



KPMG Lao Co., Ltd
3rd - 4th floor, 37 K.P. Tower
23 Singha Road
Ban Phonexay, Saysettha District
P.O. Box 6978
Vientiane Capital, Lao PDR

Telephone + 856 (21) 454240-7
Fax + 856 (21) 900347
Email infolao@kpmg.com

Miss Manolom
Finance Manager
International Commercial bank Lao Limited
House No 127/07
Hatsady Road, Hatsady Tai Village,
Chanthaboury District
Vientiane Capital, Lao PDR

Date: 29 March 2011

Subject: **Amendments to the audited financial statements**

Dear Manalom,

With reference to your e-mail sent on 22 March 2011, the presentation in Note No. 22 of related party transactions as disclosed in page 24 and page 25 of the financial statements has been revised to reflect the following:

Year end balances:

Revised disclosure:

Name of entities	Fixed Deposit LAK	Accrued Expense LAK	Other Payable LAK
ICB Financial Group Holdings A.G.	24,203,226,629	157,822,434	-
ICB Albania	12,062,265,000	177,067,456	-
ICB Djibouti	8,041,510,000	13,395,145	-
ICB Republic of Genea	8,041,510,000	32,650,702	-

As disclosed previously:

Name of entities	Fixed Deposit LAK	Accrued Expense LAK	Other Payable LAK
ICB Financial Group Holdings A.G.	24,203,226,629	398,555,168	-
ICB Albania	12,062,265,000	232,322,521	-
ICB Djibouti	8,041,510,000	75,347,823	-
ICB Republic of Genea	8,041,510,000	77,022,226	-



Transactions during the year:

Revised disclosure:

	2010	2009
	LAK	LAK
Company: ICB Financial Group Holdings A. G.		
Interest Expense	<u>927,629,834</u>	<u>29,052,076</u>

As disclosed previously:

	2010	2009
	LAK	LAK
Company: ICB Financial Group Holdings A. G.		
Interest Expense	<u>783,247,738</u>	<u>29,052,076</u>

We have enclosed 5 copies of the revised pages for your reference.

Please do not hesitate to contact me (jbowes@kpmg.com) or Mr. Terence at ext. no. 128 (tlowl@kpmg.com) if you need further clarification.

Thank you.

Yours Sincerely

Mr. John Bowes
Country Partner

International Commercial Bank Lao Limited

Notes to the financial statements
For the year ended 31 December 2010 (continued)

21. Cash and cash equivalents

	2010 LAK	2009 LAK
Cash	8,852,479,657	5,978,933,763
Deposits and placements with banks	75,141,738,171	38,823,384,961
Investment in bond	5,000,000,000	13,000,000,000
	88,994,217,828	57,802,318,724

22. Related party transactions

A portion of the Bank's assets, liabilities, revenues and expenses arose from transactions with related parties. These parties are related through common shareholdings and/or directorships. The financial statements reflect the effects of these transactions, which are through negotiated agreements.

The following are relationship with related parties that control or jointly control the Company or are being controlled or jointly controlled by the company or have transactions with the Company.

Name of entities	Country of incorporation	Nature of relationship
ICB Financial Group Holdings A.G.	Switzerland	Parent company
ICB Global Management Sdn Bhd	Malaysia	Related company

The year end balances and transactions during the year with related parties are summarized as follows:

Name of entities	Fixed Deposit LAK	Accrued Expense LAK	Other Payable LAK
ICB Financial Group Holdings A.G.	24,203,226,629	157,822,434	-
ICB Albania	12,062,265,000	177,067,456	-
ICB Djibouti	8,041,510,000	13,395,145	-
ICB Republic of Geneva	8,041,510,000	32,650,702	-



International Commercial Bank Lao Limited

Notes to the financial statements
For the year ended 31 December 2010 (continued)

22. Related party transactions (continued)

Transactions during the year

	2010 LAK	2009 LAK
Company: ICB Financial Group Holdings A. G.		
Interest Expense	927,629,834	29,052,076
Company: ICB Global Management Sdn. Bhd.		
Pre-operating cost	-	88,717,306
Stationeries	15,970,439	17,106,373
Furniture	-	131,659,264
Office equipment	-	5,166,269
Computer software	-	18,332,195
Prepaid expense	-	20,783,840
Support service fees	535,564,566	167,967,360
Other general and administrative expenses	115,508,250	104,339,118
	<u>667,043,255</u>	<u>554,071,725</u>

23. Commitments and contingencies

(a) Operations

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated from these transactions, which consist of:

	2010 LAK	2009 LAK
Letter of credits outstanding	1,511,191,379	1,045,554,400
Bank guarantees outstanding	3,823,180,584	225,816,960
Bill release under usage LC outstanding	535,575,187	-
	<u>5,869,947,150</u>	<u>1,271,371,360</u>

(b) Taxation contingencies

The taxation system in Lao PDR is relatively new and is characterised by numerous taxes and frequently changing legislation, which is often unclear, contradictory, and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges.

These facts may create tax risks in Lao PDR substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

