



ICB Financial Group Holdings AG

Incorporated in Switzerland with Register Number CH-130.3.009.158-0

AIM Admission Document

May 2007

Nominated Adviser



Broker



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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this document, you should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000 (the "FSMA") who specialises in advising on the acquisition of shares and other securities.

ICB FINANCIAL GROUP HOLDINGS AG

(Incorporated in Switzerland with Register Number CH-130.3.009.158-0)

Admission of Ordinary Shares to trading on AIM

ISIN Code: CH0030730391

Nominated Adviser
RFC Corporate Finance Limited

Broker
Keith, Bayley, Rogers & Co. Limited

Issued Share Capital on Admission:

180,000,000 issued and fully paid Ordinary Shares each of CHF 1

IMPORTANT NOTICES

Application will be made for the Shares to be admitted to trading on the AIM market of the London Stock Exchange plc ("AIM"). **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority.**

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

London Stock Exchange plc has not itself examined or approved the contents of this Admission Document.

The rules of AIM are less demanding than those of the Official List of the UK Listing Authority ("Official List") and it is emphasised that no application is being made for admission of the shares to the Official List or to trading on the London Stock Exchange's market for listed securities. The shares are not dealt with on any regulated market and, save for the application to AIM, no application has or is intended to be made for the shares to be admitted to trading on any such market. This document is an Admission Document drawn up in accordance with the AIM Rules and has been issued in connection with the application for Admission. This document does not constitute an offer to the public for the purposes of section 85 of the FSMA and does not constitute a prospectus under the Prospectus Directive. Accordingly, this document has not been pre-approved by the Financial Services Authority pursuant to Section 85 of the FSMA.

It is expected that Admission will become effective and dealings in the Shares will commence on AIM on or about 17 May 2007.

Directors' Declaration

The Directors of ICB Financial Group Holdings AG ("ICB Holdings" or the "Company"), whose names and functions appear in the Corporate Directory of this Admission Document, and the Company accept responsibility for the information contained in this Admission Document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Admission Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notices from Nominated Adviser and Broker

RFC Corporate Finance Limited ("RFC") is the Company's nominated adviser for the purpose of the AIM Rules. RFC's responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange plc and are not owed to the Company or to any Director or any other person. RFC will not be responsible to such persons for providing protections afforded to customers of RFC nor for advising them in relation to the arrangements described in this Admission Document.

Keith, Bayley, Rogers & Co. Limited ("Keith Bayley Rogers") is the Company's broker and is regulated by the Financial Services Authority. Keith Bayley Rogers is acting for the Company and no one else in connection with the proposed arrangements described in this Admission Document. It will not regard any other person as its customer nor be responsible to any other person for providing protections afforded to the clients of Keith Bayley Rogers nor for providing advice to any other person in connection with the arrangements described in this Admission Document.

Without limiting the statutory rights of any person to whom this Admission Document is issued, no representation or warranty, express or implied, is made by RFC or Keith Bayley Rogers as to the contents of this Admission Document and no liability is accepted by RFC or Keith Bayley Rogers for the accuracy or opinions contained in this Admission Document or for the omission of any material information from this Admission Document, for which the Company and the Directors, and, in respect of its report contained in Part C of this document, for which SQ Morison Chartered Accountants (Malaysia), are solely responsible.

Distribution Restrictions

The distribution of this Admission Document in jurisdictions other than the United Kingdom may be restricted by law, and therefore persons into whose possession this Admission Document comes should inform themselves about and observe any such restrictions.

The whole of this document should be read and your attention is drawn to the "Risk Factors" Section in Part B of this Admission Document.

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Investment Summary

The following information is derived from and should be read in conjunction with the full text of this document. You should read the whole of this document and not rely solely on the key information set out below.

- ICB Holdings operates an international commercial banking business in emerging countries with operations presently in Albania, Africa and Indonesia.
- The operations are conducted under the brand name of ICB except in Indonesia, where the operating brand name is Bank Bumiputera.
- In addition to its own banking operations ICB Holdings has an effective 11.3% interest in Bank Internasional Indonesia, the sixth largest bank in Indonesia.
- The Group commenced operations during 1994 and now has operating banks in 10 countries with a total of 90 branches, 60 of which are in Indonesia. Total staff numbers as at 31 December 2006 were 1,534.
- The number of ICB Banks and branches is expected to increase as the Group extends its operations into additional countries. It is also anticipated that the existing operations, many of which have only recently gone through a start up phase, will scale up operations and in doing so increase profitability.
- Prior to May 2007 ICB Holdings was effectively fully owned by its founding shareholder, Tun Daim Zainuddin, (a prominent Malaysian businessman and banker since the 1970's and former Malaysian Minister of Finance). As a consequence of a US\$10 million Pre Admission Placing Tun Daim Zainuddin's interest in ICB Holdings has reduced to 94.4% and Tun Daim Zainuddin has advised the Directors he intends to reduce his percentage interest in ICB Holdings as a market for the Company's Shares develops.
- As such a substantial shareholder in the Company Tun Daim Zainuddin has entered into a Relationship Deed with ICB Holdings (see Part D Section 7.1 for details) to ensure the independence of the Board. Furthermore ICB's Board has created a substantial corporate governance structure details of which are provided within this Admission Document.
- The Board presently comprises of five non-executive Directors, all but one of whom are independent of the Founding Shareholder. These Directors have a combination of British, Swiss, African & Asian financial sector and business experience.
- The Board is supported by an experienced executive management team, many of whom have significant experience with ICB.
- Overall financial performance over the past two years has been weaker than expected, largely due to the impact of write downs in the loan book of the Indonesian operations (Bank Bumiputra) subsequent to it being acquired during October 2004. With all impaired loans believed to be adequately provided for by 31 December 2006 profitability is expected to improve.
- ICB Holdings enjoys an overall net interest margin of around 6% which is typical of banks operating in emerging economies. This level of net interest margin is expected to be sustained during the near term.
- Relative to the banking industry as a whole ICB Holdings has a high cost to income ratio, at about 77% for 2006. This is largely attributable to the start up phase of many of the Group's banking operations and as these are scaled up the Directors expect the cost to income ratio to trend towards industry norms.
- Each of the ICB Banks has only a modest market share in the markets in which they operate and in many of the markets ICB faces significant competition. The ICB Banks are however recognized for the quality of service they provide and as such have won awards including ICB Guinea having received the 'Bank of The Year Award' from The Banker Magazine in 2004, 2005 and 2006 and ICB Ghana having received the same award in 2006. Furthermore, ICB's Founder, Tun Daim Zainuddin also received the 'International Business Leader Award' from The Africa Investor magazine in 2006
- Whilst ICB operates in competitive markets it is the belief of the Directors that as the economies of the emerging countries in which ICB operates expand and greater numbers of the populations use banking services the Group will see the results of its investment in banking infrastructure.
- The Board considers that the Admission to AIM will provide a platform to broaden the Company's investor base, provide liquidity for trading shares in the Company, improve access to future funding and enhance the profile and credibility of the Company in international capital markets.

There are risks associated with banking operations and with investment in securities in general. Your attention is drawn to the Risk Factors set out in Part B of this Admission Document.

Admission Statistics and Expected Timetable

Admission Statistics

Number of Shares in issue on Admission	180,000,000
Number of Shares issued during May 2007 Pre Admission Placing	10,000,000
Price per Share at which the May 2007 Pre Admission Placing was completed	US\$1.00
Percentage of enlarged Share capital issued pursuant to the May 2007 Pre Admission Placing	5.6%
Market capitalisation on Admission (at the May 2007 Pre Admission Placing price)	US\$180 million

Expected Timetable

Date of publication of Admission Document	11 May 2007
Dealing of Shares to commence on AIM	17 May 2007

Exchange Rate

Unless otherwise indicated, exchange rates of US\$1.00 = £0.50 = CHF1.21 = IDR9,072 (being the approximate market rates as at 27 April 2007) have been used in preparing this document with the exception of Part C and the historical financial and market information contained in Sections 1.2.1, 1.4 and 5 of Part A – which is based on the exchange rates set out in Part C.

Restrictions on Shareholdings

As is common with the terms of issue of many banking licenses, the banking licences of the Group in Albania and Gambia include restrictions such that no shareholder can acquire or hold an interest of 10% or more in the Company without the approval of the banking regulators in Albania and Gambia.

The necessary approvals have been received for the interests of Tun Daim Zainuddin, who currently holds an interest of 94.4% in the Company.

If a shareholder or prospective shareholder wishes to acquire an interest in the Company of 10% or more they will need to make applications to the Albanian and Gambian banking regulators. The Company undertakes to assist shareholders needing to make such applications with their applications as appropriate.

If a shareholder acquires an interest of 10% or more in the Company and approval of the shareholding is not obtainable from the relevant banking regulators, and the Company becomes aware thereof, then the shareholder will be requested to divest the proportion of its interest in the Company which exceeds the limit in order that ICB Bank concerned will continue to be able to comply with the requirements of its banking licences, applicable laws and other regulatory requirements.

The Group may in the future acquire banking licences in additional jurisdictions which impose restrictions on shareholdings similar to those imposed by Albania and Gambia. Furthermore other jurisdictions in which the Group holds banking licences may be subject to the imposition of shareholder restrictions in the future. If either of these events occurs the Company will advise the market without delay after becoming aware of them.

Corporate Directory

Directors

Mr Michael Robert Hanlon (*Non-Executive Chairman*)
Ms Josephine Premla Sivaretnam (*Non-Executive Director*)
Dr Kenneth Kwami Kwaku (*Non-Executive Director*)
Mr Paul Robert Philipps Bridges (*Non-Executive Director*)
Mr Rene Fritschi (*Non-Executive Director*)

Whose business address for the purpose of correspondence in relation to Company matters is its Malaysian office

Offices

<i>Registered office in Switzerland</i> Schulhausstrasse 1 CH-8834 Schindellegi	<i>Management office in Malaysia</i> No. 2, Jalan Sri Hartamas 8 50480 Kuala Lumpur Malaysia
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Website

www.icbankinggroup.com

Nominated Adviser

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Broker

Keith, Bayley, Rogers & Co. Limited
Sophia House
76-80 City Road
London EC1Y2EQ
United Kingdom

Reporting Accountant

SQ Morison Chartered Accountants (Malaysia)
Suite 15.05, Level 15
City Square Office Tower
106-108 Jalan Wong Ah Fook
80000 Johor Bahru, Johor
Malaysia

SQ Morison is an independent member firm of Morison International.

Company Auditor

Grant Thornton AG
Im Tiergarten 7
CH – 8055 Zurich
Switzerland

Solicitors to the Company

<i>In Switzerland</i> Froriep Renggli Bellerivestrasse 201 CH-8034 Zurich Switzerland	<i>In Malaysia</i> Susie See, Norbaya & Cheah A-5-6, Block A Megan Avenue 1 189 Jalan Tun Razak 50400 Kuala Lumpur Malaysia
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In the UK
Watson, Farley & Williams LLP
15 Appold Street
London EC2A 2HB
United Kingdom

Share Registrar

<i>In Switzerland (Shares)</i> ShareCommService AG Europastrasse 29 CH-8152 Glattbrugg Switzerland	<i>In the UK (CREST Depository Interests)</i> CREST Depository Limited 33 Cannon Street London EC4M 5SB United Kingdom
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Definitions

The following definitions apply throughout this Admission Document, unless the context requires otherwise.

Admission	the admission of the Shares to trading on AIM becoming effective in accordance with the AIM Rules
Admission Document	this admission document issued by the Company
AIM	the AIM market of the London Stock Exchange
AIM Rules	the rules governing the operation of AIM as published by the London Stock Exchange from time to time
ARMC	Audit and Risk Management Committee
ATM	Automatic Teller Machine
Board and Board of Directors	the Board of Directors of the Company unless the context indicates otherwise
Bank Bumiputera	PT Bank Bumiputera Indonesia Tbk (Registration No. 090316508690), a limited liability company incorporated in Indonesia and listed on the Jakarta Stock Exchange
BII or Bank Internasional Indonesia	PT Bank Internasional Indonesia Tbk (Registration No. 09051807920), a limited liability company incorporated in Indonesia and listed on the Jakarta Stock Exchange and the Surabaya Stock Exchange.
Broker	the Company's broker as defined in the AIM Rules (being Keith Bayley Rogers)
Business Day	a day on which the trading banks are open for business in Switzerland
CAR	Capital Adequacy Ratio
CEO	Chief Executive Officer
CHF	Swiss currency
City Code	the UK City Code on Takeovers and Mergers
Company or ICB Holdings	ICB Financial Group Holdings AG (Register No. CH-130.3.009.158-0), a company incorporated in Switzerland, and where the context permits, its subsidiaries
Company Statutes	the Company's statutes, a summary of which is set out in Section 5 of Part D of this Admission Document
CREST	the computerised system for trading securities in uncertificated form in the UK operated by CRESTCo Limited
CREST Depository Interests	the uncertificated depository interests representing Shares to be issued by CREST Depository Limited for electronic settlement through CREST as described in paragraph 12 of Part A of this Admission Document
Director	except in the case of the persons holding the positions Director – Banking, Director – Strategy & Investment, Regional Director (East & Southern Africa) and Regional Director (West Africa) (which are merely senior executive positions referred to in Sections 4.3 and 4.4 of Part A), a director of the Company
DJF	Djibouti currency
Euro	Currency of the Eurozone countries
Founder or Founding Shareholder	Tun Daim Zainuddin, the Company's controlling shareholder
FSMA	Financial Services and Markets Act 2000 (as amended from time to time)

Definitions (continued)

GBP or £ or pence or p	UK currency
Group	the Company and its subsidiaries and associate companies as set out in Figure 2 in Section 1.1.1 of Part A, except that, unless the context indicates otherwise, references to the 'Group' does not include Sorak Holdings or BII themselves, but the Company's direct or indirect ownership interest in those companies
Group Company(ies)	Any member(s) of the Group as set out in Figure 2 in Section 1.1.1 of Part A
Indonesia	The Republic of Indonesia
ICB or ICB Banking Group	The Company, the ICB Banks and ICB Global Management
ICB Bank	Any subsidiary or associated company of the Company which is controlled and/or supported by the Company, being all the Group Companies except for Sorak Holdings and BII
ICB Banks	All of the ICB Banks including Bank Bumiputera
ICB Albania	Banka Ndërkombëtare Tregtare SHA, a joint stock company incorporated in Albania with the Commercial Registry by Judgement No. 13782
ICB Djibouti	International Commercial Bank (Djibouti) SA, (Registration No. RC 8050/B/SA) incorporated under the laws of Djibouti
ICB Gambia	International Commercial Bank (Gambia) Ltd, a limited liability company incorporated in The Gambia (Registration No. 1179/2004)
ICB Ghana	International Commercial Bank Limited (Registration No. 66,840), a limited liability company incorporated in the Republic of Ghana
ICB Global Management or Group Management Office	ICB Global Management Sdn Bhd. (Registration No. 274021-D), a private limited company incorporated in Malaysia
ICB Guinea	International Commercial Bank SA (Registration No.: Analytique: 96 A, / 189 Chronologique: 869), a private limited company incorporated in the Republic of Guinea
ICB Hungary	IC Bank Zrt. (Registration No.: 01-10-042260), a private company limited by shares, established in the Republic of Hungary and registered by the Hungarian Court of Registration
ICB Mozambique	ICB-Banco Internacional de Comercio SARL, a company incorporated in Mozambique (Registration No. 10759 at pages 29 of Book C-26)
ICB Senegal	International Commercial Bank Senegal SA, a company incorporated in Senegal (Registration No. SN DKR 2005B)
ICB Sierra Leone	International Commercial Bank (Sierra Leone) Ltd, a company incorporated in Sierra Leone (Registration No. C/F145/2002)
ICB Tanzania	International Commercial Bank (Tanzania) Limited (with effect from 19 th April 2004 under the Certificate of Change of Name No. 32712), formerly known as International Bank of Malaysia (T) Limited), a company incorporated in Tanzania under Certificate of Incorporation No. 32712
IDR or Rp	Indonesian currency
Keith Bayley Rogers or KBR	Keith, Bayley, Rogers & Co. Limited, a company incorporated in the UK
London Stock Exchange or LSE	London Stock Exchange plc

Definitions (continued)

NC	Nomination Committee
Nomad or Nominated Adviser	nominated adviser as defined in the AIM Rules (being RFC)
NPL	Non-Performing Loan
Pre Admission Placing	The placing by the Company of 10,000,000 Shares at US\$1.00 per Share during May 2007
RC	Remuneration Committee
Relationship Deed	The agreement between Tun Daim Zainuddin and the Company described in Section 7.1 of Part D
RFC	RFC Corporate Finance Limited (ACN 009 153 888), a company incorporated in Australia
SQ Morison	SQ Morison Chartered Accountants (Malaysia), an independent member firm of Morison International
Shareholder(s)	holder(s) of Shares
Shares or Ordinary Shares	fully paid ordinary shares of par value CHF 1 each in the capital of the Company
Singapore	The Republic of Singapore
SME	Small and medium sized enterprises
Sorak Holdings	Sorak Financial Holdings Pte. Ltd. (Registration No. 199002614Z), a limited private company incorporated in Singapore
Swiss Company Laws	Swiss Code of Obligations, articles 552-964
Switzerland	The Swiss Confederation
SGD or S\$	Singapore currency
Tun Daim Zainuddin	Che Abdul Daim Bin Haji Zainuddin, a resident of Malaysia and ICB Holding's Founding Shareholder
UK	the United Kingdom of Great Britain and Northern Ireland
UK Companies Act	the Companies Act 1985 of Great Britain (as amended and supplemented from time to time, including, without limitation, by the Companies Act 1989 and the Companies Act 2006)
USD or US\$ or \$ or cents	United States of America currency

Part A - Information on the Group

1 ICB and its Commercial Banking Business

1.1 Introduction and History

ICB is the holding company for an international commercial banking business operating in Albania, Africa and Indonesia. In Albania and Africa the Group's banking operations are conducted under the brand name of ICB, whereas in Indonesia the brand name is Bank Bumiputera.

In addition to its own banking operations ICB Holdings has an effective 11.3% interest in Bank Internasional Indonesia, the sixth largest bank in Indonesia.

The Group's operations commenced in 1994, with the establishment of an operation in Hungary (sold during May 2007). Subsequently, the Group has established or acquired commercial banks in Albania, Africa and Asia.

The Group now has operating banks in 10 countries with the number of banks and branches expected to increase as the Group extends its operations into additional countries.

Each ICB Bank benefits from ICB Banking Group support in terms of referrals of customers and business and ICB intends to further strengthen and expand its position as a banking entity of international stature.

The Company was incorporated in Switzerland in October 2003 to act as the ultimate holding company of the Group. Prior to the reorganisation of the Group in 2004, ownership of what is now ICB Holding's interests in the relevant local operations was fragmented under the general control and guidance of ICB Holding's founding shareholder, Tun Daim Zainuddin, a prominent Malaysian businessman and banker since the 1970's and former Malaysian Minister of Finance.

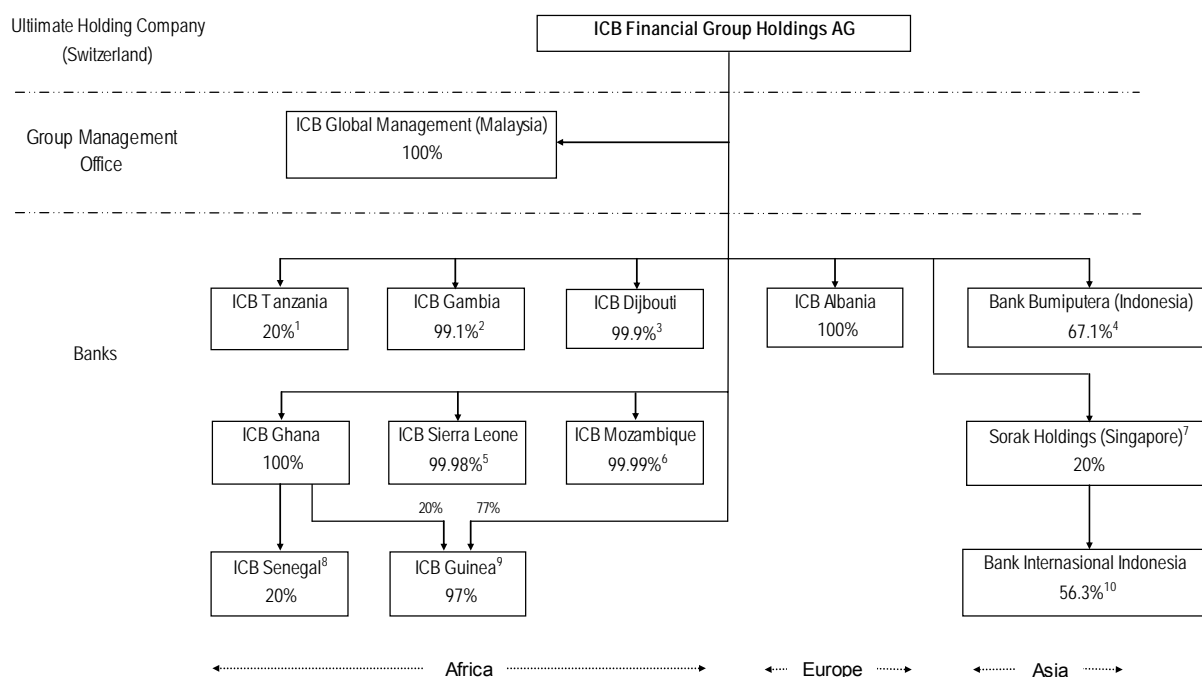


Figure 1 – Location of the Group's interests

1.1.1 Corporate Structure

The current Group structure, indicating the structures through which ICB holds its interests in the various

banking operations, is set out in the diagram below:



¹The balance is held in 20% parcels by four individuals, one of whom is Josephine Sivaretnam, a Director of ICB Holdings (the other 3 are neither Directors of nor Shareholders in ICB Holdings).

²The balance is held by Josephine Sivaretnam.

³The balance is held by parties including Josephine Sivaretnam, George Koshy (a member of the Group's Executive Management) and four other individuals who are neither Directors of nor Shareholders in ICB Holdings.

⁴The balance is held as follows: 4.5% by Josephine Sivaretnam, 6.0% by AJB Bumiputera 1912 (see Section 1.1.3 below) and the rest by the public.

⁵The balance is held by Josephine Sivaretnam.

⁶The balance is held by Josephine Sivaretnam, Harith Harun (a member of the Group's Executive Management) and seven other individuals who are neither Directors of nor Shareholders in ICB Holdings.

⁷Holding company only. Refer to Section 2.1 below for further details on Sorak Holdings and its shareholders.

⁸The balance is held by Tun Daim Zainuddin (79.95%) and Josephine Sivaretnam (0.05%).

⁹The balance is held by Josephine Sivaretnam.

¹⁰This is the interest held by Sorak Holdings. Refer to Section 2 below for further details on BII and its shareholders.

Figure 2: Current corporate structure diagram for the Group

The holding company of the Group is ICB Holdings. Each bank within the Group is incorporated in its host country, and is regulated and licensed by the host country's banking regulator.

Bank Bumiputera has a number of warrants on issue equal to 13.3% of its shares presently on issue. The Company holds 73% of these warrants, which are exercisable at IDR 120 each. The balance is held by Josephine Sivaretnam (4.5%), and the general public. Bank Bumiputera's share price over the year to 4 May 2007 ranged from IDR 35 – IDR 105 on small volumes and closed at IDR 105.

Although ICB Senegal and ICB Tanzania are not subsidiaries of ICB Holdings (they are associates), both are supported by ICB Global Management under support services agreements. They also operate under the ICB brand.

Neither Sorak Holdings nor Bank Internasional Indonesia is under the control or management of the Group. The Company's interest in Sorak Holdings and BII is a strategic investment. Therefore, any information which relates to ICB, the ICB Banking Group, or its operating banks (including all information in this Section 1) does not include or is not applicable to BII unless specifically stated otherwise. Information on BII and Sorak Holdings is set out in Section 2 of this Part A.

1.1.2 Key Events in ICB's History

Key events in the development of the Group since 1994 have been:

- 1994 – ICB Hungary commenced operations;
- 1996 – ICB Ghana commenced operations;
- 1997 – ICB Guinea and ICB Albania commenced operations;
- 1998 – ICB Mozambique and ICB Tanzania commenced operations;
- 2002 – ICB Global Management commences operations as ICB Banking Group services provider¹;
- 2003 – Incorporation of ICB Holdings;
– Acquisition of 20% equity interest in Sorak Holdings²;
- 2004 – Group restructuring under ICB Holdings;
– ICB Sierra Leone commenced operations;

- Founding Shareholder acquired a majority interest in Bank Bumiputera;
- 2005 – ICB Gambia commenced operations;
- 2006 – ICB Senegal and ICB Djibouti commenced operations;
- ICB Holdings entered into an agreement to dispose of its interest in ICB Hungary;
- 2007 – Disposed of interest in ICB Hungary to an Italian banking group³;
- Founding Shareholder's interest in Bank Bumiputera transferred to ICB Holdings.

Notes:

1. In January 2002, ICB Global Management's operations were established in Kuala Lumpur, Malaysia to provide technical and management support as well as strategic and corporate development to members of the Group.
2. In December 2003, ICB Holdings, being part of a consortium with Barclays Bank PLC, Kookmin Bank and Asia Financial Holdings Pte. Ltd., acquired 51% (since increased to 56.3%) of Bank Internasional Indonesia via Sorak Holdings. ICB Holdings owns a 20% equity interest in Sorak Holdings.
3. ICB's strategy going forward is to focus on Asia and Africa.

1.1.3 Bank Bumiputera

Bank Bumiputera forms a significant part of the Group's operating assets. Approximately 75% of the Group's assets (excluding investments in associates) as at 31 December 2006 were held by Bank Bumiputera. Founded in 1989 as a wholly-owned subsidiary of AJB Bumiputera 1912, the oldest mutual life insurance group in Indonesia, Bank Bumiputera has evolved into mid-size Indonesian domestic commercial bank of sound achievement and reputation. It has been publicly listed on the Jakarta Stock Exchange since July 2002. Bank Bumiputera has transformed its operations from that of a corporate bank (prior to the Asian financial crisis in late 1997, which it survived without government supported recapitalization) into a consumer bank.

As a Jakarta Stock Exchange quoted company Bank Bumiputera is required to make public disclosures of material matters including its results. Public disclosures of information made by Bank Bumiputera can be obtained at the Jakarta Stock Exchange web site (<http://www.jsx.co.id>) and also at Bank Bumiputera's own web site (<http://www.bumiputera.co.id>).

1.2 Business Profile

1.2.1 Markets, customers & competition

The estimated market share enjoyed by the ICB Banking Group in its respective areas of operations as at 31 December 2006 is as follows:

Country	By Banking Assets (%)	By Loans (%)	By Deposits (%)
Guinea	6.9	3.0	7.7
Gambia	1.7	1.6	1.3
Sierra Leone	1.3	1.1	0.7
Ghana	1.3	0.7	1.5
Tanzania	0.6	0.7	0.7
Albania	0.6	0.6	0.5
Mozambique	0.7	0.5	0.7
Indonesia (excludes BII)	0.3	0.5	0.4
Senegal	0.2	<0.1	0.2
Djibouti	0.7	<0.1	0.4

Source: Unaudited management estimates provided by each ICB Bank. Due to lack of officially published information, these estimates may be based on incomplete information and therefore the actual market shares may be different from the information set out above.

ICB's products and services are generally targeted at the consumer and SME segments. Specifically, the target groups are:

- SME;
- Growing middle-class household;
- Diaspora remittances (eg, foreign workers sending funds home); and
- Asian communities.

The current lending operations in the Group's African operation are comprised predominantly of loans made to SMEs. Consumer lending is growing in line with the increase in income of the general population. The deposit type in the African region varies from country to country, although a significant portion of the deposits comprises current and term deposit accounts.

However, the customer profile in Indonesia (Bank Bumiputera) and Europe (ICB Albania) is slightly different with predominance in consumer lending.

Deposits By Customer Type

The deposit profile by customer type for the 2006 financial year was as follows:

Type of Customers	Group		Indonesia		Africa		Albania	
	US\$m	%	US\$m	%	US\$m	%	US\$m	%
Public institutions	14	2.1	-	-	13	13.0	<1	1.8
Financial institutions	15	2.4	-	-	15	15.0	-	-
Private enterprise	478	73.8	445	86.0	29	28.0	5	16
Individuals	136	21.0	73	14.0	41	41.0	22	77.4
Others	4	0.7	-	-	3	3.0	1	4.8
Total	647	100.0	518	100.0	101	100.0	28	100.0

Loans and Advances By Customer Type

The loans and advances profile by customer type for the 2006 financial year was as follows:

Type of Customers	Group		Indonesia		Africa		Albania	
	US\$m	%	US\$m	%	US\$m	%	US\$m	%
Public institutions	5	1.0	5	1.1	<1	0.7	-	-
Financial institutions	5	0.9	4	1.0	<1	0.2	-	-
Private enterprise	130	26.0	103	22.6	24	75.9	3	25.0
Individuals	331	66.2	315	69.2	7	20.6	9	70.0
Others	29	5.9	28	6.1	1	2.6	1	5.0
Total	500	100.0	455	100.0	32	100.0	13	100.0

1.2.2 Awards

ICB's commitment to excellence has resulted in various awards, with ICB Guinea having received the 'Bank of The Year Award' from The Banker Magazine in 2004, 2005 and 2006 and ICB Ghana having received the same award in 2006. ICB's Founder, Tun Daim Zainuddin also received the 'International Business Leader Award' from The Africa Investor magazine in 2006.

1.3 Banking Operations

Each ICB Bank is incorporated as a local banking entity in its host country and has its own board of directors. The ICB Banks are required to comply with the guidelines of corporate governance, guidelines on anti-money laundering and combating the financing of terrorism issued by their respective central banks.

1.3.1 Distribution Channels

ICB Banks all offer the products and services of a full commercial bank. Presently, ICB mainly delivers its products and services through its network of branches, which is summarised in the following table:

Country	Number of Branches*			
	2004	2005	2006	Feb 2007
Guinea	2	2	3	3
Djibouti	-	-	1	1
Senegal	-	-	1	1
Gambia	-	1	1	2
Sierra Leone	1	1	1	1
Ghana	5	6	9	9
Tanzania	3	3	3	4
Mozambique	2	2	3	4
Hungary*	6	6	6	6
Albania	2	3	5	5
Indonesia**	55	59	59	60
Total	76	83	92	96

* Sold in May 2007.

** Excludes BII.

In Indonesia ATM, internet (www.bumiputera.co.id) and telephone banking facilities are also available to the customers of Bank Bumiputera. Bank Bumiputera has 60 ATMs spreading across 60 locations. Bank Bumiputera is also a member of ATM Bersama, a leading ATM network in Indonesia, which enables its customers to transact via approximately 10,000 ATMs throughout Indonesia and Malaysian ATMs which carry the Bankcard logo and ATM Bersama logo.

As for ICB's African operations, ICB Ghana presently offers ATM facilities. The same facilities, together with internet banking facilities, are expected to be offered for all of ICB's African operations in stages.

1.3.2 Products & Services

Following are the products and services offered by the Group.*

Consumer Banking	Commercial/Corporate Banking	International Banking
<ul style="list-style-type: none"> - Fixed term deposit - Savings accounts - Current accounts - Personal loans - Home loans - Vehicle loans - Credit Cards 	<ul style="list-style-type: none"> - Letters of credit - Loan syndication - Project financing - Working capital financing - Trade financing - Guarantees and bonds - Overdraft - Revolving credit - Bill discounting 	<ul style="list-style-type: none"> - Drafts in prime currency - Telegraphic transfers in prime currency - SWIFT fund transfer - Documentary bills - Foreign exchange - Inward remittances

*These products and services were offered/performed for each year over the period covered by the historical financial information set out in Part C.

1.4 Loan Portfolio Analysis

Total loans and advances to customers as at 31 December 2004, 2005 and 2006 were as follows:

	2004	2005	2006
	US\$m	US\$m	US\$m
Gross loans and advances	312	358	500
Less: Allowance for losses on loans and advances	(5)	(12)	(9)
Net loans and advances	307	346	491
No. of loans	117,168	169,998	253,245
No. of customers	118,037	171,577	256,095

Gross loans and advances increased by 15% and 40% in 2005 and 2006 respectively. This is consistent with the Group's business expansion strategy and increased number of branches.

1.4.1 By Type of Loan

The composition of loans and advances by type of loan as at 31 December 2004, 2005 and 2006 was as follows:

	2004		2005		2006	
	US\$m	%	US\$m	%	US\$m	%
Overdraft	24	7.7	24	6.7	25	5.0
Term Loans	277	88.7	309	86.4	415	83.0
Housing Loans	11	3.6	25	6.9	60	12.0
Gross loans and advances	312	100.0	358	100.0	500	100.0

1.4.2 By Remaining Maturity

The composition of loans and advances by remaining maturity as at 31 December 2004, 2005 and 2006 (after allowances for losses) was as follows:

	2004		2005		2006	
	US\$m	%	US\$m	%	US\$m	%
1 month or less	34	11.2	40	11.6	20	4.1
> 1 month ≤ 3 months	12	4.0	14	4.0	20	3.9
> 3 months ≤ 12 months	75	24.3	205	59.3	112	22.8
> 1 year ≤ 5 years	162	52.8	58	16.7	262	53.4
> 5 years	24	7.7	29	8.4	77	15.8
Net loans and advances	307	100.0	346	100.0	491	100.0

1.4.3 By Asset Quality

The composition of loans and advances by quality as at 31 December 2004, 2005 and 2006 was as follows:

	2004		2005		2006	
	US\$m	%	US\$m	%	US\$m	%
Current	280	90.0	305	85.0	444	89.0
Special mention	20	6.0	22	6.0	24	5.0
Substandard	5	2.0	6	2.0	4	1.0
Doubtful	3	1.0	3	1.0	6	1.0
Loss	4	1.0	22	6.0	22	4.0
Gross loans and advances	312	100	358	100	500	100

1.4.4 By Economic Sector

The composition of loans and advances by economic sector as at 31 December 2004, 2005 and 2006 were as follows:

	2004		2005		2006	
	US\$m	%	US\$m	%	US\$m	%
Agricultural, mining & quarry	9	2.9	8	2.2	14	2.8
Manufacturing	55	17.6	51	14.2	40	8.0
Wholesale and retail	35	11.5	34	9.5	61	12.2
Construction	16	5.1	10	2.8	15	3.0
Real Estate	28	8.9	33	9.2	69	13.8
Transport & Communication	10	3.2	8	2.2	15	3.0
Finance, insurance and business services	38	12.1	36	10.0	53	10.8
Consumer loans	111	35.5	170	47.7	227	45.2
Others	10	3.2	8	2.2	6	1.2
Gross loans and advances	312	100.0	358	100.0	500	100.0

1.5 Funding and Treasury Functions

Treasury functions are currently conducted separately by each individual bank in the ICB Banking Group.

The treasury function refers to the management of assets and liabilities, investment and liquidity of the operating banks and is the responsibility of each operating bank's Assets and Liabilities Committee ("ALCO"). Each ALCO determines the composition and funding its ICB Bank's overall assets and liabilities.

Each ICB Bank's assets are predominantly as follows:

- credits/lending portfolio; and
- Investment in financial instruments.

The assets are funded by the following:

- capital;
- deposits from customers; and
- inter-bank money market.

1.5.1 Financial Investments

The ICB Banks invest excess funds in bank placements, which include local and foreign:

- overnight inter-bank placements;
- other short term inter-bank placements;
- any other form of placements with financial institutions; and
- investment in government/central bank bills and bonds.

ICB's investment policy is based on the concept that "safety of principal is paramount". Investment strategies are formulated based on forecasts of interest rates movements, inflation, economic growth, risk tolerance, available funds and future funds requirements.

1.5.2 Investment in Foreign Currency

Investments in foreign currency by ICB Banks are fairly limited. Any investment in foreign currency by an ICB Bank is considered on a case-by-case basis and requires the approval of its local board of directors.

1.5.3 Interest Rate Risk and Spread

In managing the interest rate risk, the following measures are taken:

- loans are pegged against the base lending rates which are floating; and

- interest maturity gaps are monitored.

1.5.4 Liquidity Policy

Liquidity is managed daily by the treasury function within the guidelines of the relevant banking authority, ensuring that each ICB Bank is able to cover their daily position. In order to ensure a safe liquidity position, each ICB Bank focuses particularly on:

- The diversification of the financing sources as per the maturity, instrument and such ICB Bank's clientele.
- The implementation of proper organisational measures that monitor the effective liquidity management through:
 - i) appointment of specific staff who monitor and are responsible for liquidity management;
 - ii) application of an effective internal control of the management of such ICB Bank's liquidity position including ALCO monitoring and internal audit checks; and
 - iii) submission of a treasury report at each ICB Bank's board meeting (twice per year).
- Ensuring such ICB Bank has an adequate amount of assets of high liquidity (cash equivalent) in relation to total deposits at the bank. Assets of high liquidity are:
 - i) cash;
 - ii) current accounts with other banks both local and correspondent;
 - iii) short term deposits with other banks at a maturity of up to 7 days;
 - iv) treasury bills; and
 - v) free reserves at the central bank.

As a policy, each ICB Bank has to ensure that, in comparison to total deposits, assets of high liquidity are at least 20-30% at all times.

1.6 Information Technology

1.6.1 Overview of IT Environment

With the exception of Bank Bumiputera, all ICB Banks use the ICBA system (formerly known as the integrated computerised banking application), developed by Infopro Sdn. Bhd. The banking system is an off-the-shelf software which has the flexibility to be customised to the user's needs. The current system employed by ICB supports the following banking functions:

- deposits module;
- loans module;
- remittance module;
- general ledger module; and
- customer information file module.

Over 2007-2009, the following modules are expected to be added:

- treasury module and trade finance module;
- data mining and report writing;
- ATM;
- debit card; and
- internet banking.

The timing of these introductions in each ICB Bank will be determined by the availability of sufficient volumes to justify the cost of implementation.

Bank Bumiputera operates with a more complex integrated banking system which is required to support the size of its operations. The core banking system is complemented by 4 separate systems supporting consumer loans, human resources, signature verification system and credit card system. Bank Bumiputera is currently in the process of migrating to a new core banking software, Silverlake Integrated Banking System, and is estimated to commission the new system by the end of 2007.

1.6.2 Disaster Recovery Planning

Disaster recovery plans and procedures are regulated by the relevant country's central bank. ICB has in place the "Business Continuity, Contingency and Disaster Recovery Plans" included in its manuals.

This plan contains the business continuity procedures for ICB applications to ensure continuity of banking operations at the recovery centre during a disaster. The plan describes in detail:

- Principal personnel.

- Operating procedure.
- Emergency response procedure.
- Backup procedure and storage of backup disks.
- Application data recovery.
- Contingency for servers, computers and printers.
- Disaster recovery guide - fire hazards, flood, earthquake and stress avoidance.

The ICB Banks have in place a disaster recovery plan with off site system back up as part of system implementation. Their operating disaster recovery plan manuals are customised to meet other local requirements. The disaster recovery plan manuals are in line with the ICB disaster recovery plan manual.

The disaster recovery plan is tested twice a year using the off site data centre. Post mortem meetings are held to address any test failures for remedial action and disaster recovery plan improvement. Internal auditors are involved in the testing and test observation results are reported to the relevant audit committee.

With almost 60 branches Bank Bumiputera has a large data centre with more IT personnel than the ICB Banks. The disaster recovery plan is therefore more comprehensive than for the other ICB banks.

2 Bank Internasional Indonesia Interest

In December 2003, Sorak Holdings acquired a 51% interest in BII from the Indonesian Government through a competitive divestment process conducted by the Indonesian Bank Restructuring Agency (IBRA). At the same time, ICB Holdings acquired a 20% interest in Sorak. The Sorak interest in BII has since increased to 56.3% (additional shares were acquired from other shareholders in April 2004 to ensure Sorak's majority control is maintained) and the effective interest of the Company in BII is now 11.3%. Sorak is an associated company of the Group and therefore BII is accounted for on an equity accounting basis (through Sorak Holdings, which consolidates BII into its accounts).

The acquisition of the effective interest in BII was ICB's first investment in an Indonesian bank and represented an attractive investment opportunity at the time. The investment in BII continues to represent a strategic investment in the expanding Indonesian banking industry and will continue to be reviewed by the Board of Directors.

2.1 Sorak Holdings

Sorak Holdings is a Singaporean company which has the single purpose of holding its interest in BII. Its shareholders are Asia Financial Holdings Pte. Ltd ("AFH"), Kookmin Bank, ICB Holdings and Barclays Bank plc.

As the controlling shareholder of BII, Sorak Holdings has majority representation on the board of commissioners of BII. The Company does not have any representation on the BII board of commissioners whether directly or indirectly.

However, as at the date of this Admission Document the Company is entitled to and has one representative on the board of directors of Sorak Holdings.

It is Sorak Holding's present intention to hold its interest in BII as a long term investment.

As at 31 December 2006, Sorak Holdings had no material assets or liabilities other than its investment in BII (S\$475m carrying value) and cash (S\$3m).

2.2 BII History

BII was established in 1959 and licensed as a foreign exchange bank in 1988. Subsequently BII made an initial public offering of its shares in 1989 and listed on the Jakarta Stock Exchange and Surabaya Stock Exchange, and continued to expand until it emerged as one of the leading private national banks in Indonesia with the vision as "Indonesia's Best Bank, Providing World Class Standards of Customer Service & Product Innovation".

BII is one of the largest banks in Indonesia with over 7,000 employees and an international network that comprises over 230 branches and 700 ATMs across Indonesia, as well as a banking presence in Mauritius, Mumbai and the Cayman Islands. BII provides a full range of financial services through its branch and ATM network, phone banking and internet banking channels, and is active in SME/Commercial, Consumer and Corporate banking. BII provides products and services to medium and commercial size enterprises and individuals with credit cards, mortgages, deposit, lending, and wealth management services. Corporate clients are provided with services in trade finance, cash management, lending, custody, and foreign exchange.

2.3 BII Commissioners and Management

Members and proposed members of BII's board of commissioners as at 31 December 2006 were as follows:

- Peter Seah Lim Huat (President);
- Ernest Wong Yuen Wenq (appointment pending Bank of Indonesia approval);

- Thomas Patrick Sodano;
- Yong Kook Oh;
- Inqyu Choi;
- Kuo How Nam;
- Putu Antara (Independent);
- Umar Juoro (Independent); and
- Taswin Zakaria (Independent).

None of the members of the board of commissioners are employed by BII in an executive capacity (this is required under Indonesian law). Amongst other matters, the role of BII's board of commissioners is to monitor its board of directors, which is comprised of members of the executive team. Members of the board of directors as at 31 December 2006 were as follows:

- Henry Ho Hon Cheong (President);
- Armand B. Arief (Vice President);
- Fransiska Oei (Compliance Director);
- Sukatmo Padmosukarso;
- Rudy N. Hamdani;
- Dira K. Mochtar;
- Prem Kumar; and
- Satinder Pal Singh Ahluwalia.

2.4 BII Summary Financial Information and Performance

The following information is extracted from BII's financial statements, which have been audited for compliance with Indonesian accounting standards and other publicly available information published by BII.

2.4.1 Consolidated Balance Sheet (IDR billion)

31 December	2005	2006
Assets	50,271	53,102
Loans	20,300	21,030
Deposits from Customers	36,917	37,117
Liabilities	45,212	47,517
Minority Interests	351	330
Net Assets/Total Equity	4,708	5,255

2.4.2 Consolidated Income Statement (IDR billion)

31 December	2005	2006
Interest Income	4,646	6,203
Interest Expense	2,302	3,574
Non Interest income	940	1,019
Gross Operating Income	1,404	1,610
Net Operating Income	896	720
Profit Before Tax	916	743
Profit After Tax	850	684
Minority Interest & Profit Before Acquisitions	125	51
Net Profit After Tax	725	634

2.4.3 Key Ratios

31 December	2005	2006
<u>Income and Margin</u>		
Net interest margin (%)	6.1	5.7
Cost/income (%)	67.2	61.4

31 December	2005	2006
<u>Profitability</u>		
Return on assets (%)	2.1	1.4
Return on equity (%)	26.0	19.5
<u>Financial efficiencies</u>		
Loan/deposit (%)	55.0	56.7
<u>Asset quality</u>		
Gross NPL (%)	3.0	5.5
Net NPL (%)	2.1	3.8
<u>Capital Adequacy</u>		
Capital adequacy ratio (%)	22.4	24.1

2.5 BII Capital Structure and Share Trading History

BII shares are divided into 4 classes of shares as follows:

Share Class	Shares (m)	Par Value (IDR)
Series A shares	388	900.00
Series B shares	8,759	225.00
Series C shares	132	225.00
Series D shares	38,968	22.50
Total BII shares	48,247	

All shares are common shares and rank pari passu under Indonesian law, except for Series C, which have additional rights. Among those additional rights is that of preferential treatment if BII is liquidated. Series C shares may only be owned by the Indonesian government and its wholly owned companies or public utility companies. If any Series C shares are sold or transferred to another party that is a non-government entity then such Series C shares will be automatically converted into Series B shares.

BII's shareholders and total shares on issue as at 31 December 2006 were as follows:

Shareholder	Shares (m)	Interest (%)
Sorak Holdings	27,180	56.3%
Aranda Investments (Mauritius) Pte. Ltd.	2,938	6.1%
Public <5%	18,129	37.6%
Total BII shares	48,247	100.0%
Employee share options (weighted average exercise price IDR 177)	1,922	n/a
Fully diluted BII shares	50,169	n/a
Diluted market capitalisation as at 4 May 2007 (US\$1 = IDR 8,970)	US\$1.2bn	n/a

BII's closing share price on 4 May 2007 was IDR210 per share. Its share price and trading volume on the Jakarta Stock Exchange over the 3 years ended 4 May 2007 is set out in the following graph:

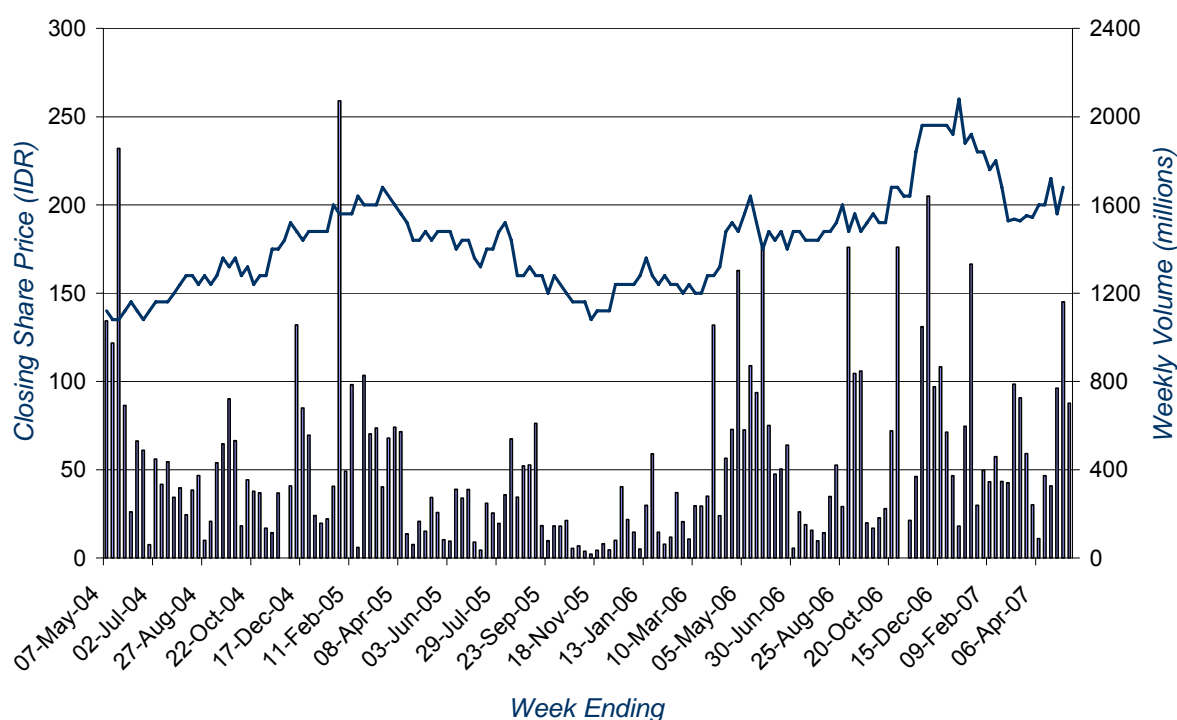


Figure 3: BII 3 year weekly share price and volume history.

2.6 ICB Holdings' Rights and Obligations Regarding the BII Interest

The Company is a party to various agreements relating to its interest in Sorak Holdings and its effective interest in BII the material terms of which include:

- broad restrictions on, and specific conditions to be complied with in relation to, the transfer of shares in Sorak Holdings by the shareholders thereof.
- a requirement for other shareholders in Sorak Holdings in certain circumstances to sell a pro rata portion of their shareholding if AFH intends to sell its shares (or a portion thereof) in Sorak Holdings to either a third party which is not an affiliate of AFH or financial institution affiliated with AFH. In the case of a purchaser which is affiliated to AFH, there are certain provisions to determine the minimum sale price with the aim of ensuring that the interests of the other shareholders of Sorak Holdings are not unfairly prejudiced.
- a requirement that Sorak Holdings must distribute to its shareholders all dividends received from BII after deducting the expenses and debt repayments of Sorak Holdings (note that Sorak Holdings does not itself have any material debt or debt repayment obligations at the date of this Admission Document).
- the Company being obliged to sell all of its shares in Sorak Holdings, if so required by any one or more of the other Sorak Holdings shareholders, at a 20% discount to the lower of the market value and the net asset value as shall be determined by the auditors of Sorak Holdings if the Company suffers or commits any event of default, a change of control of the Company being one such event of default.
- the Company being restricted from entering into any agreement to pledge, mortgage, charge or otherwise encumber any of its shares in Sorak Holdings.
- any offer to subscribe for new shares in Sorak Holdings being required to be made to all existing Sorak Holdings shareholders in proportion to their existing shareholdings.
- The other Sorak Holdings shareholders being obliged to indemnify a Sorak Holdings shareholder in proportion to their interests in Sorak Holdings for any losses or other liabilities incurred by such shareholder due to its status under Indonesian law as an indirect shareholder of BII (with certain exceptions relating to the conduct of that shareholder).

2.7 Access to the Records of BII

As an independent publicly listed company BII does not provide Sorak Holdings or the Company access to its books and records beyond that which it releases to the market generally.

2.8 Further Information on BII

As a Jakarta Stock Exchange quoted company BII is required to make public disclosures of material matters

including its results. Public disclosures of information made by BII can be obtained at the Jakarta Stock Exchange web site (<http://www.jsx.co.id>) and also at BII's own web site (www.bii.co.id).

3 Banking Industry Profile in ICB's Markets

The Group expects to benefit from increasing economic growth, abundant natural resources, foreign direct investment and trade flows between Africa and Asia.

3.1 Indonesia

Bank Indonesia (the central bank for Indonesia) continues to follow all strategies laid out in the Indonesian Banking Architecture ("IBA") to reinforce the banking sector stability. The progress of the IBA continues unabated:

- The banking consolidation is driven by new regulations to increase the minimum tier-1 capital requirement to Rp 80 billion in 2008 and Rp 100 billion in 2010. These efforts are bolstered by the policy direction of banking consolidation up to 2010 for all banks and the criteria for well-managed / well-performing banks as well as the requirements to become anchor banks. These measures are supposed to encourage banks to improve their risk-management, corporate governance and performance. Bank Bumputera and Bank Internasional Indonesia already exceed these minimum tier-1 capital requirements.
- Bank Indonesia has also mandated compulsory risk-management certification for officials to improve management and operation quality. Banks are also being prepared to adopt Basel II commencing 2008.
- Bank Indonesia fostered improvements in banking infrastructure by establishing The Credit Bureau and making it mandatory for banks to report all of their debtors. Furthermore, Bank Indonesia is currently establishing The Banking Mediation Institution; a body to mediate disputes between banks and their customers.

3.2 Africa

ICB's African banks are supervised by their respective central banks (and, in some countries, also their relevant ministries).

The Central Bank of the West African States, based in Abidjan (Ivory Coast), supervises the monetary affairs of the West African Economic and Monetary Union of 8 countries, acting as the central bank for Benin, Burkina Faso, Ivory Coast, Mali, Niger, Togo, Guinea Bissau and Senegal. All members of the West African Economic and Monetary Union use the same currency, called the West African CFA franc.

Gambia, Ghana, Guinea, Nigeria and Sierra Leone are all members of the West African Monetary Zone ("WAMZ"), which was formed in 2000 to try and establish a strong stable currency to rival the CFA franc. It is dominated by Nigeria, Africa's largest oil exporter and most populated country, and mostly comprises English-speaking countries. The WAMZ countries plan to introduce a common currency, the Eco in 2009 and the eventual goal is for the CFA franc and Eco to merge, giving all West and Central Africa a single currency. The West African Monetary Institute, based in Ghana, is intended to be the forerunner of a common central bank.

Africa's banking industry is undergoing dramatic changes which are affecting the structure of the industry:

- A number of African governments are transforming to a more liberal approach from the previously tight control of the banking sector. This liberalisation of the banking sector is also complemented by increased supervision of banks by regulators, stricter loan classification procedures, mandated minimum loan provision levels and greater disclosure of financial results. The privatisation of state-owned banks has also led to an increased focus on profits.
- The banking arena is increasingly opening up to foreign players, and as exchange controls have been relaxed in many countries, and there has been an increase in the use of banks outside their home country.
- Banks in African countries are increasing the use of technological advances. For instance, in Nigeria, several commercial banks are automating their operations and banks are increasingly installing ATMs in their cities and introducing mobile banking.
- As financial markets expand, commercial banks are moving into new kinds of financial services, offering unit trusts, and moving into insurance, leasing and stock broking.

3.3 Albania

For much of Albania's post-transition history, the country was severely under-banked, limiting the availability of credit and hampering economic development. Small businesses were at a particular disadvantage in terms of access to credit and were forced to rely on worker remittances as a source of financing. Over the last several years, however, the system has made very dynamic progress, evidenced by expanding asset volumes, the addition of banking products, and an increase in the number of banks and branches. The most significant

development in the past decade has been the sale of the formerly state-owned savings bank to a strategic foreign investor, Austria's Raiffeisen International Group. Privatisation of the savings bank has encouraged competition and increased lending volumes, largely benefiting the local business environment. The Albanian government has also sold its share of the Italian-Albanian Bank and is likely to sell any remaining stakes in the banking system.

The Bank of Albania ("BoA") is responsible for overseeing the banking system and implementing regulations to foster financial stability. In light of the expansion of lending resulting from the privatisation efforts, the International Monetary Fund ("IMF") has identified a need to develop further the BoA's prudential framework and monitoring institutions. The primary prudential instruments of the BoA include the reserve requirements on foreign currency deposits and capital adequacy. An important step is the development of a credit information bureau within the BoA. This should increase the degree of information to banks about their clients and thus reduce the risks associated with lending. The IMF is also encouraging the BoA to adopt stricter ratios of debt service to disposable income and prudent loan-to-value ratios, tighter internal loan classification rules, and increased risk premium in lending spreads to take into account the indirect credit risk from customer foreign-exchange exposures.

4 Board, Management and Employees

4.1 Profile of the Board of Directors

The Board is comprised of five non-executive Directors, all but one of whom are independent of the Founding Shareholder.

The Board contains a valuable blend of British, Swiss, African & Asian financial sector and business experience.

The Relationship Deed entered into between the Company and Tun Daim Zainuddin provides that representatives, nominees or associates of Tun Daim Zainuddin must not represent a majority of the Directors on the Board. Further details of the Relationship Deed are set out in Section 7.1 of Part D.

Brief biographies for the Directors are set out below.

Mr Michael Robert Hanlon (aged 62) ACIB Non-Executive Chairman

Mr Hanlon was appointed to the Board on 16 February 2007. He has a total of 38 years' commercial banking experience, most of this in the retail area. An Associate of the Chartered Institute of Bankers, he regularly speaks at international conferences.

He spent 34 years with Barclays Bank Plc in the UK, where he held a number of Senior Management and Senior Executive appointments, including regional director for the Bank's retail banking in Central London. Later, he joined the Raiffeisen Banking Group of Austria as managing director for retail banking at the bank's Polish subsidiary, Raiffeisen Bank Polska SA, where he was responsible for the creation and development of a retail banking capability in the Polish bank.

Joining the Islamic Bank of Britain in April 2003 as managing director, he had the responsibility of creating the very first Sharia compliant retail banking business in the UK and Western Europe. Mr Hanlon led the bank through a complex process which eventually achieved authorisation by the Industry Regulator, the Financial Services Authority (FSA) in August 2004. He led the team towards admission of the bank on AIM in 2004 at which time the bank raised £40 million. The bank now has an operational network of 7 branches, but also offers a direct banking service through post, telephone and internet banking. Having completed what he set out to achieve, Mr Hanlon retired from the Islamic Bank of Britain in 2006.

Ms Josephine Premla Sivaretnam (aged 52) LLB (Hons), LLM Non-Executive Director, Representative of Founding Shareholder

Ms Sivaretnam was appointed to the Board on 16 February 2007. A lawyer by profession, she spent her early career in the Malaysian Judicial and Legal Service as a Deputy Public Prosecutor until 1992 when she commenced practice as a Lawyer.

In 1994 she was appointed Director of IC Banka, a.s. Praha and subsequently became director and chairman of the individual ICB banks in Africa and Europe. She has actively focused her attention on establishing each bank and driving the business objectives and performances of the Group. She has also been responsible for the strategic mergers and acquisitions within the Group.

Ms Sivaretnam is also a Director of Kuala Lumpur City Corporation Berhad a Malaysian public company quoted on the Kuala Lumpur stock exchange.

Dr Kenneth Kwami Kwaku (aged 60) BEc (Hons – 1st Class), Phd (University of Toronto)
Non-Executive Director

Dr Kwaku was appointed to the Board on 16 February 2007. Since 2004, he has been Special Advisor to President (now retired) MKapa of Tanzania, Special Advisor Investment Climate Facility for Africa, Advisor to the Director General UNIDO, Chairman DCDM Africa and Advisor Hifadhi Business Park, East Africa. Dr Kwaku served with the World Bank Group from 1976 to 2004 and held positions including Chief MIGA Africa Representative 2002 – 2004 and Manager for Africa 1998 – 2002. Between 1995 and 1998 he was seconded from the World Bank Group as Advisor to the Namibian Government.

A Ghanaian national, Dr Kwaku speaks English, French, Portuguese and Swahili. He has numerous Academic and Professional Awards and Publications, regularly speaks at International Conferences. In addition to his qualifications above, he has also attended Harvard's Graduate School of Business.

Mr Paul Robert Philipps Bridges (aged 64)
Non-Executive Director

Mr Bridges' was appointed to the Board on 16 February 2007. He is an experienced British banker, which has included 35 years with Standard Chartered Bank (commencing in 1962), where he held senior managerial roles in credit risk management and he served in East and South East Asia, USA, Middle East and South Asia (India). Mr Bridges was also responsible for the financial analysis expert system which is a tool for analyzing corporate counterparty credit risk, the creation of a global database which consolidated corporate customers information and was actively involved in the global credit reengineering program.

Mr Bridges main expertise is in risk management and he is presently a consultant to the banking industry where he has carried out diagnostic studies and training programs in credit risk and debt recovery. Since retiring from Standard Chartered in 1998, he has focused on the development and facilitation of programs (used by a number of banks) on credit risk management, total risk management, credit audit, problem loan management, debt recovery and financial risk analysis. His other consulting projects include management of NPLs, analysis and restructuring of assets.

Although a British national, Mr Bridges resides in Jakarta and is able to speak in Bahasa Indonesia.

Mr René Fritschi (aged 58) dipl.betr.oek.ksz
Non-Executive Director

Mr Fritschi was appointed to the Board on 30 June 2006. He has profound experience as a senior bank director in international trade, major commercial banking, private banking, estate planning and asset management. Mr Fritschi is a Swiss resident and is fully conversant in English, German and French.

He started his career in 1973 at the Handelsbank NW Zurich, Switzerland and in 1978 moved to Manufacturers Hanover Trust Co Zurich, Switzerland. He later worked for Bank Audi in Zurich before joining Fundus Treuhand AG in 1989 where he worked until 1994, when he joined Deutsche Bank. He has been Chairman of Medio Consult since 1998.

4.2 Board Committees and Succession

4.2.1 Audit and Risk Management Committee

Members of the ARMC are appointed by the Board and must comprise at least 3 members. The chairman must be an independent non-executive director with relevant qualifications and experience in financial areas and at least one other member should preferably have relevant qualifications and experience in risk management. Current members are Paul Bridges (chairman), Michael Hanlon and Josephine Sivaretnam.

The ARMC must meet at least twice per year and has the authority to:

- Seek any information relevant to its activities from employees of ICB.
- Obtain such independent professional advice as it considers necessary, at the expense of ICB.
- Have full and unrestricted access to any information and documents pertaining to ICB.

The responsibilities and duties of the ARMC are subject to Board's delegation but principally relate to risk management, internal audits, external audits, audit reports, financial reporting, related party transactions and other matters as the ARMC considers appropriate or as authorised by the Board.

The head of Group Internal Audit has direct access to the Board's Chairman and the ARMC, and is accountable to the ARMC.

4.2.2 Nomination Committee

The chairman and members of NC are appointed by the Board and shall comprise of at least 2 non-executive directors. The chairman must be an independent director. Current members are Dr Ken Kwaku (chairman) and Josephine Sivaretnam.

The NC must convene at least once per year. It manages the strategy in regards to appointment of new directors, re-appointment or re-election of existing directors and other matters related to appointment and membership of the Board.

4.2.3 Remuneration Committee

The chairman and members of the RC must be appointed by the Board and must comprise of at least 2 non-executive directors. Current members are Rene Fritschi (chairman) and Josephine Sivaretnam.

The RC must convene at least once per year. It manages the overall remuneration policy, performance measurement and employment contracts for the Directors, CEO and senior management.

4.2.4 Succession Plan

ICB's key executives are the Group CEO (Harith Harun), the Chief Financial Officer (Roy George), the Director – Banking (George Koshy) and the Group COO (Yap Yong Hoon).

At the appropriate time, the Directors intend to ensure that the momentum achieved under the leadership of the present executive team is sustained by appointing suitable successors.

4.3 Profile of Other Executive Management

Mr Harith Harun (aged 51) BSc, MBA
Group CEO

Mr Harun joined the Group in 1994. He was extensively involved in the establishment of start-up banks and acquisitions and sits on the Board of Commissioner of Bank Bumiputera. In addition to his role as Group CEO, Mr Harun acts as Director (Strategy and Investment), where he provides leadership and guidance to the ICB banks and leads the team in making acquisitions.

Based in Kuala Lumpur, Mr Harun's entire career has been in the banking sector. He was General Manager of ICB Hungary (commenced 1994)(recently sold and no longer part of the Group), International Bank Malaysia Berhad (commenced 1996) and Alliance Bank Malaysia Berhad (commenced 2000). In addition to his qualifications above, he has also attended the Asian Institute of Management.

Mr Roy Winston George (aged 42) CA (Malaysia)
Chief Financial Officer

Mr George joined the Group in 2006 as Chief Financial Officer, responsible for financial reporting, funding and treasury. Prior to joining the Group he was an Executive Director (Operations) at a large stock broking company in Malaysia. He has also been an internal auditor with responsibilities that included risk management and compliance. Mr George has previously served on the supervisory board of ICB Hungary (recently sold and no longer part of the Group) and on the audit committee in ICB Albania.

Mr George qualified as an Accountant in 1992 and worked with Arthur Andersen for 13 years where he was responsible for the audits of medium and large companies in the financial services sector.

Mr George Koshy (aged 47) BCom, MBA, DipBank&Fin
Director – Banking

A Malaysian national, Mr Koshy is Director – Banking of ICB Global Management. He has over twenty years of banking experience with an emphasis on operations, trade finance and credit, starting his career with Southern Bank in Malaysia where he held senior positions including Head of Main Branch.

He is also on the board of directors of all the ICB Banks (Bank Bumiputera excluded). He joined the Group in 1997 initially as Chief Executive Officer of ICB Tanzania and later in ICB Ghana. In 2002 he took over the responsibility of overseeing the banking business of ICB, including operations of all start-up banks. Although based in Kuala Lumpur, Mr Koshy travels extensively visiting each ICB bank twice a year.

Mr Yap Yong Hoon (aged 51) BBus, MBus
Chief Operating Officer

A Malaysian national, Mr Yap completed his studies in New Zealand and then qualified as a Chartered Accountant in 1990. He was with one of the leading accounting firms for 4 years before joining a Malaysian banking group, where he was a Senior Manager for 14 years. Prior to joining ICB, Mr Yap was head of Financial Projects and Relationship Management at Commercial Bank of Qatar, Doha, Qatar.

Mr Lim Say Ghee (aged 51) DipBanking, MGM
Group Internal Auditor / Head of Risk Management

A Malaysian national, Mr Lim has a Diploma in Management from the Malaysian Institute of Management and a

Masters in General Management from the Irish University Business School, Ireland. He has more than 29 years working experience in the financial industry, including 3 years in ICB Tanzania as General Manager/Acting CEO. Prior to rejoining ICB, he was head of compliance at Hong Leong Assurance Bhd for 6 years.

Mr Sashidharan Nair (aged 44) BSc, MBA (Finance)
Regional Director (West Africa)

A Malaysian national, Mr Sashidharan graduated with a Bachelor of Science (Management) from University of Ozarks, Arkansas, U.S.A. and an MBA (Finance) from Central State University, Oklahoma, USA in 1986 and 1988 respectively. He has 17 years of banking experience in various countries including USA., Malaysia and Africa. From the period 2001 to 2005, he was Chief Executive Officer of ICB Guinea and he is currently the Regional Director of West Africa.

Mr Lee Chong Pa (aged 48) BSocSc(Hons)
Regional Director (East & Southern Africa)

A Malaysian national, Mr Lee has a Bachelor of Social Science (Hons) from University of Science, Malaysia. He has more than 25 years of banking experience, of which the past 6 years have been with ICB as a CEO of local banking operations, including 3 years with ICB Albania and presently as CEO of ICB Tanzania. Prior to joining ICB, he worked with various banks in Malaysia. He also worked for a short period with the Uganda Commercial Bank Ltd, Uganda, Africa as its General Manager.

4.4 Group Management Office Structure

The day-to-day management of the Group's interests is undertaken in Malaysia by the Group's management company, ICB Global Management. The organisational structure of the Group Management Office (located in Malaysia) is as follows:

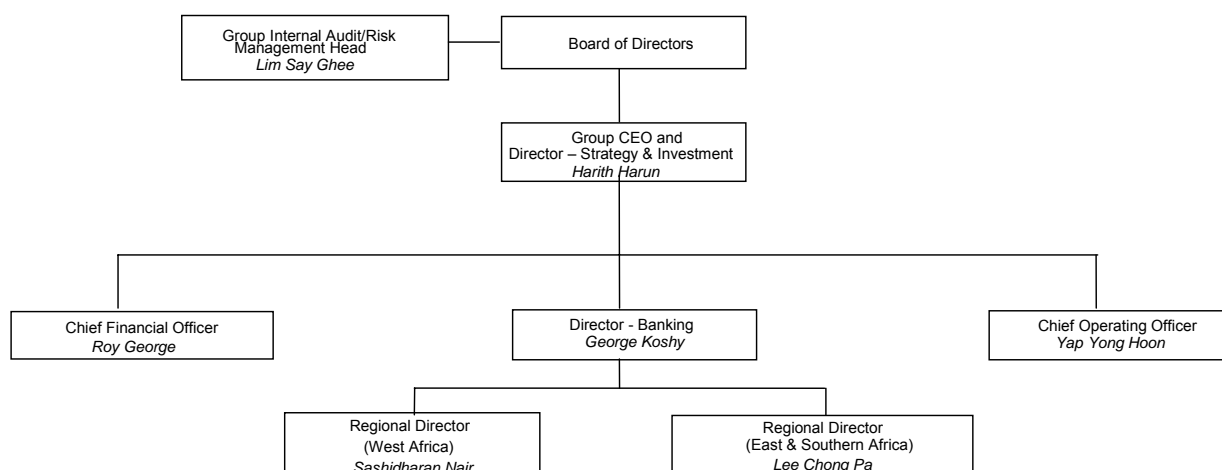


Figure 4: Group Management Office management structure

ICB is structured operationally with senior management in each function reporting directly to the Group CEO, who in turn reports to the Board of Directors.

4.5 Employee Profile

ICB's human capital is built on the premise of teamwork coupled with a cross-cultural mix as the employees of each bank comprise locals and expatriates. This rich mix of talent enhances and continuously builds a dynamic and evolving workforce that benefits the banks in terms of experience and productivity.

Employees of each company within the ICB Banking Group are categorised as follows:

- Chief Executive Officers.
- Senior management – Assistant General Manager and General Manager.
- Management –Assistant Manager to Senior Manager.
- Executives –Junior Executive to Senior Executive.
- Clerical –Junior Executive level and below.

Total staff of the entire ICB Banking Group as at 31 December 2004, 2005 and 2006 was as follows:

	Number of employees		
	2004	2005	2006
By Employee Category			
CEO	9	9	11
Senior Management	35	50	55
Management	100	112	145
Executives	239	260	321
Clerical	773	912	1,002
Total	1,156	1,343	1,534
By Country			
Indonesia (BII not included)	783	891	965
Ghana	93	127	172
Guinea	50	56	63
Albania	41	56	53
Mozambique	47	50	56
Sierra Leone	12	14	15
Gambia	11	17	33
Djibouti	0	0	15
Tanzania	33	43	52
Senegal	0	0	13
Hungary (disposed May 2007)	86	89	97
Total	1,156	1,343	1,534

Staff numbers have increased in by approximately 16% and 14% respectively in 2005 and 2006.

In addition to the above, Bank Bumiputera hired 113, 169 and 175 contract personnel in 2004, 2005 and 2006 respectively as data entry clerks, administration clerks, drivers and other lower ranking positions.

5 Financial Information

The financial information for the Group is provided in the Independent Accountant's Report included in Part C of this Admission Document and is summarised within this section.

Note that throughout this section and within the Independent Accountant's Report included at Part C of this Admission Document, Bank Bumiputera has been treated as a subsidiary of ICB Holdings so as to represent the substance over form of the history of Bank Bumiputera's ownership and to be consistent with the current ownership structure.

5.1 Consolidated Balance Sheet (US\$m)

31 December	2004	2005	2006
Assets	613	651	885
Loans	308	346	491
Deposits	428	496	661
Liabilities*	477	522	690
Shareholder loans	60	51	92
Share capital	60	60	60
Minority interests	13	9	19
Total Equity	135	129	194

* Excluding shareholder loans (all of which have been capitalised or repaid prior to the date of this Admission Document).

5.2 Consolidated Income Statement (US\$m)

31 December	2004	2005	2006
Interest income	10	55	83
Interest expense	5	31	50
Fee income	1	7	8
Results of associate	9	8	6
NPAT attributable to Shareholders	12	7	8

5.3 Key Ratios

31 December	2004	2005	2006
Income and Margin			
Total interest income/interest earning assets (%)	2.6	13.0	15.5
Total interest expense/interest bearing liabilities (%)	1.0	6.5	8.6
Net interest margin (%)	1.4	5.6	6.2
Non-interest income/total income (%)	22.2	28.4	26.1
Cost/income (%)	79.7	79.8	77.4
Profitability			
Return on average assets (%)	1.9	1.1	1.0
Return on equity (%)	9.5	5.9	5.4
Financial efficiencies			
Gross loan/deposit (%)	74.2	72.8	77.2
Asset quality			
Gross NPL ratio	4.0	8.7	6.2
Net NPL ratio	2.9	5.7	4.7
Loan loss coverage ratio	28.7	37.5	25.3

The ratios for 2004 are impacted significantly by the acquisition of Bank Bumiputera during October of that year and should be considered in that context.

The return on equity for the 2005 and 2006 years has been impacted significantly by write downs in the loan book of Bank Bumiputera post acquisition. With all impaired loans believed to be adequately provided for by 31 December 2006, Bank Bumiputera's operations are expected to gradually return to a position of stronger profitability in the coming years with a corresponding improvement to ICB Holdings' return on equity.

Relative to the banking industry as a whole ICB has a high cost to income ratio. This is largely attributable to the start up phase of many of the Group's banking operations and as these are scaled up the Directors expect the cost to income ratio to trend towards industry norms.

The relatively high net interest margin is typical of banks operating in emerging economies and the margins recorded during 2005 and 2006 are expected to be sustained during the near term.

The activities of the ICB Banks are expected to scale up during the next few years which is anticipated to lead to rising profitability.

5.4 Regional Analysis (US\$m)

31 December 2006	Africa	Asia	Europe	Group
Interest income	13	68	2	83
Profit After Tax (including minority interests)	2.3	6.5	(0.5)	8.2
Assets	120	635	130	885
Liabilities	116	543	31	690

6 Taxation Status of the Group

6.1 Swiss Taxes on Shareholders and Distributions of the Company

The statements and discussion of certain Swiss taxes set out below are based on the laws, regulations and regulatory practices in effect as of the date of this Admission Document and are of a general nature with regard to individuals and legal entities (excluding taxation of associations and foundations) not resident in or carrying on business through a permanent establishment in Switzerland and do not relate to persons in the business of buying and selling shares or other securities. The statements are included for general information only and are not exhaustive of all tax considerations that may be relevant to a particular holder of Shares in light of the holder's particular circumstances nor do they address the tax considerations relevant to certain types of holders who may be subject to special treatment under the applicable tax laws. Such statements are not intended to be, and should not be interpreted as legal or tax advice to any particular holder of Shares, and no representation with respect to the tax consequences to any particular holder is made. Potential investors are therefore urged to consult their tax advisors to determine the special tax consequences of the receipt, ownership and sale or other disposition of Shares.

6.1.1 Withholding Tax on Dividends and Distributions

Dividends paid and similar cash or in-kind distributions made by the Company to a holder of Shares (including liquidation proceeds exceeding the nominal value of the Shares as well as stock dividends) are subject to Swiss Federal Withholding Tax (Verrechnungssteuer; the "Withholding Tax") at a rate of presently 35%. The same applies for gains realized upon a repurchase of Shares if the Company were not to dispose of the repurchased Shares within six years after the repurchase or if the repurchased amount of shares exceeds a certain

percentage or if such Shares were repurchased in view of a capital reduction. Subject to Withholding Tax would be the difference between the repurchase price and the nominal value of the Shares (Nennwertprinzip). The Withholding Tax must basically be withheld by the Company from the gross distribution and be paid to the Swiss Federal Tax Administration. The Withholding Tax is in principle refundable in full to a Swiss resident (as defined in the Swiss Federal Withholding Tax Act) who receives a distribution if such resident is the beneficial owner of the Shares at the time the distribution is due and duly reports the gross distribution received on the financial statements and/or the personal tax return. Foreign-resident taxpayers may be entitled to a full or partial refund of the Withholding Tax if the country of their residence has entered into a double tax treaty with Switzerland and the requirements of the double tax treaty for a full or partial refund have been met. Holders of Shares not resident in Switzerland should be aware that the procedures for claiming treaty benefits and the time required for obtaining a refund may differ from country to country.

UK resident shareholders: The current double taxation treaty between the United Kingdom and Switzerland may entitle UK resident shareholders to a certain reclaim of Swiss Withholding Tax on the dividend. Qualifying UK shareholders will be able to claim back 4/7ths of the 35% Swiss Withholding Tax, leaving a net tax cost of 15% of the taxation levied by the Swiss authorities on the basis that the shareholder, under UK taxation law, is already obliged to pay tax on the gross amount of dividends (which are treated as income for taxation purposes) received from the company. Procedure for claiming the refund: Three copies of Swiss tax form 86, duly completed and signed, must be sent to the Inspector of Taxes in the United Kingdom to whom the income tax return is made (or to the Inspector of Taxes for the district in which you reside, if you have not made such a return). Rights to repayment arising in one calendar year must be claimed in a single claim. Two copies of the forms have to be sent to the Federal Tax Administration of Switzerland, CH 3003 Berne no later than 31 December of the third year following the calendar year in which the dividend became due. The claim must be accompanied by evidence of deduction of Swiss Withholding Tax. In general, a certificate of deduction, signed bank voucher or credit slip will satisfy this requirement. A respective dividend voucher will be provided at the time of payment. However, the Swiss administration reserves the right to request further evidence and information. The Swiss Federal tax authorities have advised that refunds may take some months to obtain.

6.1.2 Income Tax on Dividends

Recipients of dividends and similar distributions on Shares who are neither residents of Switzerland for tax purposes nor hold Shares as part of a Swiss business operation or a Swiss permanent establishment are not subject to Swiss income taxes in respect of such distributions.

6.1.3 Capital Gains Tax upon Disposal of Shares

Individuals and legal entities which are not resident in Switzerland for tax purposes and do not hold Shares as part of a Swiss business operation or a Swiss permanent establishment are generally not subject to Swiss income taxes on gains realized upon the disposal of the Shares.

6.1.4 Securities Transfer Tax

The transfer of Shares against payment, whether by a Swiss resident or a non-resident holder, may be subject to Swiss Securities Transfer Tax of 0.15% (full rate) of the sales proceeds if the sale occurs through or with a Swiss bank or other securities dealers as defined in the Swiss Federal Stamp Tax Act. This tax does not apply to transfers of ICB CREST Depository Interests if neither a Swiss bank nor broker is involved.

6.2 Corporate Income Taxes

ICB Holdings and its subsidiaries and associates are located in 13 countries across 3 regions. The corporate income taxes for the countries involved are as follows:

2006 Corporate Tax Rate (%)	
Switzerland	16
Indonesia	30
Albania	20
Singapore	20
Malaysia	28
Ghana	25
Guinea	35
Mozambique	32
Sierra Leone	30
Gambia	35
Djibouti	25
Tanzania	30
Senegal	25

Tax incentives are provided to certain operating banks within the Group by local governments.

The Company has a special tax status as holding company which means it does not pay income taxes on dividend income for cantonal (state) and communal (local) tax purposes and that, for federal tax purposes, a

'participation exemption' is generally applicable to the dividend income deriving from 'qualifying participations' – a company or participation in which the Swiss company owns at least 20% of the registered capital or the value of which participation exceeds CHF 2 million (respectively).

6.3 Withholding Tax on Dividend Payments within the Group

Dividend income from its subsidiaries and associates is the main source of revenue for the Company and it is subject to corporate taxation legislation in Switzerland, the country where ICB Holdings is incorporated.

The following countries, in which the Group has operating subsidiaries and associates, have tax treaty arrangements with Switzerland:

- Indonesia;
- Albania;
- Singapore; and
- Malaysia.

Any dividend distribution to be made by Bank Bumiputera (Indonesia) is generally subject to a statutory dividend withholding tax of 20%. However, under the tax treaty arrangement between Indonesia and Switzerland, the withholding tax for dividends is 10% only if ICB Holdings holds 25% or more equity interest in Bank Bumiputera (which it presently does), otherwise the applicable withholding tax on dividends is 15%.

The double taxation agreement between Switzerland and Albania states that the dividend withholding tax is 5% if ICB Holdings holds directly at least 25% of equity interest in ICB Albania (which it presently does), otherwise the applicable withholding tax on dividends is 15%.

Based on the tax treaty arrangement entered into with the respective countries, there is no requirement to withhold any amount of tax for dividends to be distributed from Singapore and Malaysia to its corporate investors in Switzerland. As such, dividends distributed from Sorak and ICB Global to ICB Holdings are free from withholding tax.

Any dividend distribution to be made by Bank Internasional Indonesia is generally subject to a statutory dividend withholding tax of 20%. However, under the tax treaty arrangement between Indonesia and Singapore, the withholding tax for dividends is 10% only if Sorak Holdings holds 25% or more equity interest in BII (which it presently does), otherwise the applicable withholding tax on dividends is 15%.

The following countries do not have a tax treaty arrangement with Switzerland:

- Ghana;
- Guinea;
- Mozambique;
- Sierra Leone;
- Gambia;
- Djibouti;
- Tanzania; and
- Senegal.

Consequently, any dividend distribution to ICB Holdings from the following subsidiaries or associates will be subject to the following statutory withholding tax rates:

Withholding tax on dividend payments (%)	
ICB Ghana	10
ICB Guinea	15
ICB Mozambique	18
ICB Sierra Leone	10
ICB Gambia	15 ¹
ICB Djibouti	n/a ²
ICB Tanzania	10
ICB Senegal	16

¹ ICB Gambia is exempted from withholding tax on dividend payments for a period of 5 years from 20 July 2004 to 20 July 2009 under the "Special Investment Status" granted by the Gambia Investments Promotion and Free Zones Agency.

² There is no withholding tax on dividend payments.

Details of the taxation implications of an investment in the Company by UK residents are provided in Section 8 of Part D.

7 Regulatory Controls

7.1 Switzerland

As a Swiss incorporated company, ICB Holdings is governed by the Swiss Company Laws. However, as it is the holding company of the Group and does not itself conduct banking operations, it is not regulated by the Swiss Federal Banking Commission. However, all the banks within the Group are regulated by the respective banking regulatory authorities of their host countries.

7.2 Capital Adequacy

The respective capital adequacy ratios for the banks as at 31 December 2006 and the respective minimum CAR as regulated by the central banks are as tabulated below:

Bank	CAR (%)	Statutory minimum CAR (%)
Bank Bumiputera	13	8
ICB Ghana	29	10
ICB Guinea	39	10
ICB Albania	65	12
ICB Mozambique	48	8
ICB Sierra Leone	184	15
ICB Gambia	29	8
ICB Djibouti	366	8
ICB Tanzania	18	10
ICB Senegal	204	8

The high CARs relative to the statutory minimum levels at a number of the ICB Banks are attributable to the early stage of those operations. CAR levels should be expected to reduce as the operations of the banks are scaled up.

7.3 Basel II

7.3.1 Introduction

Basel I was an international accord to set minimum levels of capital for banks, building societies and other deposit taking institutions. It was designed to create a level playing field for lenders from different countries and to ensure that lenders were sufficiently well capitalised to protect depositors and the financial system. The first Basel Accord is now being replaced by a new accord, Basel II.

Basel II covers all OECD countries (the advanced economies). By 1 January 2008, all member countries (other than the US) will be using the Basel II system. The US recently delayed its introduction date to January 2009, although only the largest US banks will be required to adopt the accord, it being optional for others. Some of the countries in which ICB Banks operate are also considering the adoption of Basel II (see below).

The new accord provides for a choice of ways to calculate required capital. The simplest is the standardised approach, which provides set risk weights for some asset classes and requires the weight on others to be determined by the public credit rating assigned to the particular asset by the rating agencies. Lenders will be able to choose the more sophisticated 'internal ratings based' approach, either foundation, advanced or retail. These allow lenders to use their own risk models to determine appropriate minimum capital. The standardised approach is the simplest and most similar to Basel I, providing set risk weights for some asset classes and requiring the weight on others to be determined by the public credit rating assigned to the particular asset by the rating agencies.

Lenders must hold total capital equal to at least 8% of risk-weighted assets and Tier 1 capital (the purest form of capital, including shareholders' funds) of at least 4% of risk-weighted assets. These figures are carried over from Basel I.

An additional aspect of Basel II is that banks will be required to have capital cover for operating risk in addition to credit risk as is required by Basel I. The impact of this change on the Group's capital requirements cannot yet be determined.

7.3.2 Indonesia

Bank Bumiputera has begun the necessary steps to abide by the guidelines set out by Bank Indonesia and is preparing to embrace Basel II. To this end, some of the efforts currently undertaken by Bank Bumiputera are as follows:

- Enhance the capabilities of the credit surveillance unit.
- Prepare a standard check list for the consumer, corporate and commercial department.
- Strengthen operation and market risk functions by establishing standard operating procedures for each operating area.

- Establish historical loss database for Credit, Market and Operational loss.
- Improve and strengthen credit analysis capabilities.
- Implement credit scoring model for consumer loans.
- Back testing of credit cards, home loans and unsecured loans defaults and tightening of underwriting standards accordingly.

7.3.3 Albania

Albania's central bank has not indicated exactly when it will be moving towards Basel II, although it is noted as a mid-term priority. Given the Group's focus on Asia and Africa, ICB Albania has no immediate plans to comply with Basel II unless target dates are set.

7.3.4 Africa

In Africa, the operating bank will adopt the policies recommended by Basel II in accordance with the directives from their respective central banks. Accordingly, ICB Ghana and ICB Tanzania are preparing to comply with Basel II as both the central banks have indicated their intentions to implement Basel II (although implementation dates are yet to be confirmed).

7.4 Exchange Controls

In general, most of the countries in which the Group operates have few or no restrictions on the repatriation of capital or profits (other than the imposition of withholding taxes on dividends).

Following is a summary of the exchange controls and price setting regime applicable to countries in which ICB Holdings has an interest.

Country	Currency Regime ¹	Repatriation of profit
Indonesia	Managed	Allowed
Ghana	Floating	Allowed
Guinea	Floating	Allowed
Albania	Floating	Allowed
Mozambique	Floating	Allowed
Sierra Leone	Floating	Allowed
Gambia	Floating	Allowed
Djibouti	Pegged ²	Allowed
Tanzania	Floating	Allowed
Senegal	Pegged ³	Allowed
Malaysia	Managed	Allowed
Singapore	Managed	Allowed

1. *Managed = Managed floating exchange rate; Floating = Floating exchange rate; Pegged = fixed exchange rate.*

2. *The DJF is pegged against the USD at DJF177.72 for every USD.*

3. *The West African CFA franc (XOF) is pegged against the Euro at XOF 655.957 for every Euro.*

8 Prospects, Future Strategy and Objectives

Within the next 3 years, ICB's primary geographical focus will be in Asia and Africa.

ICB currently operates in 8 African countries and expects to have a presence in 15 African countries by 2009. It has already identified potential expansion targets in Africa.

In Europe, ICB Holdings recently divested its previous interest in ICB Hungary. This is consistent with its strategy of focusing on Asia and Africa.

In Asia, ICB Holdings anticipates increasing its presence from Indonesia to other regions / countries in Asia.

8.1 Three Year Objectives

In respect of the ICB Banks over the next three years, ICB intends to:

- Continue to grow consumer banking and SME businesses.
- Grow inward remittances.
- Improve net interest margin and profitability.
- Grow fee-based business.
- Improve credit risk management.
- Focus on people development.
- Continue the emphasis on improving service quality.

As recorded in Section 2 of Part A of this Admission Document, ICB Holdings' 11.3% effective interest in BII represents a strategic investment in the expanding Indonesian banking industry and will continue to be reviewed by the Directors.

8.2 Country risk management

The Company categorises the countries in the world into developed countries, developing countries and less developing countries and recognises that investing in developing and less developing countries is fraught with risks and challenges. Hence, ICB has established a Strategy and Investments Department which has formulated the following strategies to assist with the investment decision-making process whilst concurrently mitigating the country risks.

Clear and Coherent Entry Strategy

ICB proposes to establish new banks as an entry mode in less-developing countries. This allows ICB to determine the new bank's direction, systems, human resource and policies right from the bank's inception and avoid inheriting legacy issues (e.g., staff morale, industrial disputes, NPLs, legal suits) typically associated with acquisitions.

In developing nations where ICB would need to acquire an existing bank to enter into their banking sectors (typically because new licences would not be issued), it is ICB's policy to conduct a thorough due diligence on those banks and ensure that the terms of the acquisitions are favourable to ICB. In larger developing countries, ICB may acquire strategic stakes as a means to gain presence to derive the following benefits:

- Gain the country exposure and learn about the economic environment.
- Establish correspondent banking relationships for the ICB Banking Group.
- Provide a head start for ICB to acquire larger stakes when the opportunities arise.

Diversification

ICB adopts a diversification strategy where it spreads its risk by operating in various countries. This is evident as ICB currently operates in 8 countries in Africa, 1 country in Europe and 1 country in Asia. Moving forward, ICB intends to expand its operations by obtaining more banking licences to operate in various countries and search for potential acquisition or investment opportunities.

Localisation

ICB believes that its participation in a local economy is for the mutual benefit of all parties concerned. Hence, ICB strives to maintain good relationships with the local authorities and local community. In addition, ICB seeks to maximise the participation of locals in ICB Banks via directorships and employment, where possible.

9 Reasons for Admission

The Directors consider that the Admission to AIM will provide a platform to broaden the Company's investor base, provide liquidity for trading shares in the Company and enhance the profile and credibility of the Company in international capital markets.

The Company believes that improved access to future funding will be possible through the traditional support and understanding in the London market for growth oriented opportunities in emerging markets. This will enable the Company to expand, consolidate and strengthen its operations and growth assets. The Company intends to undertake equity capital raisings in the future as its business grows to assist in the funding of that growth.

10 Summary Capital Structure

10.1 Capital Structure

On Admission, the Company's capital structure will be comprised of 180,000,000 Shares.

As at 31 December 2006 the issued share capital comprised 75,000 fully paid shares each of CHF 1,000. On 16 April 2007 these shares were divided into 75,000,000 fully paid shares each of CHF 1 (Shares).

On 16 April 2007 Shareholder loans totalling CHF 95,000,000 (approximately US\$79 million) were settled through the issue of 95,000,000 additional Shares.

On 11 May 2007 the Company issued a further 10,000,000 Shares to new Shareholders through the Pre Admission Placing at a price of US\$1 per Share.

The Company has no other listed or unlisted securities in issue, including options over Shares or Share warrants.

Information about the rights and liabilities attaching to the Shares are provided in Section 5 of Part D of this Admission Document.

10.2 Shareholders of ICB Holdings

To the best of the knowledge of the Directors, the only Shareholder that has an interest, directly or indirectly, jointly or severally, in 3% or more of the share capital of ICB Holdings as at the date of this Admission Document is:

Beneficial Shareholder	Interest in issued Shares	Interest (%)
Tun Daim Zainuddin	169,993,000	94.4%

Tun Daim Zainuddin has advised the Directors he intends to reduce his percentage interest in the Company as a market for its Shares develops. This may occur as a result of sell down or as a consequence of dilutions arising from new capital raisings or a combination thereof.

10.3 Relationship Deed

As such a substantial shareholder in the Company Tun Daim Zainuddin has entered into a Relationship Deed with the Company to ensure the independence of the Board and the Company generally. Under the terms of this agreement the Company must carry on its business independently of Tun Daim Zainuddin's interests (and the interests of his associates (if any) in the Company) and in the best interests of the Company and all its shareholders. The Company must also ensure that it sets up an Audit and Risk Management Committee, Nomination Committee and Remuneration Committee (see Section 4.2 of Part A for further details of these committees) and that it adopts, maintains and enforces policies and procedures that are, at all times, consistent with the corporate governance principals considered suitable for an AIM listed company. Further, representatives, nominees or associates of Tun Daim Zainuddin must not:

- represent a majority of the Directors on the Board;
- hold the position of Chairman of the Board; or
- hold more than one of the positions on the ARMC, NC or RC.

The Relationship Deed will terminate if (amongst other matters) Tun Daim Zainuddin and any related parties (including successors to Tun Daim Zainuddin collectively) cease to own 50% or more of the issued shares in the Company.

Further details of the Relationship Deed are set out in Section 7.1 of Part D.

11 Dividend Policy

Swiss law requires that, of the Company's declared annual profit, 5% must be placed into the general reserve fund until this has reached an amount equal to 20% of paid up share capital. The remainder is at the disposal of the General Shareholders' Meeting (to which the Board is able to put motions with respect to the application of net income), subject to legal provisions for further allocations to the reserve fund and subject to other provisions of article 671 Swiss Code of Obligations.

The Company's Articles provide for all Shareholders to rank *pari passu* in relation to, *inter alia*, dividends and distributions. Holders of Shares will be entitled to all dividends and other distributions declared by the Board, in proportion to the number of Shares they hold.

ICB Holdings has not paid any dividends since its incorporation but has reinvested all profits back into its business.

Subject to the availability of distributable profits, the Board's present intention is to return to Shareholders, as dividends, all free cash flow from operations after allowing for future and ongoing capital expenditure demands general reserve fund and capital adequacy requirements, any debt servicing obligations and any recurring increase to other working capital requirements.

12 Admission, Settlement (CREST) and Dealings

The Company's primary share register is maintained in Switzerland by ShareCommService AG.

To facilitate trading on AIM, it is beneficial for securities to be able to be transferred and settled through the "CREST" system, a UK computerised paperless share transfer and settlement system, which allows shares and other securities, including depository interests, to be held in electronic form rather than in paper form. For Swiss

securities, such as the Shares, to be transferred and settled through CREST they need to be in the form of “CREST Depository Interests”.

The Company, through CREST, has established a facility whereby CREST Depository Interests, representing Shares, will be issued by CREST Depository Limited, acting as depository, to persons who wish to hold the Shares through CREST Depository Interests in electronic form within the CREST system. It is intended that the Company will apply for the CREST Depository Interests, representing Shares, to be tradeable through CREST with effect from Admission. Accordingly, settlement of transactions in CREST Depository Interests representing the Shares following Admission may take place within the CREST system if the relevant Shareholders so wish.

Any Shares held in certificated form, issued directly from the primary register in Switzerland, will need to first be converted into CREST Depository Interests before they can be traded through the CREST system.

For more information concerning CREST, Shareholders should contact their brokers or CRESTCo Limited at 33 Cannon Street, London EC4M 5SB.

Part B - Risk Factors

Any investment in Shares or other securities in the Company should be considered speculative because of the nature of the business activities of the Group. In particular, there are a range of specific risks associated with the Group's business and its involvement in the banking industry within the emerging countries where it operates. Many of these risk factors are largely beyond the control of the Company and its Directors.

Prospective investors should carefully consider the risks described below, together with all other information contained in this Admission Document or subsequently released to the market, and their own personal investment objectives and financial circumstances before deciding whether to invest in the Shares. If in any doubt, investors should consult with an independent financial adviser who specialises in advising on the acquisition of Shares.

The following risks have the potential to materially adversely affect the Group's business, financial condition, results of operations and/or Share price. In such case, an investor could lose all or part of his or her investment. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Group's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company. Neither the Company nor the Directors provide any assurances or guarantees of future profitability, distributions, payment of dividends, return of capital or performance of the Company or its Shares.

1 Risks Specific to the Company

1.1 Political, economic and social risks of the countries in which the Group operates

Emerging markets, including certain of those in which Group Companies operate or are seeking to operate, are generally subject to greater risks than more developed markets – where there are likely to exist greater stability and settled practices in relation to the manner and environment in which businesses operate. Typically, such emerging market risks will include political, social and economic risks of varying degrees – all or any one of which could have a material adverse effect on the business of the Group.

The Group's operations are conducted, and the majority of the Group's assets are located, in South East Asia, Africa and Eastern Europe. Some of such countries (and other countries in which the Group may in the future conduct operations) have in the past experienced periods of political and economic instability all of which serve to undermine business confidence, and which can adversely affect the performance of the Group's operations in such jurisdictions or, indeed, the Group's performance in general.

Specific examples of country risks which may have a material adverse impact on the Group's business, operating results, cash flows and financial condition, may include:

- general country or regional political, social or economic instability;
- acts of warfare, terrorism or civil unrest;
- specific government intervention in business operations – e.g. protectionism for, or subsidising, competing businesses; and
- undue regulatory interference or change (which may result in difficulties in obtaining new permits and consents for the Group's operations or renewing existing ones).

Further, any unexpected changes in the political, social, economic or other conditions in jurisdictions of neighbouring countries in which the Group has operations may have a material adverse effect on the investments that the Group has made or may make in the future, which may in turn have a material adverse effect on the Group's business or financial condition and the results of the Group's operations.

As regards infrastructure risk, businesses operating in certain countries in which the Group operates may face significant problems relating to lack or poor conditions of physical infrastructure – including in transportation, electricity generation and transmission, and communication systems – the poor operation of which can adversely affect a company's ability to conduct and grow its business properly and effectively.

Generally, investment in companies carrying on business in emerging markets similar to some of those in which the Group conducts its business is only suitable for sophisticated investors who fully appreciate the significance of the risks involved. Accordingly, all investors are urged to consult with their own legal and financial advisors before making an investment in the Shares, and investors should exercise particular care in evaluating the risks involved and must consider those risks in deciding whether an investment in the Shares is appropriate.

1.2 Indonesian interests account for a significant part of the Company's assets and operations

Although the Group is seeking to diversify its product base and extend its geographic footprint, it should be noted that a significant portion of the Group's operating revenues and net income are being derived from its Indonesian interests, and that this market is likely to continue to account for a large portion of the Group's business in the near future. If revenues or net income derived from this market decline, and if the Group is not able to generate revenues or net income of a comparable size from the other markets in which it operates or is seeking to operate, the dependence of the Group on Indonesia for a significant proportion of its consolidated revenues and income

may have a material adverse effect on the Group's business, financial condition and results in the future.

1.3 Counterparty Risk

Banking operations rely on the performance of counterparties including other banks as deposit takers and lenders. The Group's risk management procedures seek to manage counterparty risk however, as with all banking operations, the risk of damage to part of the Group's business due to counterparty failure will always be present.

1.4 Treasury operations and foreign exchange

The methods, instruments, and technologies used to manage risk in the foreign exchange markets can be complex, sometimes requiring sophisticated trading systems, tools, techniques and insights to develop sound investment and hedging decisions whilst controlling risks. Substantial gains and losses can be made in relatively short periods.

Whilst ICB is confident that its systems and procedures are sufficient to manage the risks associated with such activities, such activities will never be risk free and there can be no guarantee that significant losses will not occur.

1.5 Reliance on key personnel

The Group's business is, to a certain extent, dependent on the activities of its key management and their experience and knowledge of the banking industry – generally and within the Group's relevant operating countries. The loss of key managers may have a material adverse effect on the Group's operations and financial position if they are not able to be readily replaced with personnel of equal skill and knowledge. Furthermore, the ability of the Group to deploy suitable experienced personnel to operating locations may be hindered by restrictions imposed by certain governments upon foreign nationals.

1.6 Competition

Each Group Company may face increasing competition (direct and indirect) from other financial service providers in its home jurisdiction. Such increases in competition may have an adverse effect on the performance of the Group, reducing revenues, margins and profitability.

The Group's market position will depend on the effectiveness of its marketing initiatives and its ability to anticipate and respond to various factors affecting the industry, including new products and services, pricing strategies by competitors, shifts in consumer preferences and changes in economic, political and social conditions in the countries in which the Group operates.

There can be no assurances that the Group will be able to compete effectively with current or future competitors, nor that the increasingly competitive pressures faced by each Group Company from such business will not have a material adverse effect on the Group's future performance.

1.7 New investments, products and services

The Group has made significant investments in acquiring and developing its interests and asset base, and in developing and sustaining the range (and consistency) of services and products offered by Group Companies.

The Group may make significant further investments following Admission. However, commercial acceptance by consumers of new services offered may not occur at the rate or level expected, and the Group may not be able to successfully adapt its new services to meet consumers' demands effectively and economically, thus impairing the return from such investments. The Group's failure to achieve commercial acceptance for its services, or to provide them on a cost-effective basis, could result in additional capital expenditure or a reduction in profitability.

1.8 Rapid growth

While the Group believes that it has a highly capable management team and strong operational and managerial resources and control systems, there remains a risk that the rapid establishment, development and expansion of the Group's businesses may raise unanticipated operational or control issues. Particular issues may arise through the establishment or acquisition of new businesses (the acquisition of which in particular may require significant management time and resource in achieving effective integration of business, systems and personnel), and the operating complexity of the Group's business (and the responsibilities of the Board and management team) will increase significantly in consequence of such growth. Such expansion will also require the Group to maintain close co-ordination among its logistical, technical, accounting, finance, marketing and sales personnel, and the Group's success will depend, to a large part, on its ability to continue to attract, retain and motivate qualified personnel.

1.9 Intra-Group Regulatory Risks

BII and each ICB Bank undertakes activities in its home jurisdiction under regulation by that jurisdiction's central bank and/or financial regulator. Suspension, cancellation or other action taken in respect of a banking licence or other regulatory issues encountered by BII or an ICB Bank in its home jurisdiction may impact upon the Company or the regulatory status of other Group Companies in their home jurisdictions or the Group as a whole.

1.10 Reliance on Group Companies

ICB Holdings is currently a holding company and has no significant operations of its own, its operations being conducted directly or indirectly through Group Companies. Should profits from the Group Companies decline, or should the Group Companies (or any of them) cease or be unable to remit profits or management fees to the Company in the manner currently carried on, or should the Company cease to hold its interest in any of the Group Companies which is significant to the Group in terms of such Group Company's contribution to the profits of the Group by reason or as a consequence of any breach by the Company and/or such Group Company of the laws of the home jurisdiction of such Group Company or the requirements of the central bank or any other authorities in such home jurisdiction or by reason or as a consequence of any breach or default by the Company or such Group Company of any contract binding upon it, the Company's consolidated profits and cash flows may be materially adversely affected.

1.11 Exchange controls

Certain jurisdictions in which the Group Companies operate or may seek to operate may seek to institute exchange control policies which limit or restrict a company's ability to convert earnings into other currencies or to remit sums in respect of management fees or dividends in internationally accepted funds to the Group.

Similarly, the Group may experience difficulties in funding operating businesses in certain jurisdictions if such exchange controls are introduced or if the Group expands to jurisdictions having such controls. Such restrictions on the ability of the Group's operating companies to convert or transfer currencies could have a material adverse effect on the Group's business, financial condition and results. Additionally, currency fluctuations in the countries where the Group is operating can be significant and may impact the Group's net worth and operations.

1.12 Technological changes

The Group may face increasing competition from technologies, services and products currently being developed, or which may be developed in the future, by both its existing competitors and new market entrants. The development and regulatory acceptance of new technologies involves time, substantial cost and risks. The Group cannot accurately predict how emerging and future technological changes will affect its operations or the competitiveness of its products and services.

1.13 Legal and regulatory uncertainties

As indicated above, a number of the countries in which the Group operates or in which it may operate in the future remain in various stages of transition – both financially and from a legal and regulatory perspective. Although in some cases many laws and regulations have been liberalised and modernised, in some cases the procedural safeguards of the legal and regulatory regimes remain in a state of development, with the consequence that laws and regulations (often conflicting with previous laws or regulations) may be applied inconsistently. Such inconsistent interpretation or lack of clarity and certainty could affect the Group's ability, inter alia, to enforce the Group's rights under the Group's loan agreements, licences, contracts or the like or to defend the Group against claims by others, and could have a material adverse effect on the Group's business, financial condition and the results.

1.14 Government discretion

Governmental authorities in certain countries in which the Group operates or may seek to operate may have a high degree of discretion and, at times, act selectively or arbitrarily, without hearing or prior notice. Further, governments in such jurisdictions may have the power, by regulation or government act, to interfere in certain circumstances with the performance of a company's business.

Such governmental actions could include the denial or withdrawal of licences, sudden and unexpected tax audits, criminal prosecutions and civil actions – any of which could have a material adverse effect on the Group's business, financial condition and results.

1.15 Inflation

The economies of certain countries in which the Group operates have from time to time experienced high rates of inflation. The Group incurs most of the Group's operating expenses in local currency in the countries in which the Group operates. As a result, the Group tends to experience increases in certain of the Group's local currency costs which are sensitive to rises in the general price levels, including salaries and rents, in countries with high inflation rates. The Group may not, however, be able to maintain the prices the Group charges for the Group's products and services at levels that will preserve the Group's operating margins, due to competitive pressures, regulatory requirements or other reasons.

2 General Banking Industry Risks Not Addressed Above Within Risks Specific to the Company

2.1 General

Banks are highly leveraged financial institutions and are subject to the risk of changes in the general business and economic conditions within the markets in which they operate. A change in these conditions could include changes in interest rates, inflation, unemployment, monetary supply, exogenous shock, changes in foreign exchange rates, and the health of the general economy.

Banks also face the risk of regulatory changes and (depending on the jurisdictions in which they operate) increased competition which could affect the profitability of their operations.

A key risk that financial institutions face is associated with extending credit to other parties. Less favourable business conditions could cause potential losses from loans to increase, putting pressure on the Group's capital.

They are also typically reliant on their banking systems (particularly information technology systems) for storing data and processing large volumes of transactions. If one or all of these systems fail to work accurately and efficiently, a bank's operations can be severely disrupted.

Moreover, as the Group's operations grow, it may also face increasing operational risk inherent in a large and complex business.

2.2 Changes to the Regulatory Environment

Banking tends to be an economic and sometimes politically sensitive industry. It therefore tends to be subject to greater scrutiny than other industries and subject to greater regulatory burdens and controls. These regulatory systems are often evolving and tend to change over time. Such changes could be materially adverse to the Group's operations and profitability.

3 General Securities Risks

3.1 Securities investments and share market conditions

The prices at which the Shares trade may rise or fall in response to a number of factors affecting the market for equities in general which are unpredictable and unrelated or disproportionate to the operating performance of the Company. Such factors include changes in the general economic outlook, interest and inflation rates, currency exchange rates, investor sentiment and the demand and supply for capital.

3.2 Liquidity of the Company's Shares

Admission of the Shares to trading on AIM should not be taken as implying that there will be an ongoing liquid market for the Shares.

Part C – Independent Accountant’s Report

for all your professional needs

SQ Morison
AF – 1428
Chartered Accountants (Malaysia)



11 May 2007

The Directors
ICB Financial Group Holdings AG

The Directors
RFC Corporate Finance Ltd.

Dear Sirs

ICB Financial Group Holdings AG (the “Company”), and its subsidiaries (the “Group”)

We report on the financial information of ICB Financial Group Holdings AG together with its subsidiaries (the “Group”), which has been prepared for inclusion in the AIM Admission Document dated 11 May 2007 (the “Admission Document”). This financial information has been prepared for inclusion in the Admission Document. This report is required by Schedule Two to the AIM Rules and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information as described in the ‘Basis of Preparation’ set out in the notes to the financial information below and in accordance with International Financial Reporting Standards

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

The information contained in this report has been based on the audited financial statements of the Group for the years ended 31 December 2004, 2005 and 2006.

We have considered the financial statements and the auditors’ reports of the Company and of the subsidiaries, of which we have not acted as auditors, being the financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purpose of preparation of the consolidated financial statements and we have received satisfactory information and explanations for that purpose.

The auditors’ reports on the financial statements of the Company and of its subsidiaries were not subject to any qualification.

Opinion

In our opinion the financial information gives, for purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at the dates stated and of its results, cash flows and changes in equity for the years then ended in accordance with the basis of preparation set out below and in accordance with applicable International Financial Reporting Standards.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

SQ Morison



CONSOLIDATED INCOME STATEMENTS

		2004	2005	2006
	Notes	USD'000	USD'000	USD'000
Interest income		10,331	55,168	83,599
Interest expense		(4,650)	(31,318)	(50,112)
Net interest income	4	<u>5,681</u>	<u>23,850</u>	<u>33,487</u>
Fee and commission income		1,339	6,548	7,977
Fee and commission expense		(69)	(383)	(91)
Net fee and commission income	5	<u>1,270</u>	<u>6,165</u>	<u>7,886</u>
Foreign currency gains	6	171	2,555	1,531
Gains less losses from trading securities		41	44	2
Gains less losses from financial investments		(37)	280	377
Other operating income		176	401	2,003
Negative goodwill		2,504	-	-
Impairment charges for loans and advances to customers	13	(745)	(9,224)	(5,281)
Fair value change in foreclosed properties		(46)	(1,522)	(759)
Operating expenses	7	<u>(5,820)</u>	<u>(26,577)</u>	<u>(35,058)</u>
Operating profit/(loss)		3,195	(4,028)	4,188
Share of results of associates	16	<u>9,188</u>	<u>8,169</u>	<u>5,655</u>
Profit before taxation		12,383	4,141	9,843
Tax expense	9	<u>(504)</u>	<u>618</u>	<u>(1,607)</u>
Profit for the year		<u>11,879</u>	<u>4,759</u>	<u>8,236</u>
Attributable to:				
- Shareholders of the Company		11,633	7,151	7,989
- Minority interest		246	(2,392)	247
		<u>11,879</u>	<u>4,759</u>	<u>8,236</u>
Earnings per share for profit attributable to shareholders of the Company				
- Basic and diluted (Expressed in USD per share)	10	<u>311</u>	<u>95</u>	<u>107</u>

CONSOLIDATED BALANCE SHEETS

		2004	2005	2006
	Note	USD'000	USD'000	USD'000
ASSETS				
Cash and bank balances	11	143,814	131,530	155,449
Trading securities	12	8,914	13	19
Loans and advances to customers	13	307,568	346,015	490,716
Financial investments	14	54,508	70,044	109,505
Foreclosed properties	15	8,100	6,962	13,678
Investment in associates	16	65,700	68,123	78,279
Goodwill and other intangible assets	17	5,527	4,930	5,379
Prepaid lease payments	18	282	225	199
Property and equipment	19	6,204	5,762	6,836
Other assets	20	11,750	15,171	22,467
Deferred tax assets	21	793	2,826	2,209
Total assets		<u>613,160</u>	<u>651,601</u>	<u>884,736</u>
LIABILITIES				
Deposits from other banks		7,096	3,955	13,758
Customers' accounts	22	420,859	492,412	647,375
Debt securities in issue	23	31,883	10,038	-
Other liabilities	24	16,700	14,787	27,386
Tax liabilities		820	579	1,152
Deferred tax liabilities	21	369	542	550
Total liabilities		<u>477,727</u>	<u>522,313</u>	<u>690,221</u>
EQUITY				
Paid-up share capital	25	59,549	59,549	59,549
Shareholder's advances	26	59,765	50,869	91,618
Retained earnings	27	11,487	18,638	24,212
Other reserves	28	(8,481)	(9,050)	(372)
Equity attributable to shareholders of the Company		<u>122,320</u>	<u>120,006</u>	<u>175,007</u>
Minority interests		<u>13,113</u>	<u>9,282</u>	<u>19,508</u>
Total equity		<u>135,433</u>	<u>129,288</u>	<u>194,515</u>
Total equity and liabilities		<u>613,160</u>	<u>651,601</u>	<u>884,736</u>

CONSOLIDATED CASH FLOW STATEMENTS

	2004 USD'000	2005 USD'000	2006 USD'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	12,383	4,141	9,843
Adjustment for :			
Impairment charges for loans and advances to customers	745	9,224	5,281
Amortisation of prepaid lease rental	1	42	45
Amortisation of intangible assets	54	305	373
Depreciation of property and equipment	308	1,612	2,009
Fair value change in foreclosed properties	46	1,522	759
Gain on disposal of property and equipment	-	-	(3)
Negative goodwill	(2,504)	-	-
Share issue expenses	-	-	156
Dividend income	(2)	-	-
Share of results of associates	(9,188)	(8,169)	(5,655)
Loss/ (gain) on foreign exchange translation	89	(1,499)	(1,531)
Operating profit before working capital changes	<u>1,932</u>	<u>7,178</u>	<u>11,277</u>
Decrease/ (increase) in operating assets	22,734	(80,154)	(147,636)
Increase in operating liabilities	26,033	108,166	144,202
Cash generated from operations	<u>50,699</u>	<u>35,190</u>	<u>7,843</u>
Tax paid	<u>(692)</u>	<u>(978)</u>	<u>(908)</u>
Net cash from operating activities	<u>50,007</u>	<u>34,212</u>	<u>6,935</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash acquired (Note 30)	50,071	-	49
Acquisition of associates	(12,321)	(8)	-
Purchase of property and equipment	(770)	(1,724)	(2,688)
Purchase of intangible assets	(287)	(335)	(401)
Proceeds from sale of property and equipment	-	78	38
Dividend received	2	-	5,179
Net increase in financial investments	<u>(17,575)</u>	<u>(17,063)</u>	<u>(36,841)</u>
Net cash from/ (used in) investing activities	<u>19,120</u>	<u>(19,052)</u>	<u>(34,664)</u>

CONSOLIDATED CASH FLOW STATEMENTS (CONT'D)

	2004	2005	2006
	USD'000	USD'000	USD'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in shareholder's advances	5,574	277	36,699
Repayment of borrowings	-	-	(124)
Payment of share issue expenses	-	-	(233)
Dividend paid to minority interest	-	(341)	-
Proceeds from issuance of shares to minority interest	-	-	8,080
Redemption of debt securities in issue	-	(20,590)	(10,960)
Proceeds from issuance of shares	36,000	-	-
Net cash from/ (used in) financing activities	<u>41,574</u>	<u>(20,654)</u>	<u>33,462</u>
Net increase/ (decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	110,701	(5,494)	5,733
Effect of exchange rate changes on cash and cash equivalents	3,803	118,359	97,668
	<u>3,855</u>	<u>(15,197)</u>	<u>5,550</u>
Cash and cash equivalents at the end of the year (Note 29)	<u><u>118,359</u></u>	<u><u>97,668</u></u>	<u><u>108,951</u></u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	←-----Attributable to shareholders of the Company-----→				Minority Interest USD'000	Total USD'000
	Share Capital USD'000	Shareholder's Advances USD'000	Other Reserves USD'000	Retained Earnings USD'000		
At 1 January 2004	3,799	48,403	508	(146)	-	52,564
Increase in advances during the year	-	5,574	-	-	-	5,574
Shares issued	55,750	-	-	-	-	55,750
Currency translation differences arising from translation to presentation currency	-	5,788	(2,773)	-	(300)	2,715
Share of post-acquisition reserves of associates	-	-	(6,216)	-	-	(6,216)
Net income and expense recognised directly in equity	-	5,788	(8,989)	-	(300)	(3,501)
Profit for the year	-	-	-	11,633	246	11,879
Total recognised income and expense for the year	-	5,788	(8,989)	11,633	(54)	8,378
Minority interest from business combination	-	-	-	-	13,167	13,167
At 31 December 2004	59,549	59,765	(8,481)	11,487	13,113	135,433

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	←-----Attributable to shareholders of the Company-----→					Total USD'000
	Share Capital USD'000	Shareholder's Advances USD'000	Other Reserves USD'000	Retained Earnings USD'000	Minority Interest USD'000	
At 1 January 2005	59,549	59,765	(8,481)	11,487	13,113	135,433
Increase in advances during the year	-	277	-	-	-	277
Currency translation differences arising from translation to presentation currency	-	(9,173)	1,803	-	(748)	(8,118)
Loss in fair value of available-for-sale securities	-	-	(490)	-	(350)	(840)
Share of post-acquisition reserves of associates	-	-	(1,882)	-	-	(1,882)
Net income and expense recognised directly in equity	-	(9,173)	(569)	-	(1,098)	(10,840)
Profit for the year	-	-	-	7,151	(2,392)	4,759
Total recognized income and expense for the year	-	(9,173)	(569)	7,151	(3,490)	(6,081)
Dividend paid to minority interest	-	-	-	-	(341)	(341)
At 31 December 2005	59,549	50,869	(9,050)	18,638	9,282	129,288

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	←-----Attributable to shareholders of the Company-----→					Total USD'000
	Share Capital USD'000	Shareholder's Advances USD'000	Other Reserves USD'000	Retained Earnings USD'000	Minority Interest USD'000	
At 1 January 2006	59,549	50,869	(9,050)	18,638	9,282	129,288
Increase in advances during the year	-	36,699	-	-	-	36,699
Currency translation differences arising from translation to presentation currency	-	4,050	4,664	-	1,563	10,277
Gain in fair value on available-for-sale securities	-	-	684	-	336	1,020
Share of post-acquisition reserves of associates	-	-	915	-	-	915
Net income and expense recognised directly in equity	-	4,050	6,263	-	1,899	12,212
Capitalisation of retained earnings of subsidiaries	-	-	2,415	(2,415)	-	-
Profit for the year	-	-	-	7,989	247	8,236
Total recognised income and expense for the year	-	4,050	8,678	5,574	2,146	20,448
Issue of shares	-	-	-	-	8,080	8,080
At 31 December 2006	<u>59,549</u>	<u>91,618</u>	<u>(372)</u>	<u>24,212</u>	<u>19,508</u>	<u>194,515</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

ICB Financial Group Holdings AG (the "Company") is a limited liability company and is incorporated and domiciled in Switzerland. The address of its registered office is Schulhausstrasse 1, CH-8834 Schindellegi, Switzerland.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are stated in Note 30.

2. Significant Accounting Policies

(a) Basis of Preparation

The financial statements of the Group have been prepared and approved by the directors in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements 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 preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

The Group early adopted the following IFRS, which are relevant to its operations:

IFRS 7 Financial Instruments: Disclosures

IFRS 8 Operating Segments

(b) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to directly or indirectly govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired are fair valued at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains or transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

(ii) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% to 50% of the voting rights. Investment in associates is accounted for by the equity method of accounting and is initially recognised at cost.

The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identifiable on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2. Significant Accounting Policies (cont'd)

(b) Basis of Consolidation (cont'd)

(ii) Associates (cont'd)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(c) Segmental Reporting

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environment. A business segment is a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments.

(d) Foreign Currency Translation

(i) Functional and Presentation Currency

The consolidated financial statements are presented in US dollars (USD) because the currency is more commonly used in international trade. All values are rounded to the nearest thousand (USD'000) except when otherwise indicated.

The functional currency of the Company, subsidiaries and associates are as follows:

<u>The Company</u> <i>ICB Financial Group Holdings AG</i>	Swiss Francs (CHF)
<u>Subsidiaries</u> <i>ICB-Banco Internacional De Comércio, S.A.R.L</i> <i>International Commercial Bank (The Gambia) Ltd.</i> <i>International Commercial Bank (Sierra Leone) Limited</i> <i>International Commercial Bank S.H.A.</i> <i>International Commercial Bank S.A.</i> <i>PT Bank Bumiputera Indonesia Tbk</i> <i>International Commercial Bank Limited</i> <i>International Commercial Bank (Djibouti) S.A.</i> <i>ICB Global Management Sdn. Bhd.</i>	Mozambique new Metical (MZN)* Gambian Dalasi (GMD) Sierra Leone Leones (SLL) Albanian Lek (ALL) Guinea Francs (GNF) Indonesian Rupiah (IDR) Ghana Cedis (GHC) Djibouti Francs (DJF) Malaysian Ringgit (MYR)
<u>Associates</u> <i>IC Bank ZRt.</i> <i>International Commercial Bank Senegal S.A.</i> <i>International Commercial Bank (Tanzania) Limited</i> <i>Sorak Financial Holdings Pte. Ltd.</i>	Hungarian Forint (HUF) Communauté Financière Africaine Francs BCEAO (XOF) Tanzanian Schillings (TZS) Singapore Dollar (SGD)

* On 1 July 2006, the Bank of Mozambique introduced a new currency of Metical (MZN) replacing the former currency of Metical (MZM).

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the prevailing exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into the functional currency using the rate of exchange at the date of initial transaction.

(iii) Group Companies

The results and financial position of the holding company, subsidiaries and associates (none of which has the currency of a hyperinflationary economy) that have different functional currencies compared to the presentation currency are translated into the presentation currency as follows:

- i. assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date;

2. Significant Accounting Policies (cont'd)

(d) Foreign Currency Translation (cont'd)

(iii) Group Companies (cont'd)

- ii. income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- iii. all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings, are taken into shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The average and closing rate used in the translation of financial statements from functional currency to presentation currency are as follows:

	Average rate			Closing rate		
	2006	2005	2004	2006	2005	2004
1 CHF	0.8009	0.8200	0.8400	0.8205	0.7600	0.8800
1 SGD	0.6292	0.6001	0.5919	0.6516	0.6003	0.6106
1 MYR	0.2734	0.2600	-	0.2829	0.2600	-
1 GMD	0.0357	0.0357	0.0339	0.0357	0.0357	0.0339
1 MZN*	0.0381	-	-	0.0358	-	-
1000 MZM*	-	0.0414	0.0529	-	0.0414	0.0529
1000 SLL	0.3448	0.3448	0.3571	0.3448	0.3448	0.3571
1000 ALL	10.2432	10.0130	9.8030	10.6225	9.6540	10.7900
1000 GNF	0.1770	0.2737	0.4392	0.1770	0.2222	0.3922
1000 IDR	0.1095	0.1024	0.1113	0.1111	0.1017	0.1077
1000 GHC	0.1093	0.1098	0.1102	0.1086	0.1094	0.1097
1000 HUF	4.7342	4.9749	4.9539	5.2427	4.6821	5.5466
1000 XOF	1.9099	1.9000	1.9000	2.0080	1.8057	2.0800
1000 TZS	0.7774	0.8832	0.9182	0.7669	0.8580	0.9588
1000 DJF	5.6268	-	-	5.6268	-	-

* On 1 July 2006, the Bank of Mozambique introduced a new currency of Metical (MZN) replacing the former currency of Metical (MZM).

(e) Interest Income and Expenses

Interest income and expenses for all interest-bearing financial instruments except for those classified as held-for-trading or designated at fair value (other than debt issued by the Group) are recognised in the income statement using the effective interest rates of the financial assets or financial liabilities to which they relate.

2. Significant Accounting Policies (cont'd)

(e) Interest Income and Expenses (cont'd)

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments earned or paid on a financial asset or financial liability through its expected life or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but not future credit losses. The calculation includes all amounts paid or received by the Group that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Interest on impaired financial assets is calculated by applying the original effective interest rate of the financial asset to the carrying amount as reduced by any allowance for impairment.

(f) Non-interest Income

(i) Fee and Commission

Fees and commissions are accounted for as follows:

- income earned on the execution of an act is recognised as revenue when the act is completed;
- income earned from the provision of services over a period of time is recognised over the service period during which the related service is provided or credit risk is undertaken; and
- income which forms an integral part of the effective interest rate of a financial instrument is recognized and recorded as Interest Income.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Financial Assets

The Group determines the classification of its investments at initial recognition and classifies its financial assets as follows:

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term if so designated by management.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Were the Group to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available for sale.

(iv) Available-for-sale investments

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Purchases and sales of financial assets at fair value through profit or loss, held to maturity and available for sale are recognised on trade-date (the date on which the Group commits to purchase or sell the asset). Loans are recognised when cash is advanced to the borrowers. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

2. Significant Accounting Policies (cont'd)

(g) Financial Assets (cont'd)

(iv) Available-for-sale investments (cont'd)

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity is recognised in profit or loss. However, interest calculated using the effective interest method is recognised in the income statement. Dividends from available-for-sale equity instruments are recognised in the income statement when the entity's right to receive payment is established.

The fair values of quoted investments in active markets are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

(h) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(i) Impairments of Financial Assets

(i) Assets carried at amortised cost

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider; it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets,
- although the decrease cannot yet be identified with the individual financial assets in the Group, including:
 - adverse changes in the payment status of borrowers in the Group; or
 - national or local economic conditions that correlate with defaults on the assets in the Group.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment if there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is

2. Significant Accounting Policies (cont'd)

(i) Impairments of Financial Assets (cont'd)

(i) Assets carried at amortised cost (cont'd)

recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). These characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

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

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

(ii) Assets carried at fair value

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement until the investments are sold.

If in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

2. Significant Accounting Policies (cont'd)

(i) Impairments of Financial Assets (cont'd)

(iii) Assets carried at fair value (cont'd)

Restructured loans, whose terms have been renegotiated and modified, are accounted for prospectively from the restructuring date. The carrying amount of the loan is not changed, except when the carrying amount exceeds the future cash receipts based on the new terms of the loan, which is, recognised as loss on restructuring. Thereafter, all cash receipts under the new term shall be accounted for as recovery of principal and the related interest revenue is recognised proportionately.

(j) Acceptance Receivables and Payables

Acceptance receivables and payables are stated at the value of the Letter of Credit or realised value of the Letter of Credit accepted by accepting banks. The acceptance receivables are presented net of allowance for possible losses.

(k) Foreclosed Properties

Foreclosed properties are recorded at the lower of its fair value (less costs to sell) and the carrying amount of the loan (net of impairment allowance) at the date of foreclosure. No depreciation is provided in respect of foreclosed properties. Any subsequent write down of the foreclosed properties to fair value (less cost to sell) is recorded as a fair value charge and included in the income statement. Any subsequent increase in the fair value (less cost to sell), to the extent this does not exceed the cumulative fair value change is recognised in the income statement.

(l) Prepaid Lease Payments

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

(m) Intangible Assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates'. By contrast, if the interest in the fair value of the net identifiable assets of an acquired business is greater than the cost to acquire, the excess (negative goodwill) is recognised immediately in the income statement.

Goodwill is allocated to cash-generating units and is tested annually for impairment. Goodwill is carried at cost less accumulated impairment losses, if any. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Computer Software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on straight-line basis over the expected useful lives of three to five years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets.

2. Significant Accounting Policies (cont'd)

(n) Property and Equipment

Buildings comprise mainly of bank branches and offices. All property and equipment are stated at historical cost less any impairment losses and depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Construction in progress is not depreciated. The accumulated costs will be reclassified to the appropriate category at the time the construction is completed and ready for its intended use. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	5 to 20 years
Furniture and fittings, office equipment	3 to 15 years
Motor vehicles	4 to 5 years
Computer hardware	5 years
Renovation	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Property and equipment is subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may not be recoverable.

(o) Income Tax

Income tax on the profit or loss for the year comprises current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in shareholders' equity, in which case it is recognised in shareholders' equity.

Current tax is the tax expected to be payable on the taxable profit for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, using the liability method, on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled.

Deferred tax related to fair value re-measurement of available-for-sale investments, which are charged or credited to equity, is also credited or charged directly to equity and is subsequently recognised in the income statement together with the deferred gain or loss.

(p) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments include cash and non-restricted balances with the central banks, loans and advances to banks and amounts due from other banks.

(q) Employee Benefits

The Group has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2. Significant Accounting Policies (cont'd)

(q) Employee Benefits (cont'd)

For defined benefit plans, the liability recognised in the balance sheet is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Accumulated unrecognised actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions that exceed 10% of the defined benefit obligations are charged or credited to income on a straight-line basis over the expected average remaining working lives of the participating employees. Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(r) Debt Securities in Issue

Debt Securities in issue are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Subsequent measurement is at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the expected life of the debt using the effective interest method.

If the Group purchases its own debt, it is removed from the balance sheet and the difference between the carrying amount of the debt and the consideration paid is included in the income statement.

(s) Share Capital

(i) Share Issue Costs

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(ii) Dividends on Shares

Dividends on shares are recognised in equity in the period in which they are approved by the Company's shareholders.

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment losses on loans and advances

The Group's accounting policy for losses in relation to the impairment of customer loans and advances is described in Note 2(i). Where there is impairment, the recoverable amount of the loan is estimated by discounting the projected cash flows (including the realisable value of the collateral) at the loan's original effective interest rate. The determination of both the timing and quantum of the projected cash flows including the recognised value of the collateral requires considerable judgement, and the actual outcome may differ from the estimates. The recoverable amounts of the cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (cont'd)

(b) Goodwill impairment

The Group's accounting policy for goodwill is described in Note 2(m). The recoverable amounts of cash-generating units have been determined based on the value-in-use calculations. These calculations require the use of estimates. Further detail is discussed in Note 17 'Impairment testing for cash-generating unit containing goodwill'.

(c) Valuation of financial instruments

The Group's accounting policy for valuation of financial instruments is included in Note 2 (g).

(d) Pensions

The assumptions used are disclosed in Note 36 'Defined Benefit Plan'.

(e) Income taxes

The Group is subject to income taxes in various jurisdictions. Determining income tax provisions involves judgement in determining the tax depreciation, and deductibility of certain expenses during the estimation of the provision for income taxes. Deferred tax asset is recognised on tax losses not yet used and temporary differences where it is probable that there will be taxable revenue against which it can be offset. Management has made judgements as to the probability of tax losses being available for offset at a later date.

4. Net Interest Income

	2004	2005	2006
	USD'000	USD'000	USD'000
Interest Income			
Loans and advances to customers	7,972	40,791	67,638
Investment securities	1,887	12,779	13,040
Cash and short term funds	317	1,323	2,919
Others	155	275	2
	<u>10,331</u>	<u>55,168</u>	<u>83,599</u>
Interest Expense			
Banks and customers deposits	3,623	26,839	45,912
Debt securities in issue	827	2,464	845
Others	200	2,015	3,355
	<u>4,650</u>	<u>31,318</u>	<u>50,112</u>
Net Interest Income	<u><u>5,681</u></u>	<u><u>23,850</u></u>	<u><u>33,487</u></u>

5. Net Fee and Commission Income

	2004	2005	2006
	USD'000	USD'000	USD'000
Fee and Commission Income			
Account maintenance and other management fees	789	3,196	2,751
Credit related fees and commissions	504	2,954	4,846
Others	46	398	380
	<u>1,339</u>	<u>6,548</u>	<u>7,977</u>
Fee and Commission Expense			
Treasury operation and inter-bank transactions	59	344	28
Others	10	39	63
	<u>69</u>	<u>383</u>	<u>91</u>
Net Fee and Commission Income	<u>1,270</u>	<u>6,165</u>	<u>7,886</u>

6. Foreign Currency Gains

Foreign currency gains relate to net transaction and translation gains of subsidiaries.

7. Operating Expenses

	2004	2005	2006
	USD'000	USD'000	USD'000
Auditors' remuneration	40	156	259
Amortisation of intangible assets (Note 17)	54	305	373
Depreciation (Note 19)	308	1,612	2,009
Employee compensation and benefits (Note 8)	1,649	8,723	12,412
Amortisation of prepaid lease rental (Note 18)	1	42	45
Loss on disposal of foreclosed property	-	-	295
Data communication, rental and related maintenance expense	763	4,676	7,012
Other general and administrative expenses	3,005	11,063	12,653
	<u>5,820</u>	<u>26,577</u>	<u>35,058</u>

8. Employee Compensation and Benefits

	2004	2005	2006
	USD'000	USD'000	USD'000
Salaries and wages	1,045	5,946	8,321
Bonus	258	493	890
Social security costs	20	91	83
Pension costs			
- Defined contribution plan	27	137	203
- Defined benefit plan (Note 36)	21	236	377
Other staff related expenses	278	1,820	2,538
	<u>1,649</u>	<u>8,723</u>	<u>12,412</u>

9. Tax expense

	2004	2005	2006
	USD'000	USD'000	USD'000
Current year's provision	(539)	(855)	(1,209)
Transfer to/(from) deferred taxation (Note 21)	39	1,506	(410)
(Under)/ over-provision of taxation in prior year	(4)	(33)	12
	<u>(504)</u>	<u>618</u>	<u>(1,607)</u>

The tax on the Group's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2004	2005	2006
	USD'000	USD'000	USD'000
Profit before taxation	<u>12,383</u>	<u>4,141</u>	<u>9,843</u>
Tax calculated at a rate of 16%	1,981	662	1,575
Effect of different tax rates of subsidiaries operating in other jurisdictions	267	(670)	821
Impact of profit in associates	(1,470)	(1,307)	(905)
Expenses not deductible for tax purposes	123	664	128
Impact of negative goodwill	(401)	-	-
Over/ (under) provision of income tax expense in prior years	4	33	(12)
Tax expense for the year	<u>504</u>	<u>(618)</u>	<u>1,607</u>

10. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of shares in issue during the year. There are no options or other instruments in issue that would dilute earnings per share.

	2004	2005	2006
Profit attributable to shareholders of the Company (USD'000)	<u>11,633</u>	<u>7,151</u>	<u>7,989</u>
Weighted average number of shares in issue	<u>37,411</u>	<u>75,000</u>	<u>75,000</u>
Basic and diluted earnings per share (expressed in USD per share)	<u>311</u>	<u>95</u>	<u>107</u>

11. Cash and Bank Balances

	2004	2005	2006
	USD'000	USD'000	USD'000
Cash in hand	10,253	8,553	11,559
Placements with other banks	32,955	31,004	32,743
Deposits with central banks other than mandatory reserves	<u>74,789</u>	<u>57,755</u>	<u>63,076</u>
Included in cash and cash equivalents (Note 29)	117,997	97,312	107,378
Mandatory reserve deposits with central banks	<u>25,817</u>	<u>34,218</u>	<u>48,071</u>
	<u>143,814</u>	<u>131,530</u>	<u>155,449</u>

The Group is required to maintain minimum deposits with central banks of the countries where the Group has operations as liquidity/mandatory reserve. Deposits in mandatory reserve are not available for use in the Group's day to day operations.

12. Trading securities

	2004	2005	2006
	USD'000	USD'000	USD'000
Mutual funds	15	13	19
Government debt securities	6,415	-	-
Private debts securities	<u>2,484</u>	<u>-</u>	<u>-</u>
	<u>8,914</u>	<u>13</u>	<u>19</u>

Trading securities are held by PT Bank Bumiputera Indonesia Tbk (Bank Bumiputera), a subsidiary of the Company.

13. Loans and Advances to Customers

	2004	2005	2006
	USD'000	USD'000	USD'000
Gross loans and advances	312,462	358,473	499,462
Less: Allowance for losses on loans and advances	<u>(4,894)</u>	<u>(12,458)</u>	<u>(8,746)</u>
	<u>307,568</u>	<u>346,015</u>	<u>490,716</u>

As at year end, loans classified according to collectibility are as follows:

Current	279,952	305,027	444,532
Special mention	20,144	22,134	24,517
Substandard	5,522	6,189	3,681
Doubtful	2,512	3,505	5,638
Loss	<u>4,332</u>	<u>21,618</u>	<u>21,094</u>
	312,462	358,473	499,462
Less: Allowance for losses on loans and advances	<u>(4,894)</u>	<u>(12,458)</u>	<u>(8,746)</u>
	<u>307,568</u>	<u>346,015</u>	<u>490,716</u>

13. Loans and Advances to Customers (cont'd)

Movement in allowance for losses on loans and advances:

	2004	2005	2006
	USD'000	USD'000	USD'000
At 1 January	-	4,894	12,458
Acquisition of subsidiaries during the year	4,440	-	-
Impairment charges during the year (included in the Income statement)	745	9,224	5,281
Loans written off during the year	(315)	(1,106)	(9,618)
Recoveries of loans written off	6	32	-
Currency translation differences	18	(586)	625
At 31 December	<u>4,894</u>	<u>12,458</u>	<u>8,746</u>

14. Financial Investments

	2004	2005	2006
	USD'000	USD'000	USD'000
Securities held-to-maturity			
Securities – at amortised costs:			
- Unlisted			
Treasury bills	28,123	23,782	36,578
Government debt securities	25,194	35,085	55,020
Private debt securities	323	1,110	1,166
	<u>53,640</u>	<u>59,977</u>	<u>92,764</u>
Less: Unamortised discount	<u>(208)</u>	<u>(130)</u>	<u>(130)</u>
	<u>53,432</u>	<u>59,847</u>	<u>92,634</u>
Securities available-for-sale			
Securities – at fair value:			
- Listed			
Equity	-	-	14,072
- Unlisted			
Government debt securities	-	10,414	-
Private debt securities	1,160	1,096	2,777
	<u>1,160</u>	<u>11,510</u>	<u>16,849</u>
Less : Unrealised (loss)/gain on changes in fair value	<u>(84)</u>	<u>(1,313)</u>	<u>22</u>
	<u>1,076</u>	<u>10,197</u>	<u>16,871</u>
Total	<u>54,508</u>	<u>70,044</u>	<u>109,505</u>

15. Foreclosed Properties

Foreclosed properties are repossessed properties that were pledged as collateral for loans and advances that have defaulted.

16. Investments in Associates

	2004	2005	2006
	USD'000	USD'000	USD'000
At 1 January	48,709	65,700	68,123
Dividend received and receivable	-	(2,227)	(2,817)
Acquisition of associates	12,321	8	-
Negative goodwill	10	-	-
Transfer of an associate to subsidiary on acquisition of additional shares (Note 30)	-	-	(10)
Share of profits (included in income statement)	9,188	8,169	5,655
Share of other reserves	(6,216)	(1,882)	915
Currency translation differences	1,688	(1,645)	6,413
At 31 December	<u>65,700</u>	<u>68,123</u>	<u>78,279</u>

Investments in associates include:

	2004	2005	2006
	USD'000	USD'000	USD'000
Goodwill	13	37	13

The Group's share of the results of its associates, all of which are unlisted, and its share of the assets (including goodwill and liabilities) are as follows:

2004 Name	Country of In- corporation	% Effective Interest Held	Assets USD'000	Liabilities USD'000	Revenue USD'000	Profit/ (Loss) USD'000
International Commercial Bank (Tanzania) Limited	Tanzania	20.00	3,454	2,978	144	(273)
IC Bank ZRt.	Hungary	20.96	18,898	16,145	566	16
Sorak Financial Holdings Pte. Ltd.	Singapore	20.00	774,542	712,916	61,824	9,445
International Commercial Bank Senegal S.A.	Senegal	20.00	832	-	-	-
			<u>797,726</u>	<u>732,039</u>	<u>62,534</u>	<u>9,188</u>

16. Investments in Associates (cont'd)

Name	Country of In-corporation	% Effective Interest Held	Assets USD'000	Liabilities USD'000	Revenue USD'000	Profit/ (Loss) USD'000
International Commercial Bank (Tanzania) Limited	Tanzania	20.00	3,693	3,231	345	37
IC Bank ZRt.	Hungary	20.96	19,946	17,676	1,603	197
Sorak Financial Holdings Pte. Ltd.	Singapore	20.00	1,001,859	937,211	68,439	7,933
ICB Global Management Sdn. Bhd.	Malaysia	30.00	30	46	88	2
International Commercial Bank Senegal S.A.	Senegal	20.00	722	-	-	-
			<u>1,026,250</u>	<u>958,164</u>	<u>70,475</u>	<u>8,169</u>

<u>2006</u> Name	Country of In-corporation	% Effective Interest Held	Assets USD'000	Liabilities USD'000	Revenue USD'000	Profit/ (Loss) USD'000
International Commercial Bank (Tanzania) Limited	Tanzania	20.00	4,789	4,335	431	34
IC Bank ZRt.	Hungary	20.96	19,802	17,368	1,350	(143)
Sorak Financial Holdings Pte. Ltd.	Singapore	20.00	1,173,918	1,099,148	77,108	5,949
International Commercial Bank Senegal S.A.	Senegal	20.00	1,694	1,086	26	(185)
			<u>1,200,203</u>	<u>1,121,937</u>	<u>78,915</u>	<u>5,655</u>

17. Goodwill and Other Intangible Assets

	2004 USD'000	2005 USD'000	2006 USD'000
(a) Goodwill arising on business combination:			
Cost			
At 1 January	-	4,529	4,011
Acquisition of subsidiaries (Note 30)	4,541	-	46
Subscription of additional shares in subsidiaries	-	-	91
Transfer from associates on acquisition of additional shares	-	-	26
Currency translation differences	(12)	(518)	236
At 31 December	<u>4,529</u>	<u>4,011</u>	<u>4,410</u>
Net Book Value	<u>4,529</u>	<u>4,011</u>	<u>4,410</u>
(b) Purchased software:			
Cost			
At 1 January	-	1,602	1,727
Acquisition of subsidiaries	1,325	-	-
Additions	287	335	401
Written off	-	(34)	-
Currency translation differences	(10)	(176)	60
At 31 December	<u>1,602</u>	<u>1,727</u>	<u>2,188</u>
Accumulated depreciation			
At 1 January	-	604	808
Acquisition of subsidiaries	548	-	-
Written off	-	(34)	-
Amortisation charge for the year (Note 7)	54	305	373
Currency translation differences	2	(67)	38
At 31 December	<u>604</u>	<u>808</u>	<u>1,219</u>
Net book value	<u>998</u>	<u>919</u>	<u>969</u>
Total	<u>5,527</u>	<u>4,930</u>	<u>5,379</u>

Goodwill is allocated to the Group's Cash Generating Units ("CGU") for impairment testing purposes.

The Group considers each individual investment as a separate CGU and measures its recoverable value based either on fair value less costs to sell, which is determined using an observable market price for each CGU, or on value-in-use calculations from a discounted cash flow model using cash flow projections based on financial budgets and forecasts.

No impairment loss was required for goodwill for the years then ended as their recoverable values were in excess of their carrying values.

18. Prepaid Lease Payments

	2004	2005	2006
	USD'000	USD'000	USD'000
Cost			
At 1 January	-	291	275
Acquisition of subsidiaries	296	-	-
Currency translation differences	(5)	(16)	23
At 31 December	<u>291</u>	<u>275</u>	<u>298</u>
Accumulated depreciation			
At 1 January	-	9	50
Acquisition of subsidiaries	8	-	-
Amortisation charge for the year (Note 7)	1	42	45
Currency translation differences	-	(1)	4
At 31 December	<u>9</u>	<u>50</u>	<u>99</u>
Net carrying value	<u>282</u>	<u>225</u>	<u>199</u>

19. Property and equipment

2004	Buildings USD'000	Computer hardware USD'000	Furniture and fittings, Office equipment USD'000	Motor vehicles USD'000	Renovation USD'000	Construction In progress USD'000	Total USD'000
Cost							
At 1 January 2004	-	-	-	-	-	-	-
Acquisition of subsidiaries	67	2,008	3,587	1,124	4,034	773	11,593
Additions	-	53	131	104	165	317	770
Currency translation differences	1	12	10	(8)	(61)	109	63
At 31 December 2004	68	2,073	3,728	1,220	4,138	1,199	12,426
Accumulated Depreciation							
At 1 January 2004	-	-	-	-	-	-	-
Acquisition of subsidiaries	26	1,523	1,931	642	1,796	-	5,918
Depreciation charges	1	37	110	41	119	-	308
Currency translation differences	-	9	8	(5)	(16)	-	(4)
At 31 December 2004	27	1,569	2,049	678	1,899	-	6,222
Net Book Value							
At 31 December 2004	41	504	1,679	542	2,239	1,199	6,204

19. Property and equipment (cont'd)

2005	Buildings USD'000	Computer hardware USD'000	Furniture and fittings, Office equipment USD'000	Motor vehicles USD'000	Renovation USD'000	Construction In progress USD'000	Total USD'000
Cost							
At 1 January 2005	68	2,073	3,728	1,220	4,138	1,199	12,426
Additions	140	119	463	75	463	464	1,724
Disposals	-	(232)	(66)	(219)	(86)	-	(603)
Reclassification	-	73	60	-	113	(246)	-
Currency translation differences	(12)	(153)	(380)	(84)	(255)	(127)	(1,011)
At 31 December 2005	196	1,880	3,805	992	4,373	1,290	12,536
Accumulated Depreciation							
At 1 January 2005	27	1,569	2,049	678	1,899	-	6,222
Charge for the year	9	175	543	193	692	-	1,612
Disposals	-	(220)	(58)	(166)	(81)	-	(525)
Currency translation differences	(1)	(118)	(228)	(52)	(136)	-	(535)
At 31 December 2005	35	1,406	2,306	653	2,374	-	6,774
Net Book Value							
At 31 December 2005	161	474	1,499	339	1,999	1,290	5,762

19. Property and equipment (cont'd)

2006	Buildings USD'000	Computer hardware USD'000	Furniture and fittings, Office equipment USD'000	Motor vehicles USD'000	Renovation USD'000	Construction In progress USD'000	Total USD'000
Cost							
At 1 January 2006	196	1,880	3,805	992	4,373	1,290	12,536
Acquisition of subsidiary	-	-	17	48	7	-	72
Additions	58	166	758	848	653	205	2,688
Disposals	-	(2)	(32)	(38)	(67)	-	(139)
Reclassification	1,113	20	33	-	44	(1,210)	-
Currency translation differences	12	146	157	76	352	82	825
At 31 December 2006	1,379	2,210	4,738	1,926	5,362	367	15,982
Accumulated Depreciation							
At 1 January 2006	35	1,406	2,306	653	2,374	-	6,774
Acquisition of a subsidiary	-	-	5	17	3	-	25
Charge for the year	64	193	595	378	779	-	2,009
Disposals	-	(1)	(8)	(32)	(63)	-	(104)
Currency translation differences	4	115	76	44	203	-	442
At 31 December 2006	103	1,713	2,974	1,060	3,296	-	9,146
Net Book Value							
At 31 December 2006	1,276	497	1,764	866	2,066	367	6,836

20. Other Assets

	2004	2005	2006
	USD'000	USD'000	USD'000
Acceptance receivables	2,551	1,543	2,529
Accrued interest receivables	4,068	5,037	6,237
Dividend receivable	-	2,234	-
Prepayments	269	330	257
Items in course of collection (Note 29)	362	356	1,573
Others	4,500	5,671	11,871
	<u>11,750</u>	<u>15,171</u>	<u>22,467</u>

21. Deferred taxation

	2004	2005	2006
	USD'000	USD'000	USD'000
At 1 January	-	424	2,284
Acquisition of subsidiaries	395	-	-
Transfer from/ (to) tax charge for the year (Note 9)	39	1,506	(410)
Transfer from/ (to) from equity for the year	-	396	(437)
Currency translation differences	(10)	(42)	222
At 31 December	<u>424</u>	<u>2,284</u>	<u>1,659</u>
Deferred tax assets	793	2,826	2,209
Deferred tax liabilities	(369)	(542)	(550)
	<u>424</u>	<u>2,284</u>	<u>1,659</u>

Deferred tax assets and liabilities are attributable to the following items:

	2004	2005	2006
	USD'000	USD'000	USD'000
Deferred tax assets			
Allowance for losses on loans and advances	433	465	465
Decelerated tax depreciation	223	278	433
Tax losses carried forward	-	1,422	925
Defined benefit plan obligation	144	186	304
Unrealised (gain)/loss on fair value of financial investments	(7)	475	82
	<u>793</u>	<u>2,826</u>	<u>2,209</u>
Deferred tax liabilities			
Accelerated tax depreciation	360	538	542
Other temporary differences	9	4	8
	<u>369</u>	<u>542</u>	<u>550</u>

22. Customers' Accounts

	2004	2005	2006
	USD'000	USD'000	USD'000
Current accounts	103,478	85,628	111,908
Savings accounts	65,417	54,943	71,920
Time deposits	247,705	349,778	458,975
Others	4,259	2,063	4,572
	<u>420,859</u>	<u>492,412</u>	<u>647,375</u>

23. Debt Securities in Issue

	2004	2005	2006
	USD'000	USD'000	USD'000
At 1 January	-	31,883	10,038
Acquisition of subsidiary	33,060	-	-
Redemption during the year	-	(20,590)	(10,960)
Currency translation differences	(750)	(1,223)	922
	<u>32,310</u>	<u>10,070</u>	<u>-</u>
Unamortised discount	(427)	(32)	-
At 31 December	<u>31,883</u>	<u>10,038</u>	<u>-</u>

On 29 April, 2003, Bank Bumiputera, a subsidiary, issued bonds amounting to IDR 300 billion (equivalent to approximately USD 32 million) with PT Bank Permata Tbk as trustee.

The bonds have a term of 3 years, matured on 25 April 2006 and bear a fixed interest rate of 13.5% per annum which is payable quarterly.

The bonds are guaranteed by receivables from consumer and retail loans, which are classified as current under the Bank Indonesia regulation, at a minimum of 125% of outstanding principal.

In 2005, Bank Bumiputera partially redeemed bonds amounting to IDR 201 billion at amounts ranging from 97.20% to 101.75% on the face value and settled the remaining Bonds when they matured on 25 April 2006.

24. Other liabilities

	2004	2005	2006
	USD'000	USD'000	USD'000
Acceptance payables	2,552	1,568	2,618
Accrued interest payables	1,938	2,439	3,471
Accruals	1,133	789	1,648
Items in the course of transmission	320	591	1,242
Guarantee deposits	5,273	1,898	498
Defined benefit plan obligation (Note 36)	479	620	1,014
Others	5,005	6,882	16,895
	<u>16,700</u>	<u>14,787</u>	<u>27,386</u>

25. Paid-up share capital

	2004	2005	2006
No. of shares of CHF 1,000 each:			
At 1 January	5,000	75,000	75,000
Issue for cash	45,000	-	-
Acquisition of subsidiaries	<u>25,000</u>	<u>-</u>	<u>-</u>
At 31 December	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>
	USD'000	USD'000	USD'000
At 1 January	3,799	59,549	59,549
Issue for cash	36,000	-	-
Acquisition of subsidiaries (Note 30)	<u>19,750</u>	<u>-</u>	<u>-</u>
At 31 December	<u>59,549</u>	<u>59,549</u>	<u>59,549</u>

The holders of shares are entitled to one vote per share at meeting of the Company.

26. Shareholder's advances

	2004	2005	2006
	USD'000	USD'000	USD'000
Subordinated loan	53,238	45,491	49,114
Shareholders' loan	<u>6,527</u>	<u>5,378</u>	<u>42,504</u>
	<u>59,765</u>	<u>50,869</u>	<u>91,618</u>

The shareholder's advances are unsecured interest free and with no fixed terms of repayment.

27. Retained Earnings

	2004	2005	2006
	USD'000	USD'000	USD'000
Movement in retained earnings were as follows:			
At 1 January	(146)	11,487	18,638
Profit attributable to the shareholders of the Company	11,633	7,151	7,989
Capitalisation of retained earnings of subsidiaries	<u>-</u>	<u>-</u>	<u>(2,415)</u>
At 31 December	<u>11,487</u>	<u>18,638</u>	<u>24,212</u>

28. Other reserves

	Capital Reserves USD'000	Translation Reserves USD'000	Fair Value Reserves USD'000	Share Option Reserves USD'000	Total USD'000
At 1 January 2004	-	508	-	-	508
Share of post-acquisition reserves of associates	(56)	(6,160)	-	-	(6,216)
Currency translation differences arising from translation to presentation currency	-	(2,773)	-	-	(2,773)
At 31 December 2004/ 1 January 2005	(56)	(8,425)	-	-	(8,481)
Share of post-acquisition reserves of associates	(239)	(1,558)	(827)	742	(1,882)
Loss in fair value of available-for-sale securities	-	-	(490)	-	(490)
Currency translation differences arising from translation to presentation currency	-	1,803	-	-	1,803
At 31 December 2005/ 1 January 2006	(295)	(8,180)	(1,317)	742	(9,050)
Share of post-acquisition reserves of associates	50	(398)	1,212	51	915
Gain in fair value of available-for-sale securities	-	-	684	-	684
Currency translation differences arising from translation to presentation currency	-	4,664	-	-	4,664
Capitalisation of retained earnings of subsidiaries	2,415	-	-	-	2,415
At 31 December 2006	2,170	(3,914)	579	793	(372)

29. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances:

	2004	2005	2006
	USD'000	USD'000	USD'000
Cash and bank balances (Note 11)	117,997	97,312	107,378
Items in the course of collection (Note 20)	362	356	1,573
	<u>118,359</u>	<u>97,668</u>	<u>108,951</u>

30. Subsidiaries

Details of subsidiaries are as follows:

Name of subsidiaries	Country of Incorporation	Equity Interest held			Principal Activities
		2004	2005	2006	
International Commercial Bank (The Gambia) Limited	Gambia	99.1%	99.1%	99.1%	Commercial bank
International Commercial Bank S.A.	Guinea	97%	97%	97%	Commercial bank
International Commercial Bank (Sierra Leone) Ltd.	Sierra Leone	99.98%	99.98%	99.98%	Commercial bank
International Commercial Bank Sh. A	Albania	100%	100%	100%	Commercial bank
ICB-Banco Internacional De Comercio, S.A.R.L.	Mozambique	99.99%	99.99%	99.99%	Commercial bank
International Commercial Bank Limited	Ghana	100%	100%	100%	Commercial bank
PT Bank Bumiputera Indonesia Tbk	Indonesia	58.3%	58.3%	67.1%	Commercial bank
ICB Global Management Sdn. Bhd.	Malaysia	-	-	89%	Providing technical and management services
International Commercial Bank (Djibouti) S.A	Djibouti	-	-	99.9%	Commercial Bank

** All subsidiaries are audited by the firms other than SQ Morison.

30. Subsidiaries (cont'd)

(a) Acquisition of subsidiaries in 2004

In 2004, the Company acquired the following subsidiaries:

Name of subsidiaries	Acquisition Date	Purchase consideration
International Commercial Bank S.A	September 04	CHF4,600,000
International Commercial Bank (Sierra Leone) Ltd	September 04	CHF2,180,000
International Commercial Bank S.H.A	September 04	CHF8,250,000
ICB-Banco Internacional De Comercio, S.A.R.L.	September 04	CHF3,460,000
International Commercial Bank Limited	September 04	CHF6,510,000
PT Bank Bumiputera Indonesia Tbk	October 04	IDR 193,775 m

The profit after taxation of the acquired subsidiaries included in the Group's consolidated financial statements amounted to USD1,263,000. If the acquisitions have occurred on 1 January 2004, management estimates that consolidated operating income would have been USD38,637,000 and consolidated profit for the year would have been USD16,831,000.

Details of the net assets acquired and goodwill/ negative goodwill are as follows:

	2004
	USD'000
Total purchase consideration	28,366
Fair value of net assets acquired	<u>(23,825)</u>
Goodwill (Note 17)	<u>4,541</u>
Total purchase consideration	13,444
Fair value of net assets acquired	<u>(15,938)</u>
Negative goodwill	<u>(2,494)</u>

The goodwill recognised on the acquisitions is mainly attributable to the synergies expected to arise from the acquired businesses. Details of the fair value of the assets and liabilities acquired in 2004 are not disclosed as the relevant data were not readily available.

The following are the effects on cash flows arising from the acquisition:

	2004
	USD'000
Total purchase consideration	41,810
Purchase consideration settled in shares (Note 25)	<u>(19,750)</u>
Purchase consideration settled in cash	22,060
Cash and cash equivalents in subsidiaries acquired	<u>(72,131)</u>
Cash inflow on acquisition	<u>(50,071)</u>

(b) Subscription of rights entitlement in PT Bank Bumiputera Indonesia Tbk ("Bank Bumiputera")

In January 2006, the Company subscribed for a rights entitlement and excess shares in Bank Bumiputera which resulted in the Company's equity interest in Bank Bumiputera increased from 58.32% to 67.07%. The goodwill recognised on the subscription amounted to USD89,000.

30. Subsidiaries (cont'd)

(c) Acquisition of ICB Global Management Sdn. Bhd. ("ICB Global")

On 18 January 2006, an associate, ICB Global became a subsidiary when the Company subscribed for additional shares in ICB Global. The profit after taxation of ICB Global included in the Group's financial statements during the year amounted to USD16,000. There was no material financial impact if the acquisition had occurred on 1 January 2006.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	2006
	USD'000
Property and equipment	44
Cash and bank balances	157
Receivables	41
Payables	<u>(158)</u>
Fair value of net assets	84
Less: Minority interest	<u>(12)</u>
Group's share of net assets	72
Goodwill on acquisition (Note 17)	<u>46</u>
Total cost of acquisition	118
Cost of investment acquired previously (Note 16)	<u>(10)</u>
Total purchase consideration, settled in cash	108
Cash and cash equivalents in a subsidiary acquired	<u>(157)</u>
Cash inflow on acquisition	<u>(49)</u>

The goodwill recognised on the acquisition is mainly attributable to the synergies expected to arise from the acquired business. The fair value of the assets and liabilities recognised on acquisition are based on management's estimates.

(d) Subscription of additional shares in ICB Global

On 30 November 2006, the Company further subscribed for another 140,000 ordinary shares of MYR1.00 each in ICB Global for MYR140,000. Consequently, the Company's equity interest in ICB Global was increased to 89%. The goodwill recognised on the subscription amounted to USD2,000.

31. Segment Information

The primary segment reporting format is determined to be the geographical segments as the Group's risks and return varies in different economic environment, and the operating business is organised according to the location of the Group's assets in three continents, Europe, Africa and Asia. Hence, the geographical segment information is presented based on the location of the Group's assets.

The Group's business segments mainly comprise commercial banking operation. Business segmental information has therefore not been prepared as all the Group's operating income, operating profit, assets employed, liabilities, depreciation and amortisation and non-cash expenses are mainly confined to one business segment.

2004	Europe	Africa	Asia	Group
	USD'000	USD'000	USD'000	USD'000
Net Interest income	524	1,362	3,795	5,681
Net Fee and commission income	66	441	763	1,270
Foreign currency gains	(352)	354	169	171
Other operating income	-	109	71	180
Total operating income				<u>7,302</u>
Segment results	(73)	2,448	820	3,195
Share of results of associates	16	(273)	9,445	9,188
Profit before taxation	(57)	2,175	10,265	12,383
Tax expense	(49)	(200)	(255)	(504)
Profit for the year	(106)	1,975	10,010	11,879
Segment assets	36,407	95,911	415,142	547,460
Associates	2,764	1,308	61,628	65,700
Total assets	<u>39,171</u>	<u>97,219</u>	<u>476,770</u>	<u>613,160</u>
Segment liabilities	20,586	76,683	380,458	477,727
Other segment items				
Capital expenditure	1,624	3,918	13,270	18,812
Depreciation and amortization	21	154	188	363
Loan impairment charges	7	173	565	745

Capital expenditure comprises additions to Property and Equipment (Note 19) and Goodwill and Other Intangible Assets (Note 17) including additions resulting from acquisitions through business combinations.

31. Segment Information (cont'd)

2005	Europe USD'000	Africa USD'000	Asia USD'000	Group USD'000
Net Interest income	1,653	6,503	15,694	23,850
Net Fee and commission income	324	1,590	4,251	6,165
Foreign currency gains	846	767	942	2,555
Other operating income	-	277	448	<u>725</u>
Total operating income				<u>33,295</u>
Segment results	896	2,422	(7,346)	(4,028)
Share of results of associates	197	37	7,935	<u>8,169</u>
Profit before taxation	1,093	2,459	589	4,141
Tax expense	(42)	(898)	1,558	<u>618</u>
Profit for the year	<u>1,051</u>	<u>1,561</u>	<u>2,147</u>	<u>4,759</u>
	Europe USD'000	Africa USD'000	Asia USD'000	Group USD'000
Segment assets	39,201	100,587	443,690	583,478
Associates	2,279	1,184	64,660	<u>68,123</u>
Total assets	<u>41,480</u>	<u>101,771</u>	<u>508,350</u>	<u>651,601</u>
Segment liabilities	21,732	82,260	418,321	522,313
Other segment items				
Capital expenditure	835	370	854	2,059
Depreciation and amortisation	130	502	1,327	1,959
Loan impairment charges	515	927	7,782	9,224

Capital expenditure comprises additions to Property and Equipment (Note 19) and Goodwill and Other Intangible Assets (Note 17).

31. Segment Information (cont'd)

2006	Europe USD'000	Africa USD'000	Asia USD'000	Group USD'000
Net Interest income	1,889	8,179	23,419	33,487
Net Fee and commission income	269	1,788	5,829	7,886
Foreign currency gains	(101)	1,403	229	1,531
Other operating income	11	876	1,495	<u>2,382</u>
Total operating income				<u>45,286</u>
Segment results	(385)	3,656	917	4,188
Share of results of associates	<u>(143)</u>	<u>(151)</u>	<u>5,949</u>	<u>5,655</u>
Profit before taxation	(528)	3,505	6,866	9,843
Tax expense	<u>(37)</u>	<u>(1,164)</u>	<u>(406)</u>	<u>(1,607)</u>
Profit for the year	<u>(565)</u>	<u>2,341</u>	<u>6,460</u>	<u>8,236</u>
Segment assets	60,261	139,842	606,354	806,457
Associates	<u>2,444</u>	<u>1,062</u>	<u>74,773</u>	<u>78,279</u>
Total assets	<u>62,705</u>	<u>140,904</u>	<u>681,127</u>	<u>884,736</u>
Segment liabilities	30,950	115,650	543,621	690,221
Other segment items				
Capital expenditure	163	1,619	1,542	3,324
Depreciation and amortization	218	522	1,687	2,427
Loan impairment charges	407	1,087	3,787	5,281

Capital expenditure comprises additions to Property and Equipment (Note 19) and Goodwill and Other Intangible Assets (Note 17) including additions resulting from acquisitions through business combination.

32. Related party transaction

A party is related to an entity if:

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

32. Related party transaction (cont'd)

Parties related to the Group are as follows:

- (a) Party that directly controls the Company is Tun Daim Zainuddin, the founder and principal shareholder of ICBFGH, who owned 99.998% of equity interest in ICBFGH as of 31 December 2006. The remaining 0.002% interest was held by 2 individual shareholders. By virtue of his interest in shares in the Company, he is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest. As of 31 December 2006, he also has an equity interest of 79.95% in one of the Company's associates, International Commercial Bank Senegal S.A ("ICB Senegal").
- (b) Detailed relationship of the associates of the Group is disclosed in Note 16.
- (c) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). The Group refers key management personnel to the members of the Board of Directors and the CEOs of the Company and its subsidiaries.

The following transactions were carried out with related parties:

- (a) Key management compensations

	2004	2005	2006
	USD'000	USD'000	USD'000
Directors of the Company:			
- Fee	13	26	12
Directors of the subsidiaries			
- Fee	45	224	272
- Salaries and other short term employee benefits	70	339	583
- Post-employment retirement benefits	8	-	-
Key management personnel other than Directors			
- Salaries and other short term employee benefits	117	512	507
- Post-employment retirement benefits	3	-	-
	<u>256</u>	<u>1,101</u>	<u>1,374</u>

- (b) Transactions with principal shareholder

- (i) The Company acquired the following operating banks from the principal shareholder, Tun Daim Zainuddin:

- (1) On 28 June 2004, for a total cash consideration of USD2,000,000:

Operating Banks	Number of Shares and nominal value	Consideration (USD)
IC Bank ZRt.	3,000 shares at HUF100,000 each	1,500,000
International Commercial Bank (Tanzania) Limited	507,400 shares at TZS 1,000 each	500,000

32. Related party transaction (cont'd)

- (2) On 16 September 2004, for a total consideration of CHF25,000,000 which was satisfied by the issuance 25,000 shares of CHF1,000 each:

Operating Banks	Number of Shares and nominal value	Consideration (CHF)
International Commercial Bank Sh. A	7,500,000 shares at USD1.00 each	8,250,000
International Commercial Bank Limited	1,435,000 shares with no par value	6,510,000
International Commercial Bank S. A.	385,000 shares at GNF 10,000 each	4,600,000
ICB-Banco International De Comercio, S.A.R.L.	499,118.5 shares at MZM 100,000 each	3,460,000
International Commercial Bank (Sierra Leone) Ltd.	4,285 shares at SLL1,000,000 each	2,180,000

- (ii) Advances from the principal shareholder during the years ended 31 December 2004, 2005 and 2006 are disclosed in Consolidated Statement of Changes in Equity. Settlement of the advances subsequent to 31 December 2006 is disclosed in Note 34(c).

- (c) Transactions with an associate in which the principal shareholder also has a majority shareholding, ICB Senegal

	2004	2005	2006
	USD'000	USD'000	USD'000

Support service fee received from ICB Senegal	-	-	6
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- (d) Transactions with other associates

	2004	2005	2006
	USD'000	USD'000	USD'000

Support service fee paid to an associate	-	150	-
Support service fee received from associates	-	-	60

- (e) During the year ended 31 December 2006, the Company entered into an agreement with the principal shareholder to transfer the title of the shares and warrants of Bank Bumiputera of which the Company has a beneficial ownership for a nominal amount of IDR1.00. The completion of the transfer is pending approval of Bank of Indonesia.

Other than as disclosed above, there are no other significant related party transactions entered into by the Group with any of its related parties.

The following are related party balances as at year ended 2004, 2005 and 2006:

- (a) Information on outstanding balances of shareholder's advances is disclosed in Note 26.

- (b) Amount due from an associate in which the principal shareholder also has a majority shareholding, ICB Senegal

	2004	2005	2006
	USD'000	USD'000	USD'000

Amount due from ICB Senegal	-	-	5
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The amount is unsecured, interest free and has no fixed term of repayment.

- (c) Amount due from other associates

	2004	2005	2006
	USD'000	USD'000	USD'000

Amounts due from other associates	-	-	1
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The amounts are unsecured, interest free and have no fixed term of repayment.

33. Significant Events over the Three Years Ended 31 December 2006

(a) In 2004, the Group acquired the following subsidiaries and associates:

Name of subsidiaries	Country of incorporation	Acquisition Date	Equity Interest acquired	Purchase consideration
International Commercial Bank S.A ¹	Guinea	September 04	97%	CHF4,600,000
International Commercial Bank (Sierra Leone) Ltd	Sierra Leone	September 04	99.98%	CHF2,180,000
International Commercial Bank SH.A	Albania	September 04	100%	CHF8,250,000
ICB-Banco Internacional De Comercio, S.A.R.L.	Mozambique	September 04	99.99%	CHF3,460,000
International Commercial Bank Limited	Ghana	September 04	100%	CHF6,510,000
PT Bank Bumiputera Indonesia Tbk	Indonesia	October 04	58.3%	IDR 193,775 m
Name of associates	Country of incorporation	Acquisition Date	Equity Interest acquired	Purchase consideration
Sorak Financial Group Holdings Pte. Ltd ²				
- Proportionate subscription of shares		February 04	-	SDG407,000
- Proportionate subscription of shares	Singapore	September 04	-	SDG13,536,000
IC Bank ZRt.				
- Acquisition of shares		June 04	15%	USD1,500,000
- Subscription of shares	Hungary	September 04	5.96%	USD1,000,000
International Commercial Bank (Tanzania) Ltd				
- Acquisition of shares		June 04	20%	USD500,000
- Proportionate subscription of shares	Tanzania	December 04	-	USD260,000

Note: (1) 77.00% acquired directly by the Company and 20.00% indirectly via International Bank Limited, Ghana.

(2) In 2003, the Company acquired an equity interest of 20.00% in Sorak Financial Holdings Pte. Ltd for a total cash consideration of SDG81,116,000.

(b) The Group incorporated International Commercial Bank (The Gambia) Ltd. in Gambia on 20 July 2004 with an equity interest of 99.10%

(c) In January 2006, Bank Bumiputera, a subsidiary, increased its issued and paid-up capital to IDR500,000,000,000 by a rights issue of 3,000,000,000 new shares with a par value of IDR100 per share together with 666,666,666 free Series 1 warrants. The Company subscribed for its rights entitlement and excess shares available totalling 2,187,146,500 at the issue price of IDR100 per share with 486,032,555 free warrants. Upon completion of the rights issue, the Company's equity interest in Bank Bumiputera increased from 58.32% to 67.07%.

33. Significant Events over the Three Years Ended 31 December 2006 (cont'd)

- (d) On 31 January 2005, the Company acquired 30% equity interest representing 30,000 ordinary shares of MYR1.00 each in ICB Global Management Sdn. Bhd ("ICB Global") for a cash consideration of MYR30,000. On 18 January 2006, the Company subscribed for 400,000 ordinary shares of MYR1.00 each in ICB Global for a total cash consideration of MYR400,000. On 30 November 2006, the Company further subscribed for another 140,000 ordinary shares of MYR1.00 each in ICB Global for MYR140,000. Consequently, the Company's equity interest in ICB Global was increased to 89%.
- (e) On 22 March 2006, the Company incorporated International Commercial Bank (Djibouti) S.A ("ICB Djibouti") in Djibouti with an equity interest of 99.93% at approximately USD1,700,000 in cash. ICB Djibouti commenced operations as a bank in September 2006.
- (f) On 19 May 2006, the Company acquired a 4.99% equity interest in Bank Thai Plc for a total cash consideration of USD14,050,593.
- (g) On 25 September 2006, the principal shareholder of the Company entered into an agreement with the Company to transfer the title of the shares and warrants of Bank Bumiputera of which the Company has a beneficial ownership for a nominal amount of IDR1.00. The completion of the transfer is pending approval of the Bank of Indonesia.
- (h) On 18 October 2006, all the shareholders of IC Bank ZRt. ("ICB Hungary") including the Company entered into a sale and purchase agreement ("SPA") with an Italian banking group in Europe to dispose of its entire equity interest in ICB Hungary, for a total cash consideration of EUR28,050,000. The Company's share of the consideration is EUR5,879,969 and the Company is liable up to 30% of this amount for any breach of warranties given for a period of 12 months from the date of completion of the SPA. Completion of the SPA is pending approval of the relevant authorities. Upon completion of the SPA, the estimated profit from the disposal to the Group based on the financial results of ICB Hungary as of 31 December 2006 is approximately USD5 million.

34. Significant Events Subsequent to 31 December 2006

- (a) On 7 February 2007, the Company disposed of its entire equity interest in Bank Thai Plc for a total cash consideration of USD14,050,593. The disposal did not give rise to any material financial effect to the Group.
- (b) On 28 February 2007, the Company increased its equity interest in ICB Global to 100% by acquiring the remaining 70,000 ordinary shares, representing equity interest of 11% for MYR43,400.
- (c) On 16 April 2007,
 - (i) the nominal value of the share capital of the Company was changed from CHF 1,000.00 each to CHF 1.00 each bringing the total number of shares to 75,000,000 prior to the conversion of shareholder's advances as mentioned in item (ii) below; and
 - (ii) shareholder's advances of CHF 95,000,000 were converted into 95,000,000 shares of CHF 1.00 each issued to Tun Daim Zainuddin, resulting in an increase in share capital to 170,000,000 shares of CHF 1.00 each.Subsequently, on 26 April 2007, the Company repaid the remaining balance of USD 9,522,380.24 to Tun Daim Zainuddin.
- (d) On 1 May 2007, the Bank of Indonesia granted approval for the transfer as mentioned in Note 33(g). Subsequently, the transfer was effected on 8 May 2007.
- (e) On 9 May 2007, the sale and purchase agreement mentioned in Note 33(h) was completed.
- (f) On 11 May 2007, the Company issued 10,000,000 shares of CHF1.00 each to several investors at an issue price of USD1.00 each.

35. Contingent liabilities and commitments

In the normal course of business, the Group, makes various commitments and incur certain contingent liabilities with legal recourse to its customers.

The exposure of the Group as at the end of financial year is as follows:

	2004	2005	2006
	USD'000	USD'000	USD'000
Commitment Receivables			
Unsettled spot foreign currencies purchased	15,500	490	-
Forward foreign currency purchased	6,500	1,000	-
Total Commitment Receivables	22,000	1,490	-
Commitment Liabilities			
Unused loan commitments granted to customers	13,774	12,472	30,035
Outstanding irrecoverable foreign Letters of Credit (LC)	9,521	6,499	4,842
Outstanding irrecoverable local Letters of Credit (LC)	700	630	-
Forward foreign currencies sold	9,957	1,500	-
Unsettled spot foreign currencies	1,505	485	838
Total Commitment Liabilities	35,457	21,586	35,715
Contingent liabilities			
Guarantees, indemnities and bonds	3,629	3,215	10,620
Letters of credit	379	602	1,431
Total Contingent Liabilities	4,008	3,817	12,051

Non-cancellable operating lease rentals as at 31 December 2006 are payable as follows:

	2006
	USD'000
Not later than 1 year	2,783
Later than 1 year and not later than 5 years	2,776
Later than 5 years	185
	5,744

36. Defined Benefit Plan

Bank Bumiputera, a subsidiary, records its defined benefit plan obligation based on labour law of the country. No funding of benefits has been made to date. The numbers of employees entitled to the benefit were 964 in 2006. In 2004 and 2005 there were 768 and 890 respectively.

The amounts recognised in the income statements are as follows:

	2004	2005	2006
	USD'000	USD'000	USD'000
Current service cost	13	167	212
Interest cost	7	61	87
Past service cost	1	8	78
Total	21	236	377

36. Defined Benefit Plan (cont'd)

The amounts included in the balance sheet arising from the Group's obligation in respect of these post employments benefits are as follows:

	2004	2005	2006
	USD'000	USD'000	USD'000
Present value of obligations	523	676	935
Unrecognised actuarial loss	(44)	(56)	(43)
Present value of other liabilities	-	-	122
Total	<u>479</u>	<u>620</u>	<u>1,014</u>

Movement in the net liabilities recognised in the balance sheet is as follows:

	2004	2005	2006
	USD'000	USD'000	USD'000
At 1 January	-	479	620
Acquisition of subsidiary	495	-	-
Charges for the year	21	236	377
Benefits payment	(2)	(115)	(46)
Currency translation differences	(35)	20	63
At 31 December (Note 24)	<u>479</u>	<u>620</u>	<u>1,014</u>

The cost of providing defined benefits is calculated by independent actuaries. The actuarial valuation was carried out using the following key assumptions according to Indonesia's Commissioner's Standard Ordinary table (CSO 80):

	2004	2005	2006
Discount rate	12%	13%	11%
Future salary increment rate	10%	10%	6%

37. Financial Risk Management

(a) Strategy in using financial instruments

By their nature, the Group's activities are principally related to the use of financial instruments. The Group accepts deposits from customers at both fixed and floating rates and for various periods and seeks to earn above-average interest margins by investing these funds in high-quality assets. The Group seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates while maintaining sufficient liquidity to meet all claims that might fall due.

The Group also seeks to raise its interest margins by obtaining above-average margins, net of allowances, through lending to commercial and consumer borrowers with a range of credit standing. Such exposures involve not just on-balance sheet loans and advances; the Group also enters into guarantees and other commitments such as letters of credit and performance and other bonds.

(b) Credit Risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred at the balance sheet date. Significant changes in the economy or in the health of a particular industry segment that represents a concentration in the Group's portfolio could result in losses that are different from those provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower or groups of borrowers and to geographical and industry segments.

37. Financial Risk Management (cont'd)

(b) Credit Risk (cont'd)

The Group's lending activities are guided by the credit policy manual and all personnel involved in the extension of credit are expected to strictly observe the policy. A Loan Committee is established to formulate, implement and review the credit policy including approving credit proposals.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees. The policy outlines the criteria for acceptable collateral and margin of advances.

The Group also provides guarantees and standby letters of credit – which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties. Such instruments carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

(c) Market Risk

The Group takes on exposure to market risk. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Assets and Liabilities Committee of each country is responsible to manage risk on interest rate and foreign exchange.

37. Financial Risk Management (cont'd)

(d) Currency Risk

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flow. The Assets and Liabilities Committee will monitor its exchange rate risk based on the regulation of the central bank in the respective countries.

The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December. Included in the table are the Group's financial instruments at carrying amounts, categorised by currency.

	USD USD'000	IDR USD'000	GHC USD'000	ALL USD'000	MZN USD'000	GNF USD'000	Others USD'000	Total USD'000
At 31 December 2004								
Assets								
Cash and bank balances	45,912	83,918	3,846	871	1,121	2,718	5,428	143,814
Trading securities	2,483	6,431	-	-	-	-	-	8,914
Loans and advances to customers	44,756	243,373	6,203	2,562	1,972	5,752	2,950	307,568
Financial investments	5,324	1,400	19,870	4,048	4,271	16,266	3,329	54,508
Other assets	18	5,033	570	-	187	1,002	171	6,981
Total financial assets	98,493	340,155	30,489	7,481	7,551	25,738	11,878	521,785
Liabilities								
Deposits from other banks	-	6,772	-	324	-	-	-	7,096
Customers' accounts	81,345	273,698	24,997	7,584	5,468	19,609	8,158	420,859
Debt securities in issue	-	31,883	-	-	-	-	-	31,883
Other liabilities	47	4,213	470	-	56	24	-	4,810
Total financial liabilities	81,392	316,566	25,467	7,908	5,524	19,633	8,158	464,648
Net balance sheet position	17,101	23,589	5,022	(427)	2,027	6,105	3,720	57,137

37. Financial Risk Management (cont'd)

(d) Currency Risk (cont'd)

	USD USD'000	IDR USD'000	GHC USD'000	ALL USD'000	MZN USD'000	GNF USD'000	Others USD'000	Total USD'000
At 31 December 2005								
Assets								
Cash and bank balances	50,866	59,817	4,297	1,355	1,648	5,363	8,184	131,530
Trading securities	-	13	-	-	-	-	-	13
Loans and advances to customers	40,036	282,784	9,370	2,696	2,510	2,959	5,660	346,015
Financial investments	11,951	7,405	26,877	5,316	4,000	10,834	3,661	70,044
Other assets	14	4,628	1,189	-	179	497	429	6,936
Total financial assets	102,867	354,647	41,733	9,367	8,337	19,653	17,934	554,538
Liabilities								
Deposits from other banks	-	3,653	-	174	-	-	128	3,955
Customer accounts	85,708	331,659	34,464	9,452	5,850	12,586	12,693	492,412
Debt securities in issue	-	10,038	-	-	-	-	-	10,038
Other liabilities	146	3,286	791	-	45	-	662	4,930
Total financial liabilities	85,854	348,636	35,255	9,626	5,895	12,586	13,483	511,335
Net balance sheet position	17,013	6,011	6,478	(259)	2,442	7,067	4,451	43,203

37. Financial Risk Management (cont'd)

(d) Currency Risk (cont'd)

	USD USD'000	IDR USD'000	GHC USD'000	ALL USD'000	MZN USD'000	GNF USD'000	Others USD'000	Total USD'000
At 31 December 2006								
Assets								
Cash and bank								
balances	50,582	54,040	8,502	2,606	1,747	19,409	18,563	155,449
Trading securities	-	19	-	-	-	-	-	19
Loans and advances to								
customers	25,173	431,908	15,607	2,183	4,996	3,806	7,043	490,716
Financial investments	30,507	25,394	36,678	8,525	4,156	1,770	2,475	109,505
Other assets	2,504	5,491	1,385	-	351	308	300	10,339
Total financial assets	<u>108,766</u>	<u>516,852</u>	<u>62,172</u>	<u>13,314</u>	<u>11,250</u>	<u>25,293</u>	<u>28,381</u>	<u>766,028</u>
Liabilities								
Deposits from other								
banks	500	12,863	-	-	-	-	395	13,758
Customer accounts	76,184	463,893	48,936	13,924	7,279	20,274	16,885	647,375
Other liabilities	546	4,846	9,075	-	1,212	296	(26)	15,949
Total financial liabilities	<u>77,230</u>	<u>481,602</u>	<u>58,011</u>	<u>13,924</u>	<u>8,491</u>	<u>20,570</u>	<u>17,254</u>	<u>677,082</u>
Net balance sheet position	<u>31,536</u>	<u>35,250</u>	<u>4,161</u>	<u>(610)</u>	<u>2,759</u>	<u>4,723</u>	<u>11,127</u>	<u>88,946</u>

37. Financial Risk Management (cont'd)

(e) Cash flow and fair value interest rate risk

The Group is exposed to various risks associated with the effects of fluctuations in prevailing levels of market interest rates on the financial position and cash flows.

The table below summarises the Group's exposure to interest rate risks. Included in the table are the Group's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Up to 1 month USD'000	1 - 3 months USD'000	3 - 12 months USD'000	1 - 5 years USD'000	Over 5 years USD'000	Non Interest Bearing USD'000	Total USD'000
At 31 December 2004							
Assets							
Cash and bank balances	82,607	2,264	-	-	-	58,943	143,814
Trading securities	8,914	-	-	-	-	-	8,914
Loans and advances to customers	34,180	12,202	74,695	164,973	21,518	-	307,568
Financial investments	20,620	7,456	26,079	324	29	-	54,508
Other assets	4,410	1,876	-	-	-	695	6,981
Total financial assets	150,731	23,798	100,774	165,297	21,547	59,638	521,785
Liabilities							
Deposits from other banks	7,064	32	-	-	-	-	7,096
Customer accounts	325,469	47,684	35,430	-	-	12,276	420,859
Debt securities in issue	-	-	-	31,883	-	-	31,883
Other liabilities	-	1,777	775	-	-	2,258	4,810
Total financial liabilities	332,533	49,493	36,205	31,883	-	14,534	464,648
Total interest repricing gap	(181,802)	(25,695)	64,569	133,414	21,547	45,104	57,137

37. Financial Risk Management (cont'd)

(e) Cash flow and fair value interest rate risk (cont'd)

	Up to 1 month USD'000	1 - 3 months USD'000	3 - 12 months USD'000	1 - 5 years USD'000	Over 5 years USD'000	Non Interest Bearing USD'000	Total USD'000
At 31 December 2005							
Assets							
Cash and bank balances	111,504	890	-	-	-	19,136	131,530
Trading securities	13	-	-	-	-	-	13
Loans and advances to customers	37,267	13,672	207,409	60,026	27,641	-	346,015
Financial investments	21,733	5,233	33,672	7,309	2,097	-	70,044
Other assets	3,995	732	818	24	-	1,367	6,936
Total assets	174,512	20,527	241,899	67,359	29,738	20,503	554,538
Liabilities							
Deposits from other banks	3,827	-	-	-	-	128	3,955
Customer accounts	384,371	37,342	51,761	357	3,126	15,455	492,412
Debt securities in issue	-	-	10,038	-	-	-	10,038
Other liabilities	2,327	665	751	-	5	1,182	4,930
Total liabilities	390,525	38,007	62,550	357	3,131	16,765	511,335
Total interest repricing gap	(216,013)	(17,480)	179,349	67,002	26,607	3,738	43,203

37. Financial Risk Management (cont'd)

(e) Cash flow and fair value interest rate risk (cont'd)

	Up to 1 month USD'000	1 - 3 months USD'000	3 - 12 months USD'000	1 - 5 years USD'000	Over 5 years USD'000	Non Interest Bearing USD'000	Total USD'000
At 31 December 2006							
Assets							
Cash and bank balances	107,798	2,297	6,593	2,000	-	36,761	155,449
Trading securities	19	-	-	-	-	-	19
Loans and advances to customers	21,146	18,443	108,781	261,922	80,424	-	490,716
Financial investments	28,706	5,886	19,555	41,105	-	14,253	109,505
Other assets	6,265	1,730	66	-	-	2,278	10,339
Total financial assets	<u>163,934</u>	<u>28,356</u>	<u>143,995</u>	<u>305,027</u>	<u>80,424</u>	<u>53,292</u>	<u>766,028</u>
Liabilities							
Deposits from other banks	12,319	1,439	-	-	-	-	13,758
Customer accounts	391,286	138,175	85,900	7,294	-	24,720	647,375
Other liabilities	11,172	2,486	43	-	-	2,248	15,949
Total financial liabilities	<u>414,777</u>	<u>142,100</u>	<u>85,943</u>	<u>7,294</u>	<u>-</u>	<u>26,968</u>	<u>677,082</u>
Total interest repricing gap	<u>(250,843)</u>	<u>(113,744)</u>	<u>49,052</u>	<u>297,733</u>	<u>80,424</u>	<u>26,324</u>	<u>88,946</u>

37. Financial Risk Management (cont'd)

(f) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

The Group's liquidity management process, as carried out within the Group and monitored by the respective bank's Treasury team, includes:

- Day-to-day funding, managed by monitoring future cash flow to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers;
- Monitoring balance sheet liquidity ratios against internal and regulatory requirements; and
- Managing the concentration and profile of debt maturities.

The table below analyses the Group's assets and liabilities into relevant maturity groupings based on the remaining period of balance sheet date to the contractual maturity date.

	Up to 1 month USD'000	1 - 3 months USD'000	3 - 12 months USD'000	1 - 5 years USD'000	Over 5 years USD'000	Total USD'000
At 31 December 2004						
Assets						
Cash and bank balances	134,423	9,277	-	114	-	143,814
Trading securities	8,914	-	-	-	-	8,914
Loans and advances to customers	34,545	12,202	74,673	162,406	23,742	307,568
Financial investments	20,613	7,405	26,137	324	29	54,508
Other assets	4,837	1,901	191	18	34	6,981
Total financial assets	203,332	30,785	101,001	162,862	23,805	521,785
Liabilities						
Deposits from other banks	7,064	32	-	-	-	7,096
Customer accounts	327,236	49,708	43,915	-	-	420,859
Debt securities in issue	-	-	-	31,883	-	31,883
Other liabilities	1,320	3,483	7	-	-	4,810
Total financial liabilities	335,620	53,223	43,922	31,883	-	464,648
Net liquidity gap	(132,288)	(22,438)	57,079	130,979	23,805	57,137

37. Financial Risk Management (cont'd)

(f) Liquidity risk (cont'd)

	Up to 1 month USD'000	1 - 3 months USD'000	3 - 12 months USD'000	1 - 5 years USD'000	Over 5 years USD'000	Total USD'000
At 31 December 2005						
Assets						
Cash and bank balances	122,048	9,423	59	-	-	131,530
Trading securities	13	-	-	-	-	13
Loans and advances to customers	40,116	13,699	205,341	57,676	29,213	346,015
Financial investments	21,733	6,224	14,190	25,873	2,024	70,044
Other assets	4,438	1,580	858	30	30	6,936
Total financial assets	188,348	30,896	220,448	83,579	31,267	554,538
Liabilities						
Deposits from other banks	3,955	-	-	-	-	3,955
Customer accounts	390,905	39,292	48,249	357	13,609	492,412
Debt securities in issue	-	-	10,038	-	-	10,038
Other liabilities	3,004	1,164	762	-	-	4,930
Total financial liabilities	397,864	40,456	59,049	357	13,609	511,335
Net liquidity gap	(209,516)	(9,560)	161,399	83,222	17,658	43,203

37. Financial Risk Management (cont'd)

(f) Liquidity risk (cont'd)

	Up to 1 month USD'000	1 - 3 months USD'000	3 - 12 months USD'000	1 - 5 years USD'000	Over 5 years USD'000	Total USD'000
At 31 December 2006						
Assets						
Cash and bank balances	134,282	11,365	7,802	2,000	-	155,449
Trading securities	19	-	-	-	-	19
Loans and advances to customers	19,955	19,382	112,022	262,010	77,347	490,716
Financial investments	28,694	19,957	19,251	41,603	-	109,505
Other assets	8,190	1,972	197	-	-	10,339
Total financial assets	<u>191,140</u>	<u>52,656</u>	<u>139,272</u>	<u>305,613</u>	<u>77,347</u>	<u>766,028</u>
Liabilities						
Deposits from other banks	12,319	1,439	-	-	-	13,758
Customer accounts	396,308	156,878	86,894	7,295	-	647,375
Other liabilities	13,310	2,516	123	-	-	15,949
Total financial liabilities	<u>421,937</u>	<u>160,833</u>	<u>87,017</u>	<u>7,295</u>	<u>-</u>	<u>677,082</u>
Net liquidity gap	<u>(230,797)</u>	<u>(108,177)</u>	<u>52,255</u>	<u>298,318</u>	<u>77,347</u>	<u>88,946</u>

37. Financial Risk Management (cont'd)

(g) Fair value of financial assets and liabilities

The fair value of financial instruments is the amount at which the financial asset could be exchanged or financial liability could be settled. The fair value of financial instruments approximates their carrying value. The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and bank balances

The carrying amount approximates fair value due to the relatively short maturity of the financial instruments.

(ii) Loans and advances to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flow expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(iii) Trading securities and financial investments

Fair value is based on market prices. Where this information is not available, fair value has been estimated using quoted market prices for securities with similar credit maturity and yield characteristics or pricing models or discounted cash flow techniques.

(iv) Deposits and borrowings

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings without quoted market price is based on discounted cash flow using interest rates for new debts with similar remaining maturity.

(v) Debt securities in issue

The aggregate fair values are calculated based on quoted market price. For those notes where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

Part D – Additional Information

1 Corporate Information

The Company was registered in Switzerland on 15 October 2003, with register number CH-130.3.009.158-0, as a company limited by shares.

The liability of Shareholders is limited and the Company has an indefinite life.

The Company's principal place of business is its office in Switzerland at the address and telephone number set out in the Corporate Directory on page 5 of this Admission Document. Its registered office is also set out in the Corporate Directory.

The structure of the Group is set out in Section 1.1.1 of Part A. The Company has 9 subsidiaries and has a material interest in 4 other companies.

2 Swiss Company Laws

The Company was incorporated and operates under the Swiss Companies Laws.

3 The City Code

As the Company is registered in Switzerland and its place of central management and control is not within the UK, the Channel Islands or the Isle of Man, the Company will not be subject to the provisions of the City Code.

4 Share Capital

The Shares that the Company will have on issue at Admission are detailed in Section 10.1 of Part A of this Admission Document.

Application for Admission is being made in respect of all of the Shares. All Shares on issue rank *pari passu* in all respects. Other than set out in the foregoing, the Shares have not been admitted to dealing on any recognised investment exchange, no application for such admission has been made and there are no other intended arrangements for dealings in the Shares.

The Shares are registered shares, have been created under the Swiss Company Laws and, following Admission, will be uncertificated. The Company's register of members (Shareholders) is kept at the offices of ShareCommService AG at the address set out in the Corporate Directory.

Information on changes in the Company's share capital for the period from 1 January 2004 until 31 December 2006, is set out in Note 25 to the Independent Accountant's Report contained in Part C of this Admission Document. There were no warrants, options, convertible securities or other acquisition rights and/or obligations over authorised but unissued capital or an undertaking to increase capital over this period. The Company is authorised, however, to increase the Company's share capital as set out in Section 5.21 of Part D).

As at 31 December 2006 (the date of the most recent audited balance sheet of the Company) and at the date of this Admission Document, the Company held no shares in itself and there were no shares in the Company not representing capital.

Save as disclosed in this document:

- no share or loan capital of the Company has been issued or is proposed to be issued;
- no person has any preferential subscription rights for any share capital of the Company; and
- no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

5 Company Statutes and Rights Attaching to Shares

The rights attaching to Shares are set out in the Company Statutes and the applicable Swiss law (Swiss Company Law and general law). In addition, the Company will be subject to the AIM Rules upon Admission. The purpose and powers of the Company are summarised under Section 5.1 below and set out in full in Article 3 of the Company Statutes. The Company Statutes contain, *inter alia*, provisions summarised under all other headings below. The Company Statutes may be inspected during normal business hours at the registered office of the Company. The Company Statutes may be amended from time to time in the manner provided for in the Swiss Company Laws.

Following is a summary of the more significant rights of the holders of Shares. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's members.

5.1 Purpose and Powers of the Company

The purpose of the company as set out in article 3 of the Company Statutes is the management of holdings domestically and abroad. The Company may open branches and subsidiaries in Switzerland and abroad and may acquire or sell participations in other companies, either in Switzerland or abroad. It may acquire, hold, transfer and exploit intellectual property rights such as patents, trademarks etc. The Company may acquire, hold and sell real estate. The Company may engage in and carry out any commercial and financial transactions which are related directly or indirectly to the purpose of the company.

Neither Swiss law nor the Company Statutes restrict in any way the Company's power to borrow and to raise funds. The decision to borrow funds is by law passed by or under direction of the Company's Board of Directors, no Shareholders' resolution being required.

5.2 Powers of the Board

The Board of Directors of the Company is entrusted with the ultimate direction of the Company and the supervision of the management. Further, it establishes the organization and spells out binding guidelines for the corporate policy. All business, which is not reserved for another body by law or the statutes, falls within the powers of the Board of Directors.

In particular, the Board of Directors has the following non-transferable and inalienable duties according to Swiss Company Laws and the Company Statutes: the overall supervision of the persons entrusted with the management of the company as well as their appointment and dismissal; the financial control, financial planning and organisation of accountancy', the preparation of the annual report as well as the preparation and execution of the general Shareholders' meeting', the information of the court in case of over-indebtedness in accordance with article 725 paragraph 2 Swiss Code of Obligations, to take resolutions about belated payments of deposits for Shares which are not fully paid in, and to pass resolutions to carry through an increase in capital and the resulting amendments to the Company Statutes.

The Board of Directors has delegated the management in part to committees, individual members, or third parties. In particular, it has delegated powers to a Nomination Committee, a Remuneration Committee and an Audit and Risk Management Committee.

5.3 Appointment of Directors and Term of Office

Pursuant to the Company Statutes, the Board of Directors shall consist of one or more members and shall be elected by the Shareholders' meeting for a term of one year, re-election being allowed. There is no rotation of directors provided for in the Company Statutes.

Members of the Board of Directors may be removed by a vote in the Shareholders' meeting but not by vote of the Board of Directors itself. Members of the Board of Directors may retire from the Board with immediate effect.

5.4 Directors Fees & Additional Remuneration

The compensation of the members of the Board of Directors is set and reviewed annually by the Remuneration Committee. Other than the provisions of Swiss law relating to conflicts of interest and management transactions (see Section 5.11 below), there are no provisions in the Company Statutes or under Swiss law which are specifically designed to govern the manner in which Directors are remunerated or indemnified.

5.5 Voting

Each Share carries one vote at a Shareholders' meeting of the Company. Voting rights may be exercised only after a Shareholder has been registered in the Company's Share register as a Shareholder with voting rights. Registration as a Shareholder with voting rights is subject to certain restrictions on the transfer of Shares. See Sections 5.7 (Transfer of Shares) and 5.8 (Shareholders' Meetings and Resolutions) below for details.

5.6 Confirmation of Holdings

The Company may issue Shares and/or certificates representing any number of Shares. The Company may also forego the printing and delivery of registered Shares and may cancel without replacement already printed Shares. Certificated registered Shares already issued can only be cancelled if they are returned to the Company and the Shareholder agrees to the cancellation. The Shareholder may at any time request, at no cost, the printing and delivery of his registered Shares. The Company may for its part at any time print Share certificates for hitherto uncertificated Shares.

5.7 Transfer of Shares

The transfer of undocumented Shares requires a corresponding entry in the books of a bank or depository institution following a transfer in writing by the selling Shareholder and notification of such transfer to the Company by the bank or depository institution. The transferee must inform the Company in order to be registered in the Company's Share register as a Shareholder with voting rights. The transfer of certificated Shares requires an endorsement of the respective Share Certificate by the selling Shareholder to the transferee.

5.8 Shareholders' Meetings and Resolutions

Under Swiss law, an annual ordinary Shareholders' meeting must be held within six months after the end of the Company's financial year. A Shareholders' meeting may be convened by the Board of Directors or, if necessary, by the statutory auditors. The Board of Directors is further required to convene an extraordinary Shareholders' meeting if resolved by a Shareholders' meeting or if requested by Shareholders holding an aggregate of at least 10 percent of the Share capital of the Company. Shareholders holding Shares with a nominal value of at least CHF 1 million have the right to request that a specific proposal be discussed and voted upon at the next Shareholders' meeting.

Extraordinary Shareholders' meetings can be called as frequently as necessary, in particular in all cases required by law.

A Shareholders' meeting is convened by sending a letter to the Shareholders registered in the Share registry at least 20 days prior to such meeting or by publication in the Swiss Official Gazette of Commerce.

There is no provision in the Company Statutes requiring a stricter voting requirement for Shareholders' meetings than the requirements prescribed by law.

Pursuant to Article 12 of the Company Statutes, resolutions, if not otherwise required by law, require the approval of an absolute majority of the votes cast at the Shareholders' meeting. Shareholders' resolutions requiring a vote by such majority include certain amendments to the Company Statutes, elections of directors and statutory auditors, approval of the annual report and the annual group accounts, setting the annual dividend, decisions to discharge the directors and management from liability for matters disclosed to the Shareholders' meeting and the ordering of an independent investigation into specific matters proposed to the Shareholders' meeting.

A resolution passed at a Shareholders' meeting with a super-majority of 66.67% of the votes represented and the absolute majority of the par values of Shares represented is required for: (i) changes in the Company's business purpose; (ii) the creation of Shares with privileged voting rights; (iii) restrictions of the transferability of registered Shares; (iv) an authorised or conditional increase in the Company's Share capital; (v) an increase in the Company's Share capital by way of capitalisation of reserves, against contribution in kind or for the purpose of acquisition of assets, or the granting of special privileges; (vi) the restriction or withdrawal of subscription rights of Shareholders; (vii) a relocation of domicile; or (viii) the dissolution of the Company by way of a merger. In addition, any provision in the Company Statutes providing for a stricter voting requirements than the voting requirements prescribed by law or the existing Company Statutes must be adopted in accordance with such stricter voting requirements (at present there are no such stricter voting requirements in the Company Statutes).

At Shareholders' meetings, Shareholders may be represented by a legal representative or, by means of written proxy, by any other third party.

Votes are taken on a show of hands unless the Shareholders' meeting resolves to have a ballot.

5.9 Net Profits and Dividends

Dividends may be paid out only if the Company has sufficient distributable profits from previous business years or sufficient free reserves to allow the distribution of a dividend.

Swiss law requires that at least 5 percent of the annual net profits of the Company must be retained by the Company as general reserves for so long as these reserves amount to less than 20 percent of the Company's nominal Share capital. Any net profits remaining are subject to further provisions in article 671 of the Swiss Code of Obligations, at the disposal of the Shareholders' meeting.

Under Swiss law, dividends are paid out only after approval by the annual Shareholders' meeting. The Board of Directors may propose that a dividend be paid out, but cannot set the dividend itself. If a dividend is proposed by the Board of Directors, an approval of the Shareholders of the Company at the annual Shareholders' meeting is required. In addition, the Company's statutory auditors are required to declare that the dividend proposal of the Board of Directors is in accordance with Swiss law and the Company Statutes. The statute of limitations in respect of dividend payments is five years, after which the dividend payment lapses in favour of the Company.

5.10 Subscription Rights

Under Swiss law, any Share issue, whether for cash or non-cash consideration, is subject to the prior approval of the Shareholders' meeting. Shareholders of the Company have certain subscription rights to subscribe for new issues of Shares, bonds with warrants or convertible bonds in proportion to the nominal amount of Shares held in order to avoid a dilution of the Shareholder's holding. A resolution adopted at a Shareholders' meeting with a super-majority of 66.67% of the votes represented and the absolute majority of the par value of Shares represented may, however, repeal, suspend or limit (or authorise the Board of Directors to repeal, suspend or limit) subscription rights in certain limited circumstances (see Section 5.21 for details of such resolutions recently passed).

5.11 Conflict of Interest, Management Transactions

Swiss law does not have a general provision on conflicts of interests. However, the Swiss Code of Obligations requires Directors and members of senior management to safeguard the interests of the Company and, in this relation, imposes a duty of care and a duty of loyalty on Directors and officers. This rule is generally understood as disqualifying Directors and senior officers from participating in decisions that directly affect them. The breach of these provisions entails personal liability of the Directors and officers towards the Company. In addition, Swiss law contains a provision under which payments made to a Shareholder or a Director or any person(s) associated therewith, without justification, must be repaid to the Company if the Shareholder or Director was acting in bad faith.

5.12 Publications and Announcements

Publications of the Company are required to be made in the Swiss Official Gazette of Commerce. Announcements to the Shareholders shall be made by letter to the addresses recorded in the Share register or by publication in the Swiss Official Gazette of Commerce.

5.13 Shareholders' inspection Rights

A Shareholder may, upon application to the Company, inspect the minutes of the Company's Shareholders' meetings.

At least 20 days before the annual general meeting the annual report consisting of the annual financial statements and a yearly report by the Board of Directors, must be open for inspection at the Company's business premises. Every Shareholder may request the Company to send him a copy of such annual report.

In addition, at a Shareholders' meeting, a Shareholder may request information from the Board of Directors concerning the Company's business and operations and may request information from the Company's auditors concerning the performance and results of their examination of the Company's financial statements. The Company may refuse to provide that information to a Shareholder if, in the Company's opinion, the disclosure of the requested information would reveal confidential business secrets or other protected interests of the Company. The Company's records and correspondence may only be inspected by the Shareholders with the express authorization of the Shareholders' meeting or by a resolution of the Board of Directors. Such authorization may be withheld in order to protect confidential business secrets.

5.14 Duration and Liquidation

The Company Statutes do not limit the Company's duration.

The Company may be dissolved at any time by a Shareholders' resolution which must be passed by (i) an absolute majority of the Shares cast at the meeting in the event the Company is dissolved by way of liquidation, and (ii) a super-majority of 66.67% of the votes represented and the absolute majority of the par values of the Shares represented at the meeting in other events (for example in a merger where the Company is not the surviving entity).

Under Swiss law, any surplus arising out of liquidation (after the settlement of all claims of all creditors) is distributed to Shareholders in proportion to the paid-up nominal value of Shares held, but this surplus is subject to Swiss withholding tax of 35 percent.

5.15 Disclosure of Principal Shareholders

A Swiss listed company is obliged to disclose in the annex to the yearly financial statement its significant Shareholders and their holdings. Shareholdings exceeding 5% of the nominal Share capital are considered to be significant.

Notwithstanding this 5% threshold, as required by the AIM Rules the Company will disclose details of all Shareholders with an interest of 3% or more to the market without delay.

5.16 Restrictions on Shareholdings

As set out on page 4 of this Admission Document, as is common with the terms of issue of many banking licences the banking licenses of the Group in Albania and Gambia include restrictions such that no shareholder can acquire or hold an interest of 10% or more in the Company without the approval of the banking regulators in Albania and Gambia.

Approval has been received for the interests of Tun Daim Zainuddin who currently holds an interest of 94.4% in the Company.

If a shareholder or prospective shareholder wishes to acquire an interest in the Company of 10% or more they will need to make applications to the Albanian and Gambian banking regulators. The Company undertakes to assist shareholders needing to make such applications with their applications as appropriate.

If a shareholder acquires an interest of 10% or more in the Company and approval of the shareholding is not

obtainable from the relevant banking regulators, and the Company becomes aware thereof, then the shareholder will be requested to divest the proportion of its interest in Company exceeds the limit in order that ICB Bank concerned will continue to be able to comply with the requirements of its banking licences, applicable laws and other regulatory requirements.

The Group may in the future acquire banking licenses in additional jurisdictions which impose restrictions on shareholdings similar to those imposed by Albania and Gambia. Furthermore other jurisdictions in which the Group holds banking licences may be subject to the imposition of shareholder restrictions in the future. If either of these events occurs the Company will advise the market without delay after becoming aware of them.

5.17 Ownership of Shares by Non-Swiss Persons and Exchange Controls

Except for the limitation on Shareholder rights described above applicable to Shareholders generally, there is no limitation under Swiss law or the Company Statutes on the right of non-Swiss residents or nationals to own Shares or to exercise voting rights attached to the Shares.

Other than in connection with government sanctions imposed on Yugoslavia, the Republic of Iraq, Liberia, Myanmar (Burma), the Republic of the Ivory Coast, the Republic of Sudan, Zimbabwe, Sierra Leone, Congo, Uzbekistan, Belarus, North Korea, Lebanon, Iran and on persons or organizations with links to Osama bin Laden, the "Al-Qaeda" group, the Taliban and other terrorist groups, there are currently no governmental laws, decrees, or regulations in Switzerland that restrict the export or import of capital, including but not limited to, Swiss foreign exchange controls on the payment of dividends, interest or liquidation proceeds, if any, to non-Swiss resident holders of registered Shares.

5.18 Repurchase of own Shares

Swiss law limits the amount of Shares, which the Company may hold or repurchase. The Company and its subsidiaries may only repurchase Shares if the Company has sufficient free reserves to pay the purchase price, and if the aggregate nominal value of such Shares does not exceed 10% of the nominal Share capital of the Company. Shares repurchased by the Company and its subsidiaries do not carry any rights to vote at Shareholders' meetings. Furthermore, the Company must create a blocked reserve on its balance sheet in the amount of the purchase price of the acquired Shares. There are no Shareholders' subscription rights in respect of Shares repurchased by the Company. In addition, selective Share repurchases are only permitted under certain circumstances; in particular, repurchases of listed Shares are subject to certain restrictions promulgated by the Swiss Takeover Board (the regulatory body for takeover bids in Switzerland). Within these limitations, as is customary for Swiss companies, but subject to AIM Rules regarding dealings in the Company Shares, the Company may purchase and sell its own Shares from time to time in order to meet imbalances of supply and demand, to provide liquidity and to modulate swings in the market price for Shares, or for other reasons.

5.19 Redemption and Conversion Rights

There are no redemption and conversion rights attached to the Shares presently issued by the Company.

5.20 Variation of Rights

Presently, there is only one class of Shares. The rights attached to this class may be varied, subject to the provisions of mandatory Swiss law, by amendment of the Company Statutes. For such an amendment of the Company Statutes a resolution of a Shareholders' meeting is required (see Section 5.8, Shareholders' Meetings and Resolutions, for the necessary majority).

5.21 Authorised and Conditional Capital as well as Changes in Share capital

Changes in the Share capital occur by way of capital increase or decrease which, in general, require a resolution of a Shareholders' meeting. There is no provision in the Company Statutes that would limit the change of the Share capital in any way compared to the default provisions of Swiss law.

In addition, according to the Company Statutes, the Board of Directors is authorised to increase the share capital of the Company at any time up to 15 April 2009 by an amount not exceeding CHF 75,000,000 through the issue of up to 75,000,000 registered shares, payable in full, each with a nominal value of CHF 1.

Pursuant to article 4b of the Company Statutes, the share capital of the Company can further be increased by an amount not exceeding CHF 5,000,000 through the issue of a maximum of 5,000,000 registered shares, payable in full, each with a nominal value of CHF 1, as a result of the exercise of warrants or subscription rights granted to employees, including members of the Board of Directors of the Company or other group companies. In case of such increase, Shareholders' subscription rights shall be excluded with regard to this amount of shares. These new registered shares may be issued at a price below the current market price. The Board of Directors shall specify the precise conditions of such issue.

5.22 Major Shareholders

Nothing in the Company Statutes confers on major Shareholders in the Company any voting rights which are different to those conferred on the other holders of Shares.

6 Directors' & Other Interests

6.1 Directors' interests

6.1.1 Interests in share capital

The interests (all of which are beneficial interests save as otherwise stated) of the Directors and of the persons connected with them (within the meaning of section 346 of the UK Companies Act) in the Shares of the Company as at the date of Admission are as follows:

Director	Number of Shares*
Mr Michael Robert Hanlon	1,000
Ms Josephine Premla Sivaretnam	1,000
Mr Kenneth Kwami Kwaku	1,000
Mr Paul Robert Philipps Bridges	1,000
Mr Rene Fritschi	1,000

All directors hold their Shares directly. These Shares were acquired from the Founding Shareholder free of charge and upon resignation or dismissal the Director must transfer the Shares back to the Founding Shareholder.

Josephine Sivaretnam also holds the following interests (directly) in the following Group Companies:

Company	Josephine Sivaretnam
Bank Bumiputera	4.5%
ICB Gambia	0.1%
ICB Mozambique	<0.1%
ICB Guinea	3.0%
ICB Sierra Leone	<0.1%
ICB Djibouti	<0.1%
ICB Tanzania	20.0%
ICB Senegal	<0.1%

Save as set out above, none of the Directors have any interest in the share capital of any company in the Group.

6.1.2 Transactions, assets, contracts or arrangements

Other than as described below or elsewhere in this Admission Document, no Director has, or has had, any direct or indirect interest in any:

- transaction which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole and which has been effected in the current or immediately preceding financial period or was effected during any earlier financial period and remains in any respect outstanding or unperformed;
- asset which has been acquired or disposed of by, or leased to, any member of the Group or which is proposed to be so acquired, disposed of, or leased; or
- contract or arrangement existing at the date of this Admission Document which is significant to the business of the Group.

Related party transactions and other significant transactions over the years ended 31 December 2004, 2005 and 2006 are set out in the notes to the Independent Accountant's Report in Part C.

6.1.3 Service agreements and remuneration

Remuneration has been and will continue to be set on the basis which reflects both the state of the market and appropriate incentives based upon the overall performance of the Company.

Remuneration for non-executive Directors has been set at US\$30,000 per annum per Director – except for the Chairman, whose remuneration has been set at US\$50,000 per annum – with 50% paid on 30 June and 50% paid on 31 December each year. In addition to this, Ms Josephine Sivaretnam is entitled to director fees from ICB Ghana of US\$3,000 per annum plus US\$200 per board meeting (minimum of 2 per annum), and from ICB Gambia, ICB Guinea and ICB Mozambique of US\$1,000 per annum each.

Other than as set out above, there are no service contracts with the Directors or management which provide for benefits upon termination of employment.

6.2 Additional directorships/partnerships

In addition to their directorships of the Company, the Directors hold or have held at some time during the 5 years preceding the date of this Admission Document the following directorships or are or have been at some time in the 5 years preceding the date of this Admission Document partners in the following businesses:

Name	Current directorships/ partnerships	Past directorships/ partnerships
Mr Michael Hanlon	Michael Robert Associated Ltd	Islamic Bank of Britain Plc Raiffeisen Bank Polska SA Barclays Plc
Ms Josephine Sivaretnam	ICB Albania ICB Djibouti ICB Ghana ICB Guinea ICB Gambia ICB Mozambique ICB Senegal ICB Sierra Leone ICB Tanzania Kuala Lumpur City Corporation Berhad South East Asian Bank Ltd, Mauritius	Berger International Ltd ICB Hungary International Commercial Bank plc of Bosnia Herzegovina
Mr Ken Kwaku	The Kwaku Group Bayport Financial Services	N/A
Mr Paul Bridges	N/A	Delphi Associates Ltd
Mr Rene Fritschi	Emperor GmbH Anser AG Anlage-Service Bonifacius Stiftung Alters-und Pflegeheim Turmmatt Merain AG SHS Trading AG Zurich Technology Integration Ltd JSC Trustunion Astra Trade Ltd Blasco Assets Ltd Debica Consulting S.A. Galloway Holding & Finance Ltd Grandison Resources Ltd Hampstead Invest S.A. Holborn Invest & Holding Investment International Consulting Ltd Linters Inc Morgarten Financial Services Corp Inter Nuts S.A. Ronac Trade & Finance Ltd Salvin Global Corp Tultonhill Holdings S.A. Welberton Invest & Trade Corp	Riverside International Ltd Hedrick Trade & Investment Ockwell Intertrade Corp Ariza Holdings Ltd Jacobs Worldwide Ltd Danson Investments Ltd

6.3 Directors' background

Save as disclosed below or elsewhere in this document, no Director has:

- any unspent convictions in relation to indictable offences;
- ever been declared bankrupt or been the subject of an individual voluntary arrangement;
- ever been a director of a company which, while he was a director or within 12 months after his ceasing to be a director, had a receiver appointed, entered into liquidation, entered into administration, entered into a voluntary arrangement, or made any composition or arrangement with its creditors generally, or with any class of its creditors;
- ever been a partner in a partnership which, while he was a partner or within 12 months after his ceasing to be a partner, entered into compulsory liquidation, administration or a partnership voluntary arrangement;
- owned, or been a partner in a partnership which owned, any asset which, while he owned that asset, or while he was a partner or within 12 months after his ceasing to be a partner in the partnership which owned that asset, entered into receivership;
- been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies); or
- been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

Josephine Sivaretnam was a director of International Commercial Bank plc of Bosnia Herzegovina which was wound up voluntarily following a shareholders' resolution in June 2002 due to a low level of business, with no loss to creditors.

6.4 Other Benefits

Save as disclosed below or elsewhere in this Admission Document, no person, directly or indirectly, in the last 12 months has received or is contractually entitled to receive, directly or indirectly, from the Company on or after Admission (excluding in either case persons who are trade suppliers, professional advisers or otherwise as disclosed in this Admission Document) any payment or benefit from the Company or securities in the Company to the value of £10,000 or more or entered into any contractual arrangements to receive the same from the Company at the date of Admission.

- Rene Fritchi (a Director) has received consulting fees of CHF12,000 during the year ended 31 December 2006 for services provided to the Company prior to being appointed as a Director.

Other related party transactions and other significant transactions over the years ended 31 December 2004, 2005 and 2006 are set out in the notes to the Independent Accountant's Report in Part C.

6.5 Shareholders

The details of all Shareholders who had a beneficial interest in at least 3% of the issued share capital of the Company as at 11 May 2007, insofar as is known to the Directors, is set out in the table in Section 10.2 of Part A of this Admission Document.

The Company is controlled by Tun Daim Zainuddin as the majority of Shares in the Company are held by Tun Daim Zainuddin. Measures in place to ensure this control is not abused include the Relationship Deed entered into between the Company and Tun Daim Zainuddin which is described in Section 7.1 (below) of Part D.

Save as described in the table or above, the Directors are not aware of any person who is interested, directly or indirectly, in 3% or more of the issued share capital of the Company or of any other person who, directly or indirectly, jointly or severally, could exercise control over the Company, nor is it aware of any arrangements which may at a subsequent date result in a change of control of the Company.

7 Material Contracts

This section contains summaries of the more important provisions of contracts to which the Company or other members of the Group are a party which are not disclosed elsewhere in this Admission Document and which are considered to be material to the Group.

7.1 Relationship Deed

The Relationship Deed is dated 10 May 2007 and its principle terms are set out in Section 10.3 of Part A of this Admission Document. Further details and other material terms of the Relationship Deed are:

- a) The Company must establish and maintain the following committees:
 - i) an ARMC of at least 3 board members;
 - ii) a NC of at least 2 board members; and
 - iii) a RC of at least 2 board members.
- b) The Relationship Deed terminates on the earliest of:
 - i) the Company by being removed from AIM;
 - ii) the date Tun Daim Zainuddin and any related parties (including successors to Tun Daim Zainuddin collectively) cease to own 50% or more of the issued shares in the Company; or
 - iii) termination by the Company pursuant to an ordinary resolution of shareholders of the Company in general meeting approving such termination, in respect of which Tun Daim Zainuddin and any related parties (including successors to Tun Daim Zainuddin collectively) are prohibited from voting.

The Board shall determine the terms and reference of each aforesaid committee, including the role and responsibilities of, and the authority delegated by the Board to, each such committee.
- c) The Relationship Deed is governed by and is to be construed in accordance with the laws of England.
- d) The Relationship Deed is binding on the respective successors and permitted assigns of the parties to the Relationship Deed and persons deriving title thereunder.

7.2 Nomad Engagement Agreement

Under an agreement dated 24 August 2006 between the Company and RFC, the Company appointed RFC as its Nominated Adviser for the purposes of the AIM Rules, which will continue until terminated by either the Company or RFC giving the other party 2 months written notice (the engagement may also be terminated in certain other circumstances).

Under the terms of the agreement, the Company agreed to pay RFC a fee of US\$400,000 in respect of Admission, a fee of 0.5% of any capital raised through any AIM broker, and an annual fee of US\$100,000 payable quarterly in advance from Admission.

RFC agrees to provide services required by the Company in relation to the Admission and the Company accepts certain obligations including, amongst other things to advise and consult with RFC in relation to certain matters. The Company also agrees to indemnify RFC in relation to any loss or damage suffered by RFC that is in any way related to the engagement except in certain restricted circumstances.

7.3 Broker Engagement Agreement

Under an agreement dated 30 March 2007 between the Company and Keith Bayley Rogers, the Company appointed Keith Bayley Rogers as its Broker for the purposes of the AIM Rules. The agreement may be terminated by either the Company or Keith Bayley Rogers giving the other party 30 days written notice.

Under the terms of the agreement, the Company agreed to pay Keith Bayley Rogers a fee of £35,000 (plus VAT) upon Admission and an annual retainer of £25,000 payable quarterly in advance from Admission. If the Company terminates the agreement at any time prior to 30 March 2008, it shall be liable to pay Keith Bayley Rogers the balance outstanding on the retainer as if the agreement had been terminated 1 year after the date of Admission. The Company also agreed to pay Keith Bayley Rogers 5% on all monies raised through KBR and 1% on all monies raised in the Pre Admission Placing.

KBR agrees to provide services required by the Company and the Company accepts certain obligations including, amongst other matters to provide Keith Bayley Rogers with certain information and access and to consult with and/or seek Keith Bayley Roger's approval in relation to financial promotions and announcements. The Company also agrees to indemnify Keith Bayley Rogers and certain other persons associated with Keith Bayley Rogers in relation to any loss or damage suffered by Keith Bayley Rogers or those other persons because of or in relation to certain matters connected with the agreement, except in certain restricted circumstances.

8 Taxation Implications for UK Residents of Investing in the Company

The following information is intended only to provide a general outline of the taxation implications to UK residents and ordinarily resident shareholders who are domiciled in the United Kingdom of an investment in Shares.

The statements set out below are intended only as a general guide to the tax position based on UK tax legislation and H.M.Revenue and Customs practice at the date of this Admission Document and apply only to certain categories of UK persons. The summary does not purport to be a complete analysis or listing of all the potential tax consequences of holding Shares. Prospective purchasers of Shares should not rely on these comments as advice in relation to their own affairs and are advised to consult their own tax advisers concerning the consequences under any tax laws of the acquisition, ownership and disposition of Shares in the Company. In particular, Shareholders are advised to consider the potential impact of any relevant Double Tax Agreement on their shareholding. Shareholders who may be subject to tax in any jurisdiction other than the United Kingdom should consult their professional advisers without delay.

The statements do not cover all aspects of UK taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Shares in the Company by particular investors. The statements apply only to Shareholders who are the beneficial owners of the Shares but are not applicable to all categories of Shareholders, and in particular are not addressed to:

- Shareholders who do not hold their Shares as capital assets;
- Shareholders who own (directly or indirectly) 10% or more of the Company;
- special classes of Shareholders such as dealers in securities or currencies, broker-dealers, or investment companies;
- Shareholders who hold Shares as part of straddles, hedging or conversion transactions; or
- Shareholders who hold Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or otherwise).

Except where indicated, the statements below in respect of the taxation of dividends and distributions and the taxation of chargeable gains only cover the principal UK tax consequences of holding Shares for holders who are resident or ordinarily resident in the UK for tax purposes although it should be noted that special rules, which are

not covered, apply to such holders of Shares who are not domiciled in the UK.

8.1 UK taxation of dividends

The Company will not be required to withhold UK tax from dividends paid on the Shares (but see section 6 of Part A in relation to potential Swiss withholding taxes). A UK holder, or a holder of Shares who is carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a company, through a permanent establishment) in connection with which the Shares are held will, depending upon the holder's particular circumstances, be subject to UK income tax or corporation tax as the case may be on the amount of any dividends paid by the Company. An individual Shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company will be taxable at the dividend ordinary rate (10% in 2007-08) and/or (depending on the amount of the holder's overall taxable income) at the dividend upper rate (32.5% in 2007-08). A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law. If the payment is made subject to withholding tax in jurisdictions in which the Company is resident double tax relief may be available in respect of the amount of tax withheld. See Section 6.1.1 of Part A for further information in this regard.

8.2 UK taxation of chargeable gains

A disposal, or deemed disposal, of Shares in the Company by a Shareholder who is either resident or ordinarily resident for tax purposes in the UK will, depending on the Shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of the taxation of chargeable gains in the UK. Broadly, Shareholders who are not resident or ordinarily resident for tax purposes in the UK will not be liable for UK tax on capital gains realised on the disposal of their Shares unless such Shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency or for the purpose of such branch or agency or, in the case of companies through a UK permanent establishment. Such Shareholders may be subject to foreign taxation on any gain under local law.

A Shareholder who is an individual and who temporarily ceases to be resident or ordinarily resident for tax purposes in the UK for a period of less than five complete tax years and who disposes of the Shares during that period may also be liable to UK taxation of chargeable gains (subject to any available exemption or relief) as if, broadly, the disposal was made in such Shareholder's year of return to the UK.

8.3 UK stamp duty and stamp duty reserve tax ("SDRT")

No charge to UK stamp duty arises on transfers occurring through CREST but SDRT may be payable in relation to agreements to transfer depositary interests within CREST at the rate of 0.5%.

8.4 Non-UK Residents

Persons who are not resident or ordinarily resident (or, if resident or ordinarily resident are not domiciled) in the UK, including those individuals and companies which trade in the UK through a branch, agency or permanent establishment, and who subscribe for the Shares in the course of that trade, are recommended to seek the advice of professional advisors in relation to their taxation obligations in both the UK and any other jurisdiction in which they may be liable to tax.

The above statements are intended as a general guide only to the current taxation regime in the United Kingdom and are not exhaustive. It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in Shares. Taxation consequences will depend on particular circumstances.

Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility in respect of taxation consequences connected with an investment in Shares in the Company.

9 Working Capital

The Directors, having made due and careful enquiry are of the opinion that the working capital available to the Company and the Group will be sufficient for the requirements of the Group for at least 12 months from the date of Admission.

10 Corporate Governance

The Directors acknowledge the importance of the guidelines set out in the Combined Code on Corporate Governance ("Combined Code"). They therefore intend to comply with the Combined Code so far as is appropriate having regard to all the circumstances, including the size and nature of the Company. The Company is only partially in compliance and does not aim to comply fully with Switzerland's corporate governance regime, which has a much narrower scope, as it intends to be admitted to AIM and therefore considers the Combined Code to be more appropriate.

The Company's Policy Statement on Corporate Governance ("Policy Statement") aims to promote a culture of accountability, transparency and practice of sound judgment in ICB Holding's pursuit of generating stakeholders value amidst increasingly competitive global markets. It provides guidance in developing a framework for the

application of good corporate governance principles in the managing of ICB Holdings to generate shareholder value.

The Policy Statement provides an operational framework on good corporate governance in the following areas:

- guidance in defining the roles and responsibilities of the Board;
- development of strategic and business plans;
- framework of Board operation;
- various committees to undertake the tasks and responsibilities of Board (refer to Section 4.2 of Part A for further information on such committees);
- risk management framework to cultivate a risk awareness culture;
- transparency in disseminating financial and non-financial information;
- transparency in managing conflict of interests involving both internal and external parties;
- rules and disclosures regarding behaviour, relationships, interests and personal information; and
- guidance in developing key control mechanisms to ensure both financial and non-financial information are accurate, adequate, complete and timely.

With respect to Board composition, the Policy Statement requires a majority of the Board members to be independent non-executive directors. An independent Board member must not have any material financial, management or share ownership interest in the Company or its businesses and must not have any family relationship with any member of the Board, controlling shareholders or any other relationships that may affect his/her ability to act independently. Moreover, an independent director must not serve on the Board for more than 10 years and/or be an employee of any Group Company during the past 5 years prior to his or her appointment.

11 General

11.1 Expenses

The expenses of or incidental to the Admission that are payable by the Company are estimated to amount to US\$1.4 million.

11.2 Financial position

Save as disclosed in this Admission Document there has been no significant change in the financial position/trading of the Group since 31 December 2006.

11.3 Litigation and arbitration

Save as disclosed in this Admission Document, during the 12 months prior to the date of this Admission Document neither the Company nor any other member of the Group has been engaged in, or is currently engaged in, any governmental, legal or arbitration proceedings which have had or may have a significant effect on the financial position or profitability of the Company and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company or any other member of the Group.

11.4 Exceptional factors

Save as disclosed in this Admission Document, the Directors are unaware of any exceptional factors which have influenced the Company's recent activities.

11.5 Investments in progress

Save as disclosed in this Admission Document, there are no significant investments in progress. The Company continuously evaluates new investment opportunities. However, no significant investment commitments in relation to any such opportunities have been made by the Company as at the date of this Admission Document.

11.6 Dependence on licences, contracts etc

Save as disclosed below or elsewhere in this document does not depend on any patents or other intellectual property rights, licences or particular industry, commercial or financial contracts save as disclosed in this Admission Document.

Each operating entity within the Group is heavily dependent on its respective banking license for its continued operation. If such a licence were cancelled or suspended, this would have a major adverse effect on the operations, performance and position of the relevant operating entity.

11.7 Trend Information

Save as set out in this document, there are no significant trends in production, sales and inventory costs and selling prices since 31 December 2006 and there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the year ended 31 December 2007.

11.8 Reproduction of Information

Where information in this Admission Document has been sourced from a third party, including the Independent Accountant's Reports (Part C) and certain information in Sections 2.1 to 2.5 of Part A, such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

11.9 Takeover Bids

Save as set out in this document, there have been no public takeover bids by third parties in respect of the Company's equity, which have occurred during the last financial year and the current financial year.

11.10 Auditors

The Company's auditors during and since the period covered by the historical financial information set out in Part C and the reasons for any changes thereto are as follows:

Name: AWP AG fur Wirtschaftsprufungund Steuerberatung, Zug
Address: Baarerstrasse 137, 6300 Zug
Appointment date: 15 October 2003
Periods audited: None
Resignation date: 9 June 2004
Reason for change: elected upon incorporation; due to growth, it was decided to use an international audit company.

Name: Ernst & Young Ltd
Professional body membership: Swiss Chamber of Auditors
Address: Brandschenkestrasse 100, CH-8022 Zurich, Switzerland
Appointment date: 9 June 2004
Period audited: 2003
Resignation date: 16 September 2004
Reason for change: The Company came to the conclusion that no international audit company was required.

Name: Revision AG
Professional body membership: Swiss Chamber of Auditors
Address: Seefeldstrasse 210, CH-8008 Zurich, Switzerland
Appointment date: 16 September 2004
Periods audited: 2004 and 2005
Resignation date: 16 February 2007
Reason for change: For the purpose of Admission.

Name: Grant Thornton AG
Professional body membership: Swiss Chamber of Auditors
Address: Im Tiergarten 7, CH- 8055 Zurich, Switzerland
Appointment date: 16 February 2007
Period audited: 2006

Save as set out in this document, there have been no changes to the Company's auditors during the period covered by the historical financial information set out in Part C.

11.11 Consents

SQ Morison Chartered Accountants (Malaysia) have given their written consent to being named Reporting Accountant in this Admission Document, to the inclusion in Part C of this Admission Document of their Independent Accountant Report and to all statements referring to that report in the form and context in which they appear and have not withdrawn such consent before the date of this Admission Document.

The following persons have given and not withdrawn their written consent to being named in this Admission Document but have not made any statements that are included in this Admission Document or statements identified in this Admission Document as being based on any statements made by those persons:

- RFC as Nominated Advisor;
- Keith Bayley Rogers as Broker;
- Susie See, Norbaya & Cheah as solicitors to the Company (in Malaysia);
- Froriep Renggli as solicitors to the Company (in Switzerland);
- Watson, Farley & Williams LLP as solicitors to the Company (in the UK); and
- Grant Thornton AG as auditor.

Other than as specified above, to the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Admission Document other than the references to their name.

11.12 Availability of Admission Document

Copies of the Admission Document will be available during normal business hours on any Business Day free of charge to the public at the offices of Keith Bayley Rogers and on the Company's website (www.icbankinggroup.com) for a period of one month from the date of Admission.

Dated: 11 May 2007