



BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

# REPORT

Business Performance

Period 3 months of the First quarter of 2025

Ended 31<sup>st</sup> March 2025



## I. Overview of BCEL

### 1. Vision

BCEL continues to maintain its vision in the long-term strategic plan 2025-2029, to be adopted to its business development to achieve its goal and objective of **“becoming a strong and modern bank with international standards”**.

### 2. Mission

To realize its vision of “becoming a strong and modern bank with international standards”, the key mission that BCEL must focus on are: developing and improving services to adapt to the period of transformation with customer-centricity; strengthening financial stability in accordance with BASEL II principles; developing modern IT systems and technology integration into service systems; implementing new innovations in business to fully transform to Digital Banking; developing information systems to be accurate, clear, transparent, fast and ensuring Cyber Security meets international standards; developing personnel in various areas to be skilled and professional in banking services; creating satisfaction for customers who use the services; creating maximum sustainable benefits for BCEL’s shareholders; and establishing various conditions to meet international standards.

### ❖ Plans and projects for 2025

To facilitate the development and establishment of sustainable strength for BCEL to emerge as a leading bank characterized by modernization and compliance with international banking standards in Lao PDR, BCEL has formulated a comprehensive development strategy that outlines the directions, objectives, and specific implementation plans. The implementation in 2025 includes 15 programs and 50 projects, as elaborated below:

- **Strategy 01:** Comprehensive organization strengthening (consist of 4 programs and 17 projects)
  - Financial management and enhancing sustainable business effectiveness
  - Efficient credit administration and management;
  - Strong and effective human resource development;
  - Strengthening risk management and anti-money laundering.
- **Strategy 02:** Modernization by applying new technology in the business (consist of 5 programs and 22 projects)
  - Development and management of IT system;
  - Product development, turning the services towards Digital Banking;
  - Modernization of information management and statistics development;
  - Modernization of credit approval;
  - Modernization of accounting system and financial reports.
- **Strategy 03:** Management and services development in accordance with international standard (consist of 6 programs and 11 projects)
  - Organizational administration and management in line with Green Growth (Sustainable Finance)

- Implementation of BASEL II standards;
- Development of accounting and financial report in line with full option of IFRS;
- Development and improvement of internal audit with COSO (Compliant Internal Control Systems) standard;
- Development of services in line with ISO9001:2015;
- Development of PCI Compliance.

## **II. Financial Position and Highlights**

### **1. Lao PDR' Economy and Future Trends**

In the first quarter of 2025, Lao PDR continues to face multiple economic difficulties. The main factors stem from the volatile global economic situation resulting from trade conflicts between major countries. As for internal factors, issues include budget shortages, public debt, and fragile financial stability. Labor shortages remain a significant constraint for private businesses. Currency depreciation and high inflation rates continue to impact domestic economic growth.

The economic trend of Lao PDR between 2025 and 2026, according to the World Bank's projection, is expected to grow at around 3.5%. However, estimates vary among different financial institutions, with AMRO assessing growth at 4.6% and the Asian Development Bank (ADB) forecasting growth of 3.9% in 2025 and 4.0% in 2026. While the IMF estimates Laos' economic growth at 2.5% for 2025, assessments indicate a moderate recovery but still at a slow pace, despite positive growth trends in the tourism sector, logistics transportation, and energy sector investments in recent times.

#### **1.1 Inflation**

The inflation rate in March 2025 continued its downward trend to 11.2%, decreasing from 12.74% in February and 15.49% in January. Although inflation has declined, many categories of goods still show high price increases such as: Housing, water, and electricity increased by 28.6%, followed by healthcare and medicine at 21.4%, household goods at 19.1%, education at 18.1%, restaurants and hotels at 16.4%, and alcohol and tobacco at 15%.

The decline in the inflation rate in March 2025 resulted from several key factors: improved exchange rate stability helping to reduce pressure on imported goods prices, agricultural production meeting market demand adequately resulting in stable agricultural product prices, and global import prices including fuel not fluctuating significantly, contributing to the downward trend in inflation. However, price increases in housing, utilities, and medical sectors remain significant challenges that need continuous monitoring and addressing.

#### **1.2 Exchange Rate**

In Q1/2025, the Bank of the Lao PDR (BOL) adjusted the exchange rate for buying or selling Kip against the US dollar within a range not exceeding  $\pm 6.50\%$  compared to the reference exchange rate announced daily by the BOL's Monetary Policy Department. The spread between buying and selling rates is maintained at a level not exceeding 2% for Kip



against the US dollar, Thai baht, Chinese yuan, Euro, Japanese yen, British pound sterling, and other currencies, and not exceeding 5% for exchanges between Kip and other currencies.

The average exchange rate across the banking system for the US dollar during the first three months was 21,538 kip/dollar, an increase of 3% compared to the same period last year (from 20,939 kip/dollar), while the average exchange rate outside the banking system was 21,540 kip/dollar, a decrease of 9% compared to the same period last year (from 23,590 kip/dollar). For the Thai baht exchange rate, the banking system average was 637 kip/baht, a decrease of 2% (from 652 kip/baht) compared to the same period last year, while the exchange rate outside the system averaged the same as the bank rate at 637 kip/baht, a decrease of 3% (from 659 kip/baht) compared to the same period last year. (Data from the Bank of the Lao PDR).

## 2. Highlighted updates of BCEL

During the first 3 months of 2025, BCEL held 1 meeting to review the periodical business performance, held 1 ordinary Board meeting ; completed the summary of KPI implementation results for 2024, set KPI targets for 2025; classified branches and service units for 2025; approved BCEL's 5-year development strategy for 2025-2029 through BCEL Board of Directors meeting to be proposed to the shareholders' meeting for approval; approved the audit results of financial statements for 2024 according to Lao standards; completed the change in par value through a stock split of BCEL shares from 5,000 kip/share to 1,000 kip/share; improved certain acceptable risk level indicators for liquidity and updated the draft of BCEL's risk management structure. Additionally, a meeting was held with the Lao Securities Exchange to discuss business operations during the past period and future plans and directions.

**System and Product Development:** Created a QR Code system for guarantee letters and funding guarantee letters; Completed The integration of the system to support cross-border payments via QR Code scanning between Vietnam and Laos has been successfully completed.

**Service Network:** Relocated one service unit (moved the Lao Securities Exchange service unit to a new location as the Dongkhamxang service unit) and upgraded two BCOME Super Agent representatives.

**Cooperation with Various Sectors:** Signed a cooperation agreement for e-Statement services through BCEL One between BCEL and Krungsri Leasing Services Company Limited; Connected payment systems for Sabaidee Leasing Company with offline self-payment, Auto Debit for AP Leasing, Credit and Savings Cooperative Luang Prabang; Connected the electricity payment system through BCEL for Banque Franco-Lao Ltd.

**Marketing Activities:** Conducted marketing activities including promotions for BCEL Mastercard; "Happy Throughout the Year Celebrating 35 Years of BCEL Bank"; Discounts when paying with BCEL VISA cards; MoneyGram Annual Promotion 2025; VISA Campaign with Starbucks Laos and Mastercard Marketing; Online interactive activities (activities for Chinese New Year, Valentine's Day, International Women's Day).

## 3. Financial Highlights

As of the first quarter of 2025, BCEL's financial highlights are as follows:

- **Total Assets: 148,176** billion LAK, achieved **98.38%** of the 2025 annual plan, an increase of **7.21%** compared to the same period of last year.

- **Total Loans: 62,480** billion LAK, achieved **95.10%** of the 2025 annual plan, an increase of **25.11%** compared to the same period of last year.
- **NPL rate: 2.93%.**
- **Deposits: 139,065** billion LAK, achieved for **100.77%** of the 2025 annual plan, an increased by **7.91%** compared to the same period of last year.
- **Profit After Tax (Net): 148** billion LAK, achieved for **26.98%** of the 2025 annual plan, an increased by **34.70%** compared to the same period of last year.

### III. Overview of BCEL

- **Location and networks**

The Bank's Head Office is located on No.01, Pangkham Street, Ban XiengNheun, Chanthabouly District, Vientiane, Lao PDR. As of 31 March 2025, the Bank has 1 Head Office, 7 joint ventures, 20 branches, 101 service units, and 12 exchange units all over the Lao PDR.

#### Contact

- Telephone (+856-21) 213200 or Call Center 1555
- Fax (+856-21) 213202
- Email : [bcelhqv@bcel.com.la](mailto:bcelhqv@bcel.com.la)
- Website: [www.bcel.com.la](http://www.bcel.com.la)

- **History of BCEL**

Banque pour le Commerce Exterieur Lao Public (BCEL) operates as a public company and is listed on the Lao Securities Exchange.

The bank was established in accordance with Decision on Bank Establishment No. 129/BOL dated 1 November 1989. On 23 December 2010, BCEL completed its initial public offering (IPO) and was renamed Banque Pour Le Commerce Exterieur Lao Public as per Enterprise Registration License No.0061/ERO dated 10 January 2011, issued by the Department of Enterprise Registration and Management, Ministry of Industry and Commerce of the Lao PDR. Initially, the Government, represented by the Ministry of Finance, held 80% of the total shares.

On 15 July 2011, the Ministry of Finance sold 10% of the total ordinary shares to its strategic partner, Compagnie Financière de la BRED (COFIBRED), a subsidiary of BRED, the largest banking society in the Banque Populaire Group—a French group of cooperative banks.

On 17 August 2017, BCEL successfully completed a recapitalization through public and rights offerings to existing shareholders, operating under the new Decision no. 21/BOL dated 13 September 2017, issued by the Bank of Lao PDR. By 15 September 2017, Lao Securities Exchange certified that BCEL increased its registered capital to 355,728,500,000 LAK (71,145,700 shares) as per certificate No. 01/LSX dated 15 September 2017. BCEL also received a new amended Business License no. 0429 dated 18 May 2018, issued by the Ministry of Industry & Commerce.

On 11 October 2019, the Lao Securities Commission Office granted BCEL permission to restructure its shareholder structure, offering more shares to the public and existing shareholders. This restructuring aimed to diversify shareholders, foster growth, and strengthen stability. The offering completion of 10% of BCEL's shares was endorsed by the Lao Securities Commission Office on 29 November 2019.

On February 18, 2025, the Lao Securities Exchange approved the change in par value of BCEL shares through a stock split at a ratio of 1:5, meaning the price changed from 5,000 kip/share to 1,000 kip/share. This increased the number of BCEL shares from 207,723,300 shares to 1,038,616,500 shares, while maintaining the same registered capital. The purpose was to increase the liquidity of BCEL share trading on the Lao Securities Exchange and to make BCEL shares more accessible to investors at a lower price, while maintaining the same market capitalization and preserving the original shareholding proportions of all shareholders.

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

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

### **Registered Capital**

The registered capital of BCEL as of 31 March 2025 is 1,038 billion LAK (31 March 2024: 1,038 billion LAK)

## **IV. The organizational structure of the Board of Directors, Management, and the operations of the committees supervised by the Board of Directors**

### **1. The Structure and Profiles of the Board of Directors**

#### **1.1. The Board of Directors of BCEL**

The Board of Directors of BCEL, as of 31 March 2025, consists of 8 members as follows:

<b>Name and surname</b>	<b>Position</b>	<b>Date of designation</b>
<b>Mr. Bounpone VANNACHITH</b>	Chairman	27 <sup>th</sup> April 2023
<b>Mr. Akhom PRASEUTH (Ph.D)</b>	Independent member, Vice Chairman	29 <sup>th</sup> April 2024
<b>Mme. Saysamone CHANTHACHACK</b>	Member	22 <sup>nd</sup> November 2022
<b>Mr. Stephane MANGIAVACCA</b>	Member	29 <sup>th</sup> May 2020
<b>Mr. Pasomphet KHAMTANH</b>	Member	3 <sup>rd</sup> August 2021
<b>Assoc.Prof. Mr. Thongphet CHANTHANIVONG</b>	Independent member	3 <sup>rd</sup> August 2021
<b>Mrs. Latdavanh SONGVILAY</b>	Independent member	3 <sup>rd</sup> August 2021
<b>Mr. Sonexay SIPAPHET</b>	Independent member	3 <sup>rd</sup> August 2021

## 1.2. The Profiles of the Board of Directors



**Mr. Bounpone VANNACHITH**  
**Chairman**

**Personal Information:**

Date of Birth: 14 April 1959

Nationality: Lao

Language: English and Vietnamese

Designation: Vice Minister of Finance

**Education Background:**

2012: Master's Degree in Economics (Economic Management), National Academy of Political and Public Administration

2010: Bachelor's Degree in Economics (Economic Management), National Academy of Political and Public Administration

1998: Higher Diploma in Economics (Economic Management), National Academy of Political and Public Administration

**Professional Experience:**

02/04/2021 - present: Deputy Minister of Finance

2016-2021: Vice Chairman of the State Audit Organization

2010-2016: Vice Chairman of National Economy Development Committee, Prime Minister's Office

2005-2010: Vice Governor of Oudomxay Province

1999-2005: Chief of the Provincial Finance Office, Oudomxay Province

1995-1998: Deputy Chief of the Provincial Planning-Cooperation Office, Oudomxay Province

1989-1995: Head of the Finance Office of Meuang Houn District, Oudomxay Province

1985-1988: Deputy Head of the Economic Planning & Finance Office of Meuang Houn District, Oudomxay Province

1984-1985: Head of the Statistical Planning Office of Meuang Houn District, Oudomxay Province

1981-1984: Officer of the Statistical Planning Office of Meuang Houn, Oudomxay Province

1976 -1981: Soldier in the 28th Battalion and the 63th Office.



**Mr. Akhom PRASERTH (Ph.D)**  
**Vice Chairman**

**Personal Information:**

Date of Birth: 03 May 1968

Nationality: Lao

Language: Lao, English

Designation: Independent Director

**Education Background:**

2002-2005: Doctor of Philosophy in Business Administration, Korea Maritime and Ocean University (KMU), Busan, South Korea.

1994-1996: Bachelor of Business Administration, National Institute of Development Administration (NIDA), Bangkok, Thailand.

1985-1991: Bachelor of Science in Heavy Mechanics, Tashkent Institute of Railway Engineers, Tashkent, Uzbekistan (formerly part of the Soviet Union).

**Professional Experience:**

July 2024 - Present: Deputy Secretary of the National Assembly

July 2021 - July 2024: Director of Banking Institutions

July 2018 - July 2021: Director of Lao Development Bank

October 2014 - July 2018: Head of Strategic Planning for Financial-Fiscal Development 2021-2025 and Vision 2030

October 2010 - July 2018: Member of the Executive Council, Lao Stock Exchange

August 2010 - July 2018: Head of the Financial Institutions Supervision Unit, Bank of Lao PDR

February 2008 - August 2010: Deputy Head of the Securities Market Founding Committee

February 2007 - February 2008: Deputy Head of the Commercial Banking and Financial Institutions Supervision Division, Bank of Lao PDR

January 2007 - 2009: Head of Strategic Planning for the Development of the Financial-Fiscal Sector of the SPLA 2010-2020

August 2006 - September 2008: Member of the Executive Council of the Lao Development Bank.

August 2005 - February 2006: Head of the Monetary Policy Department, Monetary Policy Division, Bank of Lao PDR.

January 2005 - August 2005: Head of the Foreign Economic Research Department, Economic Research Unit, Bank of Lao PDR.

1997 - 2002: Head of the Internal Economic Research Department, Economic Research Department, Bank of Lao PDR

1992 - 1993: Professional Experience at the Ministry of Commerce, Public Works, and Transport.





**Mme. Saysamone CHANTHACHACK**  
**Director**

**Personal Information:**

Date of birth: 15/03/1969

Nationality: Lao

Language: Lao, English

Designation: Managing Director of BCEL

**Education Background:**

Higher Diploma of Politics Course.

2007: International Master of Business Administration, Flinders University, Australia.

1998: Master of Public Policy, Graduate School of Policy Science, Saitama University, Japan.

1993: Master of Economics, Kuban State University, Russia.

**Professional Experience :**

08/2022–Present : Managing Director, Banque Pour Le Commerce Exterieur Lao Public.

09/2021–08/2022: Chief Executive Officer, Lao Securities Exchange.

2015: Director General, Lao Securities Commission Office, Bank of the Lao PDR.

04/2010: Deputy Director General, Lao Securities Commission Office, Bank of the Lao PDR.

2009: Deputy Director General, Monetary Policy Department, Bank of the Lao PDR.

1993–1997: Officer, Monetary Policy Department, Bank of the Lao PDR.



**Mr. Stephane MANGIAVACCA**  
**Director**

**Personal Information:**

Date of Birth: 11 July 1975

Nationality: French

Languages: French, English, Spanish, Chinese, and Japanese

**Education Background :**

1996 – 1999 : Ecole Nationale Supérieure des Mines de Saint-Etienne,

- Engineering Diploma with honors
- Joined an exchange program in Environmental Engineering, University of New Brunswick in Canada
- Undergraduate and graduate classes in Economics

**Professional Experience:**

01/2020 – present: Head of International, BRED Banque Populaire, France

2009 – 2010: Chief Risk & Compliance Officer, BRED Banque Populaire, France

2001 – 2009: Executive at Central Audit, Banque Populaire - Natixis - Coface (now BPCE GROUP), France

1999 – 2001: French Trade Commission, French Ministry of Economy and Finance, Guangzhou, China

1999: Intern, EDF, French Company of Electricity, Lyon, France

1998: Intern, The Yokohama Rubber Company, Hiratsuka, Japan

1997: Intern, Pechiney-Aluminium, Issoire, France



**Mr. Pasomphet KHAMTANH**  
**Director**

**Personal Information:**

Date of Birth: 25 May 1970

Nationality: Lao

Languages: English

Designation: Deputy Director General, Department of State-Owned Enterprises Reform and Insurance, Ministry of Finance.

**Education Background:**

2001-2003: Master's Degree in Economics and Business from Kyung Hee University in South Korea.

1987-1993: Bachelor's Degree in Machinery Management from Technical College, Laos.

**Professional Experience:**

08/2000-Present: Deputy Director General, Department of State-Owned Enterprises Reform and Insurance, Ministry of Finance.

2016-2020: Deputy Director General of Fiscal Policy and Legal Department, Ministry of Finance.

2013-2016: Chief of External Finance and Debt Management Department Division.

2009-2013: Chief of the Projects Chief of External Finance and Debt Management Department Division.

2007-2008: Deputy Division of Finance Statistics, Fiscal Policy Department, Ministry of Finance.

1998-2007: Staff of Budget Department, Ministry of Finance.

1994-1998: Staff of External Finance Department, Ministry of Finance.



**Mr. Thongpheth CHANTHANIVONG**  
**Independent Director**

**Personal Information:**

Date of Birth: 20 April 1962

Nationality: Lao

Languages: Lao, English

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

**Education Background:**

2018-2021: Ph.D. Candidate (Accountancy), 2021, Siphatham University, Thailand.

2019: Received CPA Certificate

1998-2000: International Business Management), at De Mons University in Belgium.

1998-2000: Master in Business Administration at AIT University in Thailand.

1996-1997: Bachelor's Degree in Business Administration, the Co-project between National Politics School and AIT University in Thailand.

1981-1985: Bachelor of Science (Mathematics and

**Professional Experience:**

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

2006: Associate Professor in Business Administration (2006).

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

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

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

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

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

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

2015-2024: Trainer on IFRS and LAS Auditing





**Mrs. Latdavanh SONGVILAY**  
**Independent Director**

**Personal Information:**

Date of birth: 27/04/1982

Nationality: Lao

Language: English

Position: Director General of Macroeconomic  
Research Institute (MRI) of Lao Academy of Social and  
Economic Sciences (LASES)

**Education Background:**

2008–2009: Master of Public Policy from the National Graduate Institute for Policy Studies (GRIPS), Japan;

2000–2005: Bachelor's degree in Economics, National University of Laos;

2004: Exchange student course, National University of Singapore, Singapore.

**Professional Experience:**

2020–Present: Acting Director General of Macroeconomic Research Institute of Lao Academy of Social and Economic Sciences

2019–2020: Acting Director General of the Center for Macroeconomic and Economic Restructuring of the National Institute of Economic Research

2016–2019: Deputy Director General of the Center for Macroeconomic and Economic Restructuring of the National Institute of Economic Research

2015–2016: Chief of Division in National Economic Research Institute of the Ministry of Planning and Investment

2011–2015: Deputy Chief of Division in National Economic Research Institute of Ministry of Planning and Investment

2005–2011: Research Assistant at the National Economic Research Institute of the Ministry of Planning and Investment



**Mr. Sonexay SILAPHET**  
**Independent Director**

**Personal Information:**

Date of birth: 01/01/1977

Nationality: Lao

Language: English

Position: President of Lao Chamber of Professional Accountants and Auditors (LCPAA)

**Education Background:**

2017–2021: Doctor of Philosophy Ph.D. Accountancy, Sripatum University, Thailand;

2013–2014: Master's degree in finance, Santapol Technology College;

1995–2000: Bachelor's degree in business administration, Comcenter College;

1995–1998: Higher diploma in accounting, Pakpasak Technical College;

06/2016: Member of CPA Australia;

2018: Member of LCPAA;

1999–2000: Member of Lao Institute of Chartered Public Accountants (LICPA).

**Professional Experience:**

05/2022–Present: President of Lao Chamber of Professional Accountants and Auditors (LCPAA)

2015–05/2022: Vice-President of Lao Chamber of Professional Accountants and Auditors (LCPAA)

01/2016–12/2017: Vice President of ASEAN Federation of Accountants (AFA)

01/2014–12/2015: Vice President of ASEAN Federation of Accountants (AFA)

07/2011–09/2014: Director of Ernst & Young Lao Limited

07/2008–06/2011: Senior Audit Manager of Ernst & Young Lao Limited

08/2007–06/2008: Audit Manager of Ernst & Young Lao Limited

05/2004–08/2007: Audit Manager of PricewaterhouseCoopers (Lao) Ltd

2002–05/2004: Experienced Senior Auditor of PricewaterhouseCoopers (Lao) Ltd

2000–2001: Senior Auditor of PricewaterhouseCoopers (Lao) Ltd

1998–1999: Auditor of PricewaterhouseCoopers (Lao) Ltd

## 2. The Management Team

### 2.1. The Board of Management

The Board of Management of BCEL, as of 31 March 2025, consists of 7 members as follows:

Name and Surname	Position	Date of Designation
Mme. Saysamone Chanthachack	Managing Director	1 <sup>st</sup> August 2022
Mr. Nanthalath Keopaseuth	Deputy Director	30 <sup>th</sup> September 2014
Mr. Kongasack Souphonesy	Deputy Director	1 <sup>st</sup> May 2021
Mrs. Bouaphayvanh Nandavong	Deputy Director	1 <sup>st</sup> May 2021
Mr. Saychit Simmavong	Deputy Director	1 <sup>st</sup> May 2021
Mrs. Phousengthong Anoulakkham	Deputy Director	1 <sup>st</sup> July 2024
Mr. Nalinh Silavongsith	Deputy Director	1 <sup>st</sup> July 2024

### 2.2. Biography of the Management Team



**Mme. Saysamone CHANTHACHACK**  
**Managing Director**

**Personal Information:**

Date of birth: 15/03/1969

Nationality: Lao

Language: Lao, English

Designation: Managing Director of BCEL

**Education Background:**

Higher Diploma of Politics Course.

2007: International Master of Business Administration, Flinders University, Australia.

1998: Master of Public Policy, Graduate School of Policy Science, Saitama University, Japan.

1993: Master of Economics, Kuban State University, Russia.

**Professional Experience :**

08/2022–Present : Managing Director, Banque Pour Le Commerce Exterieur Lao Public.

09/2021–08/2022: Chief Executive Officer, Lao Securities Exchange.

2015: Director General, Lao Securities Commission Office, Bank of the Lao PDR.

04/2010: Deputy Director General, Lao Securities Commission Office, Bank of the Lao PDR.

2009: Deputy Director General, Monetary Policy Department, Bank of the Lao PDR.

1993–1997: Officer, Monetary Policy Department, Bank of the Lao PDR.



**Mr. Nanthalath KEOPASEUTH**  
**Deputy Managing Director**

**Personal Information:**

Date of birth: 16/08/1978

Nationality: Lao

Language: Lao, English, and Chinese

Designation: Deputy Managing Director of BCEL

**Education Background:**

2008–2010: Masters's Degree in International Trade Policy from the United States of America.

2005–2006: Certificate in International Trade from Australia,

2004–2004: Enrolled in English Training Course from Vientiane College, Lao PDR

1996–2000: Bachelor's Degree in English, National University of Laos.

**Professional Experience:**

2014–Present: Deputy Managing Director of BCEL

2012–2014: Chief of Electronic Banking and Card Service Center.

2010–2012: Acting Chief of Electronic Banking and Card Service Center.

2007–2008: Acting Deputy Chief of Electronic Banking and Card Service Center.

2001–2003: Technical staff at International Remittance.

200–2001: Technical staff of Accounting Division.

2000–2001: Technical staff of Operation Center.





**Mr. Kongsack SOUPHONESY**  
**Deputy Managing Director**

**Personal Information:**

Date of Birth: 12/11/1977

Nationality: Lao

Language: Lao, English

Designation: Deputy Managing Director of BCEL

**Education Background:**

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

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

**Professional Experience:**

2021-Present: Deputy Managing Director of BCEL

03/09/2018: Chief of Internal Audit Division, BCEL Head Office

2016-2018: Attend Political Course at Vientiane Capital Politics and Administration  
Institution.

27/10/2014: Chief of Luangnamtha Branch

29/04/2013: Chief of Huaphan Branch

12/05/2010: Chief of Huaphan Branch

20/05/2008: Acting Deputy Chief of Huaphan Branch

13/12/2007: Chief of Credit Section of Oudomxay Branch

2005-2007: Acting Chief of Credit Section of Oudomxay Branch

26/05/2000: Staff of BCEL's Oudomxay Branch



**Mrs. Bouaphayvanh NANDAVONG**  
**Deputy Managing Director**

**Personal Information:**

Date of Birth: 26/11/1971

Nationality: Lao

Language: Lao, English

Designation: Deputy Managing Director of BCEL

**Education Background:**

2014: Master Degree in Economy Management from National Politics and Administration Institution

**Professional Experience:**

2021-Present : Deputy Managing Director of BCEL

1/1/2019-2021 : Chief of Human Resources Division

2018-2019 : Acting Chief of Human Resources Division

2015-2018 : Deputy Chief of Human Resources Division

2013-2015 : Deputy Chief of Vientiane Branch

2011-2013 : Deputy Chief of Human Resources Division

1997-2009 : Staff of Human Resources Division, Head Office

1994-1997 : Staff of Admin-Finance Division

1993-1994 : Staff of BCEL's Morning Market Service Unit



**Mr. Saychit Simmavong**

**Deputy Managing Director**

**Personal Information:**

Date of Birth: 11/02/1972

Nationality: Lao

Language: Lao, Englis, French

Designation: Deputy Managing Director of BCEL

**Education Background:**

2014: Master's Degree in Economy Management from the National Politics and Administration Institution.

**Professional Experience:**

2021-Present: Deputy Managing Director of BCEL

08/01/2018: Chief of Administration and Finance Division

27/10/2014: Acting Chief of Administration and Finance Division

2013-2014: Deputy Chief of Administration and Finance Division

2007-2013: Chief of General Administration Section, Administration and Finance Division

2000-2006: Chief of Cheque Collection Unit, Treasury and International Service  
Division

1999-2000: Chief of Sihom joint Money Exchange Unit, Service Center

1988-1999: Chief of Money Exchange Unit at Friendship Bridge, Service Center

10/09/1995: Staff of BCEL Head Office



**Mr. Phousengthong ANOULAKKHAM**

**Deputy Managing Director**

**Personal Information:**

Date of Birth: 28/07/1974

Nationality: Lao

Language: Lao, English

Designation: Deputy Managing Director of BCEL

**Education Background:**

Master of Accounting and Finance, National University of Laos

**Experience:**

7/2024 – Present: Deputy Managing Director of BCEL

6/2023 – 6/2024: Chief of Administration and Finance Division

8/2018 – 6/2023: Chief of Accounting Division

7/2015 – 8/2018: Chief of Internal Audit Division

9/2010 – 7/2015: Deputy Chief of Card Center

2009 – 8/2010: Deputy Chief of IT Center

7/2006 - 2009: Acting Deputy Chief of IT Center

7/2003 – 7/2006: Staff of BCEL Accounting Division

2/2002 – 7/2003: Staff of BCEL Deposits Division

11/1998 – 2/2002: Staff of BCEL Internal Audit Division

9/1996 – 11/1998: Staff of BCEL Deposits Division

2/1995 – 9/1996: Staff of BCEL Accounting Division.





**Nalinh SILAVONGSITH**

**Deputy Managing Director**

**Personal Information:**

Date of Birth: 20/06/1969

Nationality: Lao

Language: Lao, English, Japanese

Designation: Deputy Managing Director of BCEL

**Education Background:**

Master of Business Administration, Waseda University (Japan).

**Experience:**

7/2024 – Present: Deputy Managing Director of BCEL

7/2023 – 6/2024: Deputy Director General of Banking Services Department, Bank of Lao PDR

8/2022 – 7/2023: Deputy Director, Credit Information Company, Bank of Lao PDR

5/2021 – 8/2022: Deputy Managing Director of BCEL

2017 - 2021: Deputy Director of Lao Development Bank

2014 - 2017: Director, Lanexang Security Company Limited

2014: Position at Lao Development Bank, Head Office

2012 - 2014: Head of Dongdok Branch

2008 - 2012: Head of Credit Administration Division

2006 - 2008: Acting Head of Credit Management Department

1999 - 2003: Head of Services Division, Laos-Viet Bank

1997 - 1999: Head of Morning Market Service Unit

1992 - 1997: Staff of BCEL Head Office.

### **3. Operation of the Board of Directors and the committees of the Board of Directors**

#### **3.1 The meeting of the Board of Directors**

During the 3-month period of Quarter 1/2025, the BCEL Board of Directors held 1 meeting (Ordinary meeting) and approved several important documents through 5 circular letters. The following key issues were approved:

- 1) Acknowledged the report on the designation of the BCEL BOD's Chairperson in order to submit to the Annual General Shareholders Meeting for the year 2024 for consideration and approval;
- 2) Approved the audit report on the financial statement of BCEL for the year 2024 audited by the independent auditor in accordance with Lao Accounting Standard;
- 3) Approved the allocation of the profit for the year 2024 into reserves in order to submit to the Annual General Shareholders Meeting for the year 2024 for consideration and approval;
- 4) Approved the dividends for the year 2024 in order to submit to the Annual General Shareholders Meeting for the year 2024 for consideration and approval:
  - Dividend: 100 LAK/share;
  - Record date of the shareholders register book for receiving the dividend: 25 April 2025;
  - Dividend payment date: 14 May 2025.
- 5) Approved the business plan for the year 2025 in order to submit to the Annual General Shareholders Meeting for the year 2024 for consideration and approval;
- 6) Approved the draft of long-term strategic plan of BCEL for the year 2025 – 2029 in order to submit to the Annual General Shareholders Meeting for the year 2024 for consideration and approval;
- 7) Approved in principle regarding the recognition of receivables as collateral;
- 8) Approved in principle regarding the loan consideration for Government's construction projects;
- 9) Approved loan applications of 03 corporate customers;
- 10) Approved the appointment of the independent auditor for the year 2025 in order to submit to the Annual General Shareholders Meeting for the year 2024 for consideration and approval;
- 11) Considered and approved the plan for the Annual General Meeting of the Shareholders of BCEL for the year 2024 as follows:
  - Record date of the shareholders register book for attending the meeting: 27 March 2025;
  - The date for shareholders' meeting: 30 April 2025, 2:30 p.m. - 4:30 p.m.;
  - Venue: Lao Plaza Hotel Conference Room;
  - Meeting agenda:
    - Agenda 01: Consider and approve the minutes of the 2023 Annual General Meeting of Shareholders of BCEL;
    - Agenda 02: Consider and approve the 2024 Annual Report and Financial Statements of BCEL;
    - Agenda 03: Consider and approve the allocation of 2024 annual profit to various reserves and the payment of dividends;
    - Agenda 04: Consider and approve the 2025 BCEL's plan;

- Agenda 05: Consider and approve the strategic development plan of BCEL for the period 2025-2029;
  - Agenda 06: Consider and approve the independent auditor for the year 2025;
  - Agenda 07: Consider and approve the appointment of the Chairman and members of the Board of Directors of BCEL;
  - Other Agenda (if any).
- 12) Approved the plan for organizing the Board of Directors and Board of Directors' and the Committees' meetings in 2025.
- 13) Approved the appointment and placement of 1 position at the division level.

### **3.2 Risk Management Committee**

The Committee has focused on monitoring risk management work and tracking Basel II projects that BCEL has been implementing since 2018. The Committee has also evaluated its performance during 2024 and established conditions and methods for assessment in 2025.

### **3.3 Nomination & Remuneration Committee**

The Committee has focused on considering personnel targets for the improvement of BCEL's executive management and Board of Directors at various intervals. Specifically in Quarter 1 of 2025, the Committee reviewed proposals for appointment and reorganization of several chief of divisions. The Committee also acknowledged reports regarding the retirement of Mr. Bounpone Vannachit, Chairman of the BCEL Board of Directors, and approved the nomination of a new Board Chairman to be submitted to the Board of Directors and Shareholders' Meeting for consideration and approval according to procedure. The Committee has also evaluated its performance during 2024 and established conditions and methods for assessment in 2025.

### **3.4 Corporate Governance Committee**

The Executive Management Committee has closely and regularly monitored and provided guidance on BCEL's business performance. During the 3 months of Quarter 1/2024, the Committee held meetings in accordance with established regulations, during which they: approved BCEL's business performance for 2024; approved the profit allocation ratio for 2024; approved dividends for 2024; approved the business plan for 2025; approved the performance evaluation results of the Board of Directors, Board members, and Board committees for 2024; and approved evaluation forms for assessing the performance of the Board of Directors, Board members, and Board committees for 2025. The Committee also reviewed plans for the 2024 Annual Shareholders' Meeting and established meeting schedules for the Board of Directors and Board committees for 2025.

### **3.5 Audit Committee**

The Audit Committee has regularly monitored and directed BCEL's internal audit operations. During the 3 months of Quarter 1/2025, the Committee held meetings and approved several important matters including:

- Approved the 2024 annual financial statements according to Lao accounting standards, which had been reviewed by the independent auditor, for submission to the Board of Directors for approval;

- Approved the independent auditor for 2025 as a basis for proposal to the Board of Directors and Shareholders' Meeting for consideration and approval;
- The Committee has also evaluated its performance during 2024 and established conditions and assessment methods for 2025.

## **V. Social Responsibility**

### **1. Corporate Social Responsibility and social Sponsorship**

In addition to conducting business and fulfilling other responsibilities, the board of directors and employees of BCEL have dedicated their efforts to contributing to and participating in the Corporate Social Responsibility (CSR) project, which is one of the core values of BCEL, as detailed below: BCEL leverages its technological capabilities and modern innovations in the development of products that serve society. One such initiative is BCEL One Heart, a platform designed to facilitate donations for social assistance. This tool simplifies the donation process for both those in need and those willing to contribute.

During the first quarter of 2025, BCEL One Heart enabled 99 projects, with total contribution of 10,081,919,551 LAK and 80,456 individuals to donate. Furthermore, BCEL has actively encouraged and supported societal welfare through various initiatives, including sponsoring education and sports, health programs, assisting victims of natural disasters, and promoting significant national holidays, Charitable work, fundraising projects for student dormitory construction, contributions to the United Hearts Foundation for disaster victims, and various other projects. These contributions were made in multiple forms, both cash and necessary supplies, reflecting BCEL's commitment to being a socially responsible financial institution.

Additionally, BCEL has contributed to and supported society through various means, primarily through sponsoring education and sports activities, public health initiatives, natural disaster relief, support for important national holidays, and other causes by providing cash and various supplies. During the first 3 months of 2025, there were 90 such contributions with a total value of more than 435 million kip.

**Managing Director**



**Saysamone CHANTHACHACK**



# **Banque Pour Le Commerce Extérieur Lao Public**

INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE-MONTH PERIOD OF QUARTER I ENDED  
31 March 2025

# Banque Pour Le Commerce Extérieur Lao Public

## CONTENTS

	<i>Pages</i>
General information	1 - 4
Income statement	5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9 - 10
Notes to the financial statements	11 - 54

## THE BANK

Banque Pour Le Commerce Exterieur Lao Public (herein referred to as “the Bank”) is a joint-stock bank incorporated and registered in the Lao People’s Democratic Republic (“Lao PDR”).

### *Establishment and Operations*

The Bank was established from the equitization of Banque Pour Le Commerce Exterieur Lao which had been 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 MOF, was the largest shareholder with 80% shareholding.

On 15 July 2011, the MOF sold 10% of the total ordinary shares (equivalent to 13,657,759 shares) to its strategic partner named Compagnie Financière de la BRED (“COFIBRED”) in accordance with the Ordinary Shares Purchase Agreement between the Ministry of Finance and COFIBRED. COFIBRED is a subsidiary of BRED, the biggest regional banking society in the Banque Populaire Group - a French group of cooperative banks. The total purchase price of LAK 150,235,349,000 has been paid fully by COFIBRED.

On 17 August 2017, Lao Securities Commission Office approved the Bank to recapitalize by both Rights offering (which resulted in 68,047,300 shares) and Public offering (which resulted in 3,098,400 shares) 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 the Bank of the Lao PDR. On 15 September 2017, Lao Securities Exchange certified that the Bank successfully increased its charter capital by an amount of 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.

The shareholding structure of the Bank as at 31 March 2025 is as follows:

<i>Shareholders</i>	<i>Number of shares</i>	<i>%</i>
The Government	623,170,105	60%
Strategic partners	103,861,795	10%
Local investors (including employees of the Bank) and other foreign investors	311,584,600	30%
	<b>1,038,616,500</b>	<b>100%</b>

BCEL has successfully updated its enterprise registration certificate and obtained approval for the amendment to the certificate's content from the Ministry of Industry and Commerce on January 16, 2025 by stock split at a ratio of 1/5. Consequently, the share par value will change from currently 5,000 LAK/share to 1,000 LAK/share and the number of shares of BCEL will increase from currently 207,723,300 shares to 1,038,616,500 shares, while maintaining the same registered capital, preserving the market value, and keeping the shareholders' ownership proportion unchanged.

## THE BANK (continued)

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.

### Charter Capital

The charter capital as at 31 March 2025 is LAKm 1,038,617 (31 December 2024: LAKm 1,038,617).

### Location and Network

The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Capital, Lao PDR. As at 31 March 2025, the Bank has one (01) Head Office, seven (07) associates and joint ventures, twenty (20) main branches, one hundred and one (101) services units, and twelve (12) exchange units all over Lao PDR.

### Investments in associates and joint ventures

As at 31 March 2025, the Bank has six (07) associates and joint ventures as follows:

<i>Name</i>	<i>Established in accordance with Business License No.</i>	<i>Business Sector</i>	<i>% owned by the Bank</i>
BCEL – Krung Thai Securities Company Limited	1079/ERO issued by the Ministry of Industry and Commerce on 10 July 2019.	Securities	70%
Lao Viet Joint Venture Bank	732/ERO dated 29 August 2016 by the Ministry of Industry and Commerce.	Banking & Finance	25%
Banque Franco - Lao Limited	0495/ERO dated 7 June 2018 by the Ministry of Industry and Commerce.	Banking & Finance	30%
Lao-Viet Insurance Joint Venture Company	0600 dated 16 August 2013 by the Ministry of Industry and Commerce.	Insurance	35%
Lao China Bank Company Limited	041/ERM dated 27 January 2014 by the Department of Enterprise Register and Management of Lao PDR.	Banking & Finance	31.35%
Lao National Payment Network Company Limited	0349/ERO granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce of the Lao PDR on 12 March 2019.	Settlement transaction management (Electronic)	20%
Lao Foreign Exchange Company Limited	4016/ERO granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce of the Lao PDR on 22 October 2024.	Foreign Currency Exchange Service (Electronic)	10%

## BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr. Bounpone Vannachit	Chairman	Appointed on 27 April 2023
Dr. Arkhomn Prasert	Vice Chairman	Appointed on 29 April 2024
Mr. Khamsouk Sundara	Vice Chairman	Reappointed on 27 April 2023 Resigned on 29 April 2024
Mr. Pasomphet Khamtanh	Member	Appointed on 29 October 2021
Mr. Stéphane Mangiavacca	Member	Appointed on 29 May 2020
Mrs. Saysamone Chanthachack	Member	Appointed on 22 November 2022
Assoc.Prof.Thongphet Chanthanivong	Member	Appointed on 29 October 2021
Mrs. Latdavanh Songvilay	Member	Appointed on 29 October 2021
Mr. Sonexay Silaphet	Member	Appointed on 29 October 2021
Mr. Viengsouk Chounthavong	Member	Appointed on 27 April 2018 Resigned on 30 March 2024

## MANAGEMENT

Members of the Management during the year and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mrs. Saysamone Chanthachack	Managing Director	Appointed on 2 August 2022
Mr. Nanthalath Keopaseuth	Deputy Managing Director	Appointed on 30 September 2014
Mr. Kongsack Souphonesy	Deputy Managing Director	Appointed on 1 May 2021
Mr. Viengsouk Chounthavong	Deputy Managing Director	Appointed on 18 February 2019 Resigned on 30 March 2024
Mrs. Bouaphayvanh Nandavong	Deputy Managing Director	Appointed on 1 May 2021
Mr. Saychit Simmavong	Deputy Managing Director	Appointed on 1 May 2021
Mrs. Phousengthong Anoulakham	Deputy Managing Director	Appointed on 1 July 2024
Mr. Nalin Silavongsith	Deputy Managing Director	Appointed on 1 July 2024

## LEGAL REPRESENTATIVE

The legal representative of the Bank during the year and as at the date of this report is Mrs. Saysamone Chanthachack – Managing Director.

# Banque Pour Le Commerce Extérieur Lao Public

## INCOME STATEMENT

For the Three-month period of quarter I ended 31 March 2025

	Notes	For the three-month period of quarter I ended 31 March 2025 LAKm	For the three-month period of quarter I ended 31 March 2024 LAKm
Interest and similar income	6	1,545,428	1,291,670
Interest and similar expense	6	(744,294)	(654,575)
<b>Net interest and similar income</b>	<b>6</b>	<b>801,134</b>	<b>637,095</b>
Fee and commission income	7	254,731	210,466
Fee and commission expense	7	(64,851)	(44,547)
<b>Net fee and commission income</b>	<b>7</b>	<b>189,880</b>	<b>165,919</b>
Net gain from dealing in foreign currencies	8	80,731	109,141
Other operating income	9	35,895	152,490
<b>Operating income</b>		<b>1,107,640</b>	<b>1,064,645</b>
Credit loss expense of loans to customers	16	(657,116)	(772,990)
Additional of impairment losses of financial investments	10	(11,505)	(1,534)
<b>NET OPERATING INCOME</b>		<b>439,019</b>	<b>290,121</b>
Personnel expenses	11	(159,424)	(98,952)
Depreciation and amortization	20.2, 21	(30,048)	(24,004)
Depreciation of right-of-use assets	22	(4,750)	(2,192)
Other operating expenses	12	(80,526)	(66,751)
<b>TOTAL OPERATING EXPENSES</b>		<b>(274,747)</b>	<b>(191,899)</b>
Share of profit and loss from investment in associates and joint ventures	19	13,251	18,362
<b>PROFIT BEFORE TAX</b>		<b>177,523</b>	<b>116,584</b>
Current profit tax expense	27,1	(41,430)	(25,195)
Deferred profit tax expense		12,324	18,793
<b>NET PROFIT FOR THE YEAR</b>		<b>148,416</b>	<b>110,182</b>
<b>Earnings per share (LAK)</b>	<b>34</b>	<b>143</b>	<b>106</b>

Prepared by:



Ms. Phetsamay  
Xayamoungkhoun  
Deputy Chief of Accounting  
Department

Approved by:



Mr. Hinhphet Chanthalangsy  
Chief of Internal  
Audit Department

Approved by:

Mrs. Phousengthong Anoulakkham  
Deputy Managing Director

Vientiane, Lao PDR

15 May 2025



# Banque Pour Le Commerce Exterieur Lao Public

## STATEMENT OF COMPREHENSIVE INCOME

For the Three-month period of quarter I ended 31 March 2025

		For the three-month period of quarter I ended 31 March 2025	For the three-month period of quarter I ended 31 March 2024
	Notes	LAKm	LAKm
<b>OTHER COMPREHENSIVE INCOME</b>		<b>148,416</b>	<b>110,182</b>
Remeasurement loss on defined benefit plan		15,702	(12,335)
Profit tax related to components of other comprehensive income	27.4	(3,140)	2,467
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>12,562</b>	<b>(9,868)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>160,978</b>	<b>100,315</b>

Prepared by:



Ms. Phetsamay  
Xayamoungkhoun  
Deputy Chief of Accounting  
Department

Approved by:



Mr. Hingphet Chanthalangsy  
Chief of Internal  
Audit Department

Approved by:



Mrs. Phousengthong Anoulakkham  
Deputy Managing Director

Vientiane, Lao PDR

15 May 2025

# Banque Pour Le Commerce Exterieur Lao Public

## STATEMENT OF FINANCIAL POSITION

For the three-month period of quarter I ended 31 March 2025

	Notes	31 March 2025 LAKm	31 December 2024 LAKm
<b>ASSETS</b>			
Cash and balances with the Bank of Lao PDR	13	36,935,465	32,718,705
Due from banks	14	21,065,081	20,512,515
Loans to customers	15	59,649,756	59,941,800
Financial investments - Available-for-sale	17	69,030	80,535
Financial investments - Held-to-maturity	18	26,096,052	25,001,699
Investments in associates and joint ventures	19	807,239	793,988
Construction in progress	20.1	254,285	227,042
Property and equipment	20.2	503,195	477,235
Intangible assets	21	318,079	316,513
Right-of-use assets	22	75,951	72,066
Deferred tax assets		226,645	226,165
Other assets	23	2,175,632	1,822,987
<b>TOTAL ASSETS</b>		<b>148,176,410</b>	<b>142,191,250</b>
<b>LIABILITIES</b>			
Due to banks and other financial institutions	24	6,737,357	6,198,128
Due to customers	25	132,837,914	127,589,277
Borrowings from other banks	26	4,450,709	4,456,239
Tax payables	27.2	155,462	195,347
Lease liabilities	22	47,965	47,059
Deferred tax liabilities		206,932	203,260
Other liabilities	28	656,302	579,150
<b>TOTAL LIABILITIES</b>		<b>145,092,641</b>	<b>139,268,460</b>
<b>EQUITY</b>			
Charter capital	29	1,038,617	1,038,617
Statutory reserves and other reserves	30	1,154,828	1,154,828
Remeasurement of post-employment benefit reserve		(11,451)	(24,013)
Retained earnings		901,774	753,358
<b>TOTAL EQUITY</b>		<b>3,083,768</b>	<b>2,922,790</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>148,176,410</b>	<b>142,191,250</b>

Prepared by:

Ms. Phetsamay  
Xayamoungkhoun  
Deputy Chief of Accounting  
Department

Approved by:

Mr. Hingphet Chanthalangsy  
Chief of Internal  
Audit Department

Approved by:

Mrs. Phousengthong Anoulakkham  
Deputy Managing Director

Vientiane, Lao PDR

15 May 2025

# Banque Pour Le Commerce Extérieur Lao Public

## STATEMENT OF CHANGES IN EQUITY

For the three-month period of quarter I ended 31 March 2025

	Charter capital LAKm	Statutory reserves and other reserves LAKm	Remeasurement of post-employment benefit reserve LAKm	Retained earnings LAKm	Total LAKm
<b>Balance as at 31 December 2024</b>	<b>1,038,617</b>	<b>1,154,828</b>	<b>(24,013)</b>	<b>753,358</b>	<b>2,922,790</b>
Net profit for the year	-	-	-	148,416	148,416
Remeasurement of post-employment benefit reserve	-	-	15,702	-	15,702
Profit tax related to components of other comprehensive income	-	-	(3,140)	-	(3,140)
<b>Balances as at 31 March 2025</b>	<b>1,038,617</b>	<b>1,154,828</b>	<b>(11,451)</b>	<b>901,774</b>	<b>3,083,768</b>

(\*) Dividend payment was approved by Board of Directors, according to the Board of Directors' meeting minute No.009/BCEL.BOD dated 22 March 2024. The dividend was paid on 14 May 2024.

(\*\*) The Bank is required to appropriate 10% of profit after tax each year into regulatory reserve fund and the Business expansion fund and other funds shall be created upon decision of the Board of Directors.

Prepared by:



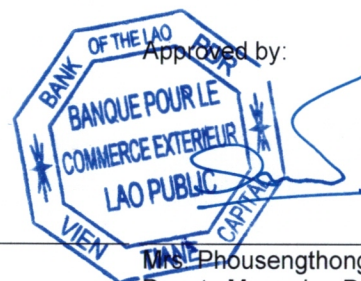
Ms. Phetsamay Xayamoungkhoun  
Deputy Chief of Accounting Department

Approved by:



Mr. Hinphe Chanthalangsy  
Chief of Internal Audit Department

Approved by:



Ms. Phousengthong Anoulakkham  
Deputy Managing Director

Vientiane, Lao PDR

15 May 2025



# Banque Pour Le Commerce Exterieur Lao Public

## STATEMENT OF CASH FLOWS

For the three-month period of quarter I ended 31 March 2025


		For the three-month period of quarter I ended 31 March 2025 LAKm	For the three-month period of quarter I ended 31 March 2024 LAKm
<b>OPERATING ACTIVITIES</b>	<i>Notes</i>		
<b>Profit before tax</b>			
<i>Adjustments for:</i>		<b>177,523</b>	<b>116,585</b>
Depreciation and amortization charges	20.2, 21	30,048	18,498
Depreciation of right-of-use assets	22	4,750	2,192
Expense for impairment losses	16	657,116	772,990
Changes in provision for impairment loss on investment securities	10	11,505	1,534
Share of associates and joint venture's profit under equity method	19	(13,251)	(18,362)
Defined post-employment benefit expense		15,702	15,775
Loss on write off fixed assets		34	3
Interest income	6	(1,545,428)	(1,319,764)
Interest expense	6	744,294	654,575
Unrealise loss on exchange rate	9	-	126,286
<b>Cash flows from operating profit before changing in operating assets and liabilities</b>		<b>82,293</b>	<b>370,311</b>
<b>Changes in operating assets</b>			
Net change in balances with other banks		4,015,052	1,435,767
Net change in loans to customers		522,328	(5,500,423)
Net change in other assets		(1,672,258)	259,780
<b>Changes in operating liabilities</b>			
Net change in due to other banks		393,469	1,795,002
Net change in due to customers		4,650,104	9,372,269
Net change in other liabilities		10,027,361	171,516
<b>Cash generated from/(used in) operations</b>			
Tax paid during the year	27.3	(101,082)	(8,864)
Interest paid		(762,169)	(679,847)
Interest received		1,319,613	4,005,048
<b>Net cash flows from operating activities</b>		<b>18,474,711</b>	<b>11,220,559</b>
<b>INVESTING ACTIVITIES</b>			
Purchase and construction in progress and tangible assets		(146,713)	(34,973)
Purchase of Intangible asset		(4,909)	(4,910)
Purchase of right of use		(8,332)	(2,752)
Payment from investment in securities HTM		(115,809,319)	(5,486,230)
Proceed from investment in securities HTM		106,136,556	-
<b>Net cash flows used in investing activities</b>		<b>(9,832,717)</b>	<b>(5,528,865)</b>

# Banque Pour Le Commerce Exterieur Lao Public

STATEMENT OF CASH FLOWS (continued)  
For the three-month period of quarter I ended 31 March 2025

	Notes	For the three-month period of quarter I ended 31 March 2025 LAKm	For the three-month period of quarter I ended 31 March 2024 LAKm
<b>FINANCING ACTIVITIES</b>			
Proceed on borrowing		162,260	4,100
Payment of borrowing		(281,043)	-
Payment on lease payment		(8,333)	(2,650)
<b>Net cash flows used in financing activities</b>		<b>(127,117)</b>	<b>1,450</b>
Net change in cash and cash equivalents		8,514,877	5,693,144
Cash and cash equivalents at the beginning of the year		33,823,667	37,593,145
<b>Cash and cash equivalents at the end of the year</b>	<b>31</b>	<b>42,338,544</b>	<b>43,286,289</b>

Prepared by:



Ms. Phetsamay  
Xayamoungkhoun  
Deputy Chief of Accounting  
Department

Approved by:



Mr. Hinhphet Chanthalangsy  
Chief of Internal  
Audit Department

Approved by:



Mrs. Phousengthong Anoulakham  
Deputy Managing Director

Vientiane, Lao PDR

15 May 2025

# Banque Pour Le Commerce Extérieur Lao Public

## NOTES TO THE FINANCIAL STATEMENTS

For the three-month period of quarter I ended 31 March 2025

### 1. CORPORATE INFORMATION

Banque Pour Le Commerce Extérieur Lao Public (“the Bank”) is a joint-stock bank incorporated and registered in the Lao People’s Democratic Republic (“Lao PDR”).

#### ***Establishment and Operations***

The Bank was established from the equitization of Banque Pour Le Commerce Extérieur Lao which had been 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 Extérieur 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 MOF, was the largest shareholder with 80% shareholding.

On 15 July 2011, the MOF sold 10% of the total ordinary shares (equivalent to 13,657,759 shares) to its strategic partner named Compagnie Financière de la BRED (“COFIBRED”) in accordance with the Ordinary Shares Purchase Agreement between the Ministry of Finance and COFIBRED. COFIBRED is a subsidiary of BRED, the biggest regional banking society in the Banque Populaire Group - a French group of cooperative banks. The total purchase price of LAK 150,235,349,000 has been paid fully by COFIBRED.

On 17 August 2017, Lao Securities Commission Office approved the Bank to recapitalize by both Rights offering (which resulted in 68,047,300 shares) and Public offering (which resulted in 3,098,400 shares) 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 by an amount of 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.

The shareholding structure of the Bank as at 31 March 2025 is as follows:

<i>Shareholders</i>	<i>Number of shares</i>	<i>%</i>
The Government	623,170,105	60%
Strategic partners	103,861,795	10%
Local investors (including employees of the Bank) and other foreign investors	311,584,600	30%
	<b>1,038,616,500</b>	<b>100%</b>

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.



# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 1. CORPORATE INFORMATION (continued)

### ***Charter Capital***

The charter capital as at 31 March 2025 is LAKm 1,038,617 (31 March 2024: LAKm 1,038,617).

### ***Location and Network***

The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Capital, Lao PDR. As at 31 March 2025, the Bank has one (01) Head Office, seven (7) associates and joint ventures, twenty (20) main branches, one hundred and one (101) services units, and twelve (12) exchange units all over Lao PDR.

### ***Board of Directors***

Members of the Board of Directors during the year and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr. Bounpone Vannachit	Chairman	Appointed on 27 April 2023
Dr. Arkhomn Prasert	Vice Chairman	Appointed on 29 April 2024
Mr. Kamsouk Sundara	Vice Chairman	Reappointed on 27 April 2023 Resigned on 29 April 2024
Mr. Pasomphet Khamtanh	Member	Appointed on 29 October 2021
Mr. Stéphane Mangiavacca	Member	Appointed on 29 May 2020
Mrs. Saysamone Chanthachack	Member	Appointed on 22 November 2022
Assoc.Prof.Thongphet Chanthanivong	Member	Appointed on 29 October 2021
Mrs. Latdavanh Songvilay	Member	Appointed on 29 October 2021
Mr. Sonexay Silaphet	Member	Appointed on 29 October 2021
Mr. Viengsouk Chounthavong	Member	Appointed on 27 April 2018 Resigned on 30 March 2024

### ***Management***

Members of the Management during the year and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mrs. Saysamone Chanthachack	Managing Director	Appointed on 2 August 2022
Mr. Nanthath Keopaseuth	Deputy Managing Director	Appointed on 30 September 2014
Mr. Kongsack Souphonesy	Deputy Managing Director	Appointed on 1 May 2021
Mr. Viengsouk Chounthavong	Deputy Managing Director	Appointed on 18 February 2019 Resigned on 30 March 2024
Mrs. Bouaphayvanh Nandavong	Deputy Managing Director	Appointed on 1 May 2021
Mr. Saychit Simmavong	Deputy Managing Director	Appointed on 1 May 2021
Mrs. Phousengthong Anoulakkham	Deputy Managing Director	Appointed on 1 July 2024
Mr. Nalin Silavongsith	Deputy Managing Director	Appointed on 1 July 2024

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 1. CORPORATE INFORMATION (continued)

### *Investments in associates and joint ventures*

As at 31 March 2025, the Bank has seven (07) associates and joint ventures as follows:

<i>Name</i>	<i>Established in accordance with Business License No.</i>	<i>Business Sector</i>	<i>% owned by the Bank</i>
BCEL – Krung Thai Securities Company Limited	1079/ERO issued by the Ministry of Industry and Commerce on 10 July 2019	Securities	70%
Lao Viet Joint Venture Bank	732/ERO dated 29 August 2016 by the Ministry of Industry and Commerce	Banking & Finance	25%
Banque Franco - Lao Limited	0495/ERO dated 7 June 2018 by the Ministry of Industry and Commerce	Banking & Finance	30%
Lao-Viet Insurance Joint Venture Company	0600 dated 16 August 2013 by the Ministry of Industry and Commerce	Insurance	35%
Lao China Bank Company Limited	041/ERM dated 27 January 2014 by the Department of Enterprise Register and Management of Lao PDR	Banking & Finance	31.35%
Lao National Payment Network Company Limited	0349/ERO granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce of the Lao PDR on 12 March 2019	Settlement transaction management (Electronic)	20%
Lao Foreign Exchange Company Limited	4016/ERO granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce of the Lao PDR on 22 October 2024	Foreign Currency Exchange Service (Electronic)	10%

### *Employees*

Total number of employees of the Bank as at 31 March 2025 is 2,179 people (as at 31 December 2024: 2,183 people).

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 2. BASIS OF PREPARATION

According to the Accounting Law No.46/NA dated 20 November 2023, public interest entities, including listed companies should apply International Financial Reporting Standards ("IFRS") in preparing their annual financial statements, starting from 2017. In accordance with the Official Letter No. 1137/MOF dated 27 April 2020 by the Ministry of Finance and 295/BOL dated 16 June 2021 issued by the BOL, commercial Banks are allowed to delay the application of IFRS until 1 January 2026. The management is presently preparing action plan for implementation IFRSs in accordance with announcement.

For the year ended 31 March 2025, the Bank has prepared its financial statements in accordance with the accounting policies as set out in Note 4 to the financial statements. These accounting policies are not intended to present the financial position, results of operations and cash flows of the Bank in accordance with international generally accepted accounting principles.

The financial statements are prepared to meet the reporting requirements of the Bank's shareholders and the regulators and should not be distributed to or used by other parties.

### *Financial reporting in hyperinflationary economies*

As of December 31, 2024, the cumulative inflation rate in Lao P.D.R. over the past 36 months has exceeded 100%, categorizing the country as a hyperinflationary economy, according to the BOL report (<https://www.bol.gov.la/en/inflation>). On 26 March 2025, Bank of the Lao PDR has released official letter No. 0031/AFD, stating that the commercial banks that has fully adopted the International Financial Reporting Standard (IFRS) needs to apply IAS29 to address the effects of hyperinflation. Due to the Bank's current financial statements is not yet followed full IFRS, hence, it has not applied IAS29 for the year ended 31 March 2025.

The financial statements have been prepared on a historical cost basis, except as disclosed in other notes.

The Bank maintains its accounting records in Lao Kip ("LAK") which is the Bank functional currency and presents its financial statements in millions of LAK ("LAKm").

The Bank's fiscal year starts on 1 January and ends on 31 December.

## 3. PRESENTATION OF THE FINANCIAL STATEMENTS

The Bank presents its statement of financial position in order of liquidity. Financial assets and financial liabilities are generally reported gross in the statement of financial position. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- ▶ The normal course of business;
- ▶ The event of default;
- ▶ The event of insolvency or bankruptcy of the Bank and/or its counterparties.

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 4.1 *New and amended standards*

The following amendments to existing IFRS accounting standards became effective for annual periods beginning on 1 January 2025:

- Classification of Liabilities as Current or Non-current Liabilities with Covenants – Amendments to IAS 1

None of these amendments will have an impact on the Bank's financial statements at 31 March 2025.

### 4.2 *Foreign currency translation*

Transactions in foreign currencies are initially recorded at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at year end are translated into LAK at exchange rates ruling on the statement of financial position date (see list of exchange rates of applicable foreign currencies against LAK on 31 March 2025 as presented in Note 38. All foreign exchange differences are taken into "Net gain/(loss) from dealing in foreign currencies" in the income statement.

### 4.3 *Financial instruments - initial recognition and subsequent measurement*

#### 4.3.1 *Date of recognition*

All financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognized on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes "regular way trades" - purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' account. The Bank recognises due to customer balances when funds reach to the Bank.

#### 4.3.2 *Initial measurement of financial instruments*

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

#### 4.3.3 *The effective interest rate method*

Under IAS 39, interest income is recorded using the EIR method for all financial assets measured at amortised cost. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.3 *Financial instruments - initial recognition and subsequent measurement* (continued)

#### 4.3.3 *The effective interest rate method* (continued)

If expectations of fixed rate financial assets or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the balance sheet with a corresponding increase or decrease in *Interest revenue/expense calculated using the effective interest method*.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

- ▶ 4.2.6 for 'Held-to-maturity financial investments'
- ▶ 4.2.7 for 'Due from banks and loans and advances to customers'
- ▶ 4.2.8 for 'Due to other banks and customers and other borrowed funds'
- ▶ 4.4 for 'Impairment of financial assets'
- ▶ 4.8 for 'Recognition of income and expenses'

#### 4.3.4 *'Day 1' profit or loss*

When the transaction price differs from the fair value of other observable current market transactions in the same instrument, or based on a valuation technique whose variables include only data from observable markets, the Bank immediately recognises the difference between the transaction price and fair value (a 'Day 1' profit or loss) in 'Net gain from dealing in foreign currencies'. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the income statement when the inputs become observable, or when the instrument is derecognised.

#### 4.3.5 *Available for sale financial investments*

Available for sale investments include equity securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss.

The Bank has not designated any loans or receivables as available for sale.

After initial measurement, available for sale financial investments are subsequently measured at fair value.

Unrealised gains and losses are recognized directly in equity (Other comprehensive income) in the 'Available-for-sale reserve'. When the investment is disposed of, the cumulative gain or loss previously recognized in equity is recognized in the income statement in 'Other operating income'. Where the Bank holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. Dividends earned while holding available-for-sale financial investments are recognized in the income statement as 'Other operating income' when the right of the payment has been established. The losses arising from impairment of such investments are recognized in the income statement in 'Impairment losses on financial investments' and removed from the 'Available-for-sale reserve'.

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.3 *Financial instruments - initial recognition and subsequent measurement* (continued)

#### 4.3.6 *Held-to-maturity financial investments*

Held-to-maturity financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has the intention and ability to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently measured at amortized cost using the EIR. Periodically, held-to-maturity securities are subject to review for impairment. Allowance for impairment of these securities is made when there has been a significant or prolonged decline in the fair value below their cost. The losses arising from impairment of such investments are recognized in the income statement line 'Impairment loss expense'.

If the Bank were to sell or reclassify more than an insignificant amount of held-to-maturity investments before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as available-for-sale. Furthermore, the Bank would be prohibited from classifying any financial asset as held-to-maturity during the following two years.

#### 4.3.7 *Due from banks and loans and advances to customers*

'Due from Banks' and 'Loans and advances to customers' and 'Held to maturity securities' include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- ▶ Those that the Bank intends to sell immediately or in the near term and those that the Bank, upon initial recognition, designates as at fair value through profit or loss;
- ▶ Those that the Bank, upon initial recognition, designates as available-for-sale;
- ▶ Those for which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration.

After initial measurement, amounts 'Due from Banks' and 'Loans and advances to customers' and 'Held to maturity securities' are subsequently measured at amortized cost using the EIR methodology, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. Therefore, the Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of the loan, hence, recognising the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (prepayments, penalty interest and charges).

If expectations are revised the adjustment is booked a positive or negative adjustment to the carrying amount in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

The Bank may enter into certain lending commitments where the loan, on drawdown, is expected to be classified as held-for-trading because the intent is to sell the loans in the short term. These commitments to lend are recorded as derivatives and measured at fair value through profit or loss.

Where the loan, on drawdown, is expected to be retained by the Bank, and not sold in the short term, the commitment is recorded only when it is an onerous contract that is likely to give rise to a loss (for example, due to a counterparty credit event).



# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.3 *Financial instruments - initial recognition and subsequent measurement* (continued)

#### 4.3.8 *Due to other banks and customers and other borrowed funds*

“Due to other banks and customers and other borrowed funds” include arrangements where the substance of the contractual arrangements result in the Bank having an obligation either to deliver cash or another financial asset to the holder.

After initial measurement, “Due to other banks and customers and other borrowed funds” are subsequently measured at amortised cost using the EIR. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

#### 4.3.9 *Reclassification of financial assets*

The Bank was permitted to reclassify, in certain circumstances, non-derivative financial assets out of the ‘Held-for-trading’ category and into the ‘Available-for-sale’, ‘Loans and receivables’, or ‘Held-to-maturity’ categories. From this date it was also permitted to reclassify, in certain circumstances, financial instruments out of the ‘Available-for-sale’ category and into the ‘Loans and receivables’ category. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortized cost.

For a financial asset reclassified out of the ‘Available-for-sale’ category, any previous gain or loss on that asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired then the amount recorded in equity is recycled to the income statement.

In rare circumstances, the Bank may reclassify a non-derivative trading asset out of the ‘Held-for-trading’ category and into the ‘Loans and receivables’ category if it meets the definition of loans and receivables and the Bank has the intention and ability to hold the financial asset for the foreseeable future or until maturity. If a financial asset is reclassified, and if the Bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the EIR from the date of the change in estimate.

Reclassification is at the election of management, and is determined on an instrument by instrument basis.

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.4 *De-recognition of financial assets and financial liabilities*

#### 4.4.1 *Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired. The Bank also derecognises the assets if it has both transferred the asset, and the transfer qualifies for derecognition.

The Bank has transferred the asset if, and only if, either:

- ▶ The Bank has transferred its contractual rights to receive cash flows from the asset or
- ▶ It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions when the Bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when certain conditions are met. As at 31 March 2025, the Bank does not have financial assets which are subject to such arrangements.

A transfer only qualifies for derecognition if either:

- ▶ The Bank has transferred substantially all the risks and rewards of the asset or
- ▶ The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.4 *De-recognition of financial assets and financial liabilities* (continued)

#### 4.4.1 *Financial assets* (continued)

In relation to the above, the Bank considers the control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset. In that case, the Bank also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

The Bank also derecognises a financial asset, in particular, a loan to customer when the terms and conditions have been renegotiated to the extent that it substantially became a new loan, with the difference recognised as an impairment in the income statement.

#### 4.4.2 *Financial liabilities*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

### 4.5 *Impairment of financial assets*

The Bank assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganization; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.5 Impairment of financial assets (continued)

#### 4.5.1 Financial assets carried at amortized cost

##### *Specific impairment losses*

For financial assets carried at amortised cost (such as amounts due from banks, loans and advances to customers), the Bank first assesses whether objective evidence of impairment exists for financial assets that are individually significant or are already under specific work out by management.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in credit loss expense in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of interest and similar income.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to income.

The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR. If the Bank has reclassified trading assets to loans and advances, the discount rate for measuring any impairment loss is the new EIR determined at the reclassification date.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

##### *Collective impairment model*

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics that are indicative of the debtors' ability to pay all amounts due according to the contractual terms (for example, on the basis of a credit risk evaluation or grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors).

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.5 *Impairment of financial assets (continued)*

#### 4.5.1 *Financial assets carried at amortized cost (continued)*

Estimates of changes in future cash flows reflect and are directionally consistent with changes in related observable data from period to period (such as changes in unemployment rates, personal indebtedness, collateral values including property prices for mortgages, commodity prices, payment status or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

#### 4.5.2 *Impairment of available for sale investments*

The Bank records impairment charges on available for sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Bank evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than its cost.

#### 4.5.3 *Collateral valuation*

The Bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed at a minimum, at inception and based on the Bank's annually reporting schedule.

To the extent possible, the Bank uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, housing price indices, audited financial statements, and other independent sources.

#### 4.5.4 *Collateral repossessed*

The Bank's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets that are determined better to be sold, are immediately transferred to assets held for sale at their fair value at the repossession date in line with the Bank's policy.

### 4.6 *Offsetting financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial positions if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.7 *Investment in associates and joint ventures*

The Bank has interests in associates, which the Bank has significant influence but not control or joint control. Investments in associates are initially accounted at cost and subsequent measured using the equity method.

The Bank has interests in joint ventures, which are jointly controlled entities, whereby the ventures have a contractual arrangement that establishes joint control over the economic activities of the entities. The arrangement requires unanimous agreement for financial and operating decisions among the ventures. Investments in joint ventures are initially accounted at cost and subsequent measured using the equity method.

As at 31 March 2025, Lao Viet Joint Venture Bank (LVB) has number of loans to customers which it received the approval from Bank of Lao PDR via the official letter dated 16 February 2024. This approval allows LVB to keep those loans classified at Normal or Special Mention group and records accrued interest income.

Under the equity method, the investment in a joint venture or associate is initially recognized at cost in the statement of financial position plus any adjustment to the net assets relatively to the percentage of the Bank's investment in the joint ventures or associate afterwards.

The Bank's share of profit of a joint venture or associate is shown on the face of the income statement. This is the profit attributable to equity holders of the joint venture or associate and, therefore, is profit after tax and non-controlling interest in the subsidiaries of the joint venture.

After application of the equity method, the Bank will determine whether it is necessary to recognize an additional impairment loss of the investments in its joint ventures and associates. The Bank determines at each reporting date whether there is objective evidence of impairment that the investment in the joint ventures and associates is impaired. In that circumstance, the Bank will calculate the amount of impairment as the difference between the recoverable amount and carrying value of the investments in the joint ventures and associates and recognize the difference in the income statement.

### 4.8 *Recognition of income and expense*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

#### 4.8.1 *Interest and similar income and expense*

For all financial instruments measured at amortized cost, interest-bearing financial assets classified as available-for-sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

When the recorded value of a financial asset or a group of similar financial assets has been reduced by an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.8 Recognition of income and expense (continued)

#### 4.8.2 Fees and commission income

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Bank's revenue contracts do not typically include multiple performance obligations, as explained further in 4.8.2.1 and 4.8.2.2 below. When the Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time (unless otherwise specified in 4.8.2.1 and 4.8.2.2 below). The Bank has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

##### 4.8.2.1 Fee and commission income from services where performance obligations are satisfied over time

Performance obligations satisfied over time include asset management, custody and other services, where the customer simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs.

##### 4.8.2.2 Fee and commission income from providing services where performance obligations are satisfied at a point in time

Services provided where the Bank's performance obligations are satisfied at a point in time are recognized once control of the services is transferred to the customer. This is typically on completion of the underlying transaction or service or, for fees or components of fees that are linked to a certain performance, after fulfilling the corresponding performance criteria. These include fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/participation or negotiation of the acquisition of shares or other securities, or the purchase or sale of businesses, brokerage and underwriting fees.

#### 4.8.3 Dividend income

Dividend income is recognized when the Bank's right to receive the payment is established.

#### 4.8.4 Net trading income

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities 'held for trading'. This includes any ineffectiveness recorded in hedging transactions.

### 4.9 Cash and cash equivalents

Cash and cash equivalents as referred to in the statement of cash flows comprise cash on hand, non-restricted current accounts with the BOL and amounts due from banks on demand or with an original maturity of three months or less.



# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.10 Property and equipment

Property and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. The following are annual rates used:

	<b>Depreciation rate</b>
Buildings & improvements	5%
Office equipment	20%
Furniture & fixtures	10-20%
Motor vehicles	20%

Property and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in 'Other operating income' in the income statement in the period the asset is derecognized.

### 4.11 Intangible assets

The Bank's other intangible assets include the value of land use rights and software.

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Bank.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

	<b>Depreciation rate</b>
Land use rights (*)	No amortization
Software	20%

(\*): Cost of land use rights is not amortized as they have indefinite life.

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.12 *Impairment of non-financial assets*

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit (CGU)'s fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

### 4.13 *Financial guarantees*

In the ordinary course of business, the Bank issues financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognized in the financial statements (within 'Other liabilities') at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the income statement, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the liability relating to financial guarantees is recorded in the income statement in 'Credit loss expense'. The premium received is recognized in the income statement in 'Net fees and commission income' on a straight line basis over the life of the guarantee.

### 4.14 *Employee benefits*

#### *Post-employment benefits*

Post-employment benefits are paid to retired employees of the Bank at the time of retirement by the amount equal to (Latest Basic Salary + Wage + 25% of allowance (If have) + 25% of other benefits) x 1,5 x working years.

The fund for Post-employment benefits come from:

- (i) the retirement reserve contributed by the employees, for which the Bank withholds a certain monthly amount from employees' salary (5,5%) of the amount (Equal to Basic Salary + Wage + 25% of allowance + 25% of other benefits);
- (ii) and the Bank contribution by monthly, which is equal to 6% of the amount (Equal to Basic Salary + Wage + 25% of allowance + 25% of other benefits).

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.14 *Employee benefits* (continued)

#### *Post-employment benefits* (continued)

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Bank recognises the following changes in the net defined benefit obligation under 'Personnel expenses' in the statement of profit or loss:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements, and
- ▶ Net interest expense or income

#### *Termination benefits*

In accordance with Article 82 of the Amended Labour Law No. 43/NA approved by the President of the Lao People's Democratic Republic on 28 January 2014, the Bank has the obligation to pay allowance for employees who are terminated by dismissal in the following cases:

- ▶ The worker lacks specialised skills or is not in good health and thus cannot continue to work;
- ▶ The employer considers it necessary to reduce the number of workers in order to improve the work within the labour unit.

For the termination of an employment contract on any of the above-mentioned grounds, the employer must pay a termination allowance which is calculated on the basis of 10% of the basic monthly salary earned before the termination of work. As at 31 March 2025, there is no employees of the Bank who were dismissed under the above-mentioned grounds, therefore the Bank has not made a provision for termination allowance in the financial statements.

### 4.15 *Provisions*

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Bank determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the income statement net of any reimbursement in other operating expenses.

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.16 Profit tax

#### *Current tax*

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Bank operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### *Deferred tax*

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to the fair value remeasurement of available-for-sale assets, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to OCI. These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Bank also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

The Bank only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Bank's intention to settle on a net basis.

### 4.17 Fiduciary assets

The Bank provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity are not reported in the financial statements, as they are not the assets of the Bank.

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.18 *Equity reserves*

The reserves recorded in equity on the Bank's statement of financial position include:

- Statutory reserves which are created in accordance with prevailing regulations of Lao PDR, as stated in Note 30.

### 4.19 *Standards issued but not yet effective*

New and amended standards and interpretations that are issued but not yet effective are being assessed by the Bank to determine the impact on the financial statements. As explained above, this would include standards and amendments that would already be effective based on the new standard or amendment, but the local endorsement is still in progress or has resulted in a later effective date.

#### 4.19.1 *IFRS 18 Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as Good Bank, that have specified main business activities (either providing finance to customers or investing in specific type of assets, or both).

It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Bank is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 5. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Bank's financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

### 5.1 *Going concern*

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

### 5.2 *Effective Interest Rate method*

The Bank's EIR methodology, as explained in Note 4.3.3 recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and deposits and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to other fee income/expense that are integral parts of the instrument.

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 5. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

### 5.3 *Impairment losses on loans and advances*

The Bank reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the income statement.

The Bank's impairment methodology for assets carried at amortised cost results in the recording of provisions for:

- ▶ Specific impairment losses on individually significant or specifically identified exposures;
- ▶ Collective impairment.

The detailed approach for each category is further explained in Note 4.5.1 All categories include an element of management's judgement, in particular for the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses. These estimates are driven by a number of factors, the changing of which can result in different levels of allowances.

### 5.4 *Impairment of available-for-sale investments*

The Bank reviews its debt securities classified as available-for-sale investments at each reporting date to assess whether they are impaired as explained in Note 4.5.2.

This assessment, including estimated future cash flows and other inputs in to the discounted cash flow model and in the case of equity instruments, the interpretation of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Bank evaluates, among other factors, historical share price movements, and the duration and extent to which the fair value of an investment is less than its cost.

### 5.5 *Deferred tax assets*

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies.



# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 6. NET INTEREST AND SIMILAR INCOME

	For the three-month period of quarter I ended 31 March 2025 LAKm	For the three-month period of quarter I ended 31 March 2024 LAKm
<b>Interest income calculated using the effective interest method from:</b>		
Lending to customers	887,400	796,602
Deposits at other banks	269,500	257,392
Others		
- Held-to-maturity securities	388,528	237,676
	<b>1,545,428</b>	<b>1,291,670</b>
<b>Interest expense calculated using the effective interest method for:</b>		
Due to banks	(145,760)	(71,964)
Customer deposits	(598,534)	(582,610)
	<b>(744,294)</b>	<b>(654,575)</b>
<b>Net interest and similar income</b>	<b>801,134</b>	<b>637,095</b>

## 7. NET FEE AND COMMISSION INCOME

	For the three-month period of quarter I ended 31 March 2025 LAKm	For the three-month period of quarter I ended 31 March 2024 LAKm
<b>Fee and commission income from:</b>		
Settlement services	219,868	181,860
Credit activities	3,087	2,684
Other activities	31,776	25,922
	<b>254,731</b>	<b>210,466</b>
<b>Fee and commission expense for:</b>		
Settlement services	(60,706)	(40,450)
Treasury activities	(4,145)	(4,096)
	<b>(64,851)</b>	<b>(44,547)</b>
<b>Net fee and commission income</b>	<b>189,880</b>	<b>165,919</b>

## 8. NET GAIN FROM DEALING IN FOREIGN CURRENCIES

	For the three-month period of quarter I ended 31 March 2025 LAKm	For the three-month period of quarter I ended 31 March 2024 LAKm
Gains from dealing in foreign currencies	3,149,916	2,558,892
Losses from dealing in foreign currencies	(3,069,186)	(2,449,751)
	<b>80,731</b>	<b>109,141</b>

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 9. OTHER OPERATING INCOME

	For the three-month period of quarter I ended 31 March 2025 <i>LAKm</i>	For the three-month period of quarter I ended 31 March 2024 <i>LAKm</i>
Recovery of bad debts written-off	27,146	131,000
Others	8,749	21,490
	<b>35,895</b>	<b>152,490</b>

## 10. IMPAIRMENT LOSSES OF FINANCIAL INVESTMENTS

	For the three-month period of quarter I ended 31 March 2025 <i>LAKm</i>	For the three-month period of quarter I ended 31 March 2024 <i>LAKm</i>
Impairment loss for Available-for-sale investments	(11,505)	(1,534)
	<b>(11,505)</b>	<b>(1,534)</b>

## 11. PERSONNEL EXPENSES

	For the three-month period of quarter I ended 31 March 2025 <i>LAKm</i>	For the three-month period of quarter I ended 31 March 2024 <i>LAKm</i>
Salary and wages	57,268	44,230
Allowances and other staff benefits	89,189	49,916
Post-employment benefits	11,557	3,274
Per diem	1,280	1,429
Training expenses	130	104
	<b>159,424</b>	<b>98,952</b>

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 12. OTHER OPERATING EXPENSES

	For the three-month period of quarter I ended 31 March 2025	For the three-month period of quarter I ended 31 March 2024
	LAKm	LAKm
Repair and maintenance	10,318	8,075
Stationery and office materials	8,381	5,907
Training, meeting and seminar	5,142	3,834
Utilities	3,201	3,182
Telecommunication	4,789	2,559
Insurance expense	2,202	2,383
Publication, marketing and promotion	3,107	2,022
Office rental	1,747	2,061
Fuel expense	1,430	1,558
Consulting and financial service fees	746	45
Tax and other duties	524	118
Interest expense on lease liabilities	523	285
Deposit Insurance paid to Depositor Protection Fund	31,807	27,619
Others	6,609	7,104
	<b>80,526</b>	<b>66,751</b>

## 13. CASH AND BALANCES WITH THE BANK OF LAO PDR

	31 March 2025	31 December 2024
	LAKm	LAKm
Cash on hand in LAK	2,968,887	2,415,523
Cash on hand in foreign currencies ("FC")	2,919,112	2,907,950
Balances with the BOL:		
- Demand deposit	16,516,505	10,367,826
- Compulsory deposit (*)	10,621,615	9,600,243
- Term deposit (**)	3,909,345	7,427,163
	<b>36,935,465</b>	<b>32,718,705</b>

Balances with the BOL include settlement and compulsory. These balances earn no interest.

(\*) Under regulations of the BOL, the Bank is required to maintain certain reserves with the BOL in the form of compulsory deposits, which are computed at 8.00% for LAK and 11.00% for foreign currencies (2024: 8.00% for LAK and 11.00% for foreign currencies), on a bi-monthly basis, of customer deposits having original maturities of less than 12 months. During the period, the Bank maintained its compulsory deposits in compliance with the requirements by the BOL.

(\*\*) Details of term deposits with Bank of the Lao PDR by maturity date are as follows:

	31 March 2025	31 December 2024
	LAKm	LAKm
3 to 6 months	2,032,995	4,769,890
6 to 9 months	1,250,900	1,262,003
9 to 12 months	625,450	1,395,270
	<b>3,909,345</b>	<b>7,427,163</b>

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 13. CASH AND BALANCES WITH THE BANK OF LAO PDR (continued)

Details of term deposits with Bank of the Lao PDR by interest rate are as follows:

	31 March 2025 % per annum	2024 % per annum
3 to 6 months	0.10 - 4.50	0.10 - 4.50
6 to 9 months	2.59	2.59
9 to 12 months	3.14 - 5.00	3.14 - 5.00

## 14. DUE FROM BANKS

	31 March 2025 LAKm	31 December 2024 LAKm
<b>Demand and saving accounts</b>	<b>12,190,391</b>	<b>11,345,576</b>
- In LAK	142	144
- In foreign currencies	12,190,249	11,345,432
<b>Term deposits</b>	<b>8,874,690</b>	<b>9,166,939</b>
- In LAK	3,002,948	3,686,919
- In foreign currencies	5,871,741	5,480,020
	<b>21,065,081</b>	<b>20,512,515</b>

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

	31 March 2025 % per annum	2024 % per annum
Demand deposits	0.07 - 3.30	0.07 - 3.30
Saving deposits	0.1 - 2.16	0.10 - 2.16
Term deposits	4.30 - 13.00	4.30 - 13.00

## 15. LOANS TO CUSTOMERS

	31 March 2025 LAKm	31 December 2024 LAKm
Gross loans	62,480,564	62,162,622
Less: Allowance for impairment losses	(2,830,808)	(2,220,822)
	<b>59,649,756</b>	<b>59,941,800</b>

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

	31 March 2025 % per annum	2024 % per annum
Loans denominated in LAK	3.00 - 17.00	3.00 - 17.00
Loans denominated in USD	5.80 - 16.00	5.80 - 16.00
Loans denominated in THB	6.00 - 9.25	6.00 - 9.25

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 15. LOANS TO CUSTOMERS (continued)

*Analysis of loan portfolio by currency*

	31 March 2025 LAKm (*)	31 December 2024 LAKm (*)
Loans denominated in LAK	23,075,593	22,106,133
Loans denominated in USD	29,497,006	29,869,645
Loans denominated in THB	9,907,966	10,186,844
	<b>62,480,564</b>	<b>62,162,622</b>

(\*) The analysis figures are at amortized.

*Analysis of loan portfolio by original maturity:*

	31 March 2025 LAKm (*)	31 December 2024 LAKm (*)
Short-term loans	7,369,324	7,782,836
Medium-term loans	38,230,601	38,267,013
Long-term loans	16,880,639	16,112,773
	<b>62,480,564</b>	<b>62,162,622</b>

(\*) the analysis figures are as at amortized cost.

*Analysis of loan portfolio by type of industrial sectors:*

	31 March 2025 (*)		31 December 2024(*)	
	LAKm	%	LAKm	%
Industrial services companies	38,035,185	60.88	37,341,192	60.07
Construction companies	6,446,803	10.32	6,389,390	10.28
Technical instruments enterprises	1,679,910	2.69	1,710,799	2.75
Agricultural and forestry	590,749	0.95	512,125	0.82
Trading companies	8,821,577	14.12	9,425,757	15.16
Transportation companies	237,955	0.38	230,923	0.37
Services companies	5,313,513	8.50	5,333,145	8.58
Handicrafts	14,495	0.02	11,624	0.02
Other loans	1,340,378	2.15	1,207,667	1.94
	<b>62,480,564</b>	<b>100</b>	<b>62,162,622</b>	<b>100</b>

(\*) the analysis figures are as at amortized cost.

## 16. ALLOWANCE FOR IMPAIRMENT LOSSES

Changes in the allowance for impairment losses of loans to customers during the year ended 31 March 2025 are as follows:

	<i>Allowance for impairment of loans to customers LAKm</i>
<b>Balance as at 1 January 2025</b>	<b>2,220,822</b>
Net change during the year	657,116
Non-performing loans written-off	(43,824)
Foreign exchange differences	(3,306)
<b>Balance as at 31 March 2025</b>	<b>2,830,808</b>

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 16. ALLOWANCE FOR IMPAIRMENT LOSSES (continued)

Breakdown of allowance for impairment losses of loans to customers as at 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025		31 December 2024	
	<i>Outstanding balance (*) LAKm</i>	<i>Impairment LAKm</i>	<i>Outstanding balance (*) LAKm</i>	<i>Impairment LAKm</i>
Individually impaired	24,606,996	2,302,114	23,896,043	1,837,770
Collectively impaired	37,873,568	528,694	<b>38,266,579</b>	<b>383,052</b>
	<b>62,480,564</b>	<b>2,830,808</b>	<b>62,162,622</b>	<b>2,220,822</b>

(\*) The analysis figures are at amortized cost.

## 17. FINANCIAL INVESTMENTS - AVAILABLE-FOR-SALE

	31 March 2025 LAKm	31 December 2024 LAKm
Listed shares of EDL-Generation Public Company (*)	69,030	80,535
	<b>69,030</b>	<b>80,535</b>

(\*) As at 31 March 2025, the shares have been impaired by an amount of LAKm 112,174 below its cost of LAKm 181,204.

## 18. FINANCIAL INVESTMENTS - HELD-TO-MATURITY

	31 March 2025 LAKm	31 December 2024 LAKm
Amortized cost of Bonds issued by the Ministry of Finance (*)	10,273,065	9,849,870
Amortized cost of Treasury bills issued by the Ministry of Finance	4,125,233	5,853,010
Amortized cost of Bonds issued by bank of Lao PDR	11,697,754	9,298,819
	<b>26,096,052</b>	<b>25,001,699</b>

(\*) These balances include bonds totaling USD 9,900,000 which has been extended for an additional one (1) year in accordance with the official letter from Ministry of Finance no. 2243/MOF dated 30 December 2024.

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 18. FINANCIAL INVESTMENTS - HELD-TO-MATURITY (continued)

### 18.1 Treasury bills issued by the Ministry of Finance

Details of the treasury bills as at 31 March 2025 are as follows:

<i>Term</i>	<i>Issue date</i>	<i>Maturity date</i>	<i>CCY</i>	<i>Face value LAKm</i>	<i>Amortized cost LAKm</i>	<i>Interest rate % per annum (nominal)</i>
1 year	19-Sep-2024	19-Sep-2025	THB	1,876,350	1,297,045	5.00%
1 year	3-Jul-2024	3-Jul-2025	THB	1,250,900	1,925,387	5.00%
1 year	5-Mar-2025	5-Mar-2026	THB	294,046	295,070	5.00%
1 year	5-Mar-2025	5-Mar-2026	THB	18,679	18,744	5.00%
1 year	24-Dec-2024	24-Dec-2025	CNY	581,400	588,988	5.00%
				<b>4,021,375</b>	<b>4,125,233</b>	



# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 18. FINANCIAL INVESTMENTS - HELD-TO-MATURITY (continued)

### 18.2 Bonds issued by the Ministry of Finance and BOL

► Details of other bonds by contractual maturity date are as follows:

	<i>Face value LAKm</i>	<i>Amortized cost LAKm</i>
Within 1 year	6,195,885	6,219,278
1 to 5 years	10,648,696	10,714,864
Over 5 years	5,110,763	5,036,676
	<b>21,955,344</b>	<b>21,970,819</b>

► Details of other bonds interest by contractual maturity date are as follows:

	<i>31 March 2025 % per annum</i>	<i>2024 % per annum</i>
Within 1 year	4.50 - 11.54	4.50 - 11.54
1 to 5 years	0.10 - 6.90	0.10 - 6.90
Over 5 years	4.20 - 7.50	4.20 - 7.50

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investment in associates and joint ventures - equity method:

Unit: LAKm

	BCEL – Krung Thai Securities Company Limited	Lao Viet Joint Venture Bank	Banque Franco - Lao Limited	Lao China Bank Company Limited	Lao-Viet Insurance Joint Venture Company	Lao National Payment Network Company Limited	Lao Foreign Exchange Company Limited	Total
<b>As at 1 January 2025</b>	<b>81,516</b>	<b>281,487</b>	<b>192,063</b>	<b>203,330</b>	<b>17,978</b>	<b>15,527</b>	<b>2,087</b>	<b>793,988</b>
Additional investment								
Net share of profit in the year under equity method	669	3,908	2,109	2,495	1,601	2,342	126	13,251
Less:								
Net dividends received during the year	-	-	-	-	-	-	-	-
<b>As at 31 March 2025</b>	<b>82,185</b>	<b>285,395</b>	<b>194,172</b>	<b>205,826</b>	<b>19,578</b>	<b>17,870</b>	<b>2,213</b>	<b>807,239</b>

Investment in associates and joint ventures - percentage of ownership are as follows:

	31 March 2025		31 December 2024	
	Book value LAKm	Ownership %	Book value LAKm	Ownership %
<b>Investment in associates and joint ventures</b>				
BCEL - Krung Thai Securities Company Limited	70,000	70%	70,000	70%
Lao Viet Joint Venture Bank	197,839	25%	197,839	25%
Banque Franco - Lao Limited	150,000	30%	150,000	30%
Lao-Viet Insurance Joint Venture Company	10,500	35%	10,500	35%
Lao China Bank Company Limited	157,723	31.35%	157,723	31.35%
Lao National Payment Network Company Limited	6,800	20%	6,800	20%
Lao Foreign Exchange Company Limited	2,000	10%	2,000	10%
	<b>594,862</b>		<b>594,862</b>	

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

- BCEL - Krung Thai Securities Company Limited was established in the Lao PDR under Business License No. 180-10, issued by the Investment Promotion Department of the Ministry of Planning and Investment of the Lao PDR on 14 December 2010. The main activities of the Company include offering brokerage services, proprietary trading, financial and securities investment advisory services, custody services, underwriting for share issuances, and various other value-added services.
- Lao Viet Joint Venture Bank ("LVB") was established in the Lao PDR, with its headquarters situated in Vientiane, and is involved in providing banking services. It operates as a joint venture with the Bank for Investment and Development of Vietnam, a state-owned commercial bank based in the Socialist Republic of Vietnam. The joint venture received its banking license from the Bank of Lao PDR on 31 March 2000, valid for a period of 30 years. In 2015, LVB raised its contributed capital to LAK 791,357,560,000. Following this capital increase, the Bank's ownership stake in LVB stands at 25%, as per Investment License No. 004-15/KH-DDT4 issued by the Ministry of Planning and Investment on 24 August 2015, amounting to LAK 197,839,390,000.
- Banque Franco - Lao Limited ("BFL") was established in the Lao PDR, with its headquarters in Vientiane, and is involved in providing banking services. It operates as a joint venture with Cofibred Company Frances De La Bred, a state-owned bank based in Paris, France. The joint venture received a temporary banking license from the Bank of Lao PDR on 1 October 2009, followed by a permanent license on 16 July 2010. As of 31 March 2025, the total contributed capital of the Bank in this investment amounted to LAKm 150,000 (2024: LAKm 150,000).
- Lao-Viet Insurance Joint Venture Company ("LVI") was established as a joint venture in the Lao PDR, offering insurance services under the first Investment License No. 077/08/FIMC, issued by the Foreign Investment Management Committee on 9 June 2008. It is a collaboration between BIDV Insurance Joint Stock Corporation and Lao Viet Joint Venture Bank. LVI's legal capital is USD 3,000,000, which was fully contributed by the partners on 17 July 2008. Additionally, the Bank contributed an extra USD 180,000 on 2 September 2013. As of 31 March 2025, the total contributed capital from the Bank to LVI amounted to LAKm 10,500.
- Lao China Bank Company Limited ("LCNB") was established in the Lao PDR and provides banking services. It operates as a joint venture with Fudian Bank China, a state-owned commercial bank based in China. The joint venture bank received its Banking Business License from the Bank of Lao PDR on 20 January 2014. In 2024, LCNB increased its number of shares from 1,229 to 1,563; however, BCEL retained 490 shares without making any additional contributions, resulting in a decrease in BCEL's ownership percentage from 39.87% to 31.35%. As of 31 March 2025, the total value of the investment was LAKm 157,723.
- Lao National Payment Network Company Limited (LAPNet) was established in the Lao PDR under Business License No. 0349, granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce on 12 March 2019. The Company provides financial services and is a collaboration among the Bank of Lao PDR, Union Pay International, Lao Development Bank, Agriculture Promotion Bank, Joint Development Bank, and Lao-Viet Bank. The legal capital amounts to LAKm 34,000. As of 31 March 2025, the total contributed capital from the Bank to this company was LAKm 6,800 (2023: LAKm 6,800).

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

- Lao Foreign Exchange Company Limited (LFX) was established in the Lao PDR under Business License No. 4016, granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce on 22 October 2024. The company provides financial services and is a collaboration among the Bank of Lao PDR, Agriculture Promotion Bank, ST Bank, ICBC Lao, Lao Viet Joint Venture Bank, Lao Development Bank, Indochina Bank, Banque Franco - Lao Limited, Joint Development Bank, Phongsavanh Bank, and Maruhan Japan Bank Lao. The legal capital is LAKm 20,000. As of 31 March 2025, the total contributed capital from the Bank to this company was LAKm 2,000.

## 20. PROPERTY AND EQUIPMENT AND TANGIBLE ASSETS

### 20.1 Construction in progress

Movement of construction in progress and fixed assets in transit for year ended 31 March 2025 is as follows:

	<i>Total LAKm</i>
As at 1 January 2025	<b>227,042</b>
Additions	93,766
Transferred to fixed assets	(66,524)
<b>As at 31 March 2025</b>	<b>254,285</b>

### 20.2 Property and equipment

Movements of property and equipment for year ended 31 March 2025 are as follows:

	<i>Buildings &amp; improvements LAKm</i>	<i>Office equipment LAKm</i>	<i>Furniture &amp; fixtures LAKm</i>	<i>Motor vehicles LAKm</i>	<i>Total LAKm</i>
<b>Cost:</b>					
As at 1 January 2025	576,443	430,859	38,303	46,806	1,092,411
Additions	3,515	49,125	268	39	52,947
Written off	(271)	(71)	(4)	-	(346)
<b>As at 31 March 2025</b>	<b>579,687</b>	<b>479,913</b>	<b>38,567</b>	<b>46,845</b>	<b>1,145,012</b>
<b>Net book value:</b>					
As at 1 January 2025	294,989	265,265	31,509	23,412	615,176
Charge for the year	8,121	16,275	768	1,541	26,705
Written off	-	(61)	(3)	-	(64)
<b>As at 31 March 2025</b>	<b>303,110</b>	<b>281,479</b>	<b>32,274</b>	<b>24,953</b>	<b>641,817</b>
<b>Net book value:</b>					
As at 1 January 2025	281,454	165,594	6,794	23,393	477,235
<b>As at 31 March 2025</b>	<b>276,577</b>	<b>198,434</b>	<b>6,293</b>	<b>21,891</b>	<b>503,195</b>

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 21. INTANGIBLE ASSETS

Movements of intangible assets for year ended 31 March 2025 are as follows:

	<i>Land use rights LAKm</i>	<i>Software LAKm</i>	<i>Total LAKm</i>
<b>Cost:</b>			
As at 1 January 2025	288,474	76,953	365,427
Transferred from CIP and fixed assets in transit	4,909	-	4,909
Reclassified	-	-	-
As at 31 March 2025	<b>293,383</b>	<b>76,953</b>	<b>370,336</b>
As at 1 January 2025	-	48,914	48,914
Charge for the year	-	3,343	3,343
As at 31 March 2025	-	<b>52,257</b>	<b>52,257</b>
<b>Net book value:</b>			
As at 1 January 2025	288,474	28,039	316,513
As at 31 March 2025	<b>293,383</b>	<b>24,696</b>	<b>318,079</b>

## 22. RIGHT-OF-USE ASSETS

Movements of the balance of right-of-used assets during the year are as follows:

	<i>Total LAKm</i>
<b>Cost:</b>	
As at 1 January 2025	117,945
Additions	8,634
Written off	(2,115)
As at 31 March 2025	<b>124,464</b>
<b>Accumulated amortization:</b>	
As at 1 January 2025	45,878
Charge for the year	4,750
Written off	(2,114)
As at 31 March 2025	<b>48,513</b>
<b>Net book value:</b>	
As at 1 January 2025	72,066
As at 31 March 2025	<b>75,951</b>

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 22. RIGHT-OF-USE ASSETS (continued)

### *Lease liability*

Set out below are the carrying amounts of lease liability and the movements during the year:

	31 March 2025 LAKm
<b>As at 1 January 2025</b>	<b>47,059</b>
Additional	8,705
Accrue interest	507
Payments	(8,332)
Foreign currency difference	26
<b>As at 31 March 2025</b>	<b>47,965</b>

## 23. OTHER ASSETS

	31 March 2025 LAKm	31 December 2024 LAKm
Assets waiting for sale (i)	1,467,267	1,270,177
Other assets awaiting account transfer or settlement (ii)	409,433	309,265
Advance for Top-up (iii)	118,810	148,386
Stationeries and other tools	30,045	35,192
Prepaid expenses to be allocated	58,715	27,949
Advance payment to suppliers	32,454	12,736
Others	58,909	19,282
	<b>2,175,632</b>	<b>1,822,987</b>

- (i) Assets waiting for sale consist of properties that have been transferred from the customers to the Bank to fulfill their loans' obligation.
- (ii) Other assets awaiting account transfer or settlement represent transactions such as interbank transfers, card transactions processed through an inter-card center, or other financial activities. These transactions have been initiated but have not yet been fully settled and reconciled between different entities, awaiting settlement with the related entities.
- (iii) Advance for Top-up represent a payment made in advance for the purchase of a telephone network's call value for the purpose of providing a top-up service to the Bank's customers.

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 24. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 March 2025 LAKm	31 December 2024 LAKm
<b>Demand deposits</b>	<b>5,673,216</b>	<b>5,132,985</b>
- In LAK	2,002,859	1,673,971
- In foreign currencies	3,670,357	3,459,014
<b>Saving deposits</b>	<b>286,542</b>	<b>264,995</b>
- In LAK	165,702	133,878
- In foreign currencies	120,840	131,117
<b>Term deposits</b>	<b>672,033</b>	<b>672,419</b>
- In LAK	208,072	202,229
- In foreign currencies	463,961	470,190
<b>Others</b>	<b>105,567</b>	<b>127,729</b>
- In LAK	53,275	85,376
- In foreign currencies	52,292	42,353
	<b>6,737,357</b>	<b>6,198,128</b>

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

	31 March 2025 % per annum	2024 % per annum
Demand deposits	No interest	No interest
Saving deposits	0.00 - 1.25	0.00 - 1.25
Term deposits	1.15 - 6.00	1.15 - 6.00

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 25. DUE TO CUSTOMERS

	31 March 2025 LAKm	31 December 2024 LAKm
<b>Demand deposits</b>	<b>15,589,324</b>	<b>16,286,689</b>
Demand deposits in LAK	4,748,371	5,319,700
Demand deposits in FC	10,840,954	10,966,989
<b>Saving Deposits</b>	<b>79,074,268</b>	<b>74,275,298</b>
Demand saving deposits in LAK	30,418,335	27,378,425
Demand saving deposits in FC	48,655,933	46,896,873
<b>Fixed term deposits</b>	<b>37,655,714</b>	<b>36,283,976</b>
Fixed term deposits in LAK	11,701,886	10,820,412
Fixed term deposits in FC	25,953,828	25,463,564
<b>Margin deposits</b>	<b>114,289</b>	<b>219,425</b>
Margin deposits in LAK	51,961	45,068
Margin deposits in FC	62,328	174,357
<b>Others</b>	<b>404,319</b>	<b>523,889</b>
	<b>132,837,914</b>	<b>127,589,277</b>

The interest rates during the year for these deposits are as follows:

	31 March 2025 % per annum	2024 % per annum
Demand deposits	No interest	No interest
Saving deposits in LAK	1.25 - 1.60	1.25 - 1.60
Saving deposits in USD	0.60 - 1.00	0.60 - 1.00
Saving deposits in THB	0.45 - 0.55	0.45 - 0.55
Margin deposit	No Interest	No Interest
Term deposits in LAK	3.16 - 10.05	3.16 - 10.05
Term deposits in USD	1.35 - 7.00	1.35 - 7.00
Term deposits in THB	1.10 - 7.55	1.10 - 7.55

## 26. BORROWINGS FROM OTHER BANKS

	31 March 2025 LAKm	31 December 2024 LAKm
Borrowings from the BOL	4,324,069	4,329,468
Other financial institutions	126,640	126,771
	<b>4,450,709</b>	<b>4,456,239</b>

Borrowings from the BOL as at 31 March 2025 include:

- ▶ USD 84,854,000 long-term borrowing (original borrowing amount was USD 100,000,000 with interest rate of 5.50% per annum) for the purpose of providing credit to certain Government-backed Hydropower projects. The loan's contract has period from 27 August 2015 to 27 August 2025. Interest is paid quarterly.
- ▶ USD 97,900,000 long-term borrowing (original borrowing amount was USD 100,000,000 with interest rate of 5.30% per annum) for the purpose of providing credit to certain Government-backed Hydropower projects. The loan's contract has period from 3 May 2016 to 3 May 2026. Interest is paid quarterly.



# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 26. BORROWINGS FROM OTHER BANKS (continued)

- ▶ LAK 2,835,000,000 long-term borrowing (credit line was LAK 4,050,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment in 2024 for loan principal is 30%, second time repayment in 2025 for loan principal is 30%-, and third-time repayment in 2026 for loan principal is 40%. Interest is paid two time per year (June and December). This borrowing period is started from 18 August 2020 to 18 August 2026.
- ▶ LAK 2,881,659,900 long-term borrowing (credit line was LAK 4,200,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment in 2024 for loan principal is 30%, second time repayment in 2025 for loan principal is 30%, and third-time repayment in 2026 for loan principal is 40%. Interest is paid two time per year (June and December). This borrowing period is started from 3 November 2020 to 3 November 2026.
- ▶ LAK 2,100,000,000 long-term borrowing (credit line was LAK 3,080,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment is in 2024 for loan principal 30%, second time repayment is in 2025 for loan principal 30%, and third-time repayment is in 2026 for loan principal 40%. Interest is paid two time per year (June and December). This borrowing period is started from 22 December 2020 to 22 December 2026.
- ▶ LAK 10,050,000,000 long-term borrowing (credit line was LAK 15,050,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment is in 2025 for loan principal 30%, second time repayment is in 2026 for loan principal 30%-, and third-time repayment is in 2027 for loan principal 40%. Interest is paid two time per year (June and December). This borrowing period is started from 15 March 2021 to 15 March 2027.
- ▶ LAK 110,000,000,000 long term borrowing (credit line was LAK 110,000,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 2 times such as first-time repayment is in 2026 for loan principal 40%- and second-time repayment is in 2027 for loan principal 60%. Interest is paid two time per year (June and December). This borrowing period is started from 3 November 2022 to 3 November 2027.
- ▶ LAK 120,000,000,000 long term borrowing (credit line was LAK 120,000,000,000 with interest rate of 3% per annum) for the purpose of providing credit for the company to capital of investment to develop medical technology and medicine (Purchase the production equipment, raw material for use in production and use to develop staff and investment construction the factory building). The loan's principal is paid by 4 times by repayment each year is 25% such as first-time repayment is in 2025. Interest is paid quarterly. This borrowing period is started from 27 December 2021 to 27 December 2028.
- ▶ LAK 97,879,500,000 long term borrowing (Credit line was LAK 106,790,000,000 with interest rate of 2.50%) for the purpose of providing credit for the enterprises, small and medium corporates to continue or expands their business. The loan principal is paid after the end of contract. This borrowing period is started from 2024 to 2029.

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 26. BORROWINGS FROM OTHER BANKS (continued)

Borrowing from other financial institutions as at 31 March 2025 include:

- ▶ LAK 21,000,000,000 long term borrowing (Credit line was LAK 21,00,000,000 with interest rate of 0%) for the purpose of providing credit for the enterprises, small and medium corporates that Lao own 100% to continue or expands their business. The loan principal is paid after the end of contract. This borrowing period is started from 6 December 2022 to 6 December 2033.
- ▶ LAK 30,260,000,000 long term borrowing (Credit line was LAK 30,260,000,000 with interest rate of 0%) for the purpose of providing credit for the enterprises, small and medium corporates that Lao own 100% to continue or expands their business. The loan principal is paid after the end of contract. This borrowing period is started from 13 December 2023 to 20 October 2034.
- ▶ LAK 11,000,000,000 long term borrowing (Credit line was LAK 11,000,000,000 with interest rate of 0%) for the purpose of providing credit for the enterprises, small and medium corporates that Lao own 100% to continue or expands their business. The loan principal is paid after the end of contract. This borrowing period is started from 8 December 2023 to 08 December 2034.
- ▶ LAK 64,380,000,000 long term borrowing (Credit line was LAK 64,380,000,000 with interest rate of 0%) for the purpose of providing credit for the enterprises, small and medium corporates that Lao own 100% to continue or expands their business. The loan principal is paid after the end of contract. This borrowing period is started from 29 November 2024 to 29 November 2035.

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 27. TAXATION

### 27.1 Profit tax expense

Major components of tax expense are as follows:

	31 March 2025 LAKm	2024 LAKm
Current profit tax expense	41,430	25,195
Deferred profit tax income	(12,324)	(18,793)
<b>Total tax expense for the year</b>	<b>29,106</b>	<b>6,402</b>

### 27.2 Tax payables

	31 March 2025 LAKm	31 December 2024 LAKm
Profit Tax payable	75,448	135,100
Value Added Tax payable	59,643	59,643
Personal income tax	20,370	604
	<b>155,462</b>	<b>195,347</b>

### 27.3 Current Profit Tax ("PT")

The Bank is obliged to pay profit tax at rate of 20% on total profit before tax of the year in accordance with Tax Law No.67/NA dated 18 June 2019 which is effective on or after 1 January 2020.

	31 March 2025 LAKm	31 March 2024 LAKm
<b>Profit before tax in accordance with IFRS</b>	<b>177,523</b>	<b>116,584</b>
Adjustment for temporally differences between IFRS-based and LAS	12,158	7,378
<b>Profit before tax in accordance with LAS</b>	<b>189,681</b>	<b>123,962</b>
<i>Increase/(Decrease):</i>		
- Income exempted from profit tax	(3,059,488)	(2,385,164)
- Non-deductible expenses	3,076,958	2,386,997
<b>Taxable profit under LAS</b>	<b>207,151</b>	<b>125,795</b>
<b>PT expense at rate of 20%</b>	<b>41,430</b>	<b>25,159</b>
Other adjustment	-	35.92
<b>Current profit tax</b>	<b>41,430</b>	<b>25,195</b>
Payable at the beginning of the year	135,100	27,454
Tax paid in the year	(101,082)	(8,863)
<b>PT payable at the end of the year</b>	<b>75,448</b>	<b>43,786</b>

The Bank's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations in many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 28. OTHER LIABILITIES

	31 March 2025 LAKm	31 December 2024 LAKm
Items waiting to settlement (i)	387,709	277,305
Defined post-employment benefit plan	125,491	127,555
Payables to employees	341	83,311
Payable to suppliers	67,724	63,246
Others	75,036	27,733
	<b>656,302</b>	<b>579,150</b>

- (i) Other liabilities awaiting account transfer or settlement represent transactions such as interbank transfers, card transactions processed through an inter-card center, or other financial activities. These transactions have been initiated but have not yet been fully settled and reconciled between different entities, awaiting settlement with the related entities.

## 29. CHARTER CAPITAL

There has been no change to paid-up capital during the year ended 31 March 2025.

## 30. STATUTORY RESERVES AND OTHER RESERVES

There has been no change in Statutory reserves and other reserves during the year ended 31 March 2025.

## 31. ADDITIONAL CASH FLOW INFORMATION

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

	31 March 2025 LAKm	31 December 2024 LAKm
Cash on hand	5,887,999	5,323,473
Demand deposits with the BOL	16,516,505	10,367,826
Current accounts with other banks	12,190,391	11,345,576
Term deposits due within 3 months	7,743,649	6,786,792
	<b>42,338,544</b>	<b>33,823,667</b>

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 32. CONTINGENT LIABILITIES AND COMMITMENTS

	31 March 2025 LAKm	31 December 2024 LAKm
Commitments for financing given to other banks	12,575,922	8,729,738
Commitments for financing given to other banks	3,891	93,078
Bank guarantees	1,074,286	1,225,435
Collaterals and mortgages for loans	116,572,479	109,137,313
Collaterals and mortgages for guarantees given	233,394	233,394
	<b>130,459,972</b>	<b>119,418,958</b>

### *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.

### *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.

### *Lease commitments*

As at 31 March 2025, the Bank did not entered into any lease contracts as either lessor or lessee which results in future cash inflows and/or outflows.

# Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 33. RELATED PARTY DISCLOSURES

Remuneration to members of the key Management was as follows:

	<i>31 March 2025</i> <i>LAKm</i>	<i>31 December 2024</i> <i>LAKm</i>
Salaries	583	2,685
Bonus	1,258	290
Responsibility allowance	-	1,053
	<b>1,841</b>	<b>4,028</b>

## 34. EARNINGS PER SHARE

Earnings per share ("EPS") is calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Bank by the weighted average number of ordinary share outstanding during the year.

The following reflects the income and share data used in the earnings per share computation.

	<i>For the three-month period of quarter I ended 31 March 2025</i>	<i>For the three-month period of quarter I ended 31 March 2024</i>
Profit after tax attributable to ordinary equity holders for basic earnings (LAKm)	148,416	110,182
Weighted average number of ordinary shares for basic earnings per share (shares)	1,038,616,500	1,038,616,500
Earnings per share (LAK)	143	106

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 35. RISK MANAGEMENT POLICIES

### *Introduction*

Risk is inherent in the Bank's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities.

The primary objective of the Bank in risk management is to comply with the BOL regulations. On the other hand, the Bank has recognized the importance of meeting international best practices on risk management. The Board of Directors and Board of Management, with support from an Asset and Liability Management Committee, are in process to formulate broad parameters of acceptable risk for the Bank and monitor the activities against these parameters.

The Board has appointed Asset and Liability Management Committee which has the responsibility to monitor the overall risk process within the Bank.

The Bank is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. It is also subject to various operating risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Bank's policy is to monitor those business risks through the Bank's strategic planning process.

### *Risk management structure*

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Asset and Liability Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk-Compliance Department is responsible for managing risk decisions and monitoring risk levels and reports to the Board of Directors.

The Bank's policy is that risk management processes throughout the Bank are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Bank's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

## 36. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value represents the amount at which an asset could be exchanged or a liability settled on an arms-length basis. As verifiable market prices are not available, market prices are not available for a significant proportion of the Bank's financial assets and liabilities, fair values, therefore, have been based on management assumptions according to the profile of the asset and liability base. In the opinion of the Bank's management, except for bonds issued by the Ministry of Finance, bonds issued by and borrowings from the BOL, the carrying amount of the financial assets and liabilities included in the statement of financial position are a reasonable estimation of their fair values. In making this assessment, the Bank's management assumes that loans are mainly held to maturity with fair values equal to the book value of loans adjusted for allowance for impairment losses.

# Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the three-month period of quarter I ended 31 March 2025

## 37. EVENTS AFTER THE REPORTING DATE

There is no matter or circumstance that has arisen since 31 March 2025 that requires adjustment or disclosure in the financial statements of the Bank.

## 38. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST LAK AT YEAR END

	31 March 2025 LAK	31 December 2024 LAK
USD	21,361.00	21,481.00
EUR	23,177.00	22,520.00
THB	625.45	623.00
GBP	27,550.00	27,147.00
JPY	144.48	137.64
AUD	13,494.00	13,427.00
CNY	2,907.00	2,891.00

Prepared by:



Ms. Phetsamay  
Xayamoungkhoun  
Deputy Chief of Accounting  
Department

Approved by:



Mr. Hinhphet  
Chanthalangsy  
Chief of Internal  
Audit Department

Approved by:



Mrs. Phousengthong  
Anoulakkham  
Deputy Managing Director

Vientiane, Lao PDR

15 May 2025