INVESTCORP BANK B.S.C.

INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

DECEMBER 31, 2014 (REVIEWED)
FISCAL YEAR 2015

CONTENTS

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF INVESTCORP BANK B.S.C.

INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME FOR THE PERIOD ENDED DECEMBER 31, 2014 (REVIEWED)

INTERIM CONSOLIDATED STATEMENT OF INCOME

$000s	***July to December 2014***	*July to December 2013 (restated)*	*Notes*	*Page*
FEE INCOME				
AUM fees	54,276	49,565	22	26
Deal fees	102,382	104,720	22	26
Fee income ***(a)***	156,658	154,285		
ASSET BASED INCOME				
Hedge funds	(10,341)	17,913		
Corporate investment	654	(9,619)		
Real estate investment	5,614	(5,604)		
Treasury and other asset based income	1,438	1,173		
Asset based (loss) / income ***(b)***	(2,635)	3,863	22	26
Gross operating income (a) + (b)	154,023	158,148	22	26
Provisions for impairment	(1,485)	(1,529)	9	14
Interest expense	(28,990)	(30,798)	22	26
Operating expenses	(78,207)	(82,485)	22	26
NET INCOME	45,341	43,336		
Basic earnings per ordinary share ($)	73	72	17	18
Fully diluted earnings per ordinary share ($)	71	70	17	18

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

$000s	***July to December 2014***	*July to December 2013 (restated)*
NET INCOME (AS ABOVE)	45,341	43,336
Other comprehensive income that could be recycled to statement of income		
Fair value movements - available for sale investments	-	(718)
Fair value movements - cash flow hedges	(10,754)	(174)
Other comprehensive loss	(10,754)	(892)
TOTAL COMPREHENSIVE INCOME	34,587	42,444

Nemir A. Kirdar
Executive Chairman & CEO

Rishi Kapoor
Chief Financial Officer

The attached notes 1 to 24 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2014 (REVIEWED)

$000s	*December 31, 2014*	*June 30, 2014 (Audited) restated*	*July 1, 2013 (Audited) restated*	*Notes*	*Page*
ASSETS					
Cash and short-term funds	73,870	101,262	101,906		
Placements with financial institutions and other liquid assets	159,523	125,944	453,105		
Positive fair value of derivatives	73,753	66,570	62,811	18	19
Receivables and prepayments	219,731	206,309	283,004	3	11
Advances	118,373	128,832	146,975	4	11
Underwritten investments	114,315	112,372	33,000	5	11
Co-investments					
Hedge funds	439,386	476,418	315,762	6	12
Corporate investment	724,407	910,807	873,609	7	13
Real estate investment	132,487	130,017	156,505	8	14
Total co-investments	1,296,280	1,517,242	1,345,876		
Premises, equipment and other assets	43,297	45,591	50,652		
TOTAL ASSETS	2,099,142	2,304,122	2,477,329		
LIABILITIES AND EQUITY					
LIABILITIES					
Call accounts	126,256	95,831	189,818	10	15
Term and institutional borrowings	93,088	135,683	128,326	11	15
Payables and accrued expenses	158,465	164,057	142,354	12	15
Negative fair value of derivatives	41,541	25,157	43,003	18	19
Medium-term debt	402,985	474,165	482,489	13	16
Long-term debt	366,451	408,135	419,078	14	17
Deferred fees	91,892	82,734	54,163	15	17
TOTAL LIABILITIES	1,280,678	1,385,762	1,459,231		
EQUITY					
Preference share capital	324,259	391,222	511,465	16	18
Ordinary shares at par value	200,000	200,000	200,000	16	18
Reserves	211,498	215,907	229,421		
Treasury shares	(158,034)	(158,212)	(163,551)		
Retained earnings	250,744	205,288	165,237		
Ordinary shareholders' equity excluding proposed appropriations and unrealized fair value changes and revaluation reserve recognized directly in equity	504,208	462,983	431,107		
Proposed appropriations	-	63,289	75,180		
Unrealized fair value changes and revaluation reserve recognized directly in equity	(10,003)	866	346		
TOTAL EQUITY	818,464	918,360	1,018,098		
TOTAL LIABILITIES AND EQUITY	2,099,142	2,304,122	2,477,329		

Nemir A. Kirdar
Executive Chairman & CEO

Rishi Kapoor
Chief Financial Officer

The attached notes 1 to 24 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2014 (REVIEWED)

			Reserves						Unrealized fair value changes and revaluation reserve recgonised directly in equity				
$000s	**Preference share capital**	**Ordinary share capital**	**Share premium**	**Statutory reserve**	**Total**	**Treasury shares**	**Retained earnings**	**Proposed appropriations**	**Available for sale investments**	**Cash flow hedges**	**Revaluation reserve on premises and equipment**	**Total**	**Total equity**
Balance at July 1, 2013	**511,465**	**200,000**	**129,421**	**100,000**	**229,421**	**(163,551)**	**213,468**	**75,180**	**2,666**	**(7,914)**	**5,594**	**346**	**1,066,329**
Adjustment on adoption of IFRS 15 (note 1)	**-**	**-**	-	**-**	**-**	**-**	**(48,231)**	**-**	**-**	**-**	**-**	**-**	**(48,231)**
Balance at July 1, 2013 (restated)	**511,465**	**200,000**	**129,421**	**100,000**	**229,421**	**(163,551)**	**165,237**	**75,180**	**2,666**	**(7,914)**	**5,594**	**346**	**1,018,098**
Total comprehensive income / (loss)	-	-		-	-	-	43,336	-	(718)	(174)	-	(892)	42,444
Preference shares purchased during the period	(100,000)	-	(6,000)	-	(6,000)	-	-	-	-	-	-	-	(106,000)
Depreciation on revaluation reserve transferred to retained earnings	-	-	-	-	-	-	115	-	-	-	(115)	(115)	-
Treasury shares (purchased) / vested during the period- net	-	-	-	-	-	(7,847)	-	-	-	-	-	-	(7,847)
Loss on sale / vesting of treasury shares	-	-	(1,470)	-	(1,470)	1,470	-	-	-	-	-	-	-
Approved appropriations for fiscal 2013 paid:													
Preference share dividend	-	-	-	-	-	-	-	(61,376)	-	-	-	-	(61,376)
Ordinary share dividend	-	-	-	-	-	-	-	(9,304)	-	-	-	-	(9,304)
Charitable contribution paid	-	-	-	-	-	-	-	(4,500)	-	-	-	-	(4,500)
Balance at December 31, 2013 (restated)	**411,465**	**200,000**	**121,951**	**100,000**	**221,951**	**(169,928)**	**208,688**	**-**	**1,948**	**(8,088)**	**5,479**	**(661)**	**871,515**
Balance at July 1, 2014 (restated)	**391,222**	**200,000**	**115,907**	**100,000**	**215,907**	**(158,212)**	**205,288**	**63,289**	**1,485**	**(5,983)**	**5,364**	**866**	**918,360**
Total comprehensive income / (loss)	-	-	-	-	-	-	45,341	-	-	(10,754)	-	(10,754)	34,587
Preference shares purchased during the period	(66,963)	-	(747)	-	(747)	-	-	-	-	-	-	-	(67,710)
Depreciation on revaluation reserve transferred to retained earnings	-	-	-	-	-	-	115	-	-	-	(115)	(115)	-
Treasury shares (purchased) / vested during the period - net	-	-	-	-	-	(3,484)	-	-	-	-	**-**	-	(3,484)
Loss on sale / vesting of treasury shares	-	-	(3,662)	-	(3,662)	3,662	-	-	-	-	**-**	-	-
Approved appropriations for fiscal 2014 paid:													
Preference share dividend	-	-	-	-	-	-	-	(49,376)	-	-	-	-	(49,376)
Ordinary share dividend	-	-	-	-	-	-	-	(9,413)	-	-	-	-	(9,413)
Charitable contribution paid	-	-	-	-	-	-	-	(4,500)	-	-	-	-	(4,500)
Balance at December 31, 2014	**324,259**	**200,000**	**111,498**	**100,000**	**211,498**	**(158,034)**	**250,744**	**-**	**1,485**	**(16,737)**	**5,249**	**(10,003)**	**818,464**

The attached notes 1 to 24 are an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2014 (REVIEWED)

$000s	***July - December 2014***	*July - December 2013 (restated)*	***Notes***	***Page***
OPERATING ACTIVITIES				
Net income	45,341	43,336		
Adjustments for non-cash items in net income				
Depreciation	4,068	3,586		
Provisions for impairment	1,485	1,529	9	14
Amortization of transaction costs of borrowings	3,191	3,653		
Employee share awards expense	4,650	3,621		
Net income adjusted for non-cash items	58,735	55,725		
Changes in:				
Operating capital				
Placements with financial institutions and other liquid assets (non cash equivalent)	-	46,880		
Receivables and prepayments	(13,726)	99,513	3	11
Advances	9,278	18,496	4	11
Underwritten investments	(1,943)	(245,318)	5	11
Call accounts	30,425	(14,532)	10	15
Payables and accrued expenses	(5,592)	(76,952)	12	15
Deferred fees	9,158	17,722	15	17
Co-investments				
Hedge funds - net of secured financing	27,133	33,676	6	12
Corporate investment	186,400	(12,547)	7	13
Real estate investment	(2,470)	15,275	8	14
Fair value of derivatives	(57,545)	(11,952)		
Other assets	146	16		
NET CASH FROM (USED IN) OPERATING ACTIVITIES	239,999	(73,998)		
FINANCING ACTIVITIES				
Term and institutional borrowings	(42,595)	96,919	11	15
Medium-term debt repaid	(50,164)	(6,368)	13	16
Long-term debt repaid	-	(26,250)	14	17
Treasury shares purchased - net	(8,134)	(11,468)		
Preference shares purchased	(67,710)	(106,000)	16	18
Dividends paid	(58,789)	(70,680)		
Charitable contributions paid	(4,500)	(4,500)		
NET CASH USED IN FINANCING ACTIVITIES	(231,892)	(128,347)		
INVESTING ACTIVITY				
Investment in premises and equipment	(1,920)	(1,251)		
NET CASH USED IN INVESTING ACTIVITY	(1,920)	(1,251)		
Net increase (decrease) in cash and cash equivalents	6,187	(203,596)		
Cash and cash equivalents at beginning of the period	227,206	508,131		
Cash and cash equivalents at end of the period	233,393	304,535		
Cash and cash equivalents comprise:				
Cash and short-term funds	44,120	44,069		
Cash in transit	29,750	63,657		
Placements with financial institutions and other liquid assets	159,523	196,809		
	233,393	304,535		

In addition to the above, the Group has undrawn and available balance of $524.8 million (December 31, 2013: $329.6 million and June 30, 2014: $464.9 million) from its revolving medium-term facilities.

Additional cash flow information

$000s	***July - December 2014***	*July - December 2013*
Interest paid	(29,361)	(33,053)
Interest received	7,173	5,773

The attached notes 1 to 24 are an integral part of these interim condensed consolidated financial statements.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

(i) Incorporation

Investcorp Bank B.S.C. (the “Bank”) operates under a Wholesale Banking License issued by the Central Bank of Bahrain (“CBB”).

The Bank is a holding company owning various subsidiaries (together the “Group” or "Investcorp"). The activities of the Bank are substantially transacted through its subsidiaries.

The Bank is incorporated in the Kingdom of Bahrain as a Bahraini Shareholding Company with limited liability. The Bank is listed on the Bahrain Bourse. The ultimate parent of the Group is SIPCO Holdings Limited incorporated in the Cayman Islands.

The registered office of the Bank is at Investcorp House, Building 499, Road 1706, Diplomatic Area 317, Manama, Kingdom of Bahrain. The Bank is registered under commercial registration number 12411-1 issued by the Ministry of Industry and Commerce, Kingdom of Bahrain.

The interim condensed consolidated financial statements for the six month period ended December 31, 2014 were authorized for issue in accordance with a resolution of the Board of Directors dated February 1, 2015.

B. SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Group are prepared in conformity with International Accounting Standard 34 applicable to interim financial reporting.

The interim condensed consolidated financial statements are prepared in United States dollars, this being the functional currency of the Group, and rounded to the nearest thousands ($000s) unless otherwise stated. Certain prior year balances have been reclassified to conform with the current period presentation.

The significant accounting policies adopted in the preparation of these interim condensed consolidated financial statements are the same as those followed in the preparation of the audited consolidated financial statements for the year ended June 30, 2014 except for the adoption of amendments to standards as noted below which became effective for accounting periods beginning on or after 1 January 2014.

- IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
- IAS 39 Financial Instruments: Recognition and Measurement – Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting

The adoption of the above amendments did not have any material impact on the Group's interim condensed consolidated financial statements.

In addition to the above, the Group has early adopted ‘IFRS 15 Revenue from Contracts with Customers’ (“IFRS 15”). Following the early adoption of IFRS 15 (as described in detail below), the Group has identified the performance obligations arising from its contracts with investors with whom the investments are placed. The fee relating to such performance obligations are deferred and recognized over the investment period.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRS 15 establishes a new five-step model to recognize revenue and provides a more structured approach to measure and recognise revenue. Following the guidelines of IFRS 15, the Group has reviewed and revised its policy for recognizing revenue to comply with the new requirements of IFRS 15.

Placement fees (historically included in deal fees) are charged by Investcorp when it places an underwritten investment with investors. IFRS 15 requires an entity to assess the services promised in a contract with a customer and identify each promise made to the customer as a separate performance obligation. Applying this requirement, Investcorp has reviewed and analysed the terms of the contracts that it has entered into with its investors arising from the placement of its investments. Based on this review, the Group has determined the following two types of performance obligations that Investcorp is expected to satisfy:

i. services provided by Investcorp during the period from purchase to the placement of the investment with investors, including deal identification, funding, underwriting, maintaining a placement infrastructure, preparing the marketing materials for each deal etc; and
ii. services provided over the period of the investment as agreed with the investor at the time of placement.

In order to apply IFRS 15, Investcorp has allocated the placement fee to each of the above performance obligations. The Group completes all of its performance obligations described in (i) above before placing an investment with its investors. Accordingly, the fee relating to this performance obligation is recognized upfront upon placement of the investment with investors. This portion of the placement fee is included as part of deal fees.

A portion of the placement fee represents the amount received upfront for the performance obligation described in (ii) above. Accordingly, this component of the placement fee is deferred and recognized over time, as AUM fees, over the period of managing the investment.

The Group has applied the full retrospective approach for adoption of IFRS 15 and as required by the accounting standards has restated its comparatives as set out below.

Interim Consolidated Statement of Financial Position

	June 30, 2014 ($000s)		
	(Previously reported)	*Adjustment on adoption of IFRS 15*	*(Restated)*
Deferred fee relating to placements (note 15)	-	76,292	76,292
Retained earnings	281,580	(76,292)	205,288

	July 1, 2013 ($000s)		
	(Previously reported)	*Adjustment on adoption of IFRS 15*	*(Restated)*
Deferred fee relating to placements	-	48,231	48,231
Retained earnings	213,468	(48,231)	165,237

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interim Consolidated Statement of Income

	6 months July to December 2013 ($000s)		
	(Previously reported)	*Adjustment on adoption of IFRS 15*	*(Restated)*
AUM fees	39,795	9,770	49,565
Deal fees	131,215	(26,495)	104,720
Net income	60,061	(16,725)	43,336
Basic earnings per ordinary share ($)	100	(28)	72
Fully diluted earnings per ordinary share ($)	97	(27)	70

2. ASSETS UNDER MANAGEMENT

The Group's clients participate in products offered under its three alternative investment asset classes. Total assets under management ("AUM") in each product category at the interim consolidated balance sheet date are as follows:

$millions	December 31, 2014 Clients	December 31, 2014 Investcorp	December 31, 2014 Affiliates and co-investors	December 31, 2014 Total	June 30, 2014 Clients	June 30, 2014 Investcorp	June 30, 2014 Affiliates and co-investors	June 30, 2014 Total
Corporate investments								
Closed-end invested funds								
CI - NA & Europe	557	176	47	780	687	206	54	947
CI - MENA	583	58	6	647	560	57	4	621
Sub total	1,140	234	53	1,427	1,247	263	58	1,568
Deal-by-deal	2,515	412	272	3,199	2,328	568	188	3,084
Deal-by-deal underwriting	-	49	-	49	-	86	-	86
Strategic and other	-	79	-	79	-	80	-	80
Total corporate investments	**3,655**	**774**	**325**	**4,754**	**3,575**	**997**	**246**	**4,818**
Hedge funds*								
Customized funds of hedge funds	1,805	276	-	2,081	2,317	226	1	2,544
Single managers	2,077	149	-	2,226	1,993	232	-	2,225
Special opportunities portfolios	167	15	1	183	203	18	-	221
Total hedge funds	**4,049**	**440**	**1**	**4,490**	**4,513**	**476**	**1**	**4,990**
Real estate investments								
Closed-end committed funds	75	25	-	100	75	25	-	100
Closed-end invested funds	48	24	-	72	98	27	2	127
Deal-by-deal	1,110	89	16	1,215	994	84	17	1,095
Deal-by-deal underwriting	-	65	-	65	-	27	-	27
Strategic and other	-	5	-	5	-	5	-	5
Total real estate investments	**1,233**	**208**	**16**	**1,457**	**1,167**	**168**	**19**	**1,354**
Client monies held in trust	263	-	-	263	258	-	-	258
Total	**9,200**	**1,422**	**342**	**10,964**	**9,513**	**1,641**	**266**	**11,420**
Summary by products:								
Closed-end committed funds	75	25	-	100	75	25	-	100
Closed-end invested funds	1,188	258	53	1,499	1,345	290	60	1,695
Hedge funds	4,049	440	1	4,490	4,513	476	1	4,990
Deal-by-deal	3,625	585	288	4,498	3,322	737	205	4,264
Underwriting	-	114	-	114	-	113	-	113
Client monies held in trust	263	-	-	263	258	-	-	258
Total	**9,200**	**1,422**	**342**	**10,964**	**9,513**	**1,641**	**266**	**11,420**
Summary by asset classes:								
Corporate investments	3,655	774	325	4,754	3,575	997	246	4,818
Hedge funds	4,049	440	1	4,490	4,513	476	1	4,990
Real estate investments	1,233	208	16	1,457	1,167	168	19	1,354
Client monies held in trust	263	-	-	263	258	-	-	258
Total	**9,200**	**1,422**	**342**	**10,964**	**9,513**	**1,641**	**266**	**11,420**

** Stated at gross value of the underlying exposure. Also, includes $2.1 billion (June 30, 2014: $2.5 billion) of single manager funds (including exposure through customized funds of hedge funds) , managed by third party managers, where Investcorp receives fees calculated on the basis of AUM.*

In the above table all hedge funds and Investcorp balance sheet co-investment amounts for corporate investment and real estate investment are stated at current fair values while the other categories are stated at their carrying cost.

3. RECEIVABLES AND PREPAYMENTS

$000s	December 31, 2014	June 30, 2014 (Audited)
Subscriptions receivable	53,723	11,807
Receivables from investee and holding companies	96,403	143,616
Investment disposal proceeds receivable	11,229	7,723
Hedge funds related receivables	13,561	15,934
Accrued interest receivable	3,630	3,735
Prepaid expenses	49,535	31,198
Other receivables	2,438	2,780
	230,519	216,793
Provisions for impairment (see Note 9)	(10,788)	(10,484)
Total	219,731	206,309

4. ADVANCES

$000s	December 31, 2014	June 30, 2014 (Audited)
Advances to CI closed-end funds	9,494	2,064
Advances to investment holding companies	69,281	73,851
Advances to employee investment programs	55,658	67,504
Other advances	270	562
	134,703	143,981
Provisions for impairment (see Note 9)	(16,330)	(15,149)
Total	118,373	128,832

5. UNDERWRITTEN INVESTMENTS

The Group's underwritten investments, classified as Fair Value Through Profit or Loss ("FVTPL"), comprise the following:

$000s	December 31, 2014	June 30, 2014 (Audited)
Corporate investment	49,346	85,809
Real estate investment	64,969	26,563
Total	114,315	112,372

6. HEDGE FUNDS CO-INVESTMENTS

The Group's co-investments in hedge funds, classified as FVTPL, comprise the following:

$000s	**December 31, 2014**	*June 30, 2014 (Audited)*
Customized funds of hedge funds	275,767	226,302
Single managers	148,957	231,751
Special opportunities portfolios	14,662	18,365
Total balance sheet co-investments	439,386	476,418

Out of the total co-investment in hedge funds, $61 million (June 30, 2014: $80.1 million) comprise funds which are not immediately available for redemption due to the illiquid nature of the instruments held by the underlying managers.

Further, investments amounting to $56.3 million (June 30, 2014: $146.1 million) in single manager funds represent the net asset value of the seed capital provided to the managers that is subject to a lock-up period. The lock-up periods for such investments range from a period of 4 to 24 months.

A portion of the Group's co-investment in hedge funds is utilized to secure amounts drawn under a bi-lateral revolving facility. At December 31, 2014, $50.2 million was the drawn balance from the bi-lateral revolving facility (June 30, 2014: $60.1 million) (see Note 13).

7. CORPORATE CO-INVESTMENTS

$000s	***December 31, 2014***	*June 30, 2014 (Audited)*
CI co-investments [See Note 7 (a)]	645,273	831,110
Strategic and other investments [See Note 7 (b)]	79,134	79,697
Total corporate co-investments	724,407	910,807

7 (A) CI CO-INVESTMENTS

The Group's CI co-investments are classified as FVTPL investments. The carrying values of the Group's CI co-investments at December 31, 2014 and June 30, 2014 are:

	December 31, 2014				June 30, 2014 (Audited)			
$000s	**North America**	**Europe**	**MENA***	**Total**	**North America**	**Europe**	**MENA***	**Total**
Consumer Products	48,053	32,330	30,637	111,020	49,294	23,958	29,103	102,355
Consumer Services	-	-	12,138	12,138	-	-	9,557	9,557
Distribution	-	3,966	-	3,966	101,998	4,119	-	106,117
Industrial Products	28,428	201,657	6,514	236,599	31,787	256,809	6,647	295,243
Industrial Services	57,056	54,331	6,214	117,601	77,306	74,372	6,654	158,332
Telecom	89,108	-	-	89,108	87,045	-	-	87,045
Technology								
Digital Content	2,958	25,234	-	28,192	2,737	26,530	-	29,267
Enterprise Software	15,824	7,883	-	23,707	15,620	7,761	-	23,381
IT Services	22,942	-	-	22,942	19,813	-	-	19,813
Total	264,369	325,401	55,503	645,273	385,600	393,549	51,961	831,110

*Including Turkey

7. CORPORATE CO-INVESTMENTS (CONTINUED)

7 (B) STRATEGIC AND OTHER INVESTMENTS

Strategic and other investments represent the following types of investments of the Group:

1. Investments made for strategic reasons; and
2. Instruments obtained on disposal of exited investments.

These are held as AFS investments and debt instruments are held at amortized cost, except for investments amounting to $42.5 million (June 30, 2014: $42.7 million) that are classified as FVTPL, of which $31.5 million (June 30, 2014: $31.7 million) was valued based on information provided by the investment manager.

8. REAL ESTATE CO-INVESTMENTS

The Group's co-investments in real estate are mainly classified as FVTPL investments.

Certain of the debt investments in real estate properties are carried at amortised cost amounting to $26.2 million (June 30, 2014: $26.7 million).

The carrying values of the Group's co-investments in real estate portfolios in the United States at December 31, 2014 and at June 30, 2014 are:

$000s **PORTFOLIO TYPE**	***December 31, 2014***	***June 30, 2014 (Audited)***
Core Plus	101,809	99,152
Debt	19,252	19,732
Opportunistic	6,100	5,807
Strategic and other	5,326	5,326
Total	132,487	130,017

9. PROVISIONS FOR IMPAIRMENT

Specific impairment provisions for receivables and advances are as follows:

$000s ***6 months to December 31, 2014*** **Categories**	***At beginning***	***Charge***	***At end***
Receivables (Note 3)	10,484	304	10,788
Advances (Note 4)*	15,149	1,181	16,330
Total	25,633	1,485	27,118
6 months to December 31, 2013	24,262	1,529	25,791

*Includes $2 million of general provision.

10. CALL ACCOUNTS

$000s	December 31, 2014	June 30, 2014 (Audited)
Transitory balances	105	1,222
Client call accounts	32,440	25,661
Investment holding companies accounts	83,067	58,928
Discretionary and other accounts	10,644	10,020
Total	126,256	95,831

All these balances bear interest at market rates.

11. TERM AND INSTITUTIONAL BORROWINGS

$000s	December 31, 2014	June 30, 2014 (Audited)
Borrowings from institutions on call	58,801	80,907
Term borrowings	34,287	54,776
Total	93,088	135,683

All these balances bear interest at market rates.

12. PAYABLES AND ACCRUED EXPENSES

$000s	December 31, 2014	June 30, 2014 (Audited)
Accrued expenses - employee compensation	19,425	60,331
Vendor and other trade payables	25,376	23,440
Unfunded deal acquisitions	100,620	66,960
Investment related payables	3,901	3,812
Accrued interest payable	9,143	9,514
Total	158,465	164,057

13. MEDIUM-TERM DEBT

Amounts outstanding represent the drawn portion of the following medium-term revolvers and funded debt:

$000s	*Final Maturity*	*December 31, 2014*		*June 30, 2014 (Audited)*	
		Size	***Current outstanding***	*Size*	*Current outstanding*
3-year secured bi-lateral revolving facility	February 2017	175,000	50,216	175,000	60,115
5-year fixed rate bonds	November 2017	250,000	250,000	250,000	250,000
4-year syndicated revolving facility	July 2018	400,000	-	400,000	50,000
5-year fixed rate bonds	June 2019	139,249	139,249	139,249	139,249
Total			439,465		499,364
Foreign exchange translation adjustments			(12,980)		1,145
Fair value adjustments relating to interest rate swap hedges			(3,168)		(3,187)
Transaction costs of borrowings			(20,332)		(23,157)
Total			402,985		474,165

The 3-year secured bi-lateral revolving facility of $175 million is secured, to the extent it is drawn, by an equivalent amount of the Group's co-investments in hedge funds.

All medium-term facilities, except for the 5-year fixed rate bonds, carry floating rates of interest when drawn. Revolvers carry a fixed rate of commitment fees when undrawn. The 4-year syndicated revolving facility and the 5-year fixed rate bonds are subject to certain customary covenants, including maintaining certain minimum levels of net worth and operating below a maximum leverage ratio.

14. LONG-TERM DEBT

$000s	*Final Maturity*	*December 31, 2014*	*June 30, 2014 (Audited)*
PRIVATE NOTES			
JPY 37 Billion Private Placement	March 2030	332,328	332,328
$50 Million Private Placement	July 2032	50,000	50,000
		382,328	382,328
Foreign exchange translation adjustments		(22,899)	32,654
Fair value adjustments relating to interest rate swap hedges		9,152	(4,515)
Transaction costs of borrowings		(2,130)	(2,332)
Total		366,451	408,135

Long-term notes issued by the Group predominantly carry fixed rates of interest and are governed by covenants contained in the relevant agreements. Such covenants include maintaining certain minimum levels of net worth and operating below a maximum leverage ratio.

15. DEFERRED FEES

$000s	*December 31, 2014*	*June 30, 2014 (Audited) restated*
Deferred fee from investee companies	6,040	6,442
Deferred fee relating to placements	85,852	76,292
Total	91,892	82,734

16. SHARE CAPITAL AND RESERVES

The Bank's share capital at the balance sheet date is as follows:

	December 31, 2014			*June 30, 2014 (Audited)*		
	No. of shares	**Par value $**	**$000**	No. of shares	Par value $	$000
Authorized share capital						
- Ordinary shares	4,000,000	250	1,000,000	4,000,000	250	1,000,000
- Preference and other shares	1,000,000	1,000	1,000,000	1,000,000	1,000	1,000,000
			2,000,000			2,000,000
Issued share capital						
- Ordinary shares	800,000	250	200,000	800,000	250	200,000
- Preference shares*	327,926	1,000	327,926	394,889	1,000	394,889
			527,926			594,889

* Includes 3,667 preference shares which represent forfeited shares allocated to employees

Capital management

The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (BIS rules / ratios) as adopted by the Central Bank of Bahrain (see Note 20).

Preference share capital

66,963 preference shares have been either called or purchased during the period ended December 31, 2014 for an aggregate purchase price of $67.7 million, resulting in 324,259 (June 30, 2014: 391,222) issued preference shares reported as part of equity.

17. EARNINGS PER SHARE

The Group's basic and fully diluted earnings per share are as follows:

$000s	***6 months July - December 2014***	*6 months July - December 2013 (restated)*
Net income attributable to ordinary shareholders	45,341	43,336
Weighted average ordinary shares for basic earnings per ordinary share	621,443	600,738
Basic earnings per ordinary share - on weighted average shares *($)*	73	72
Weighted average ordinary shares for fully diluted earnings per ordinary shares	637,481	619,001
Fully diluted earnings per ordinary share - on weighted average diluted shares *($)*	71	70

18. DERIVATIVE FINANCIAL INSTRUMENTS

The table below summarizes the Group's derivative financial instruments outstanding at December 31, 2014 and June 30, 2014:

Description $000s	December 31, 2014			June 30, 2014 (Audited)		
	Notional value	Positive fair value*	Negative fair value*	Notional value	Positive fair value*	Negative fair value
A) HEDGING DERIVATIVES						
Currency risk being hedged using forward foreign exchange contracts						
i) Fair value hedges						
On balance sheet exposures	336,095	52	(9,369)	356,293	2,741	-
ii) Cash flow hedges						
Coupon on long-term debt	64,695	-	(6,099)	68,560	529	-
Total forward foreign exchange contracts	400,790	52	(15,468)	424,853	3,270	-
Interest rate risk being hedged using interest rate swaps						
i) Fair value hedges - fixed rate debt	718,881	55,269	(3,501)	785,323	52,007	(7,355)
ii) Cash flow hedges - floating rate debt	425,000	22	(4,040)	75,000	-	(3,621)
Total interest rate hedging contracts	1,143,881	55,291	(7,541)	860,323	52,007	(10,976)
Total hedging derivatives	1,544,671	55,343	(23,009)	1,285,176	55,277	(10,976)
B) OTHER DERIVATIVES						
Interest rate swaps	410,728	12,657	(12,585)	343,260	10,468	(10,547)
Forward foreign exchange contracts	405,623	4,663	(2,427)	369,593	821	(1,517)
Currency options	1,500	-	-	2,700	-	-
Cross currency swaps	265,153	1,090	(3,520)	290,602	4	(2,117)
Total other derivatives	1,083,004	18,410	(18,532)	1,006,155	11,293	(14,181)
TOTAL - DERIVATIVE FINANCIAL INSTRUMENTS	**2,627,675**	**73,753**	**(41,541)**	**2,291,331**	**66,570**	**(25,157)**

** Net collateral funded by the Group amounting to $3.9 million has been taken against the fair values above (June 30, 2014: Collateral received by the Group amounting to $13.8 million has been taken against the fair values).*

19. COMMITMENTS AND CONTINGENT LIABILITIES

$000s	December 31, 2014	June 30, 2014 (Audited)
Investment commitments to closed-end funds	30,943	36,340
Other investment commitments	2,011	2,011
Total investment commitments	32,954	38,351
Non-cancelable operating leases	23,416	35,163
Guarantees and letters of credit issued to third parties	3,616	3,616

Investment related commitments represent the Group's unfunded co-investment commitments to various corporate and real estate investment funds.

Non-cancelable operating leases relate to the Group's commitments in respect of its New York and London office premises.

Guarantees and letters of credit issued to third parties include financial guarantees provided to facilitate investee companies' on-going operations and leasing of equipment and facilities.

In addition, the Group has also issued indemnification letters and back stop guarantees in support of performance obligations of operating partners and investee companies in relation to real estate investments, which are covered under the Group's Errors and Omissions insurance policy.

The Group is engaged in litigation cases in various jurisdictions. The litigation cases involve claims made by and against the Group which have arisen in the ordinary course of business. The management of the Group, after reviewing the claims pending against the Group companies and based on the advice of the relevant professional legal advisors, are satisfied that the outcome of these claims will not have a material adverse effect on the financial position of the Group.

20. REGULATORY CAPITAL ADEQUACY

The Group applies the Basel II framework regulations, as adopted by the CBB, on a consolidated basis to Investcorp Bank B.S.C. which is the entity licensed and regulated by the CBB.

For the assessment of the adequacy of regulatory capital, the Group has chosen the following approaches:

- standardized approach for credit risk and market risk
- basic indicator approach for operational risk

The following table outlines the corresponding Basel II Risk Weights by asset class

Asset class segment	Basel II Methodology December 31, 2014	Basel II risk weight December 31, 2014
Corporate investments	Standardized approach ('STA')	150%
Real estate investments	Standardized approach ('STA')	200%
Hedge funds	Standardized approach ('STA')	150%
CI and RE underwriting	Standardized approach ('STA')	100%
Operational risk	Basic indicator approach ('BIA')	15%

20. REGULATORY CAPITAL ADEQUACY (CONTINUED)

The table below summarizes the regulatory capital and the risk asset ratio calculation in line with the rules set out above. Following CBB guidelines, all co-investment activities are subject to a Banking Book credit risk framework, whereas foreign exchange risk comprises most of the Trading Book market risk.

$000s	***December 31, 2014***	*June 30, 2014 (restated)*
Tier 1 capital	763,854	908,976
Tier 2 capital	49,512	4,223
Regulatory capital base under Basel II (a)	813,366	913,199

Risk weighted exposure ***$000s***	***Principal / Notional amounts*** ***December 31, 2014***	***Risk weighted equivalents*** ***December 31, 2014***	*Principal / Notional amounts* *June 30, 2014 (restated)*	*Risk weighted equivalents* *June 30, 2014 (restated)*
Credit risk				
Claims on sovereigns	67	-	67	-
Claims on banks	159,572	76,986	154,539	74,492
Claims on corporates	360,335	300,113	374,264	314,918
Co-investments (including underwriting)	1,410,595	2,082,558	1,629,614	2,412,750
Other assets	42,755	42,635	45,258	45,258
Off-balance sheet items				
Commitments and contingent liabilities	59,986	23,172	77,130	30,365
Derivative financial instruments	2,627,675	58,125		42,838
Credit risk weighted exposure		2,583,589		2,920,621
Market risk				
Market risk weighted exposure		617		599
Operational risk				
Operational risk weighted exposure		335,737		335,737
Total risk weighted exposure ***(b)***		2,919,943		3,256,957
Risk asset ratio ***(a) / (b)***		**27.9%**		**28.0%**
Minimum required as per CBB regulatory guidelines under Basel II		**12.0%**		**12.0%**
Capital cushion over minimum required as per CBB guidelines		462,973		522,364

The regulatory capital base under Basel II consists of:

($000)	**December 31, 2014**		**June 30, 2014 (Restated)**	
	Tier 1	**Tier 2**	**Tier 1**	**Tier 2**
Issued and fully paid up ordinary and preference shares*	366,225	-	433,010	-
Reserves				
Share premium	111,498	-	115,907	-
Statutory reserves	100,000	-	100,000	-
Retained earnings**	205,403	-	268,577	-
Unrealized gross losses on available for sale investments	(2,535)	-	(2,535)	-
Unrealized cash flow hedge reserves	(16,737)	-	(5,983)	-
Total interim profits (reviewed by external auditors)		45,341		-
Revaluation reserve on premises and equipment (a)		5,249	-	5,364
Unrealized gross gains on available for sale investments (b)		4,020	-	4,020
Less: regulatory deductions [55% deduction on (a) and (b)]		(5,098)	-	(5,161)
Total tier 1 and tier 2 capital	**763,854**	**49,512**	**908,976**	**4,223**

** net of treasury shares / ** includes proposed appropriations*

Fair value unrealized losses on FVTPL investments amounting to $126.9 million (June 30, 2014: $17.3 million) are reflected in retained earnings, which is part of Tier 1 Capital.

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Group's financial assets and liabilities on the interim consolidated balance sheet are not materially different from their carrying values except for certain liabilities carried at amortized cost. The fair value of medium and long-term debt amounts to $772.0 million (June 30, 2014: $892.9 million) as compared to carrying value of $791.9 million (June 30, 2014: $907.8 million). The fair value of medium and long term debt is based on inputs from third party banks and falls under Level 3 of the fair value hierarchy disclosure under IFRS 7.

During the period ended December 31, 2014 and the year ended June 30, 2014, there were no transfers of instruments between level 1, 2 and 3 of the fair value measurement hierarchy. Further, hedge fund exposure of $61.0 million (June 30, 2014: $80.1 million) is comprised of illiquid side pocket investments which are classified as level 3. The year to date fair value changes on this hedge fund exposure amounted to a loss of $1.8 million and the net redemptions amounted to $17.3 million (June 30: 2014: year to date gain of $8.2 million and the net redemptions amounted to $16.0 million).

The fair values of financial assets that are traded in active markets are based on quoted market prices or dealer price quotations.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

December 31, 2014 ***$000s***	***Level 1***	***Level 2***	***Level 3***	***Total***
Financial assets				
Positive fair value of derivatives	-	73,753	-	73,753
Co-investments				
Hedge funds	-	378,374	61,012	439,386
Corporate investment	5,218	-	698,700	703,918
Real estate investment	-	-	106,238	106,238
Total financial assets	5,218	452,127	865,950	1,323,295
Financial liabilities				
Negative fair value of derivatives	-	41,541	-	41,541
Total financial liabilities	-	41,541	-	41,541

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

June 30, 2014 $000s (Audited)	Level 1	Level 2	Level 3	Total
Financial assets				
Positive fair value of derivatives	-	66,570	-	66,570
Co-investments				
Hedge funds	-	396,347	80,071	476,418
Corporate investment	5,107	-	884,830	889,937
Real estate investment	-	-	103,288	103,288
Total financial assets	5,107	462,917	1,068,189	1,536,213
Financial liabilities				
Negative fair value of derivatives	-	25,157	-	25,157
Total financial liabilities	-	25,157	-	25,157

A reconciliation of the opening and closing amounts of Level 3 co-investment in corporate investment and real estate investment is given below:

6 months to December 31, 2014 $000s	At beginning	Net new acquisitions	Fair value movements	Movements relating to realizations / placements	Other movements**	At end
CI co-investments	884,830	10,466	(2,386)	(138,970)	(55,240)	698,700
RE co-investments	103,288	3,168	(2,802)	(2,014)	4,598	106,238
Total	**988,118**	**13,634**	**(5,188)**	**(140,984)**	**(50,642)**	**804,938**

**Other movements include add-on funding and foreign currency translation adjustments

12 months to June 30, 2014 (Audited) $000s	At beginning	Net new acquisitions	Fair value movements*	Movements relating to realizations / placements	Other movements**	At end
CI co-investments	824,734	58,686	20,300	(42,423)	23,533	884,830
RE co-investments	120,081	20,700	(20,762)	(15,921)	(810)	103,288
Total	**944,815**	**79,386**	**(462)**	**(58,344)**	**22,723**	**988,118**

* includes $1.2 million fair value loss in available for sale investments
**Other movements include add-on funding and foreign currency translation adjustments

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The table below summarizes the sensitivity of the Group's co-investments in CI and RE to changes in multiples / discount rates / quoted bid prices.

December 31, 2014 $000s	***Factor***	***Change***	***Balance sheet exposure***	***Projected Balance sheet Exposure***		***Impact on Income***	
				For increase	For decrease	For increase	For decrease
CI co-investments	EBITDA Multiples	+/- 0.5x	627,627	708,873	546,680	81,246	(80,947)
	Revenue Multiples	+/- 0.5x	12,428	13,620	11,236	1,192	(1,192)
	Quoted bid price	+/- 1%	5,218	5,270	5,166	52	(52)
RE co-investments	Capitalization Rate	+/- 1%	106,238	133,516	84,169	27,278	(22,069)

June 30, 2014 $000s	***Factor***	***Change***	***Balance sheet exposure***	***Projected Balance sheet Exposure***		***Impact on Income***	
				For increase	For decrease	For increase	For decrease
CI co-investments	EBITDA Multiples	+/- 0.5x	820,811	919,428	728,874	98,617	(91,937)
	Revenue Multiples	+/- 0.5x	5,192	5,562	4,348	370	(844)
	Quoted bid price	+/- 1%	5,107	5,158	5,056	51	(51)
RE co-investments	Capitalization Rate	+/- 1%	103,228	126,742	85,110	23,454	(18,178)

22. SEGMENT REPORTING

As at December 31, 2014, the business segments and the basis of reporting information for these segments have remained the same as for the year ended June 30, 2014.

A. INTERIM CONSOLIDATED STATEMENT OF INCOME BY REPORTING SEGMENTS

The interim consolidated statements of income for the six months ended December 31, 2014 and December 31, 2013 by reporting segments are as follows:

$000s	*July - December 2014*	*July - December 2013 (restated)*
FEE BUSINESS		
AUM fees		
Hedge funds	10,287	15,160
Corporate investment	38,275	31,947
Real estate investment	5,714	2,458
Total AUM fees	54,276	49,565
Deal fees		
Hedge funds	-	3,737
Corporate investment	83,588	83,709
Real estate investment	18,794	17,274
Total deal fees	102,382	104,720
Treasury and other asset based income	1,438	1,173
Gross income attributable to fee business (a)	158,096	155,458
Provisions for impairment	(1,485)	(1,529)
Interest expense	(15,699)	(18,959)
Operating expenses attributable to fee business (b)	(72,517)	(77,438)
NET FEE BUSINESS INCOME (c)	68,395	57,532
CO-INVESTMENT BUSINESS		
Asset based income		
Hedge funds	(10,341)	17,913
Corporate investment	654	(9,619)
Real estate investment	5,614	(5,604)
Gross income attributable to co-investment business (d)	(4,073)	2,690
Interest expense	(13,291)	(11,839)
Operating expenses attributable to co-investment business (e)	(5,690)	(5,047)
NET CO-INVESTMENT BUSINESS INCOME (f)	(23,054)	(14,196)
NET INCOME (c) + (f)	45,341	43,336
Gross operating income (a) + (d)	154,023	158,148
Gross operating expenses (b) + (e)	(78,207)	(82,485)

Revenue reported above represents revenue generated from external customers. There were no inter-segmental revenues during the current period (6 months to December 31, 2013: Nil).

22. SEGMENT REPORTING (CONTINUED)

B. INTERIM CONSOLIDATED BALANCE SHEET BY REPORTING SEGMENTS

The interim consolidated balance sheets as at December 31, 2014 and June 30, 2014 by reporting segment are as follows:

December 31, 2014 *$000s*	*Co-investment Business*	*Fee Business*	*Total*
Assets			
Cash and short-term funds	-	73,870	73,870
Placements with financial institutions and other liquid assets	-	159,523	159,523
Positive fair value of derivatives	-	73,753	73,753
Receivables and prepayments	8,678	211,053	219,731
Advances	-	118,373	118,373
Underwritten investments			
Corporate investment	-	49,346	49,346
Real estate investment	-	64,969	64,969
Co-investments - retention			
Hedge funds	439,386	-	439,386
Corporate investment	724,407	-	724,407
Real estate investment	132,487	-	132,487
Premises, equipment and other assets	-	43,297	43,297
Total assets	1,304,958	794,184	2,099,142
Liabilities and Equity			
Liabilities			
Call accounts	-	126,256	126,256
Term and institutional borrowings	-	93,088	93,088
Payables and accrued expenses	11,606	146,859	158,465
Negative fair value of derivatives	-	41,541	41,541
Medium-term debt	187,394	215,591	402,985
Long-term debt	366,451	-	366,451
Deferred fees		91,892	91,892
Total liabilities	565,451	715,227	1,280,678
Total equity	739,507	78,957	818,464
Total liabilities and equity	1,304,958	794,184	2,099,142

22. SEGMENT REPORTING (CONTINUED)

B. INTERIM CONSOLIDATED BALANCE SHEET BY REPORTING SEGMENTS (CONTINUED)

June 30, 2014 *$000s* *(Audited)* *restated*	*Co-investment Business*	*Fee Business*	*Total*
Assets			
Cash and short-term funds	-	101,262	101,262
Placements with financial institutions and other liquid assets	-	125,944	125,944
Positive fair value of derivatives	-	66,570	66,570
Receivables and prepayments	6,056	200,253	206,309
Advances	-	128,832	128,832
Underwritten investments			
Corporate investment	-	85,809	85,809
Real estate investment	-	26,563	26,563
Co-investments - retention			
Hedge funds	476,418	-	476,418
Corporate investment	910,807	-	910,807
Real estate investment	130,017	-	130,017
Premises, equipment and other assets	-	45,591	45,591
Total assets	1,523,298	780,824	2,304,122
Liabilities and Equity			
Liabilities			
Call accounts	-	95,831	95,831
Term and institutional borrowings	-	135,683	135,683
Payables and accrued expenses	16,978	147,079	164,057
Negative fair value of derivatives	-	25,157	25,157
Deposits from clients - medium term	-	-	-
Medium-term debt	271,098	203,067	474,165
Long-term debt	408,135	-	408,135
Deferred fees	-	82,734	82,734
Total liabilities	696,211	689,551	1,385,762
Total equity	827,087	91,273	918,360
Total liabilities and equity	1,523,298	780,824	2,304,122

23. RELATED PARTY TRANSACTIONS

For the Group, related parties include its investee companies, companies that hold clients' investments (clients' investment holding companies), client fund companies associated with hedge funds and SIPCO Limited.

It also includes major shareholders, directors and senior management of the Bank, their immediate families and entities controlled, jointly controlled or significantly influenced by such parties. Income is earned or expense is incurred in the Group's transactions with such related parties in the ordinary course of business. The Group's management approves the terms and conditions of all related party transactions.

Although these companies are being classified as related parties, the Group administers and manages the companies that hold clients' investments on a fiduciary basis on behalf of its clients who are third parties and are the beneficiaries of a majority of the economic interest from the underlying investments of these companies. As a result, the true nature of the Group's transactions with these companies is effectively at commercial terms as specified under pre-determined management agreements.

The income earned and expenses incurred in connection with related party transactions included in these interim condensed consolidated financial statements are as follows:

$000s		***Jul 2014 - Dec 2014***	*Jul 2013 - Dec 2013 (restated)*
AUM fees	Investee and client companies	37,156	44,709
Deal fees	Investee and client companies	67,226	76,269
Asset based income	Investee companies	10,677	9,981
Interest expense	Client companies	-	(4)

The balances with related parties included in these interim condensed consolidated financial statements are as follows:

	December 31, 2014			*June 30, 2014 (restated)*		
$000s	***Assets***	***Liabilities***	***Off-balance sheet***	*Assets*	*Liabilities*	*Off-balance sheet*
Outstanding balances						
Strategic shareholders	4,825	15,918	-	4,825	14,257	-
Investee companies	55,901	-	-	55,399	-	-
Investment holding companies	109,551	87,322	30,943	152,002	60,142	36,340
Client fund companies associated with the HFP	13,448	-	-	15,821	-	-
Directors and senior management	1,151	549	-	1,123	750	-
	184,876	103,789	30,943	229,170	75,149	36,340

24. CYCLICALITY OF ACTIVITIES

The Group's income is comprised predominantly of revenues generated from direct investment and advisory services relating to investment activities. The main components of this revenue arise during the acquisition, placement and exit processes of corporate and real estate investments which may not be earned evenly during the fiscal period. Furthermore, the value development cycle for a given investment usually occurs over a longer time period and the revenues generated from that process are not spread evenly over the period. Consequently, the short-term operating result may not necessarily be indicative of the long-term operating result.