



ICB FINANCIAL GROUP HOLDINGS AG

Incorporated in Switzerland
Registration Number CH-130.3.009.158-0

INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2011

ICB Financial Group Holdings AG
(Incorporated in Switzerland)

Interim Financial Statements
For The 6 Month Period Ended 30 June 2011

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ICB Financial Group Holdings AG

Interim Results For The 6 Month
Period Ended 30 June 2011

Interim Results Summary

For the 6 months ended 30 June 2011, ICB Financial Group Holdings AG (“ICBFGH” or the “Group”) recorded a consolidated pre-tax profit of USD 1.7 million, compared to USD 7.1 million in the corresponding period last year. The results for the current half-year were impacted by lower gains on foreign currencies and higher operating expenses.

Financial Highlights

- **The Group’s total loans and advances grew by USD 7.1 million to USD 897 million for the first 6 months of this year.** Growth in loans was particularly strong at ICB Ghana and ICB Laos which was offset by negative loans growth at PT Bank ICB Bumiputera Indonesia.
- **Deposits declined by USD 53.1 million to USD 1,185.5 million for the first six months of this year.** The large decrease was mainly from Bank ICB Bumiputera and ICB Bangladesh where high cost funds like fixed deposits were reduced as part of balance sheet management to improve net interest margins.
- **The net interest income of the Group of USD 37.0 million was up by USD 5.7 million compared to the corresponding period last year.** The net interest income growth is mainly attributable to growth in loans and advances and improvements in net interest margins.
- **Operating expenses increased by USD 6.1 million to USD 41.6 million.** The increase is due to higher staff costs arising from salary adjustments, and the opening of new branches.
- **Impairment charges for the half year were USD 3.1 million, a decrease of USD 0.13 million compared to the corresponding period last year,** mainly due to lower impairment charges incurred at ICB Islamic Bank Bangladesh.

Chairman's Statement 30 June 2011

On behalf of the Board of Directors, I am pleased to present the financial statements (unaudited) for ICB Financial Group Holdings AG for the half year period to 30th June, 2011.

The Group recorded a consolidated pre-tax profit of USD 1.7 million for the half year ended 30th June, 2011. This was well below expectations and significantly lower than the June 2010 half year result of a pre-tax profit of USD 7.1 million. Whilst many of the Banks performed well, the African continent in particular, currency gains of USD 6.3 million for the half year to June 2010 were in the recent period reduced to a loss of USD 0.617 million. A significant element of this loss is due to the weakening of the US\$ against other world currencies, the Swiss franc in particular. However, this risk is being mitigated where possible by the Group's policy of holding a diversified mix of currencies to minimize the impact of currency fluctuations.

Africa made a healthy profit before tax ("PBT") contribution of USD 4.8 million in the period (USD 1.9 million for the half year to June 2010). Good returns also came from Laos which strengthened its performance to deliver a PBT of USD 0.665 million (USD 0.187 million for the half year to June 2010). Bangladesh continues to make progress in its recovery returning a PBT of USD 0.881 million for the period (USD 1,475 million loss for the half year to June 2010). Albania, the Group's presence in Eastern Europe, saw profits fall to USD 0.085 million, down from USD 1.071 million for the half year to June 2010, this reduction reflecting a translation loss on USD capital funds arising from a weakening of the Lek against the US\$.

In Indonesia, PT Bank ICB Bumiputera's performance has been poor, with the Bank returning a loss of USD 1 million (PBT USD 2.2 million for the half year to June 2010). Whilst this Bank has experienced very strong market competition its performance has not been satisfactory. At Group level, discussions are in place with the Bank's Board of Commissioners and these have already resulted in changes being made to the Bank's Executive leadership. In addition the Group's Global Management team is assisting Country Management in the development and implementation of plans to quickly restore the Bank to sound profitable trading levels.

Net Interest Income for the Group increased by 18% to USD 37 million (USD 31.4 million for the half year to June 2010). Net Fee & Commission Income also strengthened contributing some USD 8.4 million (USD 7.9 million for the half year to June 2010). The greater part of this increase was generated by the African businesses although strong contributions were provided by both Laos and Bangladesh.

The increase in Operating Expenses of some USD 6.1 million (USD 41.6 million for the half year to June 2011/USD 35.5 million for the half year to June 2010) reflects a general expansion of the distribution network across the Banks. However, USD 2.6 million of this increase is attributable to PT Bank ICB Bank Bumiputera in Indonesia whose returns do not support such a position. The consequence of the overall Indonesian situation has contributed to deterioration in the Cost/Income ratio for the Group which stood at 88% as at June 2011 (73% June 2010).

Improving country economies have enabled progress to be made in most countries in achieving recoveries which in turn has resulted in the achievement of a modest reduction of loan impairment

charges. For the half year to June 2011 these amounted to USD 3.1 million (USD 3.2 million for the half year to June 2010).

In looking to the immediate future the Group Board expects the majority of its investments to perform well. Whilst Bangladesh is now making a positive contribution to Group profitability the sale of this Bank has still not progressed. I advised Shareholders that a delay in the disposal of this investment had arisen and at this point the final approval of the Central Bank is still awaited. At PT Bank ICB Bumiputera, Indonesia we expect the trading position to remain challenging for the remainder of the year.

Michael R Hanlon
Group Chairman

ICB Financial Group Holdings AG
(Incorporated in Switzerland)
Consolidated Statement of Comprehensive Income
For The 6 Month Period Ended 30 June 2011

	Note	6 months ended 30-Jun-11 USD'000	6 months ended 30-Jun-10 USD'000
Interest income		72,331	61,222
Interest expense		(35,297)	(29,856)
Net interest income		<u>37,034</u>	<u>31,366</u>
Fee and commission income		8,456	7,957
Foreign currency (loss)/gain		(617)	6,382
Gains less losses from financial investments		1,249	2,299
Loss on disposal of foreclosed properties		(503)	(682)
Other operating income		1,374	849
Impairment charges for loans and advances to customers		(3,120)	(3,253)
Fair value change in foreclosed properties		(507)	(2,146)
Operating expenses		(41,615)	(35,471)
Operating profit		<u>1,751</u>	<u>7,301</u>
Share of results of associates		20	(223)
Profit before taxation		<u>1,771</u>	<u>7,078</u>
Tax expense		(1,485)	(1,410)
Profit for the period		<u>286</u>	<u>5,668</u>
Other comprehensive income for the period:			
Exchange differences on translating foreign operations		13,217	(7,027)
Available-for-sale financial assets		518	(8)
		<u>13,735</u>	<u>(7,035)</u>
Total Comprehensive income for the period		<u>14,021</u>	<u>(1,367)</u>
Profit of the period attributable to:			
- Owners of the parent		43	5,860
- Non-controlling interests		243	(192)
		<u>286</u>	<u>5,668</u>
Total comprehensive income attributable to:			
- Owners of the parent		9,197	(2,347)
- Non-controlling interests		4,824	980
		<u>14,021</u>	<u>(1,367)</u>
Earnings per share			
- Basic and diluted (Expressed in USD per share)	3	<u>0.00</u>	<u>0.03</u>

The accompanying notes form an integral part of the financial statements.

ICB Financial Group Holdings AG
(Incorporated in Switzerland)

Consolidated Statement of Financial Position
As At 30 June 2011

	Note	30-Jun-11 USD'000	31-Dec-10 USD'000
ASSETS			
Cash and bank balances		353,955	396,204
Loans and advances to customers	4	897,027	889,950
Financial investments		182,355	185,810
Foreclosed properties		8,189	11,692
Investment in associates		2,563	2,351
Goodwill and other intangible assets		55,180	61,861
Prepaid lease payments		41	41
Property and equipment		22,697	24,221
Other assets		51,782	56,955
Deferred tax assets		4,146	4,278
Total Assets		<u>1,577,935</u>	<u>1,633,363</u>
LIABILITIES			
Deposits from other banks		167,643	172,801
Deposits from customers	5	1,185,570	1,238,678
Other liabilities		40,979	51,124
Tax liabilities		428	1,455
Deferred tax liabilities		244	255
Total Liabilities		<u>1,394,864</u>	<u>1,464,313</u>
EQUITY			
Paid up share capital	6	145,960	145,960
Share premium		782	782
Retained earnings		44,793	44,750
Other reserves		25,452	16,298
Equity attributable to owners of the Company		<u>216,987</u>	<u>207,790</u>
Non-controlling interests		(33,916)	(38,740)
Total Equity		<u>183,071</u>	<u>169,050</u>
Total Equity and Liability		<u>1,577,935</u>	<u>1,633,363</u>

The accompanying notes form an integral part of the financial statements.

ICB Financial Group Holdings AG
(Incorporated in Switzerland)

Consolidated Statement of Cash Flows
For The 6 Month Period Ended 30 June 2011

	6 months ended 30-Jun-11 USD'000	6 months ended 30-Jun-10 USD'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,771	7,078
Adjustment for :		
Impairment charges for loans and advances to customers	3,120	3,253
Amortisation of prepaid lease rental	20	20
Amortisation of intangible assets	971	994
Depreciation of property and equipment	2,491	2,051
Fair value change in foreclosed properties	507	2,146
Loss on disposal of foreclosed assets	503	682
Share of results of associates	(20)	223
(Loss)/Gain on foreign exchange translation	617	(6,382)
Cash flow from operations before working capital changes	<u>9,980</u>	<u>10,065</u>
Decrease/(Increase) in operating assets	20,204	(106,881)
(Decrease)/Increase in operating liabilities	(90,330)	41,375
Cash used in operations	<u>(60,146)</u>	<u>(55,441)</u>
Tax paid	<u>(1,054)</u>	<u>(2,167)</u>
Net cash used in operating activities	<u>(61,200)</u>	<u>(57,608)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of foreclosed assets	3,069	4,091
Purchase of property and equipment	(1,067)	(4,854)
Purchase of intangible assets	(216)	(245)
Net decrease in financial investments	3,214	25,157
Net cash from investing activities	<u>5,000</u>	<u>24,149</u>

ICB Financial Group Holdings AG
(Incorporated in Switzerland)

Consolidated Statement of Cash Flows (Cont'd.)
For The 6 Month Period Ended 30 June 2011

	6 months ended 30-Jun-11 USD'000	6 months ended 30-Jun-10 USD'000
Net decrease in cash and cash equivalents	(56,200)	(33,459)
Cash and cash equivalents at the beginning of the year	304,850	214,262
Effect of exchange rate changes on cash and cash equivalents	7,194	(7,586)
Cash and cash equivalents at the end of the year	<u>255,844</u>	<u>173,217</u>

Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash and bank balances, items in the course of collection less mandatory reserve deposits with central banks.

The accompanying notes form an integral part of the financial statement.

ICB Financial Group Holdings AG
(Incorporated in Switzerland)

Consolidated Statement of Changes in Equity
For The 6 Month Period Ended 30 June 2011

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Equity Attributable To Owners of the Parent	Non- controlling Interests	Total Equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January 2011	145,960	782	16,298	44,750	207,790	(38,740)	169,050
Profit for the period				43	43	243	286
Other comprehensive income:							
Currency translation differences arising from translation to presentation currency	-	-	8,792	-	8,792	4,425	13,217
Loss in fair value on available-for-sale securities	-	-	362	-	362	156	518
Total comprehensive income for the period	-	-	9,154	43	9,197	4,824	14,021
At 30 June 2011	145,960	782	25,452	44,793	216,987	(33,916)	183,071

ICB Financial Group Holdings AG
(Incorporated in Switzerland)

Consolidated Statement of Changes in Equity (Cont'd.)
For The 6 Month Period Ended 30 June 2011

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Equity Attributable To Owners of the Parent	Non- controlling Interests	Total Equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January 2010	145,960	782	15,812	37,808	200,362	(41,636)	158,726
Profit for the period	-	-	-	5,860	5,860	(192)	5,668
Other comprehensive income:							
Currency translation differences arising from translation to presentation currency	-	-	(8,202)	-	(8,202)	1,175	(7,027)
Loss in fair value on available-for-sale securities	-	-	(5)	-	(5)	(3)	(8)
Total comprehensive income for the year	-	-	(8,207)	5,860	(2,347)	980	(1,367)
Dividend payable to non-controlling interests	-	-	-	-	-	(82)	(82)
At 30 June 2010	145,960	782	7,605	43,668	198,015	(40,738)	157,277

The accompanying notes form an integral part of the financial statements.

ICB Financial Group Holdings AG
(Incorporated in Switzerland)

Notes To The Interim Consolidated Financial Statements

1. Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses. Due to the inherent uncertainty in making those estimates, actual results reported in future periods could differ from such estimates.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

The interim financial statements were approved by the board on 22 September 2011.

2. Basis of Accounting

The interim financial statements of the Group have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities held at fair value through profit or loss. The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the Group's audited financial statements for the year ended 31 December 2010.

3. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of shares in issue, in the 6 month period ended 30 June 2011 of 180,000,000 (2010: 180,000,000).

There are no options or other instruments in issue that would dilute the earnings per share.

4. Loans and Advances to Customers

	As at 30-Jun-11 USD'000	As at 31-Dec-10 USD'000
Gross loans and advances	991,221	987,577
Less: Allowance for losses on loans and advances	(94,194)	(97,627)
	<u>897,027</u>	<u>889,950</u>

5. Deposits

	As at 30-Jun-11 USD'000	As at 31-Dec-10 USD'000
Current accounts	156,865	175,172
Saving accounts	227,076	206,056
Time deposits	774,517	838,704
Others	27,112	18,746
	<u>1,185,570</u>	<u>1,238,678</u>

6. Paid-Up Share Capital

	No of Shares		As at 30-Jun-11 USD'000	As at 31-Dec-10 USD'000
	As at 30-Jun-11 '000	As at 31-Dec-10 '000		
As at 1 January/30 June	180,000	180,000	145,960	145,960

7. Subsidiaries & Associates

Details of subsidiaries & Associates are as follows:

Name of subsidiaries	Country of Incorporation	% effective interest held		Principal Activities
		As at 30-Jun-11	As at 31-Dec-10	
International Commercial Bank (Gambia) Ltd.	Gambia	99.10	99.10	Commercial Bank
International Commercial Bank S. A.	Guinea	97.00	97.00	Commercial Bank
International Commercial Bank (Sierra Leone) Ltd.	Sierra Leone	99.98	99.98	Commercial Bank
International Commercial Bank SH. A	Albania	100.00	100.00	Commercial Bank
International Commercial Bank (Mozambique) S.A.	Mozambique	99.99	99.99	Commercial Bank
International Commercial Bank Limited	Ghana	100.00	100.00	Commercial Bank
PT Bank ICB Bumiputra Tbk	Indonesia	69.90	69.90	Commercial Bank
International Commercial Bank (Djibouti) S.A.	Djibouti	99.90	99.90	Commercial Bank
ICB Global Management Sdn. Bhd.	Malaysia	100.00	100.00	Providing Technical & Management Services
ICB Islamic Bank Ltd	Bangladesh	50.10	50.10	Commercial Bank
International Commercial Bank Lao Ltd	Laos	100.00	100.00	Commercial Bank
International Commercial Bank Ltd - Malawi	Malawi	100.00	100.00	Commercial Bank
International Commercial Bank Zambia Limited	Zambia	100.00	100.00	Commercial Bank

7. Subsidiaries & Associates (Cont'd.)

	Country of Incorporation	% effective interest held		Principal Activities
		As at 30-Jun-11	As at 31-Dec-10	
International Commercial Bank (Tanzania) Limited	Tanzania	57.68	57.68	Commercial Bank
Name of associates				
International Commercial Bank Senegal S.A.	Senegal	20.00	20.00	Commercial Bank

8. Significant Events

On 3 June 2010, the Company announced that it had entered into a sale and purchase agreement (“SPA”) to dispose of its entire equity interest in Islamic Bank Ltd (“ICBIB”), for a total cash consideration of BDT3.8 billion (equivalent USD55 million). The disposal completion is pending regulatory approval from Bank of Bangladesh.

ICBFGH’s AIM nominated adviser is RFC Corporate Finance Ltd.
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