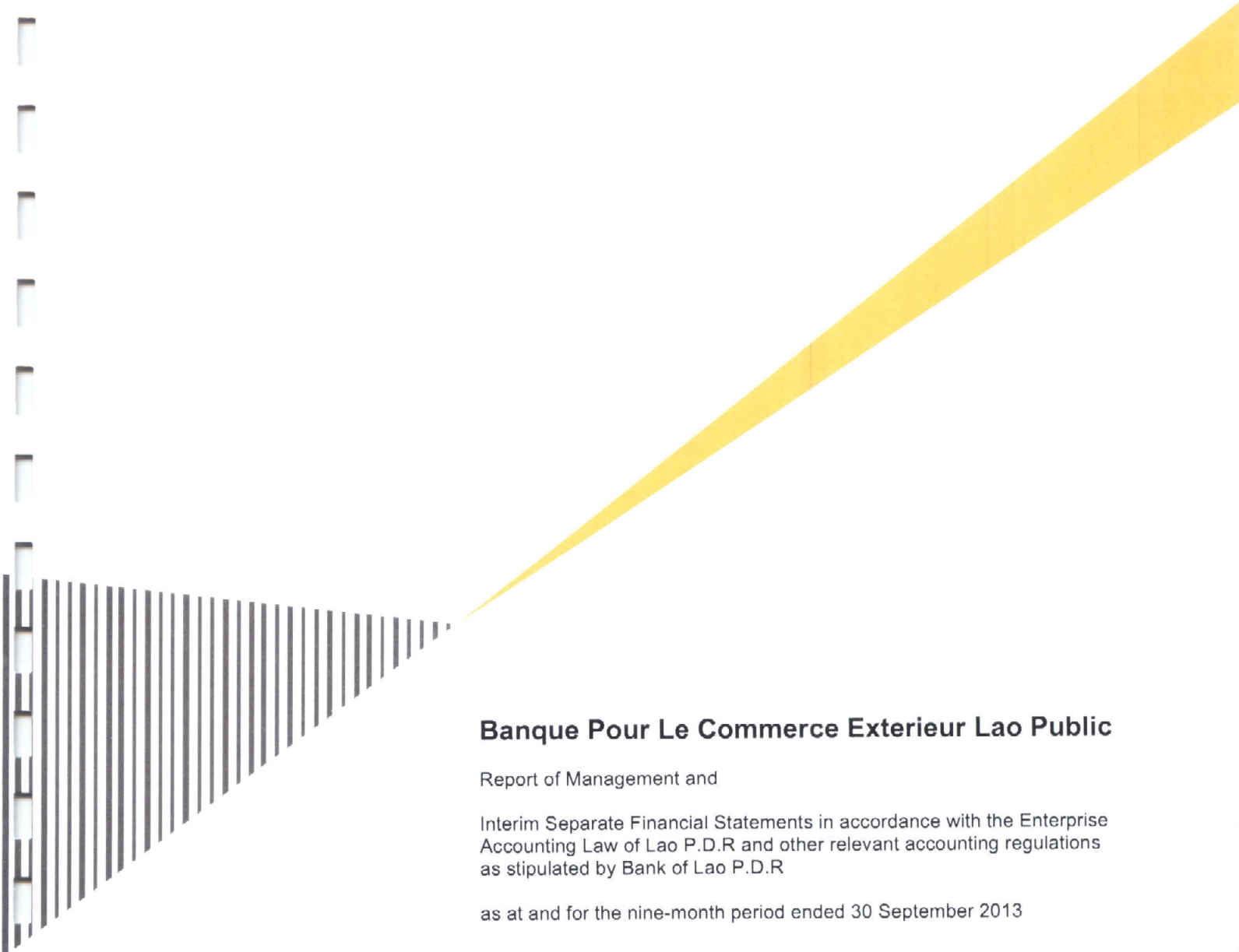




Banque Pour Le Commerce Extérieur Lao Public

Report of Management and

Interim Separate Financial Statements in accordance with the Enterprise Accounting Law of Lao P.D.R and other relevant accounting regulations as stipulated by Bank of Lao P.D.R

as at and for the nine-month period ended 30 September 2013

 **ERNST & YOUNG**

Banque Pour Le Commerce Extérieur Lao Public

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Banque Pour Le Commerce Extérieur Lao Public

GENERAL INFORMATION

THE BANK

Banque Pour Le Commerce Extérieur Lao Public (herein referred to as "the Bank") is a joint-stock bank incorporated and registered in the Lao People's Democratic Republic.

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, and its latest Amended Business License No. 4284/BOL dated 11 November 2010 issued by the Bank of Lao People's Democratic Republic. 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 P.D.R.

On 15 July 2011, the Bank continued to sell 10% of the total ordinary shares (equivalent 13,657,759 shares) to its strategic partner named Cofibred in accordance with the Ordinary Shares Purchase Agreement between the Ministry of Finance and Cofibred. Accordingly, Cofibred paid fully to the Ministry of Finance the total purchased price of LAK 150,235,349,000 from 25 July to 29 July 2011.

According to notification from Lao Securities and Exchange Commission, the Government's shares account for 70% of the Bank's chartered capital which is equivalent to 95,604,320 shares; local investors' shares (including employees of the Bank) account for 10% of the Bank's chartered capital which is equivalent to 13,657,760 shares; strategic partners' shares account for 10% of the Bank's chartered capital which is equivalent to 13,657,760 shares; and other foreign investors' proportion of 10% is equivalent to 13,657,760 shares.

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 and advances 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 the Bank of Lao P.D.R.

Chartered Capital

The chartered capital as at 30 September 2013 is LAKm 682,888 (as at 31 December 2012: LAKm 682,888).

Location and Network

The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane, Lao P.D.R. As at 30 September 2013, the Bank has one (01) Head Office, two (2) subsidiaries, three (3) joint ventures, eighteen (18) main branches, forty seven (47) services units, and eleven (11) exchange units all over Lao P.D.R.

Subsidiaries

As at 30 September 2013, the Bank has two (02) subsidiaries 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 Leasing Company	011/09 dated 17 November 2009 by the Investment Promotion Department of the Ministry of Planning and Investment of the Lao P.D.R	Leasing	100%
BCEL - KT Securities Company Limited	180-10 dated 14 December 2010 by the Investment Promotion Department of the Ministry of Planning and Investment of the Lao P.D.R	Securities	70%

Banque Pour Le Commerce Extérieur Lao Public

GENERAL INFORMATION (continued)

THE BANK (continued)

Joint ventures

As at 30 September 2013, the Bank has three (03) joint ventures as follows:

<i>Name</i>	<i>Business License No.</i>	<i>Business Sector</i>	<i>% owned by the Bank</i>
Lao Viet Joint Venture Bank	01/NHNN dated 31 March 2000 by the Bank of Lao P.D.R	Banking & Finance	35%
Banque Franco - Lao Limited	121-09/MPI dated 26 August 2009 by the Ministry of Planning and Investment of Lao P.D.R	Banking & Finance	46%
Lao-Viet Insurance Joint Venture Company	077/08/FIMC dated 09 June 2008 by the Foreign Investment Management Committee of Lao P.D.R	Insurance	35%

BOARD OF DIRECTORS

The members of the Board of Directors during the nine-month period ended 30 September 2013 and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/reappointment</i>
Mr. Saysamone Xaysoulane	Chairman	Appointed on 26 March 2012
Mr. Khamsouk Sundara	Vice Chairman	Appointed on 26 March 2012
Mr. Vanhkhram Voravong	Member	Reappointed on 26 March 2012
Mr. Phoukhong Chanthachack	Member	Appointed on 26 March 2012
Mr. Vilay Sipaphone	Member	Appointed on 26 March 2012
Mr. Khamhou Thongthavy	Member	Reappointed on 26 March 2012
Mr. Yves Jackquot	Member	Appointed on 26 March 2012

BOARD OF MANAGEMENT

The members of the Board of Management during the nine-month period ended 30 September 2013 and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment</i>
Mr. Vanhkhram Voravong	General Managing Director	Appointed on 13 January 2012
Mr. Onekeo Damlongboun	Deputy Managing Director	Appointed on 02 February 2007
Mr. Phoukhong Chanthachack	Deputy Managing Director	Appointed on 08 May 2005
Mr. Phansana Khounnouvong	Deputy Managing Director	Appointed on 06 June 2008
Ms. Souphayphone Manodham	Deputy Managing Director	Appointed on 24 January 2012
Mr. Vilay Sipaphone	Deputy Managing Director	Appointed on 24 January 2012

LEGAL REPRESENTATIVE

The legal representative of the Bank during the nine-month period ended 30 September 2013 and at the date of this report is Mr. Vanhkhram Voravong - General Managing Director.

AUDITORS

The auditors of the Bank are Ernst & Young Lao Limited.

Banque Pour Le Commerce Extérieur Lao Public

REPORT OF MANAGEMENT

The Board of Management of Banque Pour Le Commerce Extérieur Lao Public ("the Bank") is pleased to present its report and the Bank's interim separate financial statements as at and for the nine-month period ended 30 September 2013.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

The Bank's Management is responsible for preparation of the interim separate financial statements of each financial year which give a true and fair view of the interim separate financial position of the Bank and of its interim separate results of operations and interim separate cash flows for the period in accordance with the Enterprise Accounting Law of the Lao P.D.R and other relevant accounting regulations as stipulated by Bank of Lao P.D.R. In preparing those interim separate financial statements, the management of the Bank is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent; and
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim separate financial statements.

The Bank's Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Bank and to ensure that the accounting records comply with the registered accounting system. It is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Bank's Management has confirmed that the Bank has complied with the above requirements in preparing the interim separate financial statements as at and for the nine-month period ended 30 September 2013.

STATEMENT OF THE MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Bank as at 30 September 2013 and of the interim separate results of its operations and its interim separate cash flows for the nine-month period then ended in accordance with the Enterprise Accounting Law of Lao P.D.R and relevant accounting regulations stipulated by the Bank of Lao P.D.R.

On behalf of Management:



Mr. Phoukhong Chanthachack
Deputy Managing Director

Vientiane, Lao P.D.R

30 October 2013

Reference: 60790273/16283018

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: **The shareholders**
Banque Pour Le Commerce Extérieur Lao Public

Introduction

We have reviewed the accompanying interim separate financial statements of Banque Pour Le Commerce Extérieur Lao Public ("the Bank") as set out on pages 5 to 41, which comprise the interim separate balance sheet as at 30 September 2013, and the interim separate income statement, interim separate statement of changes in equity and interim separate statement of cash flow for the nine-month period then ended and a summary of significant accounting policies and other explanatory notes.

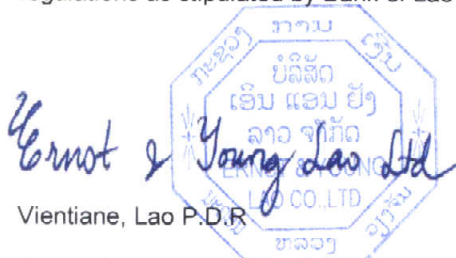
The preparation and fair presentation of these interim separate financial statements are the responsibility of the management. Our responsibility is to express a conclusion on these interim separate financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view of the interim separate financial position of the Bank as at 30 September 2013, and of its interim separate financial performance and its interim separate cash flows for the nine-month period then ended in accordance with the Enterprise Accounting Law of Lao P.D.R and other relevant accounting regulations as stipulated by Bank of Lao P.D.R.



Vientiane, Lao P.D.R.

30 October 2013

Banque Pour Le Commerce Extérieur Lao Public

INTERIM SEPARATE INCOME STATEMENT
for the nine-month period ended 30 September 2013

Currency: LAKm

Code	ITEMS	Notes	For the three-month period ended 30 September 2013	For the nine-month period ended 30 September 2013	For the three-month period ended 30 September 2012	For the nine-month period ended 30 September 2012
A.	OPERATING INCOME AND EXPENSES					
1.	Interest and similar income	3	246,202	662,973	188,239	536,832
1.1	Interest and similar income from interbank		6,861	24,557	7,851	22,229
1.2	Interest and similar income from customers		211,459	573,991	141,763	402,485
1.3	Other interest and similar income		27,882	64,425	38,625	112,118
2.	Interest and similar expense	3	(125,572)	(358,809)	(97,315)	(268,447)
2.1	Interest and similar expense for interbank		(1,798)	(3,435)	(1,284)	(4,354)
2.2	Interest and similar expense for customers		(123,774)	(355,374)	(96,031)	(264,093)
I.	NET INTEREST AND SIMILAR INCOME	3	120,630	304,164	90,924	268,385
3	Net gain/(loss) from gold trading	8	1,953	(3,963)	395	(1,717)
4	Net gain from equity investments	4	(7,326)	-	-	3,883
5	Fee and commission income	5	35,091	129,856	44,639	125,647
6	Fee and commission expense	6	(5,779)	(14,971)	(4,997)	(13,520)
7	Net gain from securities investment	7	-	-	-	2,326
8	Net gain from dealing in foreign currencies	8	13,720	27,254	21,314	64,925
II.	NET OPERATING INCOME		158,289	442,340	152,275	449,929

Banque Pour Le Commerce Exterieur Lao Public

INTERIM SEPARATE INCOME STATEMENT (continued)
for the nine-month period ended 30 September 2013

Currency: LAKm

Code	ITEMS	Notes	For the three-month period ended 30 September 2013	For the nine-month period ended 30 September 2013	For the three-month period ended 30 September 2012	For the nine-month period ended 30 September 2012
B	OTHER INCOME AND EXPENSES					
9	Other operating income	9	303,267	885,855	36,729	50,820
10	Administration expenses		(59,267)	(173,669)	(49,769)	(140,361)
10.1	Payroll and other staff costs	10	(40,271)	(122,022)	(35,428)	(101,127)
10.2	Other administrative expenses	11	(17,941)	(48,209)	(13,109)	(36,445)
10.3	Other expenses		(1,055)	(3,438)	(1,232)	(2,789)
11	Depreciation and amortization charges	19,20	(11,459)	(37,213)	(10,302)	(29,442)
12	Other operating expenses	12	(307,894)	(898,202)	(6,014)	(23,959)
13	Net specific provision (charges)/reversal for loans and advances to customers	16.5	(7,418)	(5,451)	2,478	(25,354)
13.1	Specific provision expenses for loans and advances to customers	16.5	(78,098)	(436,388)	(5,615)	(63,003)
13.2	Reversal of specific provision for loans and advances to customers	16.5	70,680	430,937	8,093	37,649
III.	TOTAL PROFIT BEFORE TAX		75,518	213,660	125,397	281,633
14	Current enterprise income tax	26.1	(12,041)	(38,419)	(28,848)	(63,915)
IV.	PROFIT AFTER TAX		63,477	175,241	96,549	217,718
	Earnings per share (LAK)	30	465	1,283	707	1,594

Phon

Lam



Prepared by:
Mr. Phonnalath Kongvongsa
Deputy of Accounting Section

Approved by:
Mrs. Lammaniseng Sayaphet
Head of Accounting Division

Approved by:
Mr. Phoukhong Chanthachack
Deputy Managing Director

Vientiane, Lao P.D.R
30 October 2013

Banque Pour Le Commerce Extérieur Lao Public

INTERIM SEPARATE BALANCE SHEET
as at 30 September 2013

Currency: LAKm

Code	ASSETS	Notes	30 September 2013	31 December 2012 restated
I	Cash and accounts with the BOL	13	3,025,929	2,715,301
	1. Cash on hand		1,474,887	1,132,745
	2. Compulsory and demand deposits		1,551,042	1,555,943
	3. Term deposits		-	26,613
II	Amounts due from other banks	14	1,362,501	2,547,279
	1. Demand deposits		1,003,859	1,430,005
	2. Term deposits		64,785	759,228
	3. Loans to other banks, net of specific provisions		293,857	358,046
III	Investment in securities	15	904,733	1,670,902
	1. Available-for-sale securities	15.1	141,202	125,000
	2. Held-to-maturity securities	15.2	763,531	1,545,902
IV	Loans and advances to customers, net of specific provisions	16	9,279,410	6,902,630
V	Investment in subsidiaries and joint- ventures	18	424,815	423,400
VI	Fixed assets		541,758	503,580
	1. Construction in progress and fixed assets in transit		74,174	76,317
	2. Intangible fixed assets	19	226,217	186,856
	3. Tangible fixed assets	20	241,367	240,407
VII	Other assets		245,778	180,384
	1. Accrued interest receivables	21	113,748	98,442
	2. Other assets	22	132,030	81,942
	TOTAL ASSETS		15,784,924	14,943,476

Banque Pour Le Commerce Extérieur Lao Public

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 September 2013

Currency: LAKm

Code	LIABILITIES AND CAPITAL	Notes	30 September 2013	31 December 2012 restated
I	Amounts due to other banks	23	1,009,286	924,700
	1. Demand and saving deposits		780,018	848,109
	2. Term deposits		156,461	14,801
	3. Borrowings from other banks		58,061	60,067
	4. Other payables to other banks		14,746	1,723
II	Amounts due to customers	24	13,581,431	12,768,162
	1. Demand, saving and margin deposits		8,560,912	8,430,635
	2. Term deposits		4,919,139	4,172,639
	3. Other payables to customers		101,380	164,888
III	Other liabilities		108,280	241,826
	1. Accrued interest payables	25	69,922	63,888
	2. Tax payables to the State	26.2	3,254	54,819
	3. Other liabilities	27	35,104	123,119
	TOTAL LIABILITIES		14,698,997	13,934,688
IV	Capital and reserves		1,085,927	1,008,788
	1. Chartered capital		682,888	682,888
	2. Regulatory reserve fund		40,440	40,440
	3. Business expansion fund		143,352	143,352
	4. General provision for credit activities	17	102,906	85,187
	5. Retained earnings		116,341	56,921
	TOTAL CAPITAL		1,085,927	1,008,788
	TOTAL LIABILITIES AND CAPITAL		15,784,924	14,943,476

Banque Pour Le Commerce Extérieur Lao Public

INTERIM SEPARATE BALANCE SHEET (continued)
as at 30 September 2013

Currency: LAKm

Code	OFF BALANCE SHEET ITEMS	Notes	30 September 2013	31 December 2012
I	Commitments given			
A	Commitments for financing given		2,345,196	1,667,757
1	- Commitments for financing given to other banks		152,550	-
2	- Commitments for financing given to customers		2,192,646	1,667,757
B	Commitments for guarantees given		1,679,596	172,027
1	- Commitments for guarantees given to other banks		-	-
2	- Commitments for guarantees given to customers		1,679,596	172,027
	TOTAL COMMITMENTS GIVEN		4,024,792	1,839,784

Code	OFF BALANCE SHEET ITEMS	Notes	30 September 2013	31 December 2012
II	Collaterals and Mortgages			
A	Collaterals and Mortgages for loans		53,594,487	18,263,812
1	- Collaterals and Mortgages for loans to other banks		-	-
2	- Collaterals and Mortgages for loans to customers		53,594,487	18,263,812
B	Collaterals and Mortgages for guarantees given		169,209	229,370
1	- Collaterals and Mortgages for guarantees given to other banks		-	-
2	- Collaterals and Mortgages for guarantees given to customers		169,209	229,370
	TOTAL COLLATERALS AND MORTGAGES		53,763,696	18,493,182

Prepared by:
Mr. Phonenalath Kongvongsa
Deputy of Accounting Section

Approved by:
Mrs. Lammaniseng Sayaphet
Head of Accounting Division

Approved by:
Mr. Phoukhong Chanthachack
Deputy Managing Director

Vientiane, Lao P.D.R

30 October 2013

Banque Pour Le Commerce Extérieur Lao Public

INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY
for the nine-month period ended 30 September 2013

Currency: LAKm

	Chartered capital	Regulatory reserve fund	Business expansion fund	General provision for credit activities (Note 17)	Retained earnings	Total
Balances as at 1 January 2013, restated	682,888	40,440	143,352	85,187	56,921	1,008,788
Appropriation for dividend paid out to shareholders	-	-	-	-	(115,821)	(115,821)
Net profit for the nine-month period ended 30 September 2013	-	-	-	-	175,241	175,241
Net general provision expense for credit activities for the period	-	-	-	17,719	-	17,719
Balances as at 30 September 2013	682,888	40,440	143,352	102,906	116,341	1,085,927



Phonanalath Kongvongsa

Lammaniseng Sayaphet

Prepared by:
Mr. Phonanalath Kongvongsa
Deputy of Accounting Section

Approved by:
Mrs. Lammaniseng Sayaphet
Head of Accounting Division

Approved by:
Mr. Phoukhong Chanthachack
Deputy Managing Director

Vientiane, Lao P.D.R

30 October 2013

Banque Pour Le Commerce Extérieur Lao Public

INTERIM SEPARATE CASH FLOW STATEMENT for the nine-month period ended 30 September 2013

Currency: LAKm

	Notes	For the nine-month period ended 30 September 2013	For the nine-month period ended 30 September 2012
Net profit after tax		175,241	217,718
<i>Adjustments for:</i>			
Enterprise tax expenses	26.1	38,419	63,915
Depreciation and amortization expenses	19,20	37,213	29,442
Net provision/(reversal) for credit losses	16,17	(16,504)	33,773
Provision/(Reversal) for impairment of investment in securities		-	(2,326)
Net gain from equity investments		(12,560)	-
Cash flows from operating profit before changes in operating assets and liabilities		221,809	342,522
(Increase)/Decrease in operating assets			
Balances with other banks		721,056	(88,580)
Loans and advances to customers		(2,278,375)	(881,326)
Accrued interest income		(15,306)	(13,611)
Other assets		(50,088)	(12,826)
Increase/(Decrease) in operating liabilities			
Amounts due to other banks		84,586	(7,751)
Customer deposits and other amounts due to customers		813,269	1,627,990
Enterprise tax paid during the period	26.2	(89,984)	(58,327)
Other liabilities		(81,980)	(35,813)
Net cash flows (used in)/from operating activities		(675,013)	872,278
INVESTING ACTIVITIES			
Purchase and construction of fixed assets		(118,819)	(222,349)
Proceed from disposals of assets		43,428	1,331
Investment in securities		766,169	139,988
Payments for investments in other entities		(1,415)	(48,421)
Interest and dividends received		12,560	11,650
Net cash flows from investing activities		701,923	(117,801)
FINANCING ACTIVITIES			
Repayment of borrowing		-	(1,213)
Payment of dividend		(115,821)	(165,611)
Net cash flows used in financing activities		(115,821)	(166,824)
Net (decrease)/increase in cash and cash equivalents		(88,911)	587,653
Cash and cash equivalents at the beginning of the period		4,118,693	3,784,210
Effect of foreign exchange difference		6	117
Cash and cash equivalents at the end of the period	28	4,029,788	4,371,980

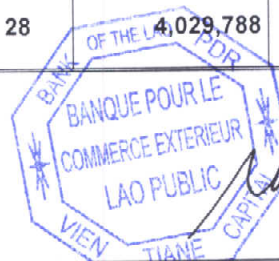
Prepared by:
Mr. Phonanalath Kongvongsa
Deputy of Accounting Section

Vientiane, Lao P.D.R

30 October 2013

Approved by:
Mrs. Lammaniseng Sayaphet
Head of Accounting Division

Approved by:
Mr. Phoukhong Chanthachack
Deputy Managing Director



Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
as at 30 September 2013 and for the nine-month period then ended

1. CORPORATE INFORMATION

Banque Pour Le Commerce Extérieur Lao Public (herein referred to as "the Bank") is a joint-stock bank incorporated and registered in the Lao People's Democratic Republic.

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, and its latest Amended Business License No. 4284/BOL dated 11 November 2010 issued by the Bank of Lao People's Democratic Republic. 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 P.D.R.

On 15 July 2011, the Bank continued to sell 10% of the total ordinary shares (equivalent 13,657,759 shares) to its strategic partner named Cofibred in accordance with the Ordinary Shares Purchase Agreement between the Ministry of Finance and Cofibred. Accordingly, Cofibred paid fully to the Ministry of Finance the total purchased price of LAK 150,235,349,000 from 25 July to 29 July 2011.

According to notification from Lao Securities and Exchange Commission, the Government's shares account for 70% of the Bank's chartered capital which is equivalent to 95,604,320 shares; local investors' shares (including employees of the Bank) account for 10% of the Bank's chartered capital which is equivalent to 13,657,760 shares; strategic partners' shares account for 10% of the Bank's chartered capital which is equivalent to 13,657,760 shares; and other foreign investors' proportion of 10% is equivalent to 13,657,760 shares.

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 and advances 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 the Bank of Lao P.D.R.

Chartered Capital

The chartered capital as at 30 September 2013 is LAKm 682,888 (as at 31 December 2012: LAKm 682,888).

Location and Network

The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane, Lao P.D.R. As at 30 September 2013, the Bank has one (01) Head Office, two (2) subsidiaries, three (3) joint ventures, eighteen (18) main branches, forty seven (47) services units, and eleven (11) exchange units all over Lao P.D.R.

Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

1. CORPORATE INFORMATION (continued)

Board of Directors

The members of the Board of Directors during the nine-month period ended 30 September 2013 and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/reappointment</i>
Mr. Saysamone Xaysouliane	Chairman	Appointed on 26 March 2012
Mr. Khamsouk Sundara	Vice Chairman	Appointed on 26 March 2012
Mr. Vanhkhram Voravong	Member	Reappointed on 26 March 2012
Mr. Phoukhong Chanthachack	Member	Appointed on 26 March 2012
Mr. Vilay Siphaphone	Member	Appointed on 26 March 2012
Mr. Khamhou Thongthavy	Member	Reappointed on 26 March 2012
Mr. Yves Jackquot	Member	Appointed on 26 March 2012

Board of Management

The members of the Board of Management during the nine-month period ended 30 September 2013 and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment</i>
Mr. Vanhkhram Voravong	General Managing Director	Appointed on 13 January 2012
Mr. Onekeo Damlongboun	Deputy Managing Director	Appointed on 02 February 2007
Mr. Phoukhong Chanthachack	Deputy Managing Director	Appointed on 08 May 2005
Mr. Phansana Khounnouvong	Deputy Managing Director	Appointed on 06 June 2008
Ms. Souphayphone Manodham	Deputy Managing Director	Appointed on 24 January 2012
Mr. Vilay Sipaphone	Deputy Managing Director	Appointed on 24 January 2012

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

1. CORPORATE INFORMATION (continued)

Subsidiaries

As at 30 September 2013, the Bank has two (02) subsidiaries 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 Leasing Company	011/09 dated 17 November 2009 by the Investment Promotion Department of the Ministry of Planning and Investment of the Lao P.D.R	Leasing	100%
BCEL – KT Securities Company Limited	180-10 dated 14 December 2010 by the Investment Promotion Department of the Ministry of Planning and Investment of the Lao P.D.R	Securities	70%

Joint ventures

As at 30 September 2013, the Bank has three (03) joint ventures as follows:

<i>Name</i>	<i>Business License No.</i>	<i>Business Sector</i>	<i>% owned by the Bank</i>
Lao Viet Joint Venture Bank	01/NHNN dated 31 March 2000 by the Bank of Lao P.D.R	Banking & Finance	35%
Banque Franco - Lao Limited	121-09/MPI dated 26 August 2009 by the Ministry of Planning and Investment of the Lao P.D.R	Banking & Finance	46%
Lao-Viet Insurance Joint Venture Company	077/08/FIMC dated 09 June 2008 by the Foreign Investment Management Committee of the Lao P.D.R	Insurance	35%

Employees

Total number of employees of the Bank as at 30 September 2013 is 1,398 persons (as at 31 December 2012: 1,234 persons).

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

Summary of principal accounting policies adopted in the preparation of these interim separate financial statements are set out below:

2.1 *Statement of compliance with the Enterprise Accounting Law of Lao P.D.R and other relevant accounting regulations as stipulated by the Bank of Lao P.D.R*

Management of the Bank states that the accompanying interim separate financial statements have been prepared in compliance with the Enterprise Accounting Law of Lao P.D.R and other relevant accounting regulations as stipulated by the Bank of Lao P.D.R.

2.2 *Basis of preparation*

The Bank maintains its records in Lao Kip ("LAK") and prepared its interim separate financial statements in million of LAK ("LAKm") in accordance with the Decree No. 02/PR by the Prime Minister of Lao P.D.R dated 22 March 2000 and the Enterprise Accounting Law of Lao P.D.R and other relevant accounting regulations as stipulated by Bank of Lao P.D.R ("LAS").

The accompanying interim separate financial statements have been prepared using accounting principles, procedures and reporting practices generally accepted in Lao P.D.R. Accordingly, the accompanying interim separate balance sheet, the interim separate income statement, the interim separate statement of change in equity, the interim separate cash flow statement and the notes there to are not designed for those who are not informed about Lao P.D.R's accounting principles, procedures and practices and furthermore are not intended to present the interim financial position of the Bank and results of its operations and its cash flows in accordance with accounting principles and practices generally accepted in countries other than Lao P.D.R.

2.3 *Fiscal year*

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

2.4 *Recognition of interest income and expense*

Interest income and expense are recognized in the interim separate income statement on accrual basis using straight line method and the interest rates as stipulated in the lending/depositing contracts with clients.

The recognition of accrued interest income is suspended when the loans becoming non-performing or when the management believes that the borrower has no ability to repay the interest and principal. Interest income on such loans is only recorded in the interim separate income statement when actually received.

2.5 *Recognition of fee and commission income*

Fees and commissions consist of fees received for fund transfer (including cheque settlement), fees arising from foreign currency exchange transactions, fees arising from financial guarantees.

Fee and commission income is recognized in the interim separate income statement on cash basis.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

2.6 Recognition of dividend income

Dividend income on equity investment is recognized in the interim separate income statement when the Bank's right to receive the payment is established.

2.7 Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid short-term investments with an original maturity of less than 30 days that are readily convertible to known amounts of cash and accounts due from banks with original maturity of less than 30 days.

2.8 Loans and advances to customers

Loans and advances to customers are recognized at cost and presented at outstanding balance less specific provision for loans and advances to customers as at 30 September 2013.

2.9 Specific provision for loans and advances to customers

In accordance with Regulation 324/BOL ("BOL324") dated 19 April 2011, the Bank is required to classify loans and create provision for impairment losses. Accordingly, loans are classified into Performing loans or Non-performing loans based on the payment arrears status and other qualitative factors. Loans classified as either Normal or Pass (Group A) or Watch or Special mention (Group B) are considered as Performing loans. Loans classified as either Substandard (Group C) or Doubtful (Group D) or Loss (Group E) are considered as Non-performing loans.

According to Regulation 324/BOL, provision for loans and advances to customers is established by multiplying the outstanding balance of each loan item with the provision rates applicable to that loan classification as follows:

Group	Category	Specific provision rate
A	Normal or Pass	0%
B	Watch or Special mention	0%
C	Substandard	20%
D	Doubtful	50%
E	Loss	100%

Changes in specific provision is recorded to the income statement as "Net specific provision charges/(reversal) for loans and advances to customers". Accumulated specific provision reserve is recorded in the balance sheet in "Loans and advances to customers, net of specific provisions".

Details on the loan classification and specific provision and the provision amount that are actually booked by the Bank as at 30 September 2013 are presented in Note 16.5.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

2.10 General provision for credit activities

In accordance with BOL324, the Bank is required to create a general provision for loan losses at the rate 3.00% of the total balance of Watch or Special Mention loans as at the balance sheet date and general provision made for Normal or Pass loans shall be upon the BOL's notification for each year. For the nine-month period ended 30 September 2013, the general provision rate for Normal or Pass loans is ranging from 0.50 to 1.00% in accordance with the Official Letter No. 242/BOL issued by the Bank of Lao PRD on 2 April 2011. Accordingly, the Bank provided general provision at rate of 1.00% out of total balance of Normal or Pass loans.

The Bank complied with the BOL's regulations on general provision provided for Normal or Pass and Watch or Special loans for the nine-month period ended 30 September 2013.

In accordance with the relevant accounting regulations as stipulated by the Bank of Lao P.D.R, any changes in general provision for credit activities are recorded to the interim separate income statement as "Other operating expenses" for general provision expense and "Other operating income" for reversal of general provision expense and the balance of general provision reserve is recorded in the interim separate balance sheet in "General provision for credit activities" under capital and reserves of the Bank.

Details of change in general provision for credit activities are presented in Note 17.

2.11 Investment securities

2.11.1 Held-to-maturity securities

Held-to-maturity investment securities are debt securities with fixed or determinable payments and maturities, which the Bank has intention and ability to hold to maturity to earn interest. These securities have determined values and maturities. When they are sold before maturity date, these securities will be reclassified as trading securities or available-for-sale securities.

Held-to-maturity securities are initially recognized at cost and subsequently presented at cost.

Periodically, the held-to-maturity securities are subject to review for impairment. Provision for impairment of these securities is made when there has been a significant or prolonged decline in the fair value below their cost. Provision for impairment is recognized as "Net gain/(loss) from securities investment in the interim separate income statement.

2.11.2 Available-for-sale securities

Available-for-sale investments include equity instruments and other debt instruments that the Bank has intention to hold for investment and that are ready for trading. These securities are not frequently traded but can be sold at any time if such sale yields profit.

Available-for-sale equity securities are initially recognized at cost and subsequently presented at cost.

Periodically, the available-for-sale securities are subject to review for impairment. Provision for impairment of these securities is made when there has been a significant or prolonged decline in the fair value below their cost. Provision for impairment is recognized as "Net gain/(loss) from securities investment" in the interim separate income statement.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

2.12 Investments in subsidiaries

Investments in subsidiaries over which the Bank has control are accounted for under the cost method of accounting. Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered as a recovery of investment and are deducted from the cost of the investment.

Details of investments in subsidiaries are presented in Note 18.

2.13 Investment in joint ventures

The Bank's investment in joint ventures is recognized at cost and subsequently reflected at cost on the interim separate balance sheet. Dividend and income transferred from the joint ventures are recognized in the interim separate income statement as "Net gain from equity investment".

The investments in Lao Viet Joint Venture Bank and Lao-Viet Insurance Joint Venture Company were made in the United States dollar ("USD"). Accounting policies applicable for the translation of capital contributed to Lao Viet Joint Venture Bank and Lao-Viet Insurance Joint Venture Company is derived from the guidance issued by the BOL. On 28 January 2010, the Bank of Lao P.D.R issued a guidance to allow commercial banks to translate the paid-up capital which is contributed in foreign currencies into Lao Kip by using the BOL exchange rate on the interim separate balance sheet date of 31 January 2010.

Details of the Bank's investment in joint ventures are presented in Note 18.

2.14 Fixed assets

Fixed assets include tangible, intangible fixed assets and land use right. Tangible fixed assets consist of buildings, furniture and fixtures, office equipments, vehicles and others. Intangible fixed assets consist of computer software.

Fixed asset are stated at cost less accumulated depreciation, if any.

The cost of an asset comprises its purchase price plus any costs directly attributable to the bringing of the asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are capitalized and expenditures for maintenance and repairs are charged to the interim separate income statement, if any.

When assets are sold or disposed, their cost and accumulated depreciation are removed from the interim separate balance sheet and any gains or losses resulting from their disposal are posted to the interim separate income statement.

2.15 Depreciation and amortization

Depreciation and amortization of fixed assets are provided on the straight line basis at prescribed rates over their estimated useful life in accordance with the new Tax Law No.05 dated 20 December 2011 which is effective on or after 1 January 2013 stipulated by the President of the National Assembly. The following are the annual rates used:

Buildings & improvements	5%
Office equipments	20%
Furniture & fixtures	20%
Motor vehicles	20%
Land use rights (*)	No amortization
Software	20%

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

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

2.16 Statutory reserves

Under the requirement of the Law on commercial Bank dated 16 January 2007, commercial banks are required to appropriate net profit to following reserves:

- ▶ Regulatory reserve fund
- ▶ Business expansion fund and other funds

In accordance with the Regulation on capital adequacy No.1/BOL dated 28 August 2002 by the Governor of the Bank of Lao P.D.R and other relevant guidance, commercial banks are required to provide regulatory reserve fund at the rate between 5% to 10% of profit after tax depending on decision of the Board of Directors. The Business expansion fund and other shall be created upon decision of the Board of Directors. The Bank will appropriate to statutory reserves based on the profit making for the whole year 2013.

2.17 Taxation

Provision is made for taxation on the current year's profits, based on the Tax Law governing taxation within Lao P.D.R. The Bank is obliged to pay tax at rate of 24% of total profit before tax in accordance with the new Tax Law No.05 dated 20 December 2011 which is effective on or after 1 January 2013 (2012: the Bank is obliged to pay the higher amount of 28% of total profit before tax and 1% of total revenue if and only if the Bank declared loss or the profit range does not reach the CIT rate in accordance with Notification No.3383/MOF of Ministry of Finance). Additionally, in accordance with Decree 001 dated 28 December 2010 issued by the President of Laos P.D.R, the tax rate for listed companies is reduced by 5% within 4 years from the date of listing. Accordingly, the Bank is subject to the tax rate of 19% for the nine-month period ended 30 September 2013 (2012: 23%). 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 interim separate financial statements could be changed at a later date upon final determination by the tax authorities.

2.18 Foreign currency transactions

The Bank maintains its accounting system and records all transactions in original currencies. Monetary assets and liabilities denominated in foreign currencies at period end are translated into LAK at exchange rates ruling on the interim separate balance sheet date (see the list of exchange rates of applicable foreign currencies against LAK on 30 September 2013 as presented below). Income and expenses arising in foreign currencies during the period are converted into LAK at rates ruling on the transaction dates. Unrealized exchange differences arising from the translation of monetary assets and liabilities on the balance sheet date are recognized in the interim separate income statement.

	30/9/2013 LAK	31/12/2012 LAK
USD	7,837.00	7,968.00
EUR	10,554.00	10,541.00
THB	250.33	260.39
GBP	12,455.00	12,636.00
CHF	8,511.00	8,596.00
JPY	78.77	90.66
SGD	6,323.00	6,604.00
CAD	7,473.00	7,885.00
AUD	7,170.00	8,136.00

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

2.19 Employee benefits

Post employment benefits

Post employment benefits are paid to retired employees of the Bank by the Social Security Fund Department which belongs to the Ministry of Labour and Social Welfare. The Bank is required to contribute to these post employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 8% of employee's basic salary on a monthly basis. The Bank has no further obligation concerning post employment benefits for its employees other than this.

Termination benefits

In accordance with Article 29 of the Amended Labour Law issued by the President of the Lao People's Democratic Republic on 16 January 2007, 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 at 10% of the basic monthly salary before the termination of work for the worker who has worked for less than three years. For workers who have worked for more than three years, the basis of calculation shall be 15%. As at 30 September 2013, 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 interim separate financial statements.

3. NET INTEREST AND SIMILAR INCOME

	<i>For the three- month period ended 30 September 2013 LAKm</i>	<i>For the nine- month period ended 30 September 2013 LAKm</i>	<i>For the three- month period ended 30 September 2012 LAKm</i>	<i>For the nine- month period ended 30 September 2012 LAKm</i>
Interest and similar income	246,202	662,973	188,239	536,832
Interest income from interbank	6,861	24,557	7,851	22,229
Interest income from customers	211,459	573,991	141,763	402,485
Other interest and similar income	27,544	63,618	38,030	108,426
Other income from credit activities	338	807	595	3,692
Interest and similar expense	(125,572)	(358,809)	(97,315)	(268,447)
Interest expense for interbank	(1,798)	(3,435)	(1,284)	(4,354)
Interest expense for customers	(123,774)	(355,374)	(96,031)	(264,093)
Net interest and similar income	120,630	304,164	90,924	268,385

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

4. NET GAIN FROM EQUITY INVESTMENTS

	<i>For the three- month period ended 30 September 2013 LAKm</i>	<i>For the nine- month period ended 30 September 2013 LAKm</i>	<i>For the three- month period ended 30 September 2012 LAKm</i>	<i>For the nine- month period ended 30 September 2012 LAKm</i>
Dividends received in the period	(7,326)	-	-	3,883
- from equity investment securities	(7,326)	-	-	-
- from investments in joint ventures	-	-	-	3,883
	(7,326)	-	-	3,883

5. FEE AND COMMISSION INCOME

	<i>For the three- month period ended 30 September 2013 LAKm</i>	<i>For the nine- month period ended 30 September 2013 LAKm</i>	<i>For the three- month period ended 30 September 2012 LAKm</i>	<i>For the nine- month period ended 30 September 2012 LAKm</i>
Fees and commission income from:				
Settlement services	384	1,185	378	1,147
Treasury activities	34,697	125,228	44,156	124,099
Other fees and commissions	10	3,443	105	401
	35,091	129,856	44,639	125,647

6. FEE AND COMMISSION EXPENSE

	<i>For the three- month period ended 30 September 2013 LAKm</i>	<i>For the nine- month period ended 30 September 2013 LAKm</i>	<i>For the three- month period ended 30 September 2012 LAKm</i>	<i>For the nine- month period ended 30 September 2012 LAKm</i>
Fees and commission expenses from:				
Settlement services	148	493	1,205	1,523
Treasury activities	2,593	5,300	920	3,208
Other fees and commissions	3,038	9,178	2,872	8,789
	5,779	14,971	4,997	13,520

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

7. NET GAIN FROM SECURITIES INVESTMENT

	<i>For the three- month period ended 30 September 2013 LAKm</i>	<i>For the nine- month period ended 30 September 2013 LAKm</i>	<i>For the three- month period ended 30 September 2012 LAKm</i>	<i>For the nine- month period ended 30 September 2012 LAKm</i>
Income from trading of investment securities	-	-	-	-
(Provision)/Reversal for impairment of investment securities	-	-	-	2,326
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,326</u>

8. NET GAIN FROM DEALING IN FOREIGN CURRENCIES AND GOLD

	<i>For the three- month period ended 30 September 2013 LAKm</i>	<i>For the nine- month period ended 30 September 2013 LAKm</i>	<i>For the three- month period ended 30 September 2012 LAKm</i>	<i>For the nine- month period ended 30 September 2012 LAKm</i>
Net gain from dealing in foreign currencies				
Gain from foreign exchange spot rate differences	1,237,899	3,268,729	24,021	72,214
Loss from foreign exchange spot rate differences	(1,224,179)	(3,241,475)	(2,707)	(7,289)
	<u>13,720</u>	<u>27,254</u>	<u>21,314</u>	<u>64,925</u>
Net gain/(loss) from gold trading	<u>1,953</u>	<u>(3,963)</u>	<u>395</u>	<u>(1,717)</u>
	<u>15,673</u>	<u>23,291</u>	<u>21,709</u>	<u>63,208</u>

9. OTHER OPERATING INCOME

	<i>For the three- month period ended 30 September 2013 LAKm</i>	<i>For the nine- month period ended 30 September 2013 LAKm</i>	<i>For the three- month period ended 30 September 2012 LAKm</i>	<i>For the nine- month period ended 30 September 2012 LAKm</i>
Reversal of general provision for credit activities (see Note 17)	300,177	876,465	10,052	14,440
Recovery of bad debts written off	210	5,669	27,816	34,685
Others	2,880	3,721	(1,139)	1,695
	<u>303,267</u>	<u>885,855</u>	<u>36,729</u>	<u>50,820</u>

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

10. PAYROLL AND OTHER STAFF COSTS

	<i>For the three- month period ended 30 September 2013 LAKm</i>	<i>For the nine- month period ended 30 September 2013 LAKm</i>	<i>For the three- month period ended 30 September 2012 LAKm</i>	<i>For the nine- month period ended 30 September 2012 LAKm</i>
Salary, wages and allowances	24,717	71,263	20,985	58,468
Social insurance	14,188	45,150	12,409	38,011
Training expenses	131	1,669	146	265
Per diem	1,235	3,940	1,888	4,383
	40,271	122,022	35,428	101,127

11. OTHER ADMINISTRATIVE EXPENSES

	<i>For the three- month period ended 30 September 2013 LAKm</i>	<i>For the nine- month period ended 30 September 2013 LAKm</i>	<i>For the three- month period ended 30 September 2012 LAKm</i>	<i>For the nine- month period ended 30 September 2012 LAKm</i>
External services expenses	5,370	15,100	3,317	10,882
Repair and maintenance expenses	3,960	9,865	3,255	7,553
Publication, marketing and promotion expenses	1,545	4,808	1,263	3,312
Office rental expenses	1,942	5,439	1,537	4,516
Telecommunication expenses	498	1,369	379	1,193
Training, meeting and seminar expenses	3,704	8,893	2,393	6,683
Tax and other duties expense	28	69	14	45
Other expenses	894	2,666	951	2,261
	17,941	48,209	13,109	36,445

12. OTHER OPERATING EXPENSES

	<i>For the three- month period ended 30 September 2013 LAKm</i>	<i>For the nine- month period ended 30 September 2013 LAKm</i>	<i>For the three- month period ended 30 September 2012 LAKm</i>	<i>For the nine- month period ended 30 September 2012 LAKm</i>
General provision for loans to other banks and loans and advances to customers (see Note 17)	304,096	894,184	6,473	22,859
Other expenses	3,798	4,018	(459)	1,100
	307,894	898,202	6,014	23,959

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

13. CASH AND ACCOUNTS WITH THE BOL

	30/9/2013 LAKm	31/12/2012 LAKm
Cash on hand	1,474,887	1,132,745
Cash on hand in LAK	782,976	484,223
Cash on hand in foreign currencies	665,238	647,790
Gold and precious metal	26,585	-
Cheques collection	88	732
Deposits with BOL	1,551,042	1,555,943
Compulsory deposit	774,713	723,397
Demand deposits	776,329	832,546
Term deposits with BOL	-	26,613
	3,025,929	2,715,301

Balances with the BOL include settlement and compulsory and term deposits. These balances bear 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 5.00% and 10.00%, on a bi-monthly basis, (2012: 5.00% and 10.00%) of customer deposits having original maturities of less than 12 months, in LAK and in foreign currencies, respectively. During the period, the Bank maintained its compulsory deposits in compliance with the requirements by the BOL.

14. AMOUNTS DUE FROM OTHER BANKS

	30/9/2013 LAKm	31/12/2012 LAKm
Demand deposits at other banks	1,003,859	1,430,005
Domestic banks	229,212	98,418
- Demand deposits	229,212	98,418
Foreign banks	774,647	1,331,587
- Demand deposits	657,659	1,189,028
- Saving deposits	116,988	142,559
Term deposits at other banks	64,785	759,228
Domestic banks	7,870	116,020
Foreign banks	56,915	643,208
Loans to other credit institutions (*)	293,857	358,046
Domestic banks	293,857	358,046
	1,362,501	2,547,279

(*): General provision for loans to other banks is recorded in capital and reserves (see Note 17).

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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14. AMOUNTS DUE FROM OTHER BANKS (continued)

Loans to other credit institutions

Loans to other credit institutions comprise:

- ▶ Short-term loans to BCEL Leasing amounting to LAK 15,076,261,425 have term of 1 year and bear interest rate at 8.00% per annum; USD 10,710,500 and THB 48,892,782 have term of 1 year and bear interest rate at 7.00% and 6.75% per annum respectively.
- ▶ Medium-term loans to Lao Development Bank amounting to LAK 100,000,000,000 and USD 5,000,000 have term of 2 years and 3 years and bear interest rate at 10.50% and 8.00% per annum respectively.
- ▶ Medium-term loans to Agriculture Promotion Bank amounting to USD 3,400,000 have term of 3 years and bear interest rate at 5.50% per annum and THB 67,000,000 with term of 3 years and bear interest rate at 5.50% per annum.

Breakdown of loan classification and provision for loans to other credit institutions are as follows:

<i>Classification</i>	<i>Loan balance LAKm</i>	<i>Specific provision LAKm</i>	<i>General provision(*) LAKm</i>
Performing loans			
- <i>Normal or Pass</i>	293,857		2,938
- <i>Watch or Special mention</i>	-		-
Non-performing loans (NPL)			
- <i>Substandard</i>	-	-	
- <i>Doubtful</i>	-	-	
- <i>Loss</i>	-	-	
Total	293,857	-	2,938

(*): General provision for loans to other banks is recorded in capital and reserves (see Note 17).

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

15. INVESTMENT IN SECURITIES

	30/9/2013 LAKm	31/12/2012 LAKm
Available-for-sale securities	141,202	125,000
Equity securities issued by local business entities	141,202	125,000
Held-to-maturity securities	763,531	1,545,902
Debt securities issued by the Ministry of Finance	762,780	1,098,780
Debt securities issued by the Bank of Lao P.D.R	-	400,000
Debt securities issued by other entities	751	47,122
	904,733	1,670,902

15.1 Available-for-sale securities

Details of the Bank's equity securities - available-for-sale as at 30 September 2013 are as follows:

	30/9/2013 LAKm	31/12/2012 LAKm
Listed shares (EDL-Generation Public Company's shares)	123,679	125,000
Bonds issued by CIMB Thai Bank Public Company	17,523	-
	141,202	125,000

15.2 Held-to-maturity securities

Details of the Bank's securities - held-to-maturity as at 30 September 2013 are as follows:

	30/9/2013 LAKm	31/12/2012 LAKm
Treasury bills issued by the Ministry of Finance	449,000	785,000
Bonds issued by the Ministry of Finance	313,780	313,780
Bonds issued by the Bank of Lao P.D.R	-	400,000
Other securities	751	47,122
	763,531	1,545,902

15.2.1 Treasury bills issued by the Ministry of Finance

Details of the treasury bills as at 30 September 2013 are as follows:

Term	Issue date	Maturity date	Face value	Interest rate per annum
1 year	14-Feb-13	14-Feb-14	294,000	8.00%
1 year	5-Sep-12	5-Sep-13	50,000	8.50%
1 year	8-Apr-13	8-Apr-14	100,000	8.00%
1 year	23-Apr-13	23-Apr-14	5,000	8.00%
			449,000	

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15. INVESTMENT IN SECURITIES (continued)

15.2 Held-to-maturity securities (continued)

15.2.2 Bonds issued by the Ministry of Finance

	30/9/2013 LAKm	31/12/2012 LAKm
Triangle bonds	29,780	29,780
Capitalization bonds	98,000	98,000
Bonds for settlement of defaulted LC	20,000	20,000
Other bonds	166,000	166,000
	313,780	313,780

- ▶ Triangle bonds represent the bonds which were issued by the Ministry of Finance to either settle the balances due from the MOF or settle the debts owed to the Bank by customers who were in turn owed money by the MOF. The bonds are not transferrable and could be required to be extended on maturity by the MOF. The bonds carry a term of 17 years and bear no interest.
- ▶ Capitalization bonds were issued by the MOF to increase the Bank's chartered capital with the details as following:

<i>Issued date</i>	<i>Face value (LAKm)</i>	<i>Term</i>	<i>Interest rate (% p.a)</i>
03 January 2009	98,000	5 years	7.80%

- ▶ Bonds for settlement of defaulted LC are bonds issued by the MOF on 07 June 2007 under Decision No. 1330 in order to settle overdue letters of credit of customers which had been categorized as "Non-performing" since the year 1999. These bonds have maturities of 4 years with interest rate at 7% per annum.
- ▶ Other bonds issues by the Ministry of Finance are infrastructure bonds for the implementation of Wung Anh Port/Habour project (with total amount LAKm 146,000) and DM construction project (with total amount of LAKm 20,000). Details of these bonds are as follows:

<i>Issued date</i>	<i>LAKm equivalent</i>	<i>Term</i>	<i>Interest rate (% p.a)</i>
20 December 2011	50,000	2 years	3.00%
20 December 2011	50,000	3 years	3.50%
5 December 2011	46,000	5 years	8.00%
12 March 2012	20,000	2 years	3.00%
	166,000		

15.2.3 Other securities

Other securities are bonds issued by CIMB Thai Bank Public Company Limited. These bonds have terms ranging from 6 months to 1 year and bear interest at rates ranging from 2.70% to 8.00% per annum. Interest is payable on the maturity date.

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16. LOANS AND ADVANCES TO CUSTOMERS, NET OF SPECIFIC PROVISION

	30/9/2013 LAKm	31/12/2012 LAKm
Commercial loans	9,305,148	6,962,584
Less specific provision for credit losses	(25,738)	(59,954)
	9,279,410	6,902,630

Commercial loans denominated in LAK earn interest at rates varying from 9.00% to 11.00% per annum depending on the terms of the loans. Commercial loans denominated in USD and THB earn interest at rates ranging from 8.00% to 8.50% and 8.00% to 8.50% per annum, respectively.

16.1 Analysis of loan portfolio by currency

	30/9/2013 LAKm	31/12/2012 LAKm
Loans and advances denominated in LAK	3,955,566	2,687,559
Loans and advances denominated in USD	3,992,266	3,052,193
Loans and advances denominated in THB	1,357,316	1,222,832
	9,305,148	6,962,584

16.2 Analysis of loan portfolio by quality

	30/9/2013 LAKm	31/12/2012 LAKm
Normal or pass	8,862,547	6,269,413
Watch or Special mention	378,079	630,593
Substandard	45,188	2,614
Doubtful	5,266	1,067
Loss	14,068	58,897
	9,305,148	6,962,584

16.3 Analysis of loan portfolio by original term

	30/9/2013 LAKm	31/12/2012 LAKm
Short-term loans	2,741,044	2,384,208
Medium-term loans	5,090,792	3,321,483
Long-term loans	1,473,312	1,256,893
	9,305,148	6,962,584

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16. LOANS AND ADVANCES TO CUSTOMERS, NET OF SPECIFIC PROVISION (continued)

16.4 Analysis of loan portfolio by type of industrial sectors

	30/9/2013 LAKm	31/12/2012 LAKm
Industrial services companies	1,542,882	786,756
Construction companies	3,162,017	1,824,878
Technical instruments enterprises	104,081	119,016
Agricultural and forestry	69,532	357,240
Trading companies	2,540,860	2,063,694
Transportation companies	501,809	161,387
Services companies	1,322,409	1,595,458
Other loans	61,558	54,155
	9,305,148	6,962,584

16.5 Changes in provision for credit losses

	Specific provision LAKm	General provision (*) LAKm
Balance as at 1 January 2013	59,954	81,607
Provision charged to expense in the period	436,388	865,117
Reversal of provision in the period	(430,937)	(846,831)
Non-performing loans written-off	(39,675)	-
Foreign exchange difference	8	75
Balance as at 30 September 2013	25,738	99,968

(*): General provision for loans and advances to customers is recorded in general provision for credit activities (see Note 17).

Breakdown of loan classification and provision as required by the BOL as at 30 September 2013 is as follows:

Classification	Loan balance LAKm	Specific provision LAKm	General provision LAKm
Performing loans	9,240,626	-	99,968
- Normal or Pass	8,862,547	-	88,625
- Watch or Special mention	378,079	-	11,343
Non-performing loans (NPLs)	64,522	25,738	-
- Substandard	45,188	9,038	-
- Doubtful	5,266	2,632	-
- Loss	14,068	14,068	-
Total	9,305,148	25,738	99,968

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16. LOANS AND ADVANCES TO CUSTOMERS, NET OF SPECIFIC PROVISION (continued)

16.5 Changes in provision for credit losses (continued)

Breakdown of loan classification and provision as required by the BOL as at 31 December 2012 was as follows:

<i>Classification</i>	<i>Loan balance LAKm</i>	<i>Specific provision LAKm</i>	<i>General provision LAKm</i>
Performing loans	6,900,006	-	81,607
- <i>Normal or Pass</i>	6,269,413	-	62,689
- <i>Watch or Special mention</i>	630,593	-	18,918
Non-performing loans (NPLs)	62,578	59,954	-
- <i>Substandard</i>	2,614	523	-
- <i>Doubtful</i>	1,067	534	-
- <i>Loss</i>	58,897	58,897	-
Total	6,962,584	59,954	81,607

17. GENERAL PROVISION FOR CREDIT ACTIVITIES

	<i>General provision for loans to other banks LAKm</i>	<i>General provision for loans and advances to customers LAKm</i>	<i>Total LAKm</i>
Balances as at 1 January 2013	3,580	81,607	85,187
Provision charged to expense in the period (see Note 12)	29,067	865,117	894,184
Reversal of provision in the period (see Note 9)	(29,634)	(846,831)	(876,465)
Foreign exchange difference	(75)	75	-
Balances as at 30 September 2013	2,938	99,968	102,906

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18. INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES

	30/9/2013		31/12/2012, restated	
	Book value LAKm	Ownership %	Book value LAKm	Ownership %
Investment in subsidiaries				
BCEL Leasing Company Limited	9,000	100%	9,000	100%
BCEL - Krung Thai Securities Company Limited	70,000	70%	70,000	70%
Investment in joint ventures				
Lao Viet Joint Venture Bank	199,031	35%	199,031	35%
Banque Franco - Lao Company Limited	138,000	46%	138,000	46%
Lao-Viet Insurance Joint Venture Company	8,784	35%	7,369	29%
	424,815		423,400	

- BCEL Leasing Company Limited is incorporated in the Lao P.D.R under the Business License No. 011/09 granted by the Investment Promotion Department of the Ministry of Planning and Investment of the Lao P.D.R on 17 November 2009. Its head office is located in Vientiane Capital and it engages in providing leasing services.
- BCEL - Krung Thai Securities Company Limited is incorporated in the Lao P.D.R under the Business License No. 180-10 granted by the Investment Promotion Department of the Ministry of Planning and Investment of the Lao P.D.R on 14 December 2010. The company's principal activities are to provide brokerage services, proprietary trading, finance and securities investment advisory services, custody services, underwriting for share issues and other value added services.
- Lao Viet Joint Venture Bank ("LVB") is incorporated in the Lao P.D.R with its head office located in Vientiane and engages in the provision of banking services. It is a joint venture with the Bank for Investment and Development of Vietnam, a state-owned commercial bank incorporated in the Socialist Republic of Vietnam. The joint venture was granted the banking license on 31 March 2000 by the Bank of Lao P.D.R for a period of 30 years. The legal capital of LVB is USD 15,000,000 and had been fully contributed by partners as at 31 December 2009. In 2012, the Bank has contributed additional capital of USD 5,625,000 on 20 March 2012 and USD 11,375,000 on 28 December 2012. As at 30 September 2013, total contributed capital of the Bank was USD 24,500,000, equivalent to LAKm 199,031.
- Banque Franco - Lao Company Limited ("BFL") is incorporated in the Lao P.D.R with its head office located in Vientiane and engages in the provision of banking services. It is a joint venture with Cofibred Company Frances De La Bred which is a state-owned bank incorporated in Paris, France. The joint venture was granted the temporary banking license on 01 October 2009 and a permanent license on 16 July 2010 by the Bank of Lao P.D.R. The legal capital of BFL was USD 20 million which was later revised to USD 37 million in accordance with the President's decree issued on 24 September 2009 and letter No. 01/BOL dated 28 January 2010 from BOL. The total amount of USD 1,840,000 and LAK 122,854,960,000 was contributed by the Bank as at 30 September 2013.
- Lao-Viet Insurance Joint Venture Company ("LVI") is incorporated as a joint venture company in the Lao P.D.R providing insurance services under the Investment License No. 077/08/FIMC issued by the Foreign Investment Management Committee on 09 June 2008. It is a joint venture with BIDV Insurance Joint Stock Corporation and Lao Viet Joint Venture Bank. LVI's legal capital is USD 3,000,000 and has been fully contributed by partners on 17 July 2008. As at 30 September 2013, the total amount of USD 1,050,000 was contributed by the Bank.

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19. INTANGIBLE FIXED ASSETS

Movement of intangible fixed assets for the nine-month period ended 30 September 2013 is as follows:

	<i>Land use rights LAKm</i>	<i>Software LAKm</i>	<i>Total LAKm</i>
Cost:			
As at 1 January 2013	167,283	32,624	199,907
Additions	4,902	84,318	89,220
Disposal	(12)	(42,827)	(42,839)
As at 30 September 2013	<u>172,173</u>	<u>74,115</u>	<u>246,288</u>
Accumulated amortization:			
As at 1 January 2013	-	13,051	13,051
Charge for the period	-	8,417	8,417
Disposal	-	(1,397)	(1,397)
As at 30 September 2013	<u>-</u>	<u>20,071</u>	<u>20,071</u>
Net book value:			
As at 1 January 2013	<u>167,283</u>	<u>19,573</u>	<u>186,856</u>
As at 30 September 2013	<u>172,173</u>	<u>54,044</u>	<u>226,217</u>

20. TANGIBLE FIXED ASSETS

Movement of tangible fixed assets for the nine-month period ended 30 September 2013 is as follows:

	<i>Buildings & improvements LAKm</i>	<i>Office equipments LAKm</i>	<i>Furniture & fixtures LAKm</i>	<i>Motor vehicles LAKm</i>	<i>Total LAKm</i>
Cost:					
As at 1 January 2013	190,520	97,701	22,845	16,318	327,384
Additions	8,147	19,040	1,978	2,577	31,742
Disposal	(1,037)	(16,117)	(106)	(1,298)	(18,558)
As at 30 September 2013	<u>197,630</u>	<u>100,624</u>	<u>24,717</u>	<u>17,597</u>	<u>340,568</u>
Accumulated depreciation:					
As at 1 January 2013	29,720	45,588	4,965	6,704	86,977
Charge for the period	9,133	15,290	1,818	2,555	28,796
Disposal	(387)	(14,885)	(2)	(1,298)	(16,572)
As at 30 September 2013	<u>38,466</u>	<u>45,993</u>	<u>6,781</u>	<u>7,961</u>	<u>99,201</u>
Net book value:					
As at 1 January 2013	<u>160,800</u>	<u>52,113</u>	<u>17,880</u>	<u>9,614</u>	<u>240,407</u>
As at 30 September 2013	<u>159,164</u>	<u>54,631</u>	<u>17,936</u>	<u>9,636</u>	<u>241,367</u>

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21. ACCRUED INTEREST RECEIVABLES

	30/9/2013 LAKm	31/12/2012 LAKm
Accrued interest receivables - balance with the BOL	-	100
Accrued interest receivables - due from banks	2,829	6,478
Accrued interest receivables - loans and advances to customers	78,676	54,234
Accrued interest receivables - securities investments	32,243	37,630
	113,748	98,442

22. OTHER ASSETS

	30/9/2013 LAKm	31/12/2012 LAKm
Stationeries and other tools	1,055	826
Checks in collection	7,188	6,975
Assets waiting for sales	6,461	3,981
Prepaid expenses to be allocated	31,107	19,801
Prepayments	68,928	37,911
Others	17,291	12,448
	132,030	81,942

23. AMOUNTS DUE TO OTHER BANKS

	30/9/2013 LAKm	31/12/2012 LAKm
Demand deposits	723,340	830,878
Domestic banks	255,562	324,504
Foreign banks	27,353	2,769
National treasury	438,954	503,564
Other government institutions	1,471	41
Saving deposits	56,678	17,231
Domestic banks	23,163	14,850
Foreign banks	33,515	2,381
Other government institutions	-	-
Term deposits	156,461	14,801
Foreign banks	-	5,000
Other government institutions	156,461	9,801
Borrowings from other banks	58,061	60,067
Bank of Lao P.D.R	58,061	60,067
Other payables to other banks	14,746	1,723
Cheque payable	14,207	1,478
Pending remittance	539	245
	1,009,286	924,700

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23. AMOUNTS DUE TO OTHER BANKS (continued)

Saving deposits from other banks denominated in LAK, USD, THB bear interest at rates from 1.15 %, 0.50%, and 0.50 % per annum, respectively.

Borrowings from the BOL include:

- ▶ Borrowing from the BOL represents the medium-term loan of USD 180,000 as at 30 September 2013 (original loan amount is USD 2,000,000) from the BOL for the purpose of investment in Lao Viet Joint Venture Bank. The loan's principal is paid annually from 2000 to 2014. The loan does not bear interest if the principal repayment is made on time.
- ▶ Other borrowings from the BOL represents the long-term loan of USD 7,228,571 as at 30 September 2013 (original loan amount is USD 9,200,000) from the BOL for the purpose of investment in Banque Franco - Lao Company Limited. The loan's principal is paid annually from 2010 to 2023 with the interest rate of 0.25% per annum.

24. AMOUNTS DUE TO CUSTOMERS

	30/9/2013 LAKm	31/12/2012 LAKm
Demand deposits	2,836,433	2,893,119
Demand deposits in LAK	915,155	1,013,307
Demand deposits in FC	1,921,278	1,879,812
Saving deposits	5,643,558	5,391,968
Saving deposits in LAK	1,802,862	1,685,350
Saving deposits in FC	3,840,696	3,706,618
Margin deposits	80,921	145,548
Margin deposits in LAK	14,685	19,271
Margin deposits in FC	66,236	126,277
Fixed term deposits	4,919,139	4,172,639
Fixed term deposits in LAK	3,338,657	1,039,488
Fixed term deposits in FC	1,580,482	3,133,151
Other amount payables to customers	101,380	164,888
Cheque payable	9,846	86,804
Others payables	91,534	78,084
	13,581,431	12,768,162

Saving deposits from customers denominated in LAK, USD and THB bear interest at rate of 3.00%, 1.40% and 1.15% per annum respectively.

Fixed term deposits in LAK, USD, THB have terms of 3, 6, 12 months and more than 1 year and are subject to interest rates ranging from 0.85 - 6.00%, 1.30 - 8.00 %, 1.85 - 10.00% and 3.15% - 13.25% per annum respectively.

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25. ACCRUED INTEREST PAYABLES

	30/9/2013 LAKm	31/12/2012 LAKm
Accrued interest expense – balance with the BOL	36	5
Accrued interest expense – balance with other banks	1,262	286
Accrued interest expense – customer deposits	68,624	63,597
	69,922	63,888

26. TAXATION

26.1 Enterprise income tax expense

Major components of tax expense were as follows:

	For the nine-month period ended 30 September 2013 LAKm	For the nine-month period ended 30 September 2012 LAKm
Enterprise income tax expense in accordance with statutory tax regulations		
- Current	38,419	63,915
Total tax expense for the period	38,419	63,915

26.2 Current Enterprise income tax

Provision is made for taxation on the current period's profits, based on the Tax Law governing taxation within Lao P.D.R. The Bank is obliged to pay tax at rate of 24% on total profit before tax in accordance with the new Tax Law No.05 dated 20 December 2011 which is effective on or after 1 January 2013 (2012: the Bank is obliged to pay the higher amount of 28% of total profit before tax and 1% of total revenue if and only if the Bank declared loss or the profit range does not reach the CIT rate in accordance with Notification No.3383/MOF of Ministry of Finance). Additionally, in accordance with Decree 001 dated 28 December 2010 issued by the President of Laos P.D.R, the tax rate for listed companies is reduced by 5% within 4 years from the date of listing. Accordingly, the Bank is subject to the tax rate of 19% for the nine-month period ended 30 September 2013 (2012: 23%).

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26. TAXATION (continued)

26.2 Current Enterprise income tax (continued)

	<i>For the nine-month period ended 30 September 2013</i>	<i>For the nine-month period ended 30 September 2012</i>
	<i>LAKm</i>	<i>LAKm</i>
Profit before tax	213,660	281,633
<i>Less:</i>		
Income exempt from EIT (dividend income)	(12,560)	(3,883)
<i>Add:</i>		
Non-deductible expenses	1,103	142
Taxable profit	202,203	277,892
Enterprise income tax expense at 19% of total taxable profit of the Bank (2012: 23%)	38,419	63,915
Payable at the beginning of the period	54,819	57,005
Tax paid during the period	(89,984)	(58,327)
Payable at the end of the period	3,254	62,593

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 interim separate financial statements could be changed at a later date upon final determination by the tax authorities.

27. OTHER LIABILITIES

	<i>30/9/2013</i>	<i>31/12/2012</i>
	<i>LAKm</i>	<i>LAKm</i>
Payables to employees	-	31,987
Payable to suppliers	8,421	13,684
Termination allowances	7,502	5,691
Other payables	19,181	71,757
	35,104	123,119

28. CASH AND CASH EQUIVALENTS

	<i>30/9/2013</i>	<i>31/12/2012</i>
	<i>LAKm</i>	<i>LAKm</i>
Cash on hand	1,474,887	1,132,745
Balances with the BOL	1,551,042	1,555,943
Current accounts with other banks	1,003,859	1,430,005
	4,029,788	4,118,693

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29. TRANSACTIONS WITH RELATED PARTIES

Related party transactions include all transactions undertaken with other parties to which the Bank is related. A party is related to the Bank if:

- (a) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the Bank (this includes parents, subsidiaries and fellow subsidiaries);
 - has an interest in the Bank that gives it significant influence over the Bank; or
 - has joint control over the Bank.
- (b) the party is a joint venture in which the Bank is a venture;
- (c) the party is a member of the key management personnel of the Bank or its parent;
- (d) the party is a close member of the family of any individual referred to in (a) or (d);
- (e) the party is an Bank that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such Bank resides with, directly or indirectly, any individual referred to in (c) or (d); or
- (f) the party is a post-employment benefit plan for the benefit of employees of the Bank, or of any Bank that is a related party of the Bank.

Significant balances with related parties as at 30 September 2013 are as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Receivable LAKm</i>	<i>Payable LAKm</i>
The Bank of Lao P.D.R	Direct controller	Borrowings from the BOL	-	58,061
The Bank of Lao P.D.R	Direct controller	BCEL's demand deposits at BOL	776,329	-
The Bank of Lao P.D.R	Direct controller	BCEL's compulsory deposits at BOL	774,713	-
The Ministry of Finance of Lao P.D.R	Direct owner	Investment in MOF's bonds	762,780	-
BCEL Leasing Company	Subsidiary	Current accounts	-	2,246
BCEL Leasing Company	Subsidiary	Loans and accrued interest	112,366	-
BCEL - Krung Thai Securities Company Limited	Subsidiary	Current accounts	-	35,000
BCEL - Krung Thai Securities Company Limited	Subsidiary	Saving accounts	-	5,135
Lao Viet Joint Venture Bank	Joint venture	Current accounts	4,626	32,376
Banque Franco – Lao Company Limited	Joint venture	Current accounts	120,000	123,790
Lao Viet Insurance Company	Joint venture	Current accounts	-	2,500

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29. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant balances with related parties as at 31 December 2012 were as follow:

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Receivable LAKm</i>	<i>Payable LAKm</i>
The Bank of Lao P.D.R	Direct controller	Borrowings from the BOL	-	60,067
The Bank of Lao P.D.R	Direct controller	BCEL's demand deposits at BOL	832,546	-
The Bank of Lao P.D.R	Direct controller	BCEL's compulsory deposits at BOL	723,397	-
The Bank of Lao P.D.R	Direct controller	BCEL's term deposits and accrued interest at BOL	26,713	-
The Bank of Lao P.D.R	Direct controller	Investment in BOL's bonds	400,000	-
The Ministry of Finance of Lao P.D.R	Direct owner	Investment in MOF's bonds	1,098,780	-
BCEL Leasing Company	Subsidiary	Current accounts	-	1,852
BCEL Leasing Company	Subsidiary	Loans and accrued interest	-	6,809
BCEL - Krung Thai Securities Company Limited	Subsidiary	Saving accounts	-	65,229
Lao Viet Joint Venture Bank	Joint venture	Current accounts	-	21,640
Banque Franco – Lao Company Limited	Joint venture	Current accounts	-	3,545
Lao Viet Insurance Company	Joint venture	Saving accounts	-	1,241

Remuneration to members of the Board of Directors and the Board of Management was as follows:

	<i>For the nine-month period ended 30 September 2013 LAKm</i>	<i>For the nine-month period ended 30 September 2012 LAKm</i>
Salaries	990	810
Responsibility allowance	525	821
	1,515	1,631

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30. EARNINGS PER SHARE

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

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

	<i>For the three- month period ended 30 September 2013</i>	<i>For the nine- month period ended 30 September 2013</i>	<i>For the three- month period ended 30 September 2012</i>	<i>For the nine- month period ended 30 September 2012</i>
Net profit after tax attributable to ordinary equity holders for basic earnings (LAKm)	63,477	175,241	96,549	217,718
Weighted average number of ordinary shares for basic earnings per share (units)	136,577,600	136,577,600	136,577,600	136,577,600
Face value per share (LAK)	5,000	5,000	5,000	5,000
Earnings per share (LAK)	465	1,283	707	1,594

31. CAPITAL MANAGEMENT

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

In accordance with Regulation 536/BFSD/BOL the Bank's regulatory capital is analyzed into two tiers:

- Tier 1 capital, which includes chartered capital, regulatory reserve fund, business expansion fund and other funds, and retained earnings;
- Tier 2 capital, which includes qualifying subordinated liabilities, general provisions and the element of fair value reserve relating to unrealized gains/losses on equity instruments classified as available for sale.

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

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at 30 September 2013 and for the nine-month period then ended

31. CAPITAL MANAGEMENT (continued)

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

	30/9/2013	31/12/2012 <i>restated</i>
	LAKm	LAKm
Tier 1 capital	983,021	923,601
Tier 2 capital	102,906	85,187
Total capital	1,085,927	1,008,788
Less: Deductions from capital (Investments in other entities)	(424,815)	(423,400)
Capital for CAR calculation (A)	661,112	585,388
Risk weighted balance sheet items	5,352,792	5,181,591
Risk weighted off balance sheet items	1,649,054	2,478,987
Total risk weighted assets (B)	7,001,846	7,660,578
Capital Adequacy Ratio (A/B)	9.44%	7.64%

32. RESTATEMENT OF CORRESPONDING FIGURES

Certain corresponding figures on the interim balance sheet have been restated as follows:

Extracted from the balance sheet as at 31 December 2012:

	31/12/2012 (Reported) LAKm	Restatement LAKm	31/12/2012 Restated LAKm
BALANCE SHEET			
Investment in subsidiaries and joint-ventures (i)	426,967	(3,567)	423,400
TOTAL ASSETS	14,947,043	(3,567)	14,943,476
Retained earnings (i)	60,488	(3,567)	56,921
TOTAL LIABILITIES AND CAPITAL	14,947,043	(3,567)	14,943,476

- (i) To retranslate the investments in joint ventures using the rate stipulated by the BOL. Accordingly, the investment contributed before 2010 was translated at rate ruling in 31 January 2010. Further capital contribution after 31 January 2010 is translated at rate ruling on the capital contributed date.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
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33. EVENTS AFTER THE INTERIM SEPARATE BALANCE SHEET DATE

Other than as disclosed elsewhere in these interim separate financial statements, at the date of this report, there were no events, which occurred subsequent to 30 September 2013 that significantly impacted the interim separate financial position of the Bank as at 30 September 2013.


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Vientiane, Lao P.D.R

30 October 2013