

**Phongsavanh Bank Limited.**



**Annual Report , Year 2019.**

**( Audited )**

Phongsavanh Bank Limited

Statement of comprehensive income  
For the year ended 31 December 2019

		31 December 2019	31 December 2018 Restated
	Notes	LAKm	LAKm
<b>A Operating income and expenses</b>			
Interest and similar income		254,158	236,356
Interest and similar expenses		(157,376)	(144,323)
<b>I Net interest and similar income</b>	4	<b>96,782</b>	<b>92,033</b>
Fees and commission income		32,432	25,892
Fees and commission expenses		(7,439)	(6,958)
<b>II Net fee and commission income</b>	5	<b>24,993</b>	<b>18,934</b>
Net gain from dealing in foreign currencies	6	9,921	10,106
Net loss from financial instrument trading		-	(23)
<b>III Net operating income</b>		<b>131,696</b>	<b>121,050</b>
<b>B Other income and expenses</b>			
<b>Other operating income</b>	7	<b>21,556</b>	<b>29,131</b>
<b>Administrative expenses</b>		<b>(106,263)</b>	<b>(102,763)</b>
Payroll and other staff cost		(70,578)	(68,055)
Other administrative expenses	8	(35,685)	(34,708)
<b>Depreciation and amortization expense</b>	14, 15	<b>(20,264)</b>	<b>(19,651)</b>
<b>Other operating expenses</b>	9	<b>(18,082)</b>	<b>(98,372)</b>
<b>Net (Provision charge)/reversal for credit losses</b>		<b>15,432</b>	<b>(42,923)</b>
<b>Total profit before tax</b>		<b>24,075</b>	<b>(113,528)</b>
<b>Current profit tax</b>		<b>(364)</b>	<b>-</b>
<b>Profit after tax</b>		<b>23,711</b>	<b>(113,528)</b>
Other comprehensive income (expenses), net of taxes revaluation of assets		(22,072)	268,627
<b>Total other comprehensive income (expenses), net of taxes</b>		<b>(22,072)</b>	<b>268,627</b>
<b>Total Comprehensive income for the year</b>		<b>1,639</b>	<b>155,099</b>

Prepared by:



Mrs. Daly Pholsena  
Chief Financial Officer

Vientiane, Lao PDR.  
25 August 2020

Approved by:



Mr. Phaiboun Phongsavanh  
Managing Director

The accompanying notes on pages 9 to 33 from an integral part of these financial statements.  
Independent auditor's report – pages 1 to 3.

Phongsavanh Bank Limited

Statement of financial position

As at 31 December 2019

		31 December 2019	31 December 2018 Restated
	Notes	LAKm	LAKm
<b>I Cash on hand and balance with the BoL</b>	10	<b>471,084</b>	<b>481,980</b>
Cash on hand		128,631	149,526
Balances with the BOL		342,453	332,454
<b>II Due from other banks</b>	11	<b>112,735</b>	<b>170,098</b>
Due from other banks - Demand deposits		98,195	77,416
Due from other banks - Saving deposits		4,819	39,503
Due from other banks - Term deposits		9,721	53,179
<b>III Investment in securities</b>	12	<b>63,172</b>	<b>75,254</b>
Available-for-sale securities		26,350	33,500
Held-to-maturity securities		36,822	41,754
<b>IV Loan to customers, net of provision for credit losses</b>	13	<b>2,559,995</b>	<b>2,164,692</b>
<b>V Fixed assets</b>		<b>541,290</b>	<b>570,699</b>
Asset under construction	14	41,701	38,984
Tangible fixed assets	14	487,297	515,774
Intangible assets	15	12,292	15,941
<b>VI Other assets</b>	16	<b>361,255</b>	<b>222,970</b>
Accrued interest receivables		125,926	82,935
Profit tax recoverable		14,438	14,668
Other assets		220,891	125,367
<b>Total Assets</b>		<b><u>4,109,531</u></b>	<b><u>3,685,693</u></b>

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Phongsavanh Bank Limited

Statement of financial position  
As at 31 December 2019

	Notes	31 December 2019 LAKm	31 December 2018 Restated LAKm
<b>I Due to other banks</b>	17	<b>114,821</b>	<b>126,778</b>
Due to other banks - Demand deposits		936	900
Due to other banks - Term deposits		112,034	123,346
Due to other banks - Other payable to other banks		1,851	2,532
<b>II Due to customers</b>	18	<b>3,577,229</b>	<b>3,153,803</b>
Due to customers - Demand and daily deposits		243,703	171,609
Due to customers - Saving deposits		914,374	892,757
Due to customers - Term deposits		2,419,152	2,089,437
<b>III Other liabilities</b>		<b>131,714</b>	<b>123,684</b>
Accrued interest payables		92,440	75,556
Statutory obligation		2,631	2,631
Other liabilities	19	36,643	45,497
<b>Total Liabilities</b>		<b>3,823,764</b>	<b>3,404,265</b>
<b>IV Capital and reserves</b>			
Contributed capital	20	230,065	227,365
Fixed assets revaluation reserve		246,555	268,627
Accumulated losses		(190,853)	(214,564)
<b>Total Equity</b>		<b>285,767</b>	<b>281,428</b>
<b>Total Liabilities and Equity</b>		<b>4,109,531</b>	<b>3,685,693</b>

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Chief Financial Officer

Approved by:



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Managing Director

Vientiane, Lao PDR.  
25 August 2020

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Phongsavanh Bank Limited

Statement of changes in equity  
For the year ended 31 December 2019

	Notes	Paid-up capital LAKm	Revaluation reserves LAKm	Accumulated losses LAKm	Total LAKm
<b>Balance as at 1 January 2018</b>		139,392	-	(101,036)	38,356
<b>Comprehensive income</b>					
Net profit for the year - restated		-	-	(113,528)	(113,528)
Capital contribution in-kind during the year	20	87,973	-	-	87,973
Other comprehensive income/(expenses)	14	-	268,627	-	268,627
<b>Balances as at 31 December 2018 - restated</b>		<b>227,365</b>	<b>268,627</b>	<b>(214,564)</b>	<b>281,428</b>
Net profit for the year		-	-	23,711	23,711
Capital contribution in-kind during the year	14	2,700	-	-	2,700
Other comprehensive income/(expenses)		-	(22,072)	-	(22,072)
<b>Balances as at 31 December 2019</b>		<b>230,065</b>	<b>246,555</b>	<b>(190,853)</b>	<b>285,767</b>

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**Phongsavanh Bank Limited**

**Statement of cash flow**

**For the year ended 31 December 2019**

	Notes	31 December 2019 LAKm	31 December 2018 Restated LAKm
<b>OPERATING ACTIVITIES</b>			
<b>Net profit/(loss) before income tax</b>		<b>24,075</b>	<b>(113,528)</b>
<i>Adjustments for;</i>			
Depreciation and amortisation charges	14, 15	20,264	19,651
Provision for credit losses	13.1	(14,967)	23,743
Interest income		(254,158)	(147,694)
Interest expense		157,375	144,323
<b>Cash flow from/(use in) operating activity</b>		<b>(67,411)</b>	<b>(73,505)</b>
Changes in operating assets and liabilities			
(Increase)/Decrease in operating assets			
Balances with other banks		46,481	(557)
Loan to customers		(380,336)	52,417
Other assets		(93,124)	(29,219)
Increase/(Decrease) in operating liabilities			
Amounts due to other banks		(11,957)	(29,026)
Customer deposits and other amounts due to customers		423,426	70,463
Other liabilities		(8,854)	30,071
Profit Tax Paid during the year		2,994	(230)
Interest received		211,167	173,563
Interest paid		(140,492)	(137,951)
<b>Net cash flow from operating activities</b>		<b>(18,106)</b>	<b>56,026</b>
<b>INVESTMENT ACTIVITIES</b>			
Purchase and construction of fixed assets		(15,754)	(45,258)
Payment for investment in securities		(52,172)	(75,254)
Securities matured and paid back		64,254	61,000
<b>Net cash flow from/(used in) investing activities</b>		<b>(3,672)</b>	<b>(59,512)</b>
<b>FINANCING ACTIVITIES</b>			
Capital contribution		-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>		<b>(21,778)</b>	<b>(3,486)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>466,127</b>	<b>469,613</b>
<b>Cash and cash equivalents at the end of the year</b>	21	<b>444,349</b>	<b>466,127</b>

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