

*Additional Disclosures Required under Module PD of the  
Central Bank of Bahrain Rule Book*

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For the six month period ended December 31, 2018

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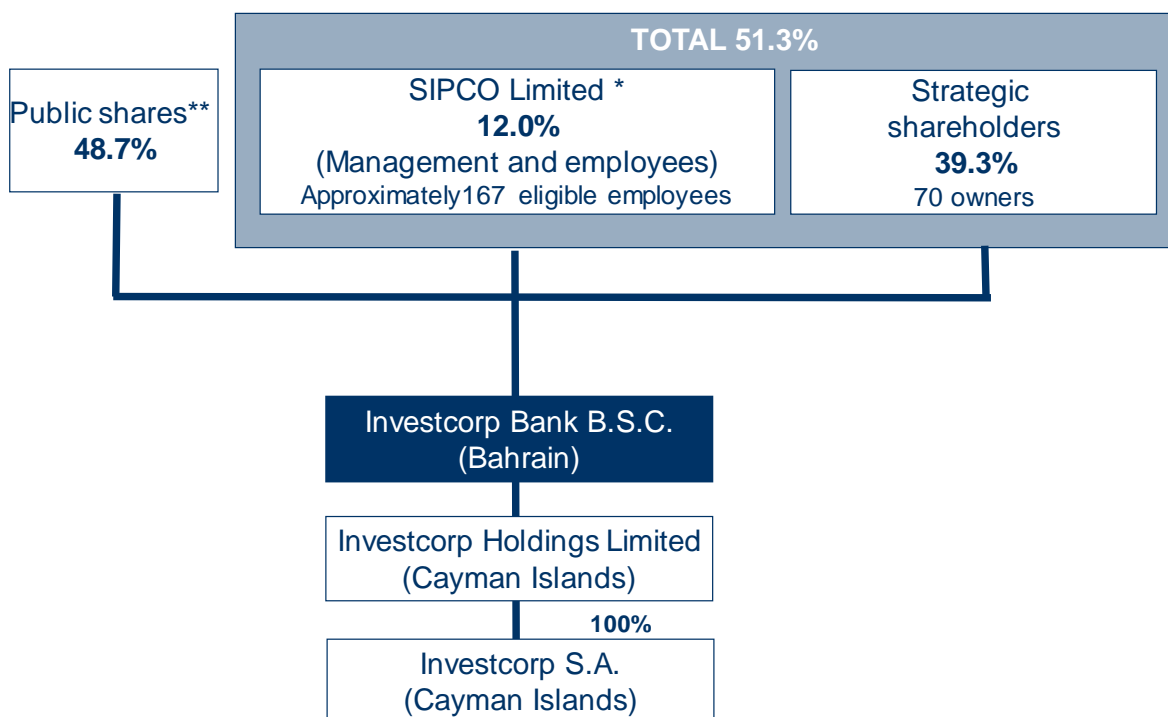
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*Note: figures in this document may not reconcile due to rounding*

# OWNERSHIP STRUCTURE

## Shareholder base

At December 31, 2018, Investcorp remains a management controlled company, with management, in concert with strategic shareholders, controlling the voting of 51.3% of Investcorp’s ordinary shares. The public float of 48.7% is split between owners holding 48.3% in ordinary shares on the Bahrain Bourse and 0.04% of beneficial ownership through unlisted Global Depositary Receipts (“GDRs”).



\*Includes 0.98% shares granted but not acquired under the various Employee Share Ownership Plans. The Bank has approval from the Central Bank of Bahrain "CBB" to hold up to 40% of its shares for various Employee Share Ownership Plans. On the balance sheet these shares are accounted for as the equivalent of treasury shares.

\*\* Includes 0.04% beneficial ownership held in the form of unlisted Global Depositary Receipts (GDRs)

## Share ownership

All of the information provided in this section is as of December 31, 2018.

The table below shows the distribution by nationality of the holders of the 48.7% of Investcorp Bank's Ordinary Shares that are held by public shareholders, including a stake of 9.99% held by Konoz Securities Company SPC and a stake of 20% held indirectly by Mubadala Development Company PJSC.

Nationality	Number of shares	Ownership %
American	22,913	0.0%
Bahraini	11,655,664	14.6%
British	205,700	0.3%
Cayman	846,200	1.1%
Emarati	16,945,200	21.1%
JORDANIAN	700	0.0%
Kuwaiti	1,524,900	1.9%
Lebanese	47,300	0.1%
Omani	441,362	0.6%
Qatari	1,335,700	0.0%
Saudi	5,811,900	1.6%
Spaniard	10,000	7.3%
Swiss	99,000	0.0%
Virgin Islands, British	44,600	0.1%
<b>Total</b>	<b>38,991,139</b>	<b>48.7%</b>

The table below shows the distribution by nationality of the holders of Investcorp Bank's Preference Shares.

Nationality	Number of shares	Ownership %
Bahraini	11,688	9.5%
British	857	0.7%
Canadian	367	0.3%
Cayman Islander	49,618	40.3%
Emarati	1,427	1.2%
French	357	0.3%
Indian	178	0.1%
Jordanian	287	0.2%
Kuwaiti	43,462	35.3%
Lebanese	178	0.1%
New Zealand	54	0.0%
Omani	6,471	5.3%
Qatari	1,230	1.0%
Saudi	4,535	3.7%
Swiss	2,173	1.8%
Syrian	357	0.3%
<b>Total</b>	<b>123,239</b>	<b>100%</b>

The tables below show the distribution of ownership of Investcorp Bank's Ordinary Shares and Preference Shares by size of shareholding.

Ordinary shares	No. of shares	No. of shareholders	% of total
Less than 1%	14,891,139	272	18.6%
1% Up to less than 5%	-	-	-
5% Up to less than 10%	7,833,561	1	9.8%
10% Up to less than 20%	8,000,000	1	0
More than 20%	49,275,300	2	61.5%
<b>Total</b>	<b>80,000,000</b>	<b>276</b>	<b>100%</b>

Preference shares	No. of shares	No. of shareholders	% of total
Less than 1%	15,131	52	12.3%
1% Up to less than 5%	16,471	6	13.4%
5% Up to less than 10%	8,918	1	7.2%
10% Up to less than 20%	20,127	1	16.3%
More than 20%	62,592	2	50.8%
<b>Total</b>	<b>123,239</b>	<b>62</b>	<b>100%</b>

As disclosed in the Annual Report for Fiscal Year 2018, members of Investcorp's senior management (Investcorp's Managing Directors) hold beneficial interests in Investcorp Bank's Ordinary Shares through Investcorp Employee Share Ownership Plans. No current member of senior management of Investcorp directly owns any Ordinary Shares. Certain members of senior management hold Investcorp Bank Preference Shares.

The table below shows the number of Ordinary Shares held by Directors. There was no trading in Ordinary Shares by Directors in H1 FY19.

Shareholder name	Number of shares
Abdullah M. Alireza	10,700
Abdullah Mohammed Mazrui	22,900
Mazrui Investments LLC (a)	100,000
Khalid Rashid Al Zayani	19,900
Al Zayani Investments W.L.L. (b)	228,200
Farouk Yousuf Khalil Almoayyed	33,400
Y K A Estates Corporation (c)	40,500
Hussain Ibrahim Hasan Al-Fardan	10,700
Perlier Financial Investment Company(d)	215,800
<b>Total</b>	<b>682,100</b>

(a) Investment holding company of Mr. Mazrui

(b) Investment holding company of Mr. Al Zayani

(c) Investment holding company of Mr. Almoayyed

(d) Investment holding company of Mr. Al-Fardan

In addition to the shares listed above, certain of the Directors own shares in holding companies that, in turn, hold indirect interests in an aggregate of 1,166,222 Ordinary Shares.

The table below shows the number of Preference Shares held by Directors and certain members of Investcorp's senior management at December 31, 2018. There was no trading in the Preference Shares by Directors or members of senior management.

Shareholder name	Number of shares
Farouk Yousuf Khalil Almoayyed	357
Perlier Financial Investment Company (a)	713
H.E. Mohammed Bin Mahfoodh Al Ardhi	357
Al Zayani Investments W.L.L.(b)	178
Grahame Ivey	8
<b>Total</b>	<b>1,613</b>
(a) Investment holding company of Mr. Al-Fardan	
(b) Investment holding company of Mr. Al Zayani	

As of December 31, 2018, the Board of Directors remuneration is nil. The remuneration in respect of Fiscal Year 2019 will be subject to the approval of the Executive Committee for Administrative Policy of the Board of Directors, which functions as a remuneration committee, the Board of Directors and ultimately the shareholders of Investcorp at Investcorp's annual Ordinary General Meeting of Shareholders.

## RISK MANAGEMENT

Risk management is an integral part of the corporate decision-making process of Investcorp Bank and its consolidated subsidiaries (the “Investcorp Group” or the “Group”). The Financial and Risk Management Committee (“FRMC”) oversees the Group’s risk management activities, and sets the Group’s risk profile on an enterprise wide basis. The FRMC is comprised of members of senior management drawn from all key areas of the Group.

The principal risks associated with the Group’s business, and the related exposures, are detailed below, in line with the methodology adopted for disclosures as at June 30, 2018.

### Counterparty credit risk

The Group is exposed to counterparty credit risk on its short term funds, placements, fair value of derivatives, receivables, advances, debt investments and guarantees. The Group manages counterparty credit risk by setting credit limits for all counterparties. The Group also monitors credit exposures, and continually assesses the creditworthiness of counterparties.

The table below analyses the Group’s maximum counterparty credit risk exposures at the balance sheet date of December 31, 2018 without taking into account any credit enhancements.

December 31, 2018. (\$m)	Neither past due nor impaired (a)		Past due but not impaired (b)	Impaired*** (c)	Provisions (d)	Maximum credit risk (a+b+c+d)
	Stage 1		Stage 2	Stage 3		
	Credit risk rating					
	High*	Standard**				
Short-term funds	9	97	-	-	0	106
Placements with financial institutions and other liquid assets	206	175	-	-	0	381
Positive fair value of derivatives	8	30	-	-	-	38
Receivables	-	133	29	12	(12)	162
Advances	-	98	-	12	(16)	94
Co-investments - debt	-	375	-	-	(1)	374
Guarantees	-	10	-	-	-	10
<b>Total</b>	<b>223</b>	<b>918</b>	<b>29</b>	<b>24</b>	<b>(29)</b>	<b>1,165</b>

\* High - there is a very high likelihood of the asset being recovered in full and collateral may be available

\*\* Standard – whilst there is a high likelihood that the asset will be recovered and therefore, represents low risk to the Group, the asset may not be collateralized

\*\*\* Fair value of collaterals relating to impaired exposures is nil



The aging analysis of the past due but not impaired financial assets is given in the table below.

December 31, 2018 (\$m)	
Up to 3 months	17
> 3 up to 6 months	2
> 6 months up to 1 year	9
Over 1 year	1
<b>Total</b>	<b>29</b>

The tables below show the breakdown of provisions by geographical region and industry sector.

December 31, 2018 (\$m)	
<b>Geographical Region</b>	
North America	28
Europe	1
<b>Total</b>	<b>29</b>

December 31, 2018 (\$m)	
<b>Industry Sector</b>	
Banking and Finance	4
Real estate	25
<b>Total</b>	<b>29</b>

## Funding liquidity risk

Funding liquidity risk is the risk that the Group will be unable to fund increases in assets and meet obligations when they fall due, without incurring unacceptable losses. To mitigate this risk, the Group implements a comprehensive liquidity risk management framework, which includes use of risk limits, monitoring systems and scenario analyses that are incorporated into a contingency funding plan.

The table below summarizes the maturity profile of the Group's assets and liabilities as at the balance sheet date based on expected realizations.

December 31, 2018 (\$m)	Up to 3 months	>3 months up to 1 year	Sub-Total up to 1 year	>1 year up to 5 years	>5 years up to 10 years	>10 years up to 20 years	Non-cash Items	Total
<b>Assets</b>								
Cash and short-term funds	106	-	106	-	-	-	-	106
Placement with financial institutions and other liquid assets	377	4	381	-	-	-	-	381
Positive fair value of derivatives	3	4	7	-	-	31	-	38
Receivables and prepayments	71	3	74	88	-	-	49	211
Advances	-	22	22	72	-	-	-	94
Underwritten investments	342	-	342	-	-	-	-	342
<b>Co-investments</b>								
Private equity investment	-	147	147	445	-	-	-	592
Credit management investment	5	15	20	119	159	-	-	298
Absolute return investments	42	81	123	35	-	-	-	158
Real Estate Investment	-	-	-	74	-	-	-	74
Investment in Associates	-	-	-	-	-	35	-	35
Premises, equipment and other assets	-	-	-	-	-	-	35	35
Intangible assets	-	-	-	-	-	-	54	54
<b>Total assets</b>	<b>946</b>	<b>276</b>	<b>1,222</b>	<b>833</b>	<b>159</b>	<b>66</b>	<b>138</b>	<b>2,418</b>
<b>Liabilities</b>								
Call accounts	222	-	222	168	-	-	-	390
Term and institutional accounts	42	42	84	67	-	-	-	151
Payables and accrued expenses	41	32	73	17	-	-	-	90
Negative fair value of derivatives	3	3	6	-	-	11	-	17
Medium-term debt	-	110	110	-	-	-	-	110
Long-term debt	-	-	-	-	62	415	-	477
Deferred fees	-	-	-	-	-	-	58	58
<b>Total liabilities</b>	<b>308</b>	<b>187</b>	<b>495</b>	<b>252</b>	<b>62</b>	<b>426</b>	<b>58</b>	<b>1,293</b>
<b>Net gap</b>	<b>638</b>	<b>89</b>	<b>727</b>	<b>581</b>	<b>97</b>	<b>(360)</b>	<b>80</b>	
<b>Cumulative liquidity gap*</b>	<b>638</b>	<b>727</b>	<b>727</b>	<b>1,308</b>	<b>1,405</b>	<b>1,045</b>	<b>1,125</b>	

\* Does not take in to account the \$673 million undrawn revolvers

## Contractual maturity of financial liabilities on an undiscounted basis

The table below presents the cash flows payable by the Group relating to its financial liabilities and derivatives upon their respective earliest contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows (i.e. nominal plus interest) determined by using the forward yield curve for the relevant periods. However, the Group manages the inherent funding liquidity risk based on future cash flows discounted to present values.

December 31, 2018 (\$m)	Up to 3 months	>3 months up to 1 year	>1 year up to 5 years	>5 years up to 10 years	>10 years up to 20 years	Total
<b>Financial liabilities</b>						
Call accounts	224	3	179	-	-	406
Term and institutional accounts	43	44	71	-	-	158
Payables and accrued expenses	41	32	17	-	-	90
Medium-term debt	-	133	-	-	-	133
Long-term debt	8	8	64	100	468	648
	316	220	331	100	468	1,435
<b>Derivatives:</b>						
Contracts settled on a gross basis:						
Contractual amounts payable	1,035	205	-	-	-	1,240
Contractual amounts receivable	(1,039)	(214)	-	-	-	(1,253)
Contracts settled on a net basis:						
Contractual amounts payable (receivable)	(4)	(5)	(32)	(33)	(9)	(83)
Commitments	108	5	25	-	-	138
<b>Total undiscounted financial liabilities</b>	<b>416</b>	<b>211</b>	<b>324</b>	<b>67</b>	<b>459</b>	<b>1,477</b>

## Concentration risk

Concentration risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. The Group's policies and procedures and the broad geographical and industry spread of its activities limit its exposure to any concentration risk. Additionally management has established credit limits for geographic and counterparty exposures, which are monitored on a daily basis.

The table below shows the distribution of credit concentration exposures of debt-like investments, other credit-based assets and off-balance sheet guarantees by geographical and industry sector as at the balance sheet date:

December 31, 2018 (\$m)	Assets exposed to credit risk	Off-balance sheet exposed to credit risk	Total credit risk exposure
<b>Industry Sector</b>			
Banking and Finance	939	-	939
Consumer products	43	-	43
Consumer services	28	-	28
Industrial / business services	18	10	28
Industrial products	52	-	52
Real estate	43	-	43
Technology and Telecom	32	-	32
<b>Total</b>	<b>1,155</b>	<b>10</b>	<b>1,165</b>

December 31, 2018 (\$m)	Assets exposed to credit risk	Off-balance sheet exposed to credit risk	Total credit risk exposure
<b>Geographical Region</b>			
North America	781	-	781
Europe	346	10	356
Middle East	20	-	20
Others	8	-	8
<b>Total</b>	<b>1,155</b>	<b>10</b>	<b>1,165</b>

## Market price risk

The principal market related risks to which the Group is exposed are foreign currency risk, interest rate risk and equity price risk associated with its co-investments in absolute return investment, private equity investment and real estate investments, as well as on its debt financings. For the purpose of managing market price risks, the Group has established appropriate procedures and limits approved by the Board of Directors. In addition, for internal risk assessments, the Group uses a variety of internal models to analyze the market price risks that may arise from adverse market movements.

Market price risk as at the balance sheet date is detailed below under (a) foreign currency risk, (b) interest rate risk and (c) equity price risk.

### (a) Foreign currency risk

The Group's significant net hedged and un-hedged foreign currency positions are set out below:

December 31, 2018 (\$m)		
Long (Short)	Net hedged exposure	Net unhedged exposure
Bahraini Dinar*	-	24
Euro	189	(1)
Pounds Sterling	11	(0)
Swiss Franc	(81)	0
Japanese Yen	(342)	0
	(223)	23

\* Currency exchange rate currently pegged against the US Dollar.

The Group utilizes forward foreign exchange contracts and foreign exchange derivatives to manage its exposure to fluctuations in foreign exchange rates. Positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established exposure and Value at Risk (“VaR”) risk limits. The following table summarizes the 99% confidence level over a one day holding period VaR for the Group’s foreign currency exposures.

December 31, 2018 (\$000s)	
Average FX VaR	9
Year end FX VaR	6
Maximum FX VaR	46
Minimum FX VaR	3

## (b) Interest rate risk

The following table depicts the sensitivity of the Group's net income to a 200 basis points possible change in interest rates, with all other variables held constant. The sensitivity is based on the floating rate financial assets and financial liabilities (including items hedged back to floating rate) held at the balance sheet date.

December 31, 2018 (\$m)	Sensitivity to net income for +200 basis points	Sensitivity to net income for -200 basis points
Currency		
Euro	(5)	1
Pounds Sterling	-	-
Japanese Yen	-	0
US Dollar	(1)	2
<b>Total</b>	<b>(6)</b>	<b>3</b>

a) Figures in parenthesis above represent loss.

b) The downside case of -200bps impact is calculated with the assumption that the yield curve will not go below 0%

## (c) Equity price risk

The Group's equity price risk arises primarily from its co-investments in absolute return investment, private equity investment and real estate investment.

### *Co-investments in private equity investment and real estate investment*

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

December 31, 2018 (\$m)	Factor	Change	Balance sheet exposure	Projected Balance sheet Exposure		Impact on Income	
				For increase	For decrease	For increase	For decrease
PE co-investments	EBITDA Multiples	+/- 0.5x	566	611	528	45	(38)
	Revenue Multiples	+/- 0.5x	5	5	5	0	0
	Quoted bid price	+/- 1%	6	6	6	0	0
				For decrease	For increase	For decrease	For increase
RE co-investments	Capitalization Rate	-/+ 1%	72	82	64	10	(8)

### *Co-investments in absolute return investment*

The Group manages the market price risk in its absolute return investment portfolio through its market risk management framework that uses the "Value at Risk" (VaR) technique. VaR techniques produce estimates of the potential negative change in the market value of a portfolio over a specified time horizon at given confidence levels. The table below sets out the VaR, at a 99% confidence level and a one-month time horizon, for the Group's absolute return investment gross exposure.

December 31, 2018 (\$m)	
Average VaR	3
Year end VaR	2
Maximum VaR	3
Minimum VaR	2

# REGULATORY CAPITAL DISCLOSURES

The Group started applying the Basel III framework regulations, as adopted by the CBB during the current fiscal year, on a consolidated basis for Investcorp Bank B.S.C. which is the entity licensed and regulated the Central Bank of Bahrain (“CBB”). Below are the disclosures required under CBB guidelines:

## Reconciliation of regulatory capital

(i) Step 1: Disclosure of balance sheet under regulatory scope of consolidation

There are no differences between the regulatory and accounting consolidation, with both following the line by line consolidation approach as per the IFRS 10 Consolidated Financial Statements without excluding any entities.

(ii) Step 2: Expansion of the Balance Sheet under regulatory scope of consolidation

December 31, 2018 (\$m)	Balance as per published financial statements	Consolidated PIR data	Reference
<b>Assets</b>			
Cash and short-term funds	106	106	
Placements with financial institutions and other liquid assets	381	381	
Positive fair value of derivatives	38	38	
Receivables	174	174	
Advances	94	94	
Underwritten investments	342	342	
Co-investments - retention			
<i>Private equity investment</i>	591	591	
<i>Credit management investment</i>	298	298	
<i>Absolute return investments</i>	158	158	
<i>Real estate investment</i>	74	74	
Prepayments	36	36	
Premises, equipment and other assets	35	24	
Investment in an associate	35	35	
Intangible assets	54	-	
<i>Goodwill</i>	-	49	
<i>Other Intangibles**</i>	-	16	F
<b>Total assets</b>	<b>2,418</b>	<b>2,418</b>	
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Call accounts	390	390	
Term and institutional accounts	151	151	
Payables and accrued expenses	90	90	
Negative fair value of derivatives	17	17	
Medium-term debt	110	110	
Long-term debt	477	477	
Deferred fees	58	58	
<b>Total liabilities</b>	<b>1,293</b>	<b>1,293</b>	
<b>Equity</b>			
Paid-in-share capital			
<i>Of which form part of Common Equity Tier 1 (CET1)</i>			
Ordinary share capital	200	200	A1
Treasury shares	(16)	(16)	A2
Reserves and accumulated other comprehensive income			
<i>Of which form part of Common Equity Tier 1 (CET1)</i>			
Statutory reserve	100	100	C1
Share premium	227	227	C2
Fair value reserve	(12)	(12)	C3
Retained earnings	447	447	B1
Current interim cumulative net income	58	58	B2
Cash flow hedge reserve	(6)	(6)	C4
<i>Of which form part of Additional Tier 1 (AT1)</i>			
Preference share capital	123	123	D
Fixed asset revaluation reserve	5	5	E
<b>Total equity</b>	<b>1,125</b>	<b>1,125</b>	
<b>Total liabilities and equity</b>	<b>2,418</b>	<b>2,418</b>	

\*\*Regulatory adjustments on intangibles have been applied per CBB's transitional arrangements of phasing over the prescribed time period.



## Capital Composition Disclosure

December 31, 2018 (\$m)	PIR as on December 31, 2018	Amounts subject To Pre-2015 Treatment	Reference
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>			
Directly issued qualifying common share capital plus related stock surplus	184		A1+A2
Retained earnings	505		B1+B2
Accumulated other comprehensive income (and other reserves)	308		C1+C2+C3+C4
<b>CET1 capital before regulatory adjustments</b>	<b>997</b>		
<b>Less regulatory adjustments to CET 1</b>			
Intangibles	11	49	F
Goodwill	49		
Cash-flow hedge reserve	(6)		C4
<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>54</b>		
<b>Common Equity Tier 1 capital (CET1)</b>	<b>943</b>		
<b>Additional Tier 1 capital (AT1): instruments</b>			
Directly issued qualifying Additional Tier 1 instruments	123		D
<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>123</b>		
<b>Total regulatory adjustments to Additional Tier 1 capital</b>	<b>-</b>		
<b>Additional Tier 1 capital (AT1)</b>	<b>123</b>		
<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>1,066</b>		
<b>Tier 2 capital (T2)</b>			
Fixed asset revaluation reserve	5		E
General loan loss provisions	3		
<b>Tier 2 capital before regulatory adjustments</b>	<b>8</b>		
<b>Total regulatory adjustments to Tier 2 capital</b>	<b>-</b>		
<b>Tier 2 capital (T2)</b>	<b>8</b>		
<b>Total capital (TC = T1 + T2)</b>	<b>1,074</b>		
<b>Common Equity Tier 1 (CET1) / (RWE)</b>	<b>29.03%</b>		

Fair value unrealized losses on fair value investments amounting to \$86 million are reflected in retained earnings, which is part of Tier 1 Capital.

## Main features of Regulatory Capital Instruments

Investcorp Bank B.S.C. Regulatory Capital Instruments - Main features as of December 31, 2018					
	Ordinary Shares	Preference Shares			
		Series B Tranche 1	Series B Tranche 2	Series B Tranche 3	
1	Issuer	Investcorp Bank B.S.C.	Investcorp Bank B.S.C.	Investcorp Bank B.S.C.	Investcorp Bank B.S.C.
2	Unique identifier	ISIN: BH0004670806	Series B Tranche 1	Series B Tranche 2	Series B Tranche 3
3	Governing law of the instrument	Kingdom of Bahrain	Kingdom of Bahrain	Kingdom of Bahrain	Kingdom of Bahrain
<b>Regulatory treatment</b>					
4	Transitional CBB rules	Common Equity Tier 1	Additional Tier 1 Capital	Additional Tier 1 Capital	Additional Tier 1 Capital
5	Post-transitional CBB rules	Common Equity Tier 1	Additional Tier 1 Capital	Additional Tier 1 Capital	Additional Tier 1 Capital
6	Eligible at solo/group/group & solo	Group & Solo	Group & Solo	Group & Solo	Group & Solo
7	Instrument type	Ordinary Shares	Preferred Shares	Preferred Shares	Preferred Shares
8	Amount recognised in regulatory capital	USD 200m	USD 38.0m	USD 63.7m	USD 21.5m
9	Par value of instrument	USD 2.5	USD 1,000	USD 1,000	USD 1,000
10	Accounting classification	Shareholders' equity	Shareholders' equity	Shareholders' equity	Shareholders' equity
11	Original date of issuance	USD 50m Jun 1982	30-Jun-2009	15-Jul-2009	12-Aug-2009
		USD 50m Dec 1986			
		USD 100m Dec 2002			
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	NA	Yes	Yes	Yes
15	First optional call date and redemption amount	NA	30-Jun-2014	15-Jul-2014	12-Aug-2014
		NA	PAR call redemption	PAR call redemption	PAR call redemption
16	Subsequent call dates, if applicable	NA	Any date thereafter	Any date thereafter	Any date thereafter
<b>Dividends</b>					
17	Fixed or floating dividend	Floating	Fixed to first call, then floating	Fixed to first call, then floating	Fixed to first call, then floating
18	Dividend rate and any related index	Variable	12% to first call, now 12mth USD Libor +9.75%	12% to first call, now 12mth USD Libor +9.75%	12% to first call, now 12mth USD Libor +9.75%
19	Existence of a dividend stopper	NA	Yes	Yes	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA
30	Write-down feature	No	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation	Junior to all creditors and other obligations	Junior to all creditors and other obligations which are not pari-passu	Junior to all creditors and other obligations which are not pari-passu	Junior to all creditors and other obligations which are not pari-passu
36	Non-compliant transitioned features	No	No	No	No
37	If yes, specify non-compliant features	NA	NA	NA	NA

## SECURITISATION RELATED DISCLOSURES

The Group's exposure to Collateralized loan obligations ("CLO") as of December 31, 2018 is \$298.3 million which is carried in the banking book. Investcorp Group's securitisation exposures through the CLOs are through all the tranches from the senior notes to the unrated subordinated notes. Investcorp Group does not hold securitisation positions with trading intent or to hedge positions with trading intent. Investcorp Group has not established and does not manage any synthetic securitisation structures nor does it securitize revolving exposures.

As disclosed in Note 2 of the Financial Statements, the total AUM of credit management investment is \$11.4 billion across 29 funds in US and Europe. Investcorp Group's has co-invested in 16 of these funds and the AUM for these funds is \$7.3 billion. There is no co-investment in other funds which were issued prior to risk retention rules came into effect.

As of December 31, 2018, there are no off-balance sheet securitization exposures nor any impaired or past due securitized assets. Further, there are no securitization exposures subject to the early amortization treatment nor any re-securitisation exposures.

During the current period, total of impairment losses of \$1.4m and fair value loss of \$3 were recognised by Investcorp Group in relation to Group securitization exposures. The impairment losses comprise Harvest IX of \$0.1 million, Harvest X of \$0.3 million, Harvest XI of \$0.1 million and Jamestown IX of \$0.9 million. The fair value loss is incurred by Jamestown V of \$2.9 million.

As disclosed in Note 6 of the Financial Statements, Investcorp Group carries warehousing of \$74.1m which the Group intends to use for future CLO issuances.

Capital requirements are measured using the standardised approach in line with CBB regulatory requirements. The value of the Group's CLO exposures has been risk-weighted as per the below table:

Exposure \$000s	Exposure Amount	Risk Factor	Risk weighted exposure amount	Capital Requirement
CLO exposures compliant with risk retention rules	298,294	100%	298,294	37,287
Warehousing exposures	74,057	100%	74,057	9,257
<b>Total</b>	<b>372,351</b>		<b>372,351</b>	<b>46,544</b>

### Current year's securitisation activity

The aggregate amount of investments by clients and Investcorp during H1 FY19 related to the issuance of new CLOs amounted to \$579.3 million. This included the final amounts invested in the new US CLO Harvest XX, which closed in November. It also includes warehousing for one new European CLOs and one new US CLO which are all expected to close in H2 FY19.

There was only one reset of the existing CLO in H1 FY19. This activity is beneficial to the business as a reset effectively allows the CLO manager to extend the lives of the deals, thereby extending the period over which management fees will be generated. In addition, resets typically provide additional returns to equity investors.

The reset was undertaken by the European team during this period. The Harvest XVI CLO (originally issued in 2016) was reset in October. The total value of the transaction was in excess of €400 million.

Total credit management realization proceeds and other distributions to Investcorp Group and its clients amounted to \$736 million over the period. Over \$609 million of this amount relates to regular distributions to investors in the CLOs and other credit products in the form of interest income and principal repayments. The remaining \$127 million relates to the amounts returned to investors as the result of reset activity net of any amounts that were reinvested.