INVESTCORP

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

For the six month period ended December 31, 2017

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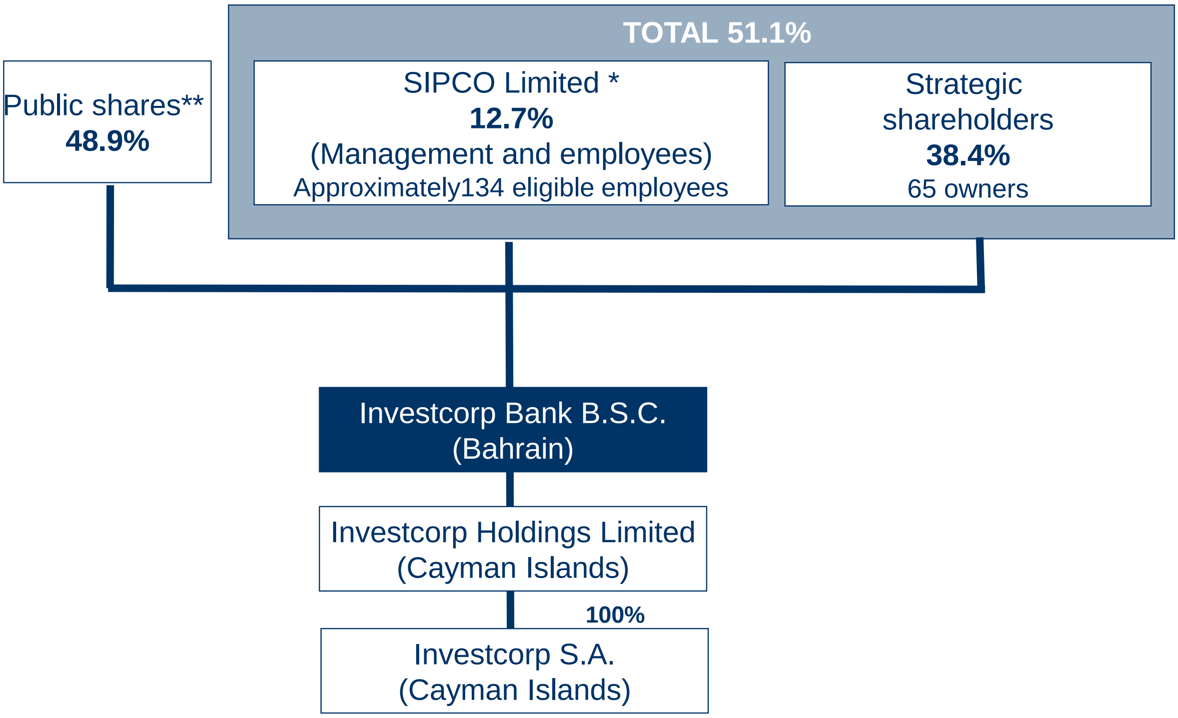
Note: figures in this document may not reconcile due to rounding

OWNERSHIP STRUCTURE

Shareholder base

At December 31, 2017, Investcorp remains a management controlled company, with management, in concert with strategic shareholders, controlling the voting of 51.06% of Investcorp's ordinary shares. The public float of 48.94% is split between owners holding 48.91% in ordinary shares on the Bahrain Bourse and 0.04% of beneficial ownership through unlisted Global Depositary Receipts ("GDRs").



*Includes 0.4% 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, 2017.

The table below shows the distribution by nationality of the holders of the 48.9% 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	27,513	0.0%
Bahraini	11,647,600	14.6%
British	205,700	0.3%
Cayman Islander	847,200	1.1%
Emarati	16,886,400	21.1%
Jordanian	700	0.0%
Kuwaiti	1,542,800	1.9%
Lebanese	47,300	0.1%
Omani	450,326	0.6%
Pakistani	10,000	0.0%
Qatari	1,460,700	1.6%
Saudi	5,825,900	7.3%
Spaniard	10,000	0.0%
Swazi	85,000	0.1%
Swiss	64,000	0.1%
Virgin Islands, British	44,600	0.1%
Total	**39,155,739**	**48.9%**

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

Nationality	Number of shares	Ownership %
Bahraini	21,173	9.5%
British	1,550	0.7%
Canadian	664	0.3%
Cayman Islander	89,880	40.2%
Emarati	2,585	1.2%
French	646	0.3%
Indian	322	0.1%
Jordanian	520	0.2%
Kuwaiti	78,735	35.3%
Lebanese	323	0.1%
New Zealand	97	0.0%
Omani	11,722	5.3%
Qatari	2,228	1.0%
Saudi Arabian	8,213	3.7%
Swiss	3,935	1.8%
Syrian	646	0.3%
Total	**223,239**	**100%**

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%	15,390,516	270	19.2%
1% up to less than 5%	-	-	-
5% up to less than 10%	15,479,184	2	19.3%
10% up to less than 20%	-	-	-
More than 20%	49,130,300	2	61.5%
Total	**80,000,000**	**274**	**100%**

Preference shares	No. of shares	No. of shareholders	% of total
Less than 1%	27,408	50	12.3%
1% up to less than 5%	29,836	6	13.4%
5% up to less than 10%	16,155	1	7.2%
10% up to less than 20%	36,459	1	16.3%
More than 20%	113,381	2	50.8%
Total	**223,239**	**60**	**100%**

As disclosed in the Annual Report for Fiscal Year 2017, 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 FY18.

Shareholder name	Number of shares
Abdullah M. Alireza	10,700
Mr. Abdulla M. Mazrui	22,900
Mazrui Investments LLC (a)	100,000
Khaled Rashid Al Zayani	19,900
Al Zayani Investments W.L.L. (b)	228,200
Farouk Yusef Almoayyed	33,400
Y K A Estates Corporation (c)	40,500
Mr. Hussain I. Al Fardan	10,700
Perlier Investment Company Ltd. (d)	215,800
Total	**682,100**

(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, 2017. There was no trading in the Preference Shares by Directors or members of senior management.

Shareholder name	Number of shares
Farouk Yusef Almoayyed	646
Perlier Investment Company Ltd.[(a)]	1,292
H.E. Mohammed Bin Mahfoodh Al Ardhi	646
Al Zayani Investments W.L.L. (A/c #2) [(b)]	323
Grahame Ivey	13
Total	**2,920**

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

(b) Investment holding company of Mr. Al Zayani

As of December 31, 2017, the Board of Directors remuneration is nil. The remuneration in respect of Fiscal Year 2018 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, 2017.

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, 2017 without taking into account any credit enhancements.

December 31, 2017. ($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	2	50	-	-	0	52
Placements with financial institutions and other liquid assets	325	157	-	-	0	482
Positive fair value of derivatives	38	-	-	-	-	38
Receivables	-	198	54	10	(11)	251
Advances	-	106	-	12	(13)	105
Co-investments - debt	-	344	-	-	(1)	343
Guarantees		10	-	-	-	10
Total	**365**	**865**	**54**	**22**	**(25)**	**1,281**

* 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 collat

*** 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, 2017 ($m)	
Up to 3 months	18
> 3 up to 6 months	6
> 6 months up to 1 year	30
Total	54

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

December 31, 2017 ($m)	
Geographical Region	
North America	24
Europe	1
Total	**25**

December 31, 2017 ($m)	
Industry Sector	
Banking and Finance	7
Real estate	18
Total	**25**

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, 2017 ($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
Assets								
Cash and short-term funds	52	-	52	-	-	-	-	52
Placement with financial institutions								
and other liquid assets	363	115	478	4	-	-	-	482
Positive fair value of derivatives	2	-	2	2	-	33	-	37
Receivables and prepayments	174	5	179	72	-	-	54	305
Advances	4	27	31	74	-	-	-	105
Underwritten investments	508	-	508	-	-	-	-	508
Co-investments			-					
Corporate investment	4	8	12	492	-	-	-	504
Alternative investment solutions	103	64	167	78	-	-	-	245
Real estate investment	-	-	-	90	-	-	-	90
Credit Management investment	6	23	29	183	104	-	-	316
Premises, equipment and other			-					
assets	-	-	-	-	-	-	36	36
Intangible assets	-	-	-	-	-	-	56	56
Total assets	1,216	242	1,458	995	104	33	146	2,736
Liabilities								
Call accounts	51	-	51	107	-	-	-	158
Term and institutional accounts	95	100	195	196	-	-	-	391
Payables and accrued expenses	94	44	138	17	-	-	-	155
Negative fair value of derivatives	9	1	10	9	-	13	-	32
Medium-term debt	240	-	240	128	-	-	-	368
Long-term debt	-	-	-	-	-	406	-	406
Deferred fees	-	-	-	-	-	-	79	79
Total liabilities	489	145	634	457	-	419	79	1,589
Net gap	727	97	824	538	104	(386)	67	
Cumulative liquidity gap*	727	824	824	1,362	1,466	1,080	1,147	

* Does not take in to account the $337 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, 2017 ($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
Financial liabilities						
Call accounts	53	2	109	-	-	164
Term and institutional accounts	102	105	200	-	-	407
Payables and accrued expenses	94	44	17	-	-	155
Medium-term debt	251	6	134	-	-	391
Long-term debt	8	8	62	78	428	584
	508	165	522	78	428	1,701
Derivatives:						
Contracts settled on a gross basis:						
Contractual amounts payable	1,615	78	309	-	-	2,002
Contractual amounts receivable	(1,610)	(79)	(312)	-	-	(2,001)
Contracts settled on a net basis:						
Contractual amounts payable (receivable)	(4)	(4)	(32)	(32)	(14)	(86)
Commitments	5	51	20	-	-	76
Total undiscounted financial liabilities	**514**	**211**	**507**	**46**	**414**	**1,692**

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, 2017 ($m)	Assets exposed to credit risk	Off-balance sheet exposed to credit risk	Total credit risk exposure
Industry Sector			
Banking and Finance	937	-	937
Consumer products	29	-	29
Consumer services	51	-	51
Industrial / business services	8	10	18
Industrial products	124	-	124
Real estate	56	-	56
Technology and Telecom	59	-	59
Others	7	-	7
Total	**1,271**	**10**	**1,281**

December 31, 2017 ($m)	Assets exposed to credit risk	Off-balance sheet exposed to credit risk	Total credit risk exposure
Geographical Region			
North America	811	-	811
Europe	413	10	423
Middle East	47	-	47
Total	**1,271**	**10**	**1,281**

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 alternative investment solutions, corporate investments 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, 2017 ($m)		
Long (Short)	**Net hedged exposure**	**Net unhedged exposure**
Bahraini Dinar*	-	40
Euro	230	(0)
Pounds Sterling	141	(0)
Swiss Franc	(135)	0
Japanese Yen	(330)	(0)
	(95)	40

* 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, 2017 ($000s)	
Average FX VaR	66
Year end FX VaR	3
Maximum FX VaR	533
Minimum FX VaR	1

(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, 2017 ($m)	**Sensitivity to net income for -200 basis points**	**Sensitivity to net income for +200 basis points**
Currency		
Euro	(2)	0
Pounds Sterling	(2)	1
Japanese Yen	1	0
US Dollar	(4)	4
Total	**(7)**	**5**

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 l

(c) Equity price risk

The Group's equity price risk arises primarily from its co-investments in alternative investment solutions, corporate investment and real estate investment.

Co-investments in corporate investment and real estate investment

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

December 31, 2017 ($m)	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	465	507	425	42	(40)
	Revenue Multiples	+/- 0.5x	9	10	9	1	(1)
	Quoted bid price	+/- 1%	6	6	6	0	0
				For decrease	For increase	For decrease	For increase
RE co-investments	Capitalization Rate	-/+ 1%	86	95	80	9	(6)

Co-investments in alternative investment solutions

The Group manages the market price risk in its alternative investment solutions 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 alternative investment solutions gross exposure.

December 31, 2017 ($m)	
Average VaR	5
Year end VaR	5
Maximum VaR	5
Minimum VaR	5

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, 2017 $000s	Balance as per published financial statements	Consolidated PIR data	Reference
Assets			
Cash and short-term funds	51,874	51,874	
Placements with financial institutions and other liquid assets	482,108	482,108	
Positive fair value of derivatives	38,444	38,444	
Receivables	250,885	250,885	
Advances	104,890	104,890	
Underwritten investments	508,228	508,228	
Co-investments - retention			
Corporate investment	504,166	504,166	
Alternative investment solutions	244,442	244,442	
Real estate investment	89,730	89,730	
Credit management investment	315,358	315,358	
Prepayments	53,670	53,670	
Premises, equipment and other assets	36,008	26,939	
Intangible assets	56,346	-	
Goodwill	-	49,329	
*Other Intangibles***	-	16,086	F
Total assets	2,736,149	2,736,149	
Liabilities and Equity			
Liabilities			
Call accounts	157,569	157,569	
Term and institutional accounts	390,631	390,631	
Payables and accrued expenses	154,577	154,577	
Negative fair value of derivatives	32,246	32,246	
Medium-term debt	367,658	367,658	
Long-term debt	405,863	405,863	
Deferred fees	80,710	80,710	
Total liabilities	1,589,254	1,589,254	
Equity			
Paid-in-share capital			
Of which form part of Common Equity Tier 1 (CET1)			
Ordinary share capital	200,000	200,000	A1
Treasury shares	(9,202)	(9,202)	A2
Reserves and accumulated other comprehensive income			
Of which form part of Common Equity Tier 1 (CET1)			
Statutory reserve	100,000	100,000	C1
Share premium	223,195	223,195	C2
Fair value reserve	(5,209)	(5,209)	C3
Retained earnings	367,143	367,143	B1
Current interim cumulative net income	55,277	55,277	B2
Cash flow hedge reserve	(12,107)	(12,107)	C4
Of which form part of Additional Tier 1 (AT1)			
Preference share capital	223,239	223,239	D
Fixed asset revaluation reserve	4,559	4,559	E
Total equity	1,146,895	1,146,895	
Total liabilities and equity	2,736,149	2,736,149	

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

Capital Composition Disclosure

December 31, 2017 $000s	PIR as on December 31, 2017	Amounts subject To Pre-2015 Treatment	Reference
Common Equity Tier 1 (CET1) capital: instruments and reserves			
Directly issued qualifying common share capital plus related stock surplus	190,798		A1+A2
Retained earnings	422,420		B1+B2
Accumulated other comprehensive income (and other reserves)	305,879		C1+C2+C3+C4
CET1 capital before regulatory adjustments	919,097		
Less regulatory adjustments to CET 1			
Intagibles	(9,069)	16,086	F
Goodwill	(49,329)		
Cash-flow hedge reserve	12,107		C4
Total regulatory adjustments to Common equity Tier 1	(46,291)		
Common Equity Tier 1 capital (CET1)	872,806		
Additional Tier 1 capital (AT1): instruments			
Directly issued qualifying Additional Tier 1 instruments	223,239		D
Additional Tier 1 capital before regulatory adjustments	223,239		
Total regulatory adjustments to Additional Tier 1 capital	-		
Additional Tier 1 capital (AT1)	223,239		
Tier 1 capital (T1 = CET1 + AT1)	1,096,045		
Tier 2 capital (T2)			
Fixed asset revaluation reserve	4,559		E
General loan loss provisions	2,744		
Tier 2 capital before regulatory adjustments	7,303		
Total regulatory adjustments to Tier 2 capital	-		
Tier 2 capital (T2)	7,303		
Total capital (TC = T1 + T2)	1,103,348		
Common Equity Tier 1 (CET1) / (RWE)	23.5%		

Fair value unrealized losses on fair value investments amounting to $55 million are reflected in retained earnings, which is part of Tier 1 Capital.

Main features of Regulatory Capital Instruments

		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 insturment	Kingdom of Bahrain	Kingdom of Bahrain	Kingdom of Bahrain	Kingdom of Bahrain
	Regulatory treatment				
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 68.9m	USD 115.4m	USD 38.9m
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 USD 50m Dec 1986 USD 100m Dec 2002	30-Jun-2009	15-Jul-2009	12-Aug-2009
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 NA	30-Jun-2014 PAR call redemption	15-Jul-2014 PAR call redemption	12-Aug-2014 PAR call redemption
16	Subsequent call dates, if applicable	NA	Any date thereafter	Any date thereafter	Any date thereafter
	Dividends				
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 hierachy 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, 2017 is $315.4 million which is carried in the banking book. All of Investcorp Group's securitisation exposures through the CLOs are in 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 securitise revolving exposures.

As disclosed in Note 2 of the Financial Statements, the total AUM of credit management investment is $11.4 billion across 31 funds in US and Europe. Investcorp Group's has co-invested in 18 of these funds and the AUM for these funds is $8.2 billion. There is no co-investment in other funds which were issued prior to risk retention rules came into effect.

As of December 31, 2017, 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, no losses were recognised by Investcorp Group in relation to Group securitization exposures.

As disclosed in Note 6 of the Financial Statements, Investcorp Group carries warehousing of $50.6m 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 have 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	309,188	100%	309,188	38,649
Other CLO exposures	6,170	1,250%	77,124	9,641
Warehousing exposures	50,680	100%	50,680	6,335
Total	**366,039**		**436,993**	**54,624**

Current year's securitisation activity

The aggregate amount of investments by clients and Investcorp during H1 FY18 related to the issuance of new CLOs amounted to $780 million. This included the final amounts invested in the new US CLO Jamestown X, which closed in July. It also includes warehousing for two new European CLOs and one new US CLO which are all expected to close in H2 FY18.

H1 FY18 has also been a very active period in terms of the refinancing and resets of existing CLOs. 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, both refinancings and resets typically provide additional returns to equity investors.

The European team worked on two resets during this period. The Harvest IX CLO (originally issued in 2014) was reset in August and the Harvest XII CLO (originally issued in 2015) was reset in October. The total value of both transactions was in excess of €800 million. Two European CLOs and three US CLOs were also refinanced during this period. In Europe, Harvest X (originally issued in 2014) was refinanced in August and Harvest XIV (originally issued in

2015) was refinanced in October. In the US, Jamestown VI (originally issued in 2015) was refinanced in July, Jamestown IV (originally issued in 2014) was refinanced in November, and Jamestown VII (originally issued in 2015) was refinanced in December. The total value of these refinancings was over €700 million in Europe and over $1.4 billion in the US.

Total credit management realization proceeds and other distributions to Investcorp Group and its clients amounted to $2.8 billion over the period. Over $2.3 billion of this amount relates to the amounts returned to investors as the result of refinancing and reset activity net of any amounts that were reinvested. The remaining $459 million relates to regular distributions to investors in the CLOs and other credit products in the form of interest income and principal repayments.