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Third Quarter Results * Financial Statement And Related Announcement

* Asterisks denote mandatory information

Name of Announcer *	IFS CAPITAL LIMITED
Company Registration No.	198700827C
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Announcement is submitted with respect to *	IFS CAPITAL LIMITED
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The details of the announcement start here ...

For the Financial Period Ended *	30-09-2011
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Description	<p>The following are attached:</p> <p>(1) Third Quarter & Nine Months Unaudited Financial Results for the period ended 30 September 2011</p> <p>(2) Presentation Slides for the Third Quarter & Nine Months Unaudited Financial Results 2011</p>
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Attachments

 [3Q_9months_2011_Financial_Results.pdf](#)
 [3Q_9months_2011_Presentation_Slides.pdf](#)
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**Third Quarter and Nine Months Unaudited Financial Statements and Dividend Announcement
for the Period Ended 30 September 2011**

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Third Quarter and Nine Months Unaudited Financial Statements and Dividend Announcement for the Period Ended 30 September 2011

1(a)(i) Consolidated Income Statement for the Third Quarter And Nine Months Ended 30 September

Note	3rd Qtr 2011 S\$'000	3rd Qtr 2010 S\$'000	+ / (-) %	9 months 2011 S\$'000	9 months 2010 S\$'000	+ / (-) %
(ii)	6,071	5,644	7.6	15,486	18,594	(16.7)
	(1,341)	(1,021)	31.3	(3,426)	(3,388)	1.1
(a)	4,730	4,623	2.3	12,060	15,206	(20.7)
	1,663	3,638	(54.3)	6,159	7,671	(19.7)
	455	(1,457)	NM	(233)	(845)	(72.4)
	2,118	2,181	(2.9)	5,926	6,826	(13.2)
	(1,090)	(2,078)	(47.6)	(4,179)	(4,348)	(3.9)
	(286)	909	NM	153	414	(63.0)
	(1,376)	(1,169)	17.7	(4,026)	(3,934)	2.3
(b)	742	1,012	(26.7)	1,900	2,892	(34.3)
(c)	1,725	1,759	(1.9)	7,325	5,813	26.0
(d)	256	465	(45.0)	1,263	522	142.0
	14	405	(96.5)	229	742	(69.1)
	1,995	2,629	(24.1)	8,817	7,077	24.6
	7,467	8,264	(9.6)	22,777	25,175	(9.5)
	(229)	(225)	1.8	(697)	(622)	12.1
	(60)	(377)	(84.1)	(200)	(548)	(63.5)
	(2,844)	(2,484)	14.5	(8,400)	(7,444)	12.8
	(1,598)	(1,641)	(2.6)	(4,958)	(5,096)	(2.7)
(e)	(4,731)	(4,727)	0.1	(14,255)	(13,710)	4.0
	(137)	(275)	(50.2)	(558)	(767)	(27.2)
	73	138	(47.1)	291	400	(27.3)
	(10)	-	NM	446	(57)	NM
	6	1	NM	(186)	22	NM
	(68)	(136)	(50.0)	(7)	(402)	(98.3)
	2,668	3,401	(21.6)	8,515	11,063	(23.0)
(f)	(850)	(2,527)	(66.4)	(2,315)	(5,077)	(54.4)
	1,818	874	108.0	6,200	5,986	3.6
(g)	(542)	983	NM	(633)	(670)	(5.5)
	1,276	1,857	(31.3)	5,567	5,316	4.7
	1,064	1,709	(37.7)	4,931	5,139	(4.0)
	212	148	43.2	636	177	NM
	1,276	1,857	(31.3)	5,567	5,316	4.7

Consolidated Statement of Comprehensive Income for the Third Quarter and Nine Months Ended 30 September

Note	3rd Qtr 2011 S\$'000	3rd Qtr 2010 S\$'000	+ / (-) %	9 months 2011 S\$'000	9 months 2010 S\$'000	+ / (-) %
1(a) (ii)	1,276	1,857	(31.3)	5,567	5,316	4.7
Profit for the period						
Other comprehensive income						
(d)	(273)	991	NM	(1,060)	2,000	NM
(h)	1,848	(3)	NM	(569)	864	NM
	47	(168)	NM	180	(340)	NM
	1,622	820	97.8	(1,449)	2,524	NM
	2,898	2,677	8.3	4,118	7,840	(47.5)
Total comprehensive income for the period						
Attributable to:						
	2,317	2,316	-	3,712	7,438	(50.1)
	581	361	60.9	406	402	1.0
	2,898	2,677	8.3	4,118	7,840	(47.5)

NM – not meaningful

1(a)(ii) Explanatory Notes to Consolidated Income Statement

The following items have been included in arriving at Group net profit for the period:

	3rd Qtr 2011 S\$'000	3rd Qtr 2010 S\$'000	+ / (-) %	9 months 2011 S\$'000	9 months 2010 S\$'000	+ / (-) %
Investment income						
- dividend, fee and interest income	314	401	(21.7)	1,000	1,240	(19.4)
- (loss)/gain on disposal of equity securities	(91)	96	NM	212	138	53.6
- net change in fair value of financial assets through profit or loss	25	(87)	NM	-	(1,029)	(100.0)
- amortisation of held-to-maturity debt securities	8	55	(85.5)	51	173	(70.5)
	256	465	(45.0)	1,263	522	142.0
Other Income						
- recoveries of loans and investments	5	383	(98.7)	134	502	(73.3)
- gain on disposal of property, plant and equipment	-	-	-	26	-	NM
- others	9	22	(59.1)	69	240	(71.3)
	14	405	(96.5)	229	742	(69.1)
Amortization of intangible assets	(193)	(207)	(6.8)	(590)	(757)	(22.1)
Depreciation of property, plant and equipment	(286)	(311)	(8.0)	(855)	(887)	(3.6)
Exchange loss, net	(7)	(80)	(91.3)	(128)	(86)	48.8
Reversals of/(provisions for) unexpired risks, net of reinsurers' share						
- change in gross provision for unexpired risks	455	(1,457)	NM	(233)	(845)	(72.4)
- reinsurers' share of change in the provision for unexpired risks	(286)	909	NM	153	414	(63.0)
	169	(548)	NM	(80)	(431)	(81.4)
Claims incurred, net of reinsurers' share						
- net change in provision for insurance claims	(64)	(137)	(53.3)	(267)	(367)	(27.3)
- net claims (paid)/recovered	(4)	1	NM	260	(35)	NM
	(68)	(136)	(50.0)	(7)	(402)	(98.3)
(Allowances for)/reversals of loan losses and impairment of investments						
- loans and receivables	(728)	330	NM	(1,988)	(2,220)	(10.5)
- equity securities available-for-sale	(122)	(2,857)	(95.7)	(327)	(2,857)	(88.6)
	(850)	(2,527)	(66.4)	(2,315)	(5,077)	(54.4)
Income tax (expense)/credit						
- current tax expense	(527)	(435)	21.1	(1,842)	(2,030)	(9.3)
- deferred tax expense	(37)	(208)	(82.2)	(588)	(908)	(35.2)
- refund and write back of overprovision of prior years' tax	22	1,626	(98.7)	1,797	2,268	(20.8)
	(542)	983	NM	(633)	(670)	(5.5)

1(a)(ii) Explanatory Notes to Consolidated Income Statement (cont'd)

Comments on Major Consolidated Income Statement Variances

- (a) Net interest income for the nine months of 2011 ("9M 2011") decreased 21% to \$12.1 million as compared to \$15.2 million for the corresponding period last year due mainly to lower recoveries of suspended interest. For the nine months of 2010 ("9M 2010"), there were significant recoveries of current and prior years' interest from non-performing loans and from repayments of various loans. Excluding these recoveries, net interest income for 9M 2011 was an increase of 6%.
- (b) The Group's insurance subsidiary, ECICS Limited ("ECICS"), reported a lower net earned premium of \$742,000 for third quarter 2011 ("3Q 2011") and \$1.9 million for 9M 2011 as compared to the corresponding periods. The decrease was mainly attributable to lower credit insurance business volume as well as lesser premium earned from bonds extension.
- (c) The higher fee and commission income for 9M 2011 was due mainly to higher factoring service fees and the receipt of a significant fee income upon repayment of a property loan.
- (d) Investment income in 9M 2011 comprises mainly dividend and interest income as well as gain on disposal of equity securities. For 9M 2010, the net change in fair value of financial assets was related to the fair value loss through profit and loss on a derivative for hedging an available-for-sale quoted equity security. The corresponding fair value gain on this quoted equity security was recognized directly to other comprehensive income and presented within equity in the fair value reserve.

The negative position in the fair value of available-for-sale financial assets reported under "other comprehensive income" for 3Q 2011 and 9M 2011 was due to the mark-to-market loss on these financial assets.
- (e) Operating expenses increased 4% to \$14.3 million for 9M 2011 as compared to the corresponding period. The increase was mainly attributable to higher business related expenses as well as higher staff costs, partly offset by lower commission expenses. Staff costs were up 13% due to increased headcount and salary increments.
- (f) The decrease in allowances for loan losses and impairment of investments for 3Q 2011 and 9M 2011 was due to lower specific allowances required to be set aside and lower impairment of investments.
- (g) 3Q 2011 was a tax expense as compared to a tax credit for third quarter 2010 ("3Q 2010"). The lower income tax expense for 9M 2011 resulted mainly from lower chargeable income and lower tax refund and write back of overprovision of prior years' tax.

1(a)(ii) Explanatory Notes to Consolidated Income Statement (cont'd)

Comments on Major Consolidated Income Statement Variances (cont'd)

- (h) For 3Q 2011, there was a gain on the foreign currency translation differences of foreign operations due to the strengthening of currencies of the regional subsidiaries for translation against the Singapore Dollar. As a result, the overall loss on the foreign currency translation differences of foreign operations was reduced to \$569,000 in 9M 2011.

1(a)(iii) Earnings Per Ordinary Share

	Group			
	3rd Qtr 2011	3rd Qtr 2010	9 months 2011	9 months 2010
Earnings per share				
- on weighted average number of ordinary shares in issue	0.7 cents	1.1 cents	3.3 cents	3.4 cents
- on fully diluted basis	0.7 cents	1.1 cents	3.3 cents	3.4 cents

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial period.

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive share options, with the potential ordinary shares weighted for the period outstanding.

The effect of the exercise of share options on the weighted average number of ordinary shares in issue is as follows:

	Group	
	30/09/2011	30/09/2010
Weighted average number of :		
Ordinary shares used in the calculation of		
Basic earnings per share	150,387,866	150,387,866
Potential ordinary shares issuable under share option	-	827
Weighted average number of ordinary issued shares and potential ordinary shares assuming full conversion	150,387,866	150,388,693

1(b)(i) Balance Sheets

	Note	Group		Company	
		30/09/2011 S\$'000	31/12/2010 S\$'000	30/09/2011 S\$'000	31/12/2010 S\$'000
Non-current assets					
Property, plant and equipment		19,489	20,167	16,819	17,274
Intangible assets		2,369	2,943	320	463
Subsidiaries	(a)	-	-	75,679	60,928
Other investments	(b)	27,490	37,874	6,709	7,226
Loans, advances, hire purchase and leasing receivables	(c)	51,745	31,596	38,165	24,439
Deferred tax assets		2,618	3,135	-	-
		103,711	95,715	137,692	110,330
Current assets					
Derivative financial instruments		-	938	-	938
Reinsurers' share of insurance contract provisions		11,133	10,690	-	-
Insurance receivables		407	663	-	-
Trade and other receivables	(d)	200,478	168,378	100,943	87,918
Other investments	(b)	14,703	15,662	-	1,243
Cash and cash equivalents	(e)	44,540	33,691	7,976	8,825
		271,261	230,022	108,919	98,924
Total assets		374,972	325,737	246,611	209,254
Equity					
Share capital		88,032	88,032	88,032	88,032
Other reserves	(f)	(1,630)	(539)	71	231
Accumulated profits		47,730	45,183	21,265	21,012
Equity attributable to owners of the Company		134,132	132,676	109,368	109,275
Non-controlling interests		9,157	9,194	-	-
Total equity		143,289	141,870	109,368	109,275
Non-current liabilities					
Interest-bearing borrowings	(g)	29,366	16,938	19,608	11,588
Employee benefits		750	666	-	-
Deferred tax liabilities		65	126	21	10
		30,181	17,730	19,629	11,598
Current liabilities					
Trade and other payables		13,716	15,007	20,050	21,782
Insurance payables		2,193	2,067	-	-
Interest-bearing borrowings	(g)	165,545	129,007	97,083	66,265
Insurance contract provisions for					
- gross unexpired risks		13,047	12,814	-	-
- gross insurance claims		5,668	5,110	-	-
Bank overdraft (unsecured)		-	34	-	34
Current tax payable		1,333	2,098	481	300
		201,502	166,137	117,614	88,381
Total liabilities		231,683	183,867	137,243	99,979
Total equity and liabilities		374,972	325,737	246,611	209,254

Comments on Major Balance Sheet Variances

- (a) The increase in investment in subsidiaries by \$14.8 million was due to the Company's subscription of the increased share capital of the Indonesia and Malaysia subsidiaries in 2011.
- (b) The decrease in other investments under non-current assets of the Group was due to the reclassification of corporate bonds maturing within the next twelve months to current assets and partial disposal of available-for-sale equity securities. The decrease in other investments under current assets was mainly due to the maturity of held-to-maturity debt securities, partly offset by new investments purchased by ECICS.
- (c) The increase in loans, advances, hire purchase and leasing receivables under non-current assets was mainly due to new drawdown of loans and advances.
- (d) The increase in trade and other receivables under current assets was mainly due to new drawdown of loans and advances as well as higher factoring receivables.
- (e) The cash and cash equivalents comprise fixed deposits of \$32.4 million and cash at banks and in hand of \$12.1 million. The increase in the cash balances was mainly due to funds received from maturity of debt securities and the surplus funds of the subsidiaries arising from the increase in share capital.
- (f) The Group's negative other reserves of \$1.6 million as at 30 September 2011 was mainly due to the weakening of the foreign currencies of the regional subsidiaries for translation against Singapore Dollar as compared to 31 December 2010.
- (g) The Group's overall interest-bearing borrowings increased from \$146 million as at 31 December 2010 to \$194.9 million as at 30 September 2011 mainly due to funds required for new lending activities and capital injection into the subsidiaries.

1(b)(ii) Group's Borrowings

	As at 30/09/2011	As at 31/12/2010
	S\$'000	S\$'000
	(Unsecured)	(Unsecured)
Amount repayable in one year or less, or on demand	165,545	129,041
Amount payable after one year	29,366	16,938
	194,911	145,979

Details of any collateral

Nil.

1(b)(iii) Net Asset Value

	Group		Company	
	30/09/2011	31/12/2010	30/09/2011	31/12/2010
Net asset value per ordinary share based on issued share capital at end of the financial period	89.2 cents	88.2 cents	72.7 cents	72.7 cents

1(c) **Consolidated Statement of Cash Flows for the Third Quarter and Nine Months Ended 30 September**

	3rd Qtr 2011 S\$'000	3rd Qtr 2010 S\$'000	9 months 2011 S\$'000	9 months 2010 S\$'000
Cash flows from operating activities				
Profit for the period	1,276	1,857	5,567	5,316
Adjustments for:				
Amortisation of intangible assets and held-to-maturity debt securities	185	152	539	584
Bad debts written off	-	35	-	35
Net foreign exchange loss	270	300	162	285
Depreciation of property, plant and equipment	286	311	855	887
Employee benefits	63	-	84	-
Loss/(gain) on disposal of equity securities	91	(96)	(212)	(138)
Gain on disposal of property, plant and equipment	-	-	(26)	-
Net change in fair value of financial assets through profit or loss	(25)	87	-	1,029
Net change in fair value of derivatives	-	(931)	938	(569)
Property, plant and equipment written off	1	3	1	3
Allowance for impairment of investments	122	2,857	327	2,857
(Reversals of)/provisions for, net of reinsurers' share				
- unexpired risks	(169)	548	80	431
- insurance claims	64	137	267	367
Interest income	(6,071)	(5,644)	(15,486)	(18,594)
Interest income from investments and fixed deposits	(302)	(396)	(976)	(1,227)
Dividend income from investment	(12)	(3)	(24)	(13)
Interest expense	1,341	1,021	3,426	3,388
Income tax expense/(credit)	542	(983)	633	670
Operating cashflows before changes in working capital	(2,338)	(745)	(3,845)	(4,689)
Changes in working capital:				
Factoring receivables	5,740	7,334	(14,557)	5,938
Factoring amounts due to clients	(816)	(907)	(2,523)	(3,000)
Loans, advances, hire purchase and leasing receivables	(27,120)	888	(39,689)	23,325
Insurance and other receivables	2,429	(574)	92	(1,024)
Trade, other and insurance payables	2,420	2,459	1,644	(53)
Cash (used in)/from operations	(19,685)	8,455	(58,878)	20,497
Interest received	6,373	6,223	16,632	19,994
Interest paid	(1,284)	(1,176)	(3,696)	(3,471)
Income taxes paid, net	(1,197)	(18)	(2,070)	(1,327)
Income tax refund	-	-	1,208	-
Net cash (used in)/from operating activities	(15,793)	13,484	(46,804)	35,693

(a)

1(c) **Consolidated Statement of Cash Flows for the Third Quarter and Nine Months Ended 30 September (cont'd)**

	3rd Qtr 2011 S\$'000	3rd Qtr 2010 S\$'000	9 months 2011 S\$'000	9 months 2010 S\$'000
Note				
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	1	-	37	2
Purchase of property, plant and equipment	(23)	(7)	(237)	(538)
Purchase of intangible assets	(46)	(11)	(63)	(1,739)
Purchase of investments	(4,985)	(5,512)	(14,182)	(20,726)
Proceeds from disposal of investments	2,299	14,024	24,390	20,188
Dividend received from investments	12	3	24	13
Net cash (used in)/from investing activities	(2,742)	8,497	9,969	(2,800)
Cash flows from financing activities				
Dividends paid	-	-	(2,699)	(2,076)
Proceeds from listing and offering of a subsidiary	-	6,569	-	6,569
Proceeds from/(repayments of) interest-bearing borrowings	18,601	(12,558)	50,511	(18,496)
Net cash from/(used in) financing activities	18,601	(5,989)	47,812	(14,003)
Net increase in cash and cash equivalents	66	15,992	10,977	18,890
Cash and cash equivalents at beginning of the period	44,220	29,713	33,657	26,652
Effect of exchange rate fluctuations on cash held	254	(13)	(94)	150
Cash and cash equivalents at end of the period	44,540	45,692	44,540	45,692
Analysis of cash and cash equivalents				
Fixed deposits	32,436	25,768	32,436	25,768
Cash at banks and on hand	12,104	19,924	12,104	19,924
Cash and cash equivalents at end of the period	44,540	45,692	44,540	45,692

Explanatory Notes to Statement of Cash Flows

(a) **Net cash (used in)/from operating activities**

The net cash used in operating activities in 3Q 2011 and 9M 2011 was mainly due to higher drawdown of loan and advances and factoring receivables as compared to the same periods last year. The net cash from operating activities in 3Q 2010 and 9M 2010 was mainly due to repayments from factoring receivables as well as loans, advances and hire purchase and leasing receivables.

(b) **Net cash (used in)/from investing activities**

The net cash used in 3Q 2011 was mainly for purchase of investments. The cash from investing activities in 3Q 2010 resulted from higher proceeds from redemption of investments and held-to-maturity bonds.

The net cash from investing activities in 9M 2011 resulted mainly from higher proceeds from redemption of investments and held-to-maturity bonds and lower purchase of investments as compared to the same period last year.

(c) **Net cash from/(used in) financing activities**

The net cash from financing activities in 3Q 2011 and 9M 2011 was mainly due to proceeds from additional interest-bearing borrowings to provide funding for drawdown of factoring receivables and loans and advances. The net cash used in financing activities in 3Q 2010 and 9M 2010 was largely due to repayment of short-term interest-bearing borrowings.

(d) **Net increase in cash and cash equivalents**

The lower net increase in cash and cash equivalents in 3Q 2011 of \$66,000 as compared to \$16.0 million in 3Q 2010 was mainly due to higher cash used in operating activities with utilization of funds from additional interest-bearing borrowings. As for 3Q 2010, the higher net increase in cash and cash equivalents was mainly due to net cash from operating activities and investing activities.

For 9M 2011, the lower net increase in cash and cash equivalents as compared to the same period last year was mainly due to net cash used in operating activities with funds arising from investment activities and financing activities. As for 9M 2010, the higher increase in net cash and cash equivalents was mainly due to net cash from operating activities after application of funds used in investing and financing activities.

1(d)(i) **Statement of Changes in Equity**

Group	Attributable to owners of the Company							Total S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	
2010								
At 1 January 2010	88,032	529	(629)	(1,123)	40,281	127,090	432	127,522
<i>Total comprehensive income for first half</i>								
Profit for first half	-	-	-	-	3,430	3,430	29	3,459
Other comprehensive income	-	-	837	855	-	1,692	12	1,704
<i>Total comprehensive income for first half</i>	-	-	837	855	3,430	5,122	41	5,163
Capitalisation of statutory legal reserves of a subsidiary	-	151	-	-	(151)	-	-	-
Dividends paid	-	-	-	-	(2,051)	(2,051)	(25)	(2,076)
At 30 June 2010	88,032	680	208	(268)	41,509	130,161	448	130,609
<i>Total comprehensive income/(loss) for third quarter</i>								
Profit for third quarter	-	-	-	-	1,709	1,709	148	1,857
Other comprehensive Income/(loss)	-	-	823	(216)	-	607	213	820
<i>Total comprehensive income/(loss) for third quarter</i>	-	-	823	(216)	1,709	2,316	361	2,677
Capital contribution from listing and offering of a subsidiary	-	-	-	-	-	-	7,894	7,894
Effect of dilution arising from listing and offering of a subsidiary with no loss of control	-	(1,496)	-	-	-	(1,496)	-	(1,496)
At 30 September 2010	88,032	(816)	1,031	(484)	43,218	130,981	8,703	139,684
2011								
At 1 January 2011	88,032	(816)	1,230	(953)	45,183	132,676	9,194	141,870
<i>Total comprehensive (loss)/income for first half</i>								
Profit for first half	-	-	-	-	3,867	3,867	424	4,291
Other comprehensive loss	-	-	(654)	(1,818)	-	(2,472)	(599)	(3,071)
<i>Total comprehensive (loss)/income for first half</i>	-	-	(654)	(1,818)	3,867	1,395	(175)	1,220
Capitalisation of statutory legal reserve of a subsidiary	-	128	-	-	(128)	-	-	-
Dividends paid	-	-	-	-	(2,256)	(2,256)	(443)	(2,699)
At 30 June 2011	88,032	(688)	576	(2,771)	46,666	131,815	8,576	140,391
<i>Total comprehensive (loss)/income for third quarter</i>								
Profit for third quarter	-	-	-	-	1,064	1,064	212	1,276
Other comprehensive (loss)/Income	-	-	(226)	1,479	-	1,253	369	1,622
<i>Total comprehensive (loss)/income for third quarter</i>	-	-	(226)	1,479	1,064	2,317	581	2,898
At 30 September 2011	88,032	(688)	350	(1,292)	47,730	134,132	9,157	143,289

1(d)(i) Statement of Changes in Equity (cont'd)

<u>Company</u>	Share capital S\$'000	Fair value reserve S\$'000	Accumulated profits S\$'000	Total S\$'000
2010				
At 1 January 2010	88,032	101	15,332	103,465
<i>Total comprehensive (loss)/income for first half</i>				
Profit for first half	-	-	3,193	3,193
Other comprehensive loss	-	(77)	-	(77)
<i>Total comprehensive (loss)/income for first half</i>	-	(77)	3,193	3,116
Dividend paid	-	-	(2,051)	(2,051)
At 30 June 2010	88,032	24	16,474	104,530
<i>Total comprehensive income for third quarter</i>				
Profit for third quarter	-	-	4,543	4,543
Other comprehensive income	-	60	-	60
<i>Total comprehensive income for third quarter</i>	-	60	4,543	4,603
At 30 September 2010	88,032	84	21,017	109,133
2011				
At 1 January 2011	88,032	231	21,012	109,275
<i>Total comprehensive (loss)/income for first half</i>				
Profit for first half	-	-	2,233	2,233
Other comprehensive loss	-	(94)	-	(94)
<i>Total comprehensive (loss)/income for first half</i>	-	(94)	2,233	2,139
Dividend paid	-	-	(2,256)	(2,256)
At 30 June 2011	88,032	137	20,989	109,158
<i>Total comprehensive (loss)/income for third quarter</i>				
Profit for third quarter	-	-	276	276
Other comprehensive loss	-	(66)	-	(66)
<i>Total comprehensive (loss)/income for third quarter</i>	-	(66)	276	210
At 30 September 2011	88,032	71	21,265	109,368

1(d)(ii) Changes in Company's Share Capital

Since 31 December 2010, there was no change in the issued share capital of the Company. The share capital of the Company as at 30 September 2011 was 150,387,866 ordinary shares.

As at 30 September 2011, there was no outstanding unissued share under the IFS (2000) Share Option Scheme due to expiry of the exercise period (as at 30 September 2010: 21,500 unissued shares).

1(d)(iii) Total Number of Issued Shares Excluding Treasury Shares

The total number of issued shares as at 30 September 2011 was 150,387,866 (as at 31 December 2010: 150,387,866 issued shares). The Company does not hold any treasury shares.

1(d)(iv) Sales, Transfers, Disposal, Cancellation and/or use of Treasury Shares

Not applicable.

2 Audit

The figures have not been audited or reviewed by the Company's auditors.

3 Auditors' Report

Not applicable.

4 Accounting Policies

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those of the audited annual financial statements for the year ended 31 December 2010.

5 Changes in Accounting Policies

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRSs).

For the current financial period, the Group adopted the new/revised FRSs that are effective for annual periods beginning on or after 1 January 2011.

The following are the new or amended FRSs that are relevant to the Group:

- FRS 24 Related Party Disclosures
- Improvements to FRSs issued in 2010 (where applicable)

The adoption of these new/revised FRSs does not have any significant impact on the financial statements for the financial period under review.

6 Review of Group Performance

3Q 2011 versus 3Q 2010

Group pre-tax profit rose by a substantial 108% to \$1.8 million as compared to \$874,000 in 3Q 2010. The increase was attributable to lower allowances for loan losses and impairment of investments, partly offset by lower non-interest income and lower net earned premium revenue. However, Group's profit after tax was down 31% due to a tax expense of \$542,000 as compared to a tax credit in 3Q 2010.

9M 2011 versus 9M 2010

For 9M 2011, Group net profit after tax increased 5% from a year ago to \$5.6 million. The increase in net profit was achieved by higher fees and commission income as well as higher investment income helped by lower allowances for loan losses and impairment of investments. However, this was partly offset by lower net interest income, lower net earned premium revenue and higher operating expenses. In comparison, the 9M 2010's net interest income was boosted by recoveries of interest previously suspended from non-performing loans and from repayments of various loans. Excluding these recoveries, there was an underlying improvement in financing income achieved from increased new business volumes in the first nine months of 2011. In addition, the Group's net interest margin remains high and comparable to last year.

After taking into account the non-controlling interests, the Group's profit attributable to shareholders was \$4.9 million, 4% lower than 9M 2010.

The Group's loan assets including factoring receivables as at 30 September 2011 stood at \$304.2 million. This was an increase of 24% and 7% over the bases of \$245 million as at 31 December 2010 and \$283.9 million as at 30 September 2010 respectively. The increase in loan assets was boosted by new business volumes in both Singapore and overseas operations.

Excluding ECICS, the Singapore financing operations reported a substantial increase in net profit after tax from \$329,000 for 9M 2010 to \$1.9 million for 9M 2011. This was attributable to new business volumes, higher fees and lower allowances for loan losses and impairment of investments as well as a tax credit. On the other hand, ECICS recorded a lower net profit after tax of \$1.4 million, a decline of 59% as 9M 2010 had benefited from a tax refund of \$1.3 million relating to prior years. The lower profit was also affected by lower net earned premium revenue, lower fee commission and investment income.

For 9M 2011, all the regional subsidiaries were profitable and contributed a total net profit after tax and after non-controlling interests of \$1.8 million, an increase of 10% from a year ago. The improved contribution was attributable mainly to higher fees and commission income and lower allowances for loan losses. Our Malaysian operation continues to expand with increase in business volume and improved its profitability as compared to a loss previously. Our Indonesian and Thailand operations have maintained their profitability as compared to last year.

7 Variance from Prospect Statement

The current announced results are in line with the prospect statement as disclosed in the Group's 2nd Quarter 2011 results announcement dated 11 August 2011.

8 Prospects

The global environment has deteriorated markedly, with considerable downside risks, not just in Europe but also in the US. While the Group has no direct exposure to the European markets, the Group will be indirectly affected as financial stresses are transmitted to Asia and as the slowdown in global growth hurts economic prospects in the countries we are operating.

Liquidity of the Group remains healthy. Gearing of the Group, adjusted for cash balances, remains very low at 1.3 times and the further organic growth of the Group should not be affected.

The Group has continued to expand its business across its various units. As at the end of the quarter, the Group's pipeline of new transactions continued to remain strong. This bodes well for the Group for 2011 and the following year.

Malaysia should continue its strong growth in the next quarter given the strong pipeline of outstanding transactions. Indonesia has expanded further with loan assets and new clients increasing.

Although the flood disaster in Thailand has yet to stabilize, the Group does not foresee a major impact on its operations for the full financial year ending 2011. The Group will continue to monitor the situation closely.

The bond and guarantee business in ECICS is expected to remain favorable on the back of the encouraging outlook for the construction sector in view of the government housing and infrastructure projects in Singapore. The credit insurance business is expected to remain positive as companies are more receptive to insure their business risks in view of added volatility in overseas markets.

Barring unforeseen circumstances, the Group is expected to remain profitable for 2011.

9 **Dividend**

(a) Current financial period reported on

Nil.

(b) Corresponding period of the immediately preceding financial year

Nil.

(c) Dividend payment date

Not applicable.

(d) Book closure date

Not applicable.

10 If no dividend has been declared (recommended), a statement to that effect

No dividend is declared for the period ended 30 September 2011 (30 September 2010: Nil).

11 Interested Person Transactions Mandate

There is no general mandate obtained from shareholders on Interested Person Transactions.

By Order of the Board

Chionh Yi Chian

Company Secretary

11 November 2011



IFS Capital Limited

(Registration no: 198700827C)

Confirmation By The Board Pursuant to Rule 705(4) of the Listing Manual

On behalf of the Board of Directors of IFS Capital Limited ("the Company"), we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the third quarter and nine months ended 30 September 2011 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Hua Min
Chairman

Lee Soon Kie
Group Chief Executive Officer/Director

Singapore

11 November 2011



IFS Capital Limited

IFS Capital Limited

Third Quarter and Nine Months 2011 Unaudited Results

Presentation

14 November 2011



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Disclaimer

The following presentation may contain forward looking statements by the management of IFS Capital Limited ("IFS") relating to events and financial trends or performance for future period. Such forward looking statements are based on current views of management and a number of estimates and assumptions including, but not limited to, prevailing economic and market conditions, which are subject to uncertainties as these may change over time. In many cases these are outside the control of IFS and thus no assurance can be given that these events or financial trends or performance will happen. In particular, such statements are not, and should not be construed, as a representation as to or a forecast or projection of the future performance of IFS. It should be noted that the actual performance of IFS may vary significantly from such statements.

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"\$" means Singapore dollars unless otherwise indicated.

IFS Capital Limited (Reg. No. 198700827C)



Highlights

3Q 2011 vs 3Q 2010

- Underlying pre-tax profit rose by a substantial 108% to \$1.8 million as compared to \$874,000 in 3Q 2010. Business volumes up substantially.
- Lower allowances for loan losses and impairment of investments in 3Q 2011 partly offset by lower non-interest income and lower net earned premium revenue.
- Group profit after tax down 31% due to a tax expense compared to a tax credit in 3Q 2010.



Highlights (cont'd)

9M 2011 vs 9M 2010

- Group net profit after tax up 5% to \$5.6 million.
- Higher fees and commission and higher investment income.
- Lower allowances for loan losses and impairment of investments.

Partly offset by:

- Lower net interest income and net earned premium revenue; and
- Higher operating expenses.



Group Performance Review

Higher 9M 2011 profit due to:

- Underlying improvement in financing income achieved from increased new business volumes.
- High net interest margin comparable to last year.
- Higher fee and commission income from higher factoring service fees and receipt of a significant fee income upon repayment of a property loan.
- Higher investment income due to absence of fair value loss on investments through profit or loss.
- Decrease in allowances for loan losses due to lower specific allowances required and lower impairment of investments.



Group Performance Review (cont'd)

Higher 9M 2011 profit due to (cont'd):

Partly offset by:

- Lower net interest income of \$12.1 million mainly due to lower recoveries of suspended interest (9M 2010 included significant recoveries of interest from non-performing loans and from repayments of various loans). Excluding these recoveries, net interest income for 9M 2011 was an increase of 6%.
- Lower net earned premium of \$1.9 million (9M 2010: \$2.9 million) due mainly to lower credit insurance business volume and lesser premium earned from bonds extension.
- Operating expenses increased 4% to \$14.3 million due to higher business related expenses and staff costs, partly offset by lower commission expenses. Staff costs up 13% mainly due to increased headcount and salary increments.



Group Income Statement

<i>(\$'000)</i>	9 months 2011	9 months 2010	+ / (-) %
Net Interest Income	12,060	15,206	(20.7)
Net Earned Premium Revenue	1,900	2,892	(34.3)
Non-Interest Income	8,817	7,077	24.6
Total Income	22,777	25,175	(9.5)
Operating Expenses	(14,255)	(13,710)	4.0
Operating Profit before Net Claims & Allowances	8,522	11,465	(25.7)
Net Claims Incurred	(7)	(402)	(98.3)
Allowances	(2,315)	(5,077)	(54.4)
Profit before Tax	6,200	5,986	3.6
Income Tax Expense	(633)	(670)	(5.5)
Profit after Tax	5,567	5,316	4.7
Attributable Profit after NCI	4,931	5,139	(4.0)



Group Operating Expenses

<i>(\$'000)</i>	9 months 2011	%	9 months 2010	%	+ / (-) %
Commission	200	1.4	548	4.0	(63.5)
Business Development	697	4.9	622	4.5	12.1
Staff Costs	8,400	58.9	7,444	54.3	12.8
Depreciation & Amortisation	1,445	10.1	1,644	12.0	(12.1)
General Administration	3,513	24.7	3,452	25.2	1.8
Total	14,255	100.0	13,710	100.0	4.0
Cost-to-Income Ratio	62.0%		52.9%		17.2



Key Financial Ratios	9 months 2011	9 months 2010	+ / (-)%
Return on Ave Equity - After Tax (%)	3.7	4.0	(7.5)
Return on Total Assets (%)	1.5	1.5	-
Earnings per Share (cts)	3.3	3.4	(2.9)
Net Asset Value per Share (cts)	89.2	87.1	2.4
Leverage (times)	1.6	1.5	6.7
Gearing (times)	1.5	1.3	15.4



Regional Operations - Indonesia, Malaysia & Thailand

<i>(\$'000)</i>	9 months 2011	9 months 2010	+ / (-) %
Net Interest Income	5,559	5,871	(5.3)
Non-Interest Income	3,519	2,697	30.5
Operating Expenses	(4,923)	(4,650)	5.9
Operating Profit before Allowances	4,155	3,918	6.1
Allowances	(409)	(784)	(47.8)
Profit before Tax	3,746	3,134	19.5
Income Tax Expense	(1,268)	(1,290)	(1.7)
Profit after Tax (PAT)	2,478	1,844	34.4
Group's share of PAT based on % of shareholdings	1,842	1,667	10.4



Regional Operations (cont'd) - Indonesia, Malaysia & Thailand

- All overseas subsidiaries were profitable and contributed a total net profit after tax and after non-controlling interests of \$1.8 million, up 10% from a year ago.
- Improvement in contribution arose from higher fees and commission income from higher business volume; lower allowances for loan losses.



ECICS Limited

<i>(\$'000)</i>	9 months 2011	9 months 2010	+ / (-) %
Gross Written Premiums	6,267	7,784	(19.5)
Net Earned Premium Revenue	2,008	3,005	(33.2)
Fee and Investment Income	2,345	3,224	(27.3)
Claims Incurred	(7)	(402)	(98.3)
Operating Expenses	(2,976)	(3,130)	(4.9)
Operating Profit before Allowances	1,370	2,697	(49.2)
Reversals of/(Allowances for) Insurance Receivables	187	(133)	NM
Profit before Tax	1,557	2,564	(39.3)
Income Tax (Expense)/Credit	(114)	966	NM
Profit after Tax	1,443	3,530	(59.1)

N.B. (Before intragroup transactions elimination)



ECICS Limited

- Lower profit for 9M 2011 mainly due to:
 - lower net earned premium revenue due to lower credit insurance business volume and lower bonds and guarantees premium rate,
 - lower fee commission and investment income,
 - a tax expense, mitigated by
 - lower operating expenses, and
 - write back of provision for insurance receivables.
- Remains substantially well capitalized above the regulatory requirement of 120%.



Prospects

Business volumes continued to increase across all business units.

- Impact of recent global market volatility on the Group remains uncertain. While the Group has no direct exposure to the European markets, the Group will be indirectly affected as financial stresses are transmitted to Asia and as the slowdown in global growth hurts economic prospects in the countries the Group are operating. ECICS exited fully all its equity investments in August due to market instability. Investment income should not be affected by ongoing market volatility.
- Liquidity of the Group remains healthy. Gearing, adjusted for cash balances, remains very low at 1.3 times. Further increase in business volumes and growth of the Group can be supported.
- Pipeline of new transactions as at end of Q3 continued to remain strong.
- Malaysian subsidiary has turned around with a full complement of staff and resources. With a strong pipeline of transactions, the Company should continue to perform well.

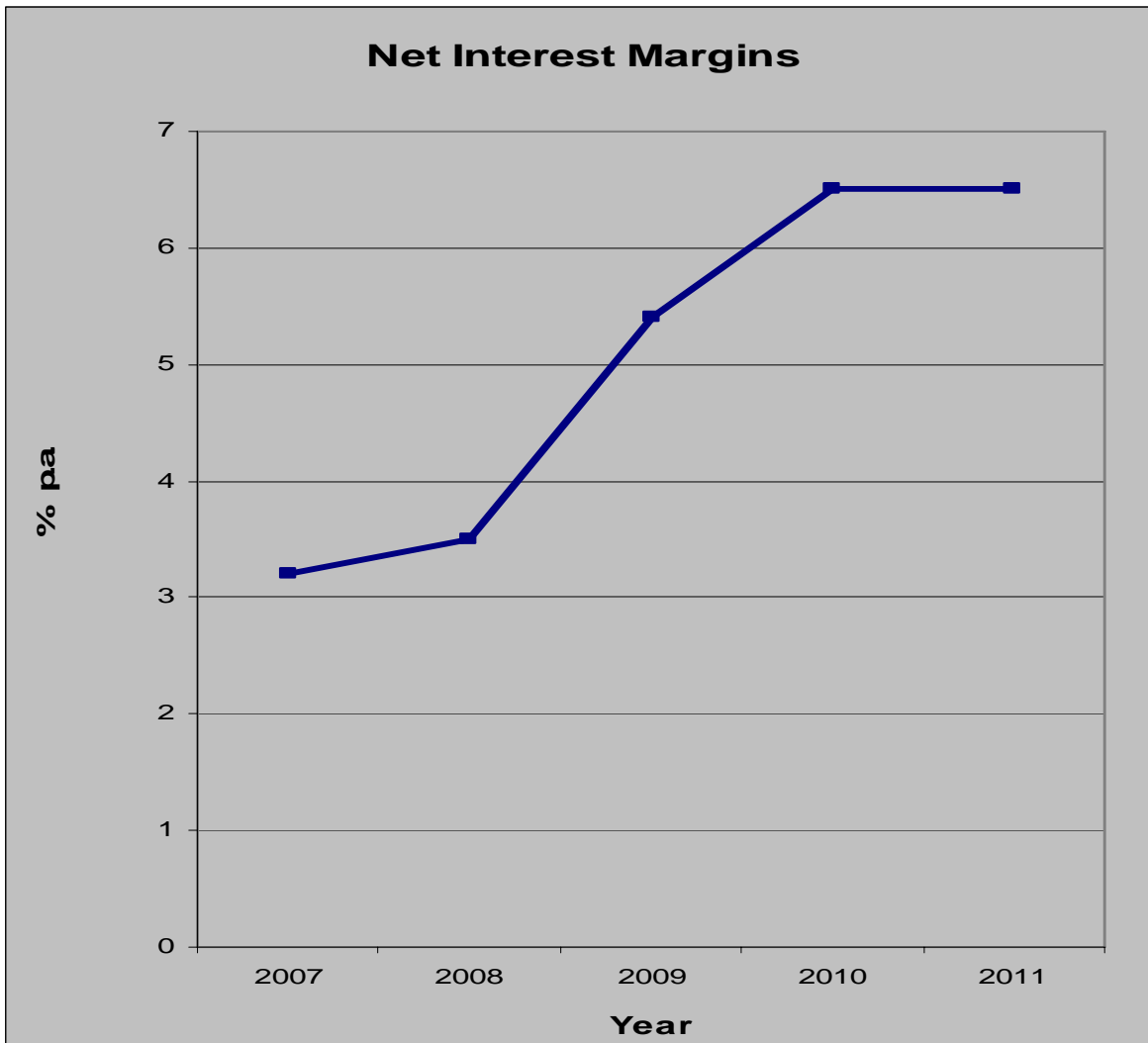


Prospects (cont'd)

- Indonesia has expanded further with loan assets and new clients increasing.
- Flood disaster in Thailand has yet to stabilize. The Group does not foresee major impact on its operations. The Group will continue to monitor the situation closely.
- Bond and guarantee business is expected to remain favorable due to encouraging outlook for the construction sector in view of government housing and infrastructure projects in Singapore.
- Credit insurance business is expected to remain positive as companies are more receptive to insure their business risks in view of added volatility in overseas market.



Net Interest Margins...

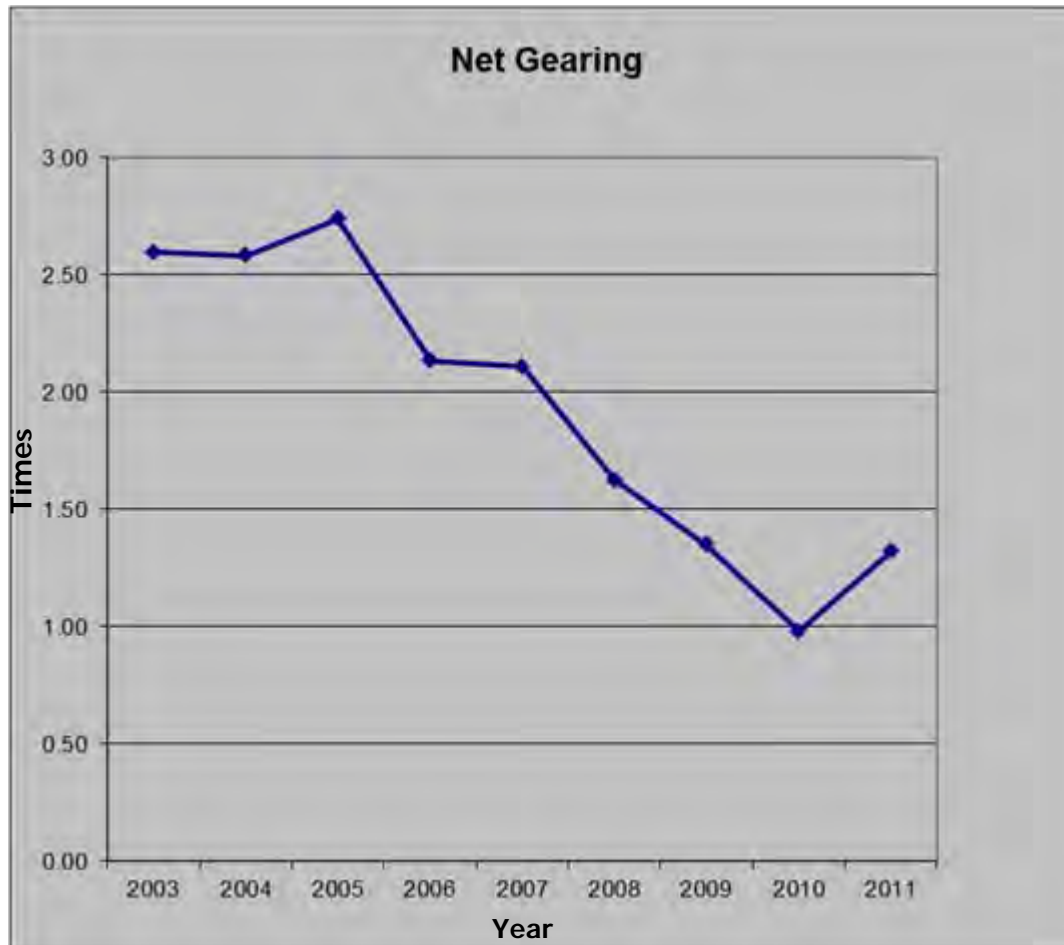


Net interest margins have increased since 2007 and maintained in 2011.

High margins maintained in pipeline.



Gearing ...



- Sharp drop in gearing since 2005.
- Note that decrease in gearing came despite consolidation of Thailand and further capitalisation of Indonesia and Malaysia.
- Recent increase in gearing reflective of recent increase in business volumes.
- Note gearing calculated net of cash held in IFS (i.e. excluding ECICS).
- Gearing as at Sept 30 at only 1.32 up from 0.98 at end 2010.