.114</b>
<b>INVESTING ACTIVITIES</b>			
Purchase and construction of fixed assets		(10.194)	40.558
Purchase of intangible asset		-	(50.481)
Proceeds from disposals of fixed assets		(15.899)	915
Purchase of right-of-use assets		(4.831)	1.061
Dividends received from associates and joint venture investment	13	4.809	-
Payment for joint venture investment		-	-
Proceed from investment in investment in financial investments – hold to maturity	12	-	760.411
<b>Net cash flows used in investing activities</b>		<b>(26.115)</b>	<b>752.462</b>

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

**Banque Pour Le Commerce Exterieur Lao Public**

**Statement of cash flows (Unaudited)**

**For the Three-month period of quarter III ended 30 September 2022**

	Notes	For the Three-month period of quarter III ended 30 September 2022 LAKm	For the Three-month period of quarter III ended 30 September 2021 LAKm
<b>FINANCING ACTIVITIES</b>			
Payment on lease liabilities		3.026	(282)
<b>Net cash flows used in financing activities</b>		<b>3.026</b>	<b>(282)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(1.184.639)</b>	<b>2.588.294</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>(1.184.639)</b>	<b>2.588.294</b>

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## Banque Pour Le Commerce Extérieur Lao Public

### Condensed notes to the interim financial information (Unaudited) For the Three-month period of quarter III ended 30 September 2022

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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 Xiengneun, Chanthabouly District, Vientiane Capital, Lao PDR, as at 30 September 2022. the Bank has one (01) Head Office, six (6) associates and joint ventures, twenty (20) main branches, ninety-six (96) services units, and ten (10) exchange units all over Lao PDR.

The principal business operations of the Bank are to provide banking services including:

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

The shareholding structure of the Bank as at 30 September 2022 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
	<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 interim financial information was authorized for issue by BCEL Directors on 01 November 2022.

#### 2. SIGNIFICANT EVENTS DURING THE CURRENT PERIOD

According to the Prime Minister ordered No. 15 dated 21 April 2021 to Lockdown Vientiane Capital and other provinces. The new order which has effective from 22 April 2021 to 5 May 2021. However, the Lockdown period was extended until 14 November 2021.

The Bank of Lao PDR has announced several COVID-19 pandemic temporary relief measures such as they have waived compliance with Regulation 512/BOL for commercial banks and financial institutions, dated 29 June 2018. This means that after loans are restructured, they can be classified in the same group as they were before restructuring. The waiver also allows commercial banks to restructure loans classified as 'non-performing loans' more than twice and lend credit to customers affected by COVID-19.

**Condensed notes to the interim financial information (Unaudited)  
For the Three-month period of quarter III ended 30 September 2022**

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**2. SIGNIFICANT EVENTS DURING THE CURRENT PERIOD (CONTINUED)**

In response, the Bank has continually applied with the Bank of Lao PDR's announcement such as loan restructuring and closely monitored the effect of COVID-19 to customers which might have an impact to its loan portfolio.

**3. BASIS OF ACCOUNTING**

The interim financial information was prepared in accordance with the Bank's accounting policies as described in more detail in the annual financial statements for the year ended 31 December 2021. The primary financial statements (i.e. statements of financial position, income, comprehensive income, cash flows and changes in equity) are presented in a format consistent with the annual financial statements and comply with the reporting and disclosure regulations issued by the Lao Securities Commission Office (LSCO).

The interim financial information should be read in conjunction with the financial statements of six-month 2022 and annual financial statements for the year ended 2021.

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

**4. ACCOUNTING POLICY**

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2021.

**5. NET INTEREST INCOMES**

	<b>For the Three-month period of quarter III ended 30 September 2022 LAKm</b>	<b>For the Three-month period of quarter III ended 30 September 2021 LAKm</b>
<b>Interest incomes:</b>		
Lending to customers	534.963	530.476
Deposits at other banks	77.383	13.634
Investment - Hold-to-maturity	78.819	71.846
Other interest income and similar income	-	198
	<b>691.165</b>	<b>616.154</b>
<b>Interest expenses:</b>		
Due to other banks	(58.597)	(48.549)
Customer deposits	(412.759)	(324.065)
	<b>(471.356)</b>	<b>(372.524)</b>
<b>Net interest incomes</b>	<b>219.809</b>	<b>243.630</b>

Condensed notes to the interim financial information (Unaudited)  
For the Three-month period of quarter III ended 30 September 2022

6. NET FEES AND COMMISSION INCOMES

	For the Three-month period of quarter III ended 30 September 2022 LAKm	For the Three-month period of quarter III ended 30 September 2021 LAKm
<b>Fees and commission incomes from:</b>		
Settlement services	109.726	62.960
Credit activities	13.215	444
Other activities	17.661	13.937
	<b>140.602</b>	<b>77.341</b>
<b>Fees and commission expenses for:</b>		
Settlement services	(10.120)	(8.436)
Other activities	(1.556)	(861)
	<b>(11.676)</b>	<b>(9.297)</b>
<b>Net fees and commission incomes</b>	<b>128.926</b>	<b>68.044</b>

7. OTHER OPERATING EXPENSES

	For the Three-month period of quarter III ended 30 September 2022 LAKm	For the Three-month period of quarter III ended 30 September 2021 LAKm
Deposit Insurance paid to Depositor Protection Fund	17.124	12.419
Repair and maintenance	6.005	5.733
Stationery and office materials	5.327	5.068
Loss on property and equipment written off	95	12
Insurance expense	724	2.130
Telecommunication	1.910	2.467
Utilities	2.562	2.972
Others	15.359	13.082
	<b>49.106</b>	<b>43.883</b>

**Condensed notes to the interim financial information (Unaudited)**  
**For the Three-month period of quarter III ended 30 September 2022**

**8. EARNINGS PER SHARE**

The calculations of basic earnings per share as at 30 September 2022 and 2021 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:

	<b>For the Three-month period of quarter III ended 30 September 2022</b>	<b>For the Three-month period of quarter III ended 30 September 2021</b>
Profit attributable to ordinary shareholders of the Bank (LAKm)	37.437	8.716
Weighted average number of ordinary shares for basic earnings per share (shares)	207.723.300	207.723.300
Earnings per share (LAK)	180	42

**9. DUE FROM BANKS**

	<b>Unaudited 30 September 2022 LAKm</b>	<b>Audited 31 December 2021 LAKm</b>
<b>Current and saving accounts</b>	<b>7.579.046</b>	<b>7.707.398</b>
- In LAK	9.367	181.421
- In foreign currencies	7.569.679	7.525.977
<b>Term deposits</b>	<b>3.880.148</b>	<b>1.468.772</b>
- In LAK	2.405.000	747.890
- In foreign currencies	1.475.148	720.882
<b>Accrued interest receivable</b>	<b>85.653</b>	<b>6.675</b>
	<b>11.544.847</b>	<b>9.182.845</b>

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

	<b>30 September 2022 % Per annum</b>	<b>31 December 2021 % Per annum</b>
Demand deposits	0,07 - 1,20	0,07 - 1,10
Saving deposits	0,07 - 2,16	0,07 - 2,16
Term deposits	0,35 - 6,00	0,15 - 6,36



Condensed notes to the interim financial information (Unaudited)  
For the Three-month period of quarter III ended 30 September 2022

10. LOANS TO CUSTOMERS

	Unaudited 30 September 2022 LAKm	Audited 31 December 2021 LAKm
Gross loans	40.673.338	30.080.974
Less: Allowance for impairment losses	(1.492.090)	(1.457.635)
<b>Accrued interest receivable</b>	<b>5.706.470</b>	<b>3.748.731</b>
	<b>44.887.718</b>	<b>32.372.070</b>

Changes in the allowance for impairment losses of loans to customers during the Nine-month ended 30 September 2022 as follows:

	LAKm
<b>Balance as at 1 January 2021 - audited</b>	<b>1.457.635</b>
Net change during the period	124.198
Non-performing loans written-off	(851.968)
Foreign exchange differences	762.225
<b>Balance as at 30 September 2022 - unaudited</b>	<b>1.492.090</b>

Break down of allowance for impairment losses of loans to customers as at 30 September 2022 are as follows:

	30 September 2022		31 December 2021	
	Outstanding balance LAKm	Impairment LAKm	Outstanding balance LAKm	Impairment LAKm
Individually impaired	5.693.849	1.190.667	5.888.337	1.109.137
Collectively impaired	34.979.489	301.423	24.192.637	348.498
	<b>40.673.338</b>	<b>1.492.090</b>	<b>30.080.974</b>	<b>1.457.635</b>

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

	30 September 2022 % Per annum	31 December 2021 % Per annum
Loans denominated in LAK	5,00 - 16,00	5,50 - 16,00
Loans denominated in USD	4,99 - 16,00	4,25 - 16,00
Loans denominated in THB	6,00 - 11,50	6,00 - 10,00

Condensed notes to the interim financial information (Unaudited)  
For the Three-month period of quarter III ended 30 September 2022

10. LOANS TO CUSTOMERS (CONTINUED)

*Analysis of loan portfolio by currency:*

	Unaudited 30 September 2022 LAKm	Audited 31 December 2021 LAKm
Loans denominated in LAK	11.940.633	10.920.255
Loans denominated in USD	23.829.081	15.408.832
Loans denominated in THB	4.903.624	3.751.887
	<b>40.673.338</b>	<b>30.080.974</b>

*Analysis of loan portfolio by original maturity:*

	Unaudited 30 September 2022 LAKm	Audited 31 December 2021 LAKm
Short-term loans	3.999.887	2.714.300
Medium-term loans	23.708.476	17.234.346
Long-term loans	12.964.975	10.132.328
	<b>40.673.338</b>	<b>30.080.974</b>

11. FINANCIAL INVESTMENTS - AVAILABLE-FOR-SALE

The Bank has investment in share of EDL-Generation Public Company which is a listed company on LSX and the fair value at 30 September 2022 is LAK 90.123 million.

12. FINANCIAL INVESTMENTS - HELD-TO-MATURITY

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

	LAKm
<b>Balance as at 1 January 2022 - audited</b>	<b>5.273.352</b>
Additions	174.134
Amortise during the period	216.432
Collection	(348.401)
<b>Balance as at 30 September 2022 - unaudited</b>	<b>5.315.517</b>

**Condensed notes to the interim financial information (Unaudited)**  
**For the Three-month period of quarter III ended 30 September 2022**

**13. INVESTMENT IN ASSOCIATES AND JOINT VENTURES**

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

	<b>LAKm</b>
<b>Balance as at 1 January 2022 - audited</b>	<b>643.318</b>
Share of profit and loss of associates and joint ventures	28.265
Invest in associates and joint venture *	6.498
Less: Dividends received during the period	(7.634)
<b>Balance as at 30 September 2022 - unaudited</b>	<b>670.447</b>

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

Investment in associated and joint ventures as at 30 September 2022 were as follows:

	<b>Ownership interest</b>		<b>Cost</b>		<b>Equity</b>	
	<b>30</b>	<b>31</b>	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>September</b>	<b>December</b>	<b>30</b>	<b>31</b>	<b>30</b>	<b>31</b>
	<b>2022</b>	<b>2021</b>	<b>September</b>	<b>December</b>	<b>September</b>	<b>December</b>
	<b>(%)</b>		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
			<b>LAKm</b>			
BCEL - Krung Thai Securities Company Limited	70	70	70.000	70.000	74.040	74.920
Lao Viet Joint Venture Bank	25	25	197.839	197.839	259.502	252.650
Banque Franco - Lao Limited	30	30	126.000	126.000	129.272	128.048
Lao China Bank Company Limited	40	49	151.458	147.000	180.150	168.675
Lao-Viet Insurance Joint Venture Company	35	35	9.168	9.168	16.709	14.282
Lao National Payment Network Company Limited	20	20	6.800	4.760	10.774	4.743
<b>Total</b>			<b>561.265</b>	<b>554.767</b>	<b>670.447</b>	<b>643.318</b>

**Condensed notes to the interim financial information (Unaudited)**  
**For the Three-month period of quarter III ended 30 September 2022**

**14. PROPERTY AND EQUIPMENT**

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

	<b>LAKm</b>
<b>Balance as at 1 January 2022- audited</b>	<b>563.503</b>
Additions*	97.427
Transfer to other assets	(28.706)
Write off/Disposal, net	(3.308)
Depreciation charge	(71.096)
<b>Balance as at 30 September 2022 - unaudited</b>	<b>557.820</b>

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

**15. INTANGIBLE ASSETS**

Movements of intangible asset for the period are as follows:

	<b>LAKm</b>
<b>Balance as at 1 January 2022 - audited</b>	<b>293.321</b>
Additions	240
Depreciation charge	(8.929)
<b>Balance as at 30 September 2022 - unaudited</b>	<b>284.632</b>

**16. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>Unaudited 30 September 2022 LAKm</b>	<b>Audited 31 December 2021 LAKm</b>
<b>Demand deposits</b>	<b>5.826.117</b>	<b>4.239.624</b>
- In LAK	2.683.427	1.691.702
- In foreign currencies	3.142.690	2.547.922
<b>Saving deposits</b>	<b>266.977</b>	<b>222.603</b>
- In LAK	97.259	113.520
- In foreign currencies	169.718	109.083
<b>Term deposits</b>	<b>833.790</b>	<b>764.652</b>
- In LAK	250.870	261.870
- In foreign currencies	582.920	502.782
<b>Others</b>	<b>25.747</b>	<b>20.652</b>
- In LAK	15.292	19.912
- In foreign currencies	10.455	740
<b>Accrued interest payable</b>	<b>20.932</b>	<b>21.905</b>
	<b>6.973.562</b>	<b>5.269.436</b>



**Condensed notes to the interim financial information (Unaudited)**  
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**16. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS (CONTINUED)**

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

	<b>30 September 2022</b>	<b>31 December 2021</b>
	<b>% Per annum</b>	<b>% Per annum</b>
Demand deposits	0,00 – 0,30	0,00 – 0,30
Saving deposits	No interest	No interest
Term deposits	0,56 – 6,65	0,56 – 6,65

**17. DUE TO CUSTOMERS**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September 2022</b>	<b>31 December 2021</b>
	<b>LAKm</b>	<b>LAKm</b>
<b>Demand deposits</b>	<b>9.556.969</b>	<b>7.627.802</b>
Demand deposits in LAK	3.357.469	3.453.603
Demand deposits in FC	6.199.500	4.174.199
<b>Savings deposits</b>	<b>38.003.594</b>	<b>28.428.750</b>
Saving deposits in LAK	15.694.960	13.710.668
Saving deposits in FC	22.308.634	14.718.082
<b>Term deposits</b>	<b>24.885.648</b>	<b>20.439.404</b>
Term deposits in LAK	8.770.317	9.446.282
Term deposits in FC	16.115.331	10.993.122
<b>Margin deposits</b>	<b>106.352</b>	<b>79.905</b>
Margin deposits in LAK	40.868	24.830
Margin deposits in FC	65.484	55.075
<b>Other payables to customers</b>	<b>273.812</b>	<b>95.915</b>
<b>Accrued interest payable</b>	<b>614.235</b>	<b>497.393</b>
	<b>73.440.610</b>	<b>57.169.169</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% – 0,70% 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% – 12,15%, 1,65% - 7,75% and 1,1% – 7,75% per annum respectively.

**Condensed notes to the interim financial information (Unaudited)**  
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**18. BORROWINGS FROM OTHER BANKS**

Movements in long term borrowings as at 30 September 2022 were as follow:

	<b>LAKm</b>
<b>Balance as at 1 January 2022 - audited</b>	<b>3.161.581</b>
Additions	91.667
Repayments	(1.405.268)
Loss on exchange rate	1.493.640
<b>Balance as at 30 September 2022 - unaudited</b>	<b>3.341.620</b>

	<b>Unaudited 30 September 2022 LAKm</b>	<b>Audited 31 December 2021 LAKm</b>
Borrowings from the BOL	3.339.787	2.251.071
Borrowings from others bank	1.833	910.510
<b>Total</b>	<b>3.341.620</b>	<b>3.161.581</b>
 <b>Accrued interest payable</b>	 405.668	 193.042
	<b>3.747.288</b>	<b>3.354.623</b>

**19. SHARE CAPITAL**

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

**20. STATUTORY RESERVES**

	<b>Regulatory reserve fund LAKm</b>	<b>Business expansion fund and other reserve LAKm</b>	<b>Total LAKm</b>
<b>Balance as at 1 January 2022 - audited</b>	<b>228.135</b>	<b>603.532</b>	<b>831.667</b>
Appropriation to reserve for the year 2022	496	4.472	4.968
<b>Balance as at 30 September 2022 - unaudited</b>	<b>228.631</b>	<b>608.004</b>	<b>836.635</b>

**Condensed notes to the interim financial information (Unaudited)  
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**21. ADDITIONAL CASH FLOW INFORMATION**

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

	<b>Unaudited 30 September 2022 LAKm</b>	<b>Unaudited 30 September 2021 LAKm</b>
Cash and cash equivalents on hand	3.537.105	2.590.860
Demand deposits with the BOL	16.237.873	12.314.823
Current accounts with other banks	7.579.047	6.658.167
Term deposit due within 90 days	819.246	785.623
	<b>28.173.271</b>	<b>22.349.472</b>

**22. COMMITMENTS**

	<b>Unaudited 30 September 2022 LAKm</b>	<b>31 December 2021 LAKm</b>
Un-drawn commitments to lend for customers (ii)	2.752.335	1.917.706
Letter of credit and bank guarantees (i)	531.310	502.217
At sight letters of credit	517.827	375.568
Deferred payment letters of credit	183.820	-
	<b>3.985.292</b>	<b>2.795.491</b>

**(i) Letter of credit and bank guarantees**

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

**(ii) Un-drawn commitments to lend**

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

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

**Condensed notes to the interim financial information (Unaudited)**  
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**23. CAPITAL MANAGEMENT**

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

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

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

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

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

	<b>Unaudited 30 September 2022 LAKm</b>	<b>31 December 2021 LAKm</b>
Tier 1 capital	2.139.294	2.132.146
Tier 2 capital	-	-
<b>Total capital</b>	<b>2.139.294</b>	<b>2.132.146</b>
Less: Deductions from capital (Investments in other entities)	(670.447)	(643.318)
<b>Capital for CAR calculation (A)</b>	<b>1.468.847</b>	<b>1.488.828</b>
Risk weighted balance sheet items	23.688.363	18.738.102
Risk weighted off balance sheet items	2.105.480	1.467.354
<b>Total risk weighted assets (B)</b>	<b>25.793.843</b>	<b>20.205.456</b>
<b>Capital Adequacy Ratio (A/B)</b>	<b>5,69%</b>	<b>7,37%</b>



**Condensed notes to the interim financial information (Unaudited)**  
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**24. RELATED PARTY DISCLOSURES**

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

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

- b) Significant transactions as at 30 September 2022 with related parties were as follows:

	<b>30 September 2022 LAKm</b>	<b>30 September 2021 LAKm</b>
<b>Interest income and other</b>		
Parent company	243.266	204.728
<b>Interest expense and other</b>		
Related party	109.048	77.718

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:

	<b>30 September 2022 LAKm</b>	<b>30 September 2021 LAKm</b>
Salaries	1.158	1.038
Bonus	-	295
Responsibility allowance	814	733
	<b>1.972</b>	<b>2.066</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:

	<b>30 September 2022 LAKm</b>	<b>31 December 2021 LAKm</b>
<b>Receivables</b>		
Parent company	5.397.163	5.356.812
Associate and Joint venture	1.535.527	837.737
Related party	17.456.536	16.121.071
<b>Payables</b>		
Associate and Joint venture	1.826.171	1.208.259
Related party	3.745.430	2.435.033