ICG plc
Interim Results 2014

21 November 2013

Highlights

Operational Performance

- Fundraising momentum has continued with €1.7bn being raised in the first half
- Strong period of balance sheet realisations consolidating our track record
- Third party AUM down 1% to €9.8bn and total AUM down 6% to €12.1bn since 31 March 2013
- New funds investing on target and a strong pipeline of investment opportunities
- Portfolio broadly resilient but some weaker assets are undergoing restructuring
- Agreement signed with Nomura to facilitate the launch of dedicated domestic Japanese mezzanine products

Financial Performance

- Fund Management Company profit down 3% at £16.7m (£17.2m in H1 13)
- Investment Company profit[1] of £145.4m, up from £23.9m in H1 13, includes £110.1m of realised gains (H1 13: £5.6m) recycled to profit from reserves
- Group profit before tax[1] of £162.1m up from £41.1m
- Strong balance sheet with unutilised cash and debt facilities of £753.0m
- Interim dividend of 6.6p versus 6.3p last year

[1] Excluding the impact of fair value movements on derivatives (H1 14: £6.8m; H1 13: £1.5m)

Expansion into Japan

ICG and Nomura agree to launch Japanese domestic mezzanine fund

Overview

- Partnership to structure and distribute new domestic mezzanine investments
- Funds will be jointly seeded, distributed and managed by a local Japanese fund management company that will be established
- Mezzanine debt and growth / expansion opportunities will be targeted
- Initial fund will be seeded with JPY 10bn (£63m) capital from each partner

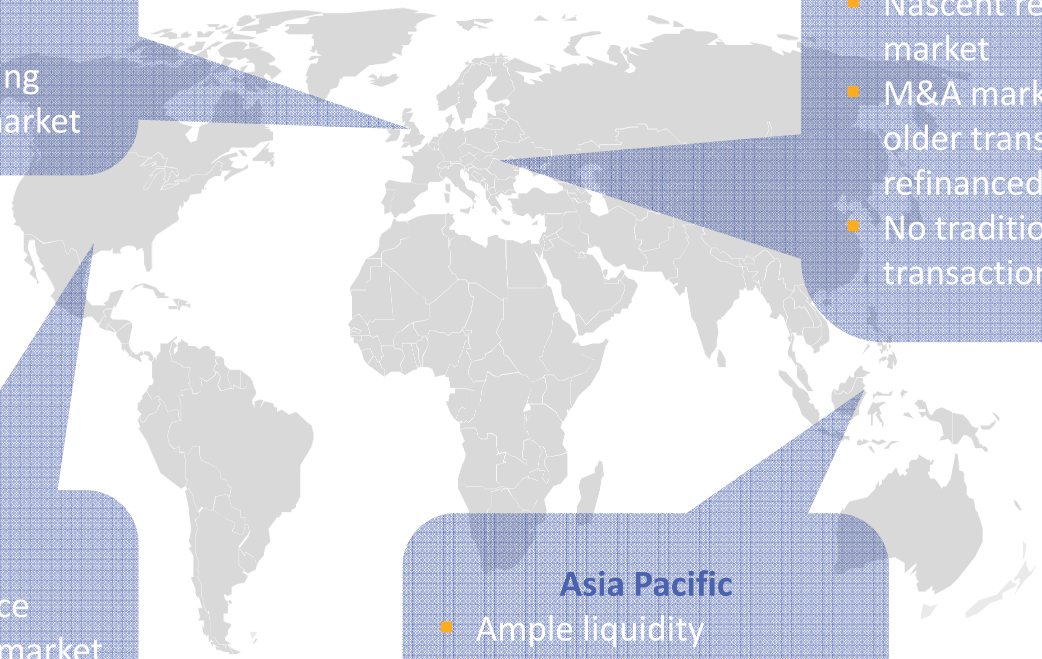
Market Context

- Demand for mezzanine in Japan is expected to rise in response to current government economic initiatives
- Currently most mezzanine is structured and held by banks, offering access to mezzanine investment to institutional investors via a fund structure opens up this market to a greater breadth of investors

Market update

Investment market update

On-going mid market imbalance in supply and demand



UK Real Estate

- Increased availability of debt for blue chip opportunities
- Shortfall of financing remains for mid market

Europe

- Imbalance of supply and demand for mid market
- Nascent return of CLO market
- M&A market slow but older transactions refinanced
- No traditional mezzanine transactions

US

- Strong CLO issuance
- Revival of buyout market
- Mid market lack access to capital markets

Asia Pacific

- Ample liquidity
- Focus on refinancing existing transactions
- Low number of buyouts

Fundraising market update

High demand for diverse product range and positive track record

Fundraising Market

- Increased liquidity
- On going search for yield
- Renewed interest from US pension funds in European credit
- Increasing number of funds being raised
- Less successful fund managers struggling to close funds
- CLO issuance restricted as a result of new European regulations

Investors preferring to deal with smaller number of global managers

What ICG offers

- Long term track record of quality investments
- Specific investment propositions
- Higher yield strategies
- Strong balance sheet to enable seeding of new funds
- Experienced team
- Geographically diverse products
- Robust operational and compliance platform
- Significant investment in marketing and distribution team

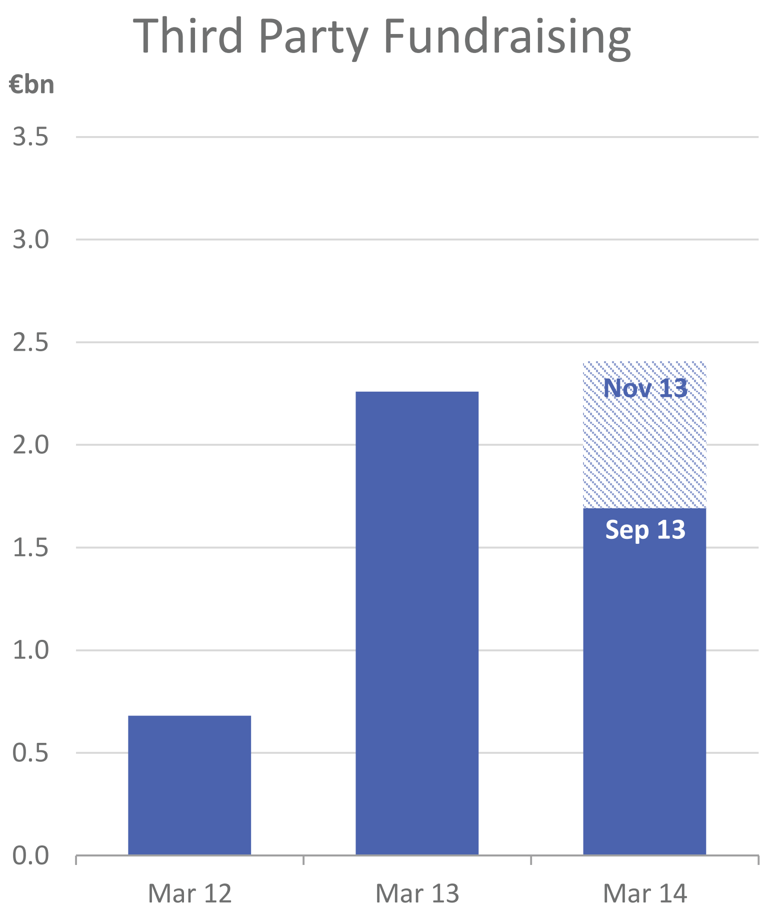
ICG well positioned

Fund Management

Fund management - fundraising

On track to exceed last year’s fundraising achievements

- Raised €2.4bn to date, eclipsing last year’s record fundraising of €2.3bn, with €1.7bn raised in H1 14
- ICG Longbow Fund III closed at hard cap of £700m in H1 14
- Senior Debt Partners expected to close in excess of €1.5bn in December 2013
- Return to the European CLO market with two European CLOs priced to date totalling €950m
- Distribution team expansion complete and now capable of simultaneously marketing multiple products across multiple geographies



Fund management – fundraising

Recent successes and initiatives

Recent successes

- **Europe Fund V:** Closed at hard-cap of €2.5bn in December 2012
- **ICG-Longbow III:** Fund reached its hard-cap of £700m in only 7 months
- **Senior Debt Partners:** On track to raise in excess of €1.5bn
- **St Paul's II CLO:** Priced one of the largest collateralised loan obligation in Europe at €400m
- **St. Paul's III CLO:** Priced in November at €550m and is the largest CLO issued in Europe this year

Current and future initiatives

- **North American Private Debt**
- **Asia Pacific successor fund**
- **Australian Loan Fund**
- **ICG-Longbow Senior Secured UK Property Debt**
- **Multi asset alternative credit strategy – Total Credit**
- **European Loan Fund**
- **Future European and US CLOs**
- **Japanese Domestic Mezzanine**

Fund management - expanding product range

Product suite offering more products across more geographies

FY11 Product Offering	FY14 Product Offering and Pipeline
European Mezzanine Asia Pacific Mezzanine European CLOs European Specialised Credit (m)	**Europe** European Mezzanine European CLOs European Specialised Credit (m) European Senior Debt Partners UK Real Estate (m) European Real Estate (m) **North America** North American Private Debt US Senior Loans (CLOs) US Specialised Credit (m) **Asia Pacific** Asia Pacific Mezzanine Australian Senior Loans Japanese Domestic Mezzanine

(m) Multiple funds under the same strategy

Fund management – mezzanine

Strong period of realisations consolidating track record

Europe

- Legacy European funds realised over €400m in the period generating good returns for investors
  - European Fund 2006 has returned €300m in the period resulting in a 1.8x MM total realised return
  - Mezzanine Fund 2003 has realised 66 of its 80 investments at a 15% IRR and 1.4x MM
- Europe Fund V is currently 41% invested (following investments in Euro Cater, Westbury Street and Inenco) and is expected to maintain this investment rate with a solid pipeline of new deals

North America

- Marketing underway to launch a dedicated US Private Debt Fund

Asia Pacific

- Funds I and II continue to perform strongly
  - Asia Pacific Fund 2005 has returned 1.4x MM to investors having exited 5 of their 8 assets
  - Asia Pacific Fund 2008 is currently 66% invested (following its investment in Link Group) with a good pipeline of deals
- Asia Pacific successor fund to launch in first half of calendar 2014

Fund management – real estate

ICG Longbow managing over £1bn AUM

Real Estate

- Fund II investments are beginning to exit with £20m having been returned to investors – three realisations to date with a weighted average IRR of 26% and 1.4x MM
- Senior Listed Fund is 49% invested
- Fund III closed at its hard cap of £700m in Q1 and is already 29% invested

Performance since acquisition

- ICG Longbow performing strongly since acquisition with AUM growing to over £1bn
- Success built on Longbow's UK real estate expertise combined with access to ICG's capital, distribution and infrastructure platforms

Fund management – credit funds

Strong fundraising across a number of credit products

Senior Debt Partners

- Senior Debt Partners strategy raised over €700m as at September, including a commitment of €50m from ICG, expected to close in excess of €1.5bn
- Senior Debt Partners has already invested in 10 deals totalling £157m with a good pipeline of opportunities

European CLOs

- Returning European CLO market allowed ICG to price two European CLOs to date totalling €950m
  - St Paul's II, a €400m European CLO, was the largest post crisis CLO of its kind when launched
  - St Paul's III, a €550m European CLO, was oversubscribed and is the largest CLO issued in Europe this year
- Older CLOs in run off as companies refinance their debt

Other

- Marketing underway to launch a dedicated US CLO
- Total Credit Fund continues to build on its strong track record since inception with NAV up 19% since launch

Case study: St Paul's III CLO

CLO Overview

- An arbitrage cash flow CLO, managed by ICG
- Transaction priced on 7 November at €550m, upsized from €500m due to investor demand
- Portfolio composed 90% senior secured loans / bonds and floating rate notes
- 26 investors across the entire structure
- Equity syndicated across nine investors, all new to ICG

Pricing

Class	MM (€)	Rating S&P / Fitch	Coupon (6m Euribor)	Legal Final
A	326.7	AAA/AAA	+145bps	2028
B	64.9	AA/AA	+200bps	2028
C	32.4	A/A	+300bps	2028
D	26.4	BBB/BBB	+415bps	2028
E	33.0	BB/BB-	+500bps	2028
F	15.4	B/B-	+600bps	2028
Sub Notes	57.7	NR/NR	n/a	2028

Market Context

- St Paul's III is a large CLO for Europe, most are in the €300- €400m range
- Around €6bn of CLO issuance in Europe YTD in 2013, vs $70bn for North America where the market is not yet impacted by legislation requiring the CLO manager to retain 5% of the fund
- CLO issuance in Europe remains low post the financial crisis, in part due to the limited number of managers able to meet the new retention rules

Investment company

Investment Company

Strong period of realisations enabling investment in growth

Realisations

- High level of realisations in the year totalling £786m compared to £154m realised for the full year FY13
- Current period realisations consist of £528m of principal repayments, £155m of PIK and £103m of realised capital gains, primarily Allflex
- Realisations are consolidating our track record and demonstrating our ability to generate good returns
- Cash generated from realisations allows the FMC to seed new products and growth initiatives, strengthening its long term profitability

Investing

- New investments totalling £131m including £36m of seed capital
  - £95m co-invested alongside our mezzanine funds
  - Seed capital invested in Senior Debt Partners and St Paul's II (CLO)
- Strong pipeline of investments and new product initiatives

Case study: Allflex

ICG’s largest ever single capital gain

History

- Allflex is a global leader in animal identification
- The company was acquired by Electra Partners in 1998, ICG provided a £19m mezzanine loan
- Mezzanine was repaid in 2007, ICG retained a shareholding (after converting warrants)
- ICG subsequently acquired additional equity and at exit we owned c.20% of the institutional equity
- Allflex has continued to perform strongly since ICG first invested
- Consistent growth in sales and EBITDA % margin

Allflex®

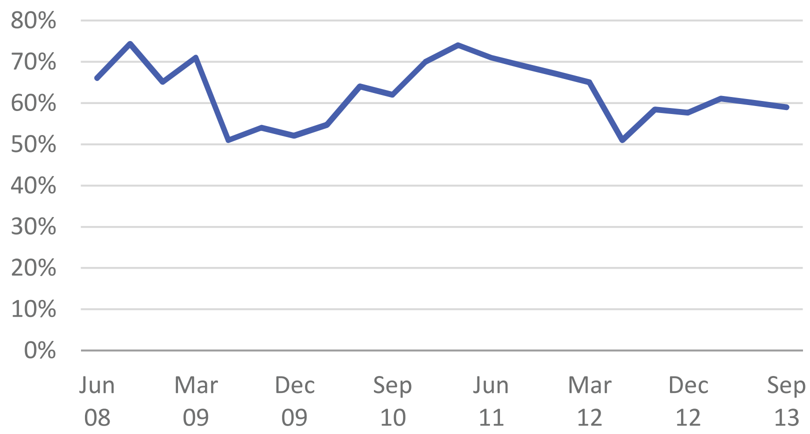
Exit

- Electra launched a sale process in January 2013
- Extremely competitive bidding process
- Total return for ICG of 4.6x, 21.9% IRR
- Realised capital gain of £110m

IC portfolio

Portfolio remains stable with weaker assets underperforming

% of assets performing at or above prior year



- The performance of our investment portfolio is broadly resilient
- Currently 59% above or at last year's level; 75% on a weighted basis
- Restructured assets showing early signs of stabilised and improving performance

Top ten assets

Company	Activity	Country	Sponsor	Performance
Applus+	Inspection, certification & technological services	Spain	Carlyle	
Gerflor	PVC flooring	France	ICG	
Materis	Speciality chemicals manufacturer	France	Wendel	
Ethypharm	Drug development and manufacturer	France	Astorg	
Westbury	Contract catering	UK	ICG	
AAS Link	Share registry and fund administration services	Australia	Pacific Equity Partners	
SAG	Provides services & technical solutions for utilities	Germany	EQT	
Lowenplay	Gaming arcade operator	Germany	Axa PE	
Feu Vert	Auto centre operator	France	CDC Capital	
Intelsat	Fixed satellite services	USA	BC Partners	

Priorities for FY14

Maintain momentum in delivering our strategic priorities

FY14 Priorities		Progress So Far
■ Fundraising momentum to be maintained – Final close on Longbow Fund III – Further closes on Senior Debt Partners – New product launches in North America – Asia Pacific fund successor launched – New European CLO launched	→	**Longbow Fund III closed at hardcap of £700m** **SDP to raise in excess of €1.5bn, final close imminent** **Two European CLOs priced totalling €950m** **Marketing underway for first US debt fund and CLO** **On track to exceed last year's record fundraising**
■ Continue to invest selectively hitting the required investment run rate	→	**Invested a total of £673m across our mezzanine, senior debt partners and real estate funds** **Good pipeline of investment opportunities**
■ Manage portfolio, particularly those assets undergoing restructuring, to maximise value	→	**Realisations have generated £786m of cash** **Portfolio remains resilient and restructured assets showing signs of improvement**

Financial Review

Financial highlights

H1 14 impacted by increased level of capital gains

- Pre-tax profit* of £162.1m vs £41.1m in prior year
  - FMC Profit before tax: £16.7m vs £17.2m in prior year
  - IC Profit before tax*: £145.4m vs £23.9m in prior year
  - Group and IC profit include £110.1m of capital gains recycled to profit from reserves vs £5.6m in prior year
- Third Party AUM of €9,834m vs €9,900m at March 2013
- Investment portfolio £2,029m vs £2,696m at March 2013
- Unutilised cash and debt facilities of £753m following period of high realisations
- Cash Core Income of £169.2m vs £15.2m in prior year
- Interim dividend of 6.6p per share is up 5% from last year

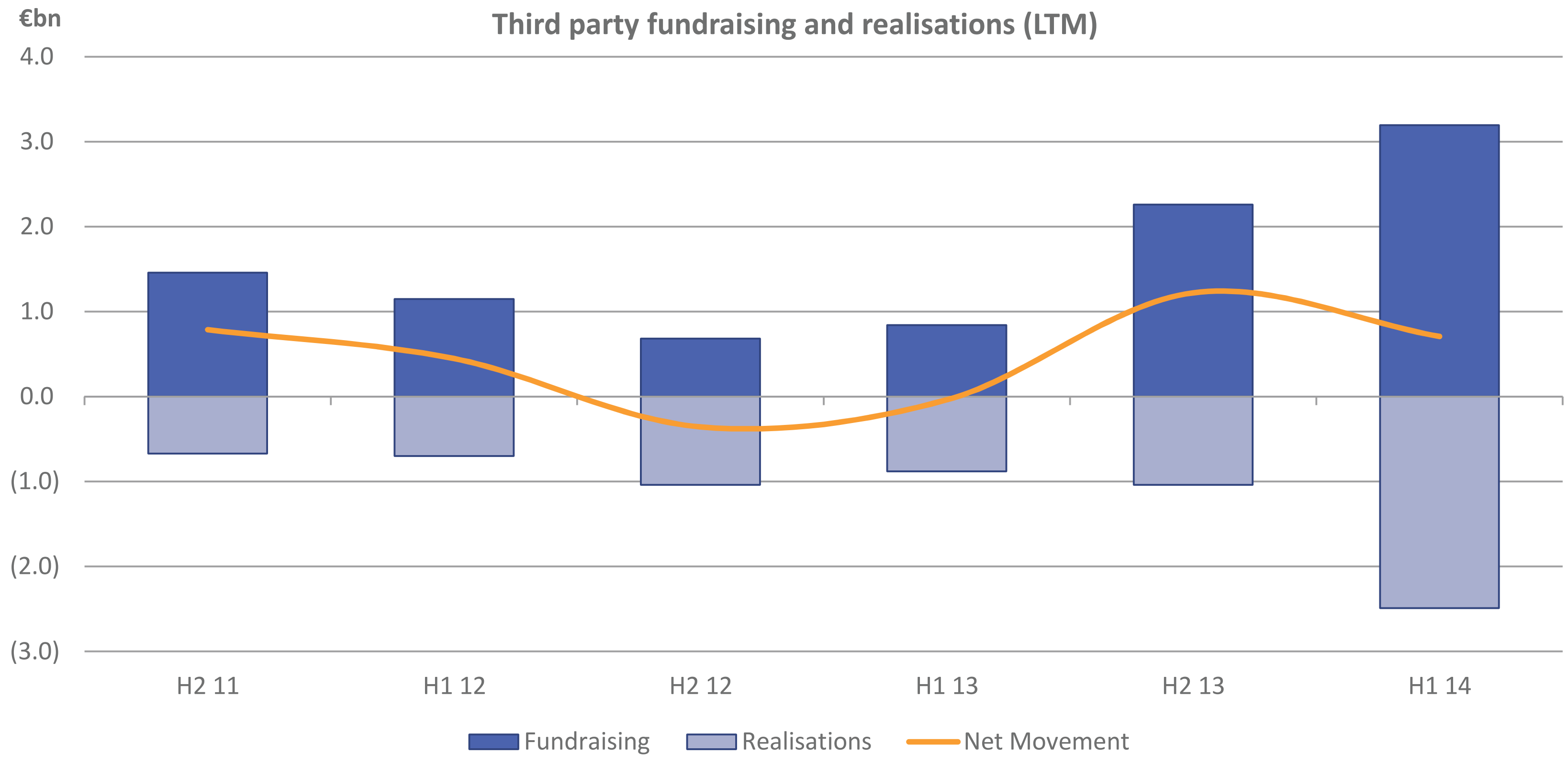
*Excludes £6.8m negative impact of fair value movements on derivatives held for hedging purposes; H1 13: £1.5m

Segmental reporting

Investment	£m	H1 14	H2 13	H1 13
Fund Management Company	Fee income	48.7	55.9	44.8
	Div & other income	0.1	1.2	0.3
	Admin expenses	(32.1)	(33.9)	(27.9)
	FM profit	**16.7**	**23.2**	**17.2**
Investment Company	Net interest income	71.4	79.7	80.0
	Div & other income	20.2	3.0	0.8
	Admin expenses	(27.3)	(24.5)	(24.1)
	Impairments	(76.3)	(15.2)	(64.8)
	Net capital gains	157.4	41.0	32.0
	IC profit	**145.4**	**84.0**	**23.9**
	FV derivatives	(6.8)	(4.2)	(1.5)
Group	**Profit before tax**	**155.3**	**103.0**	**39.6**

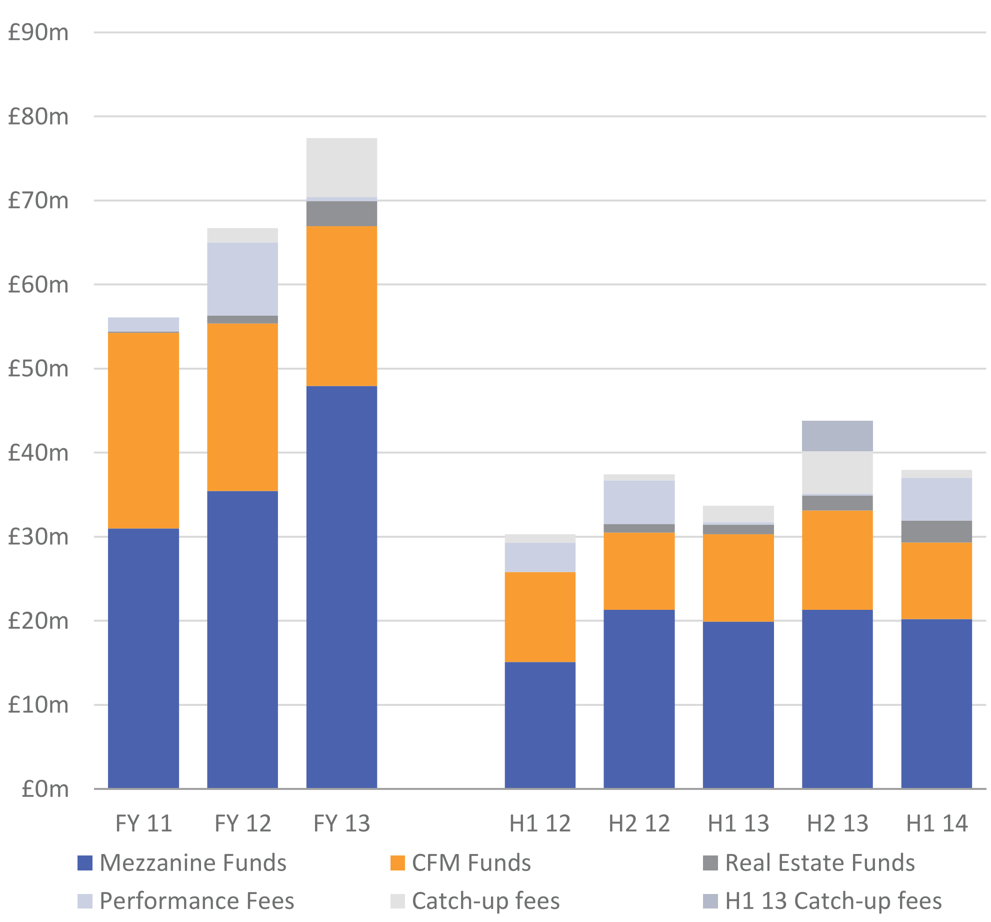
Third party AUM

Momentum in fundraising continuing; realisations impacting AUM



Third party fee income

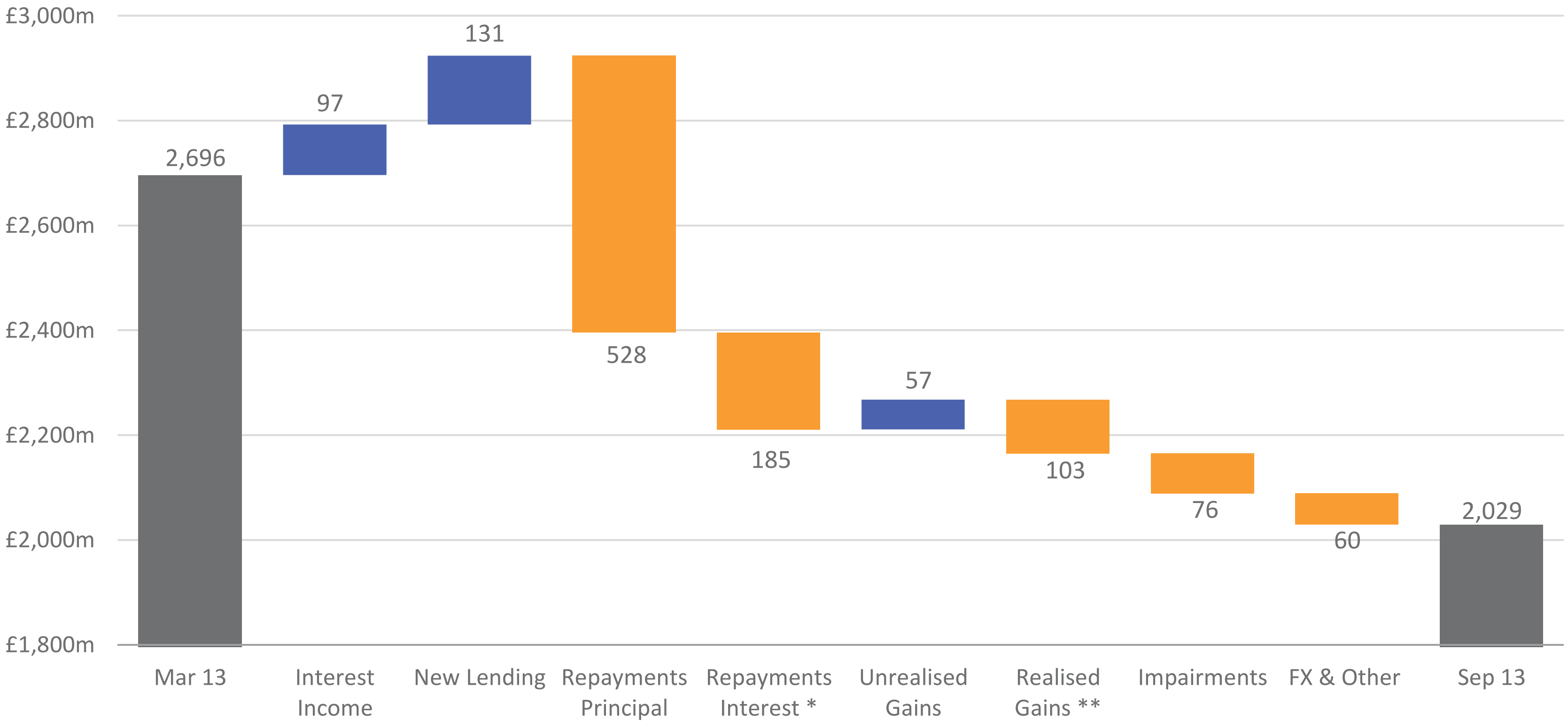
Significant growth in underlying management fees



- Fundraising of €1.7bn to deliver fee income growth as these funds are invested. Once invested, these funds will contribute £14.2m in annualised fee income
- H1 14 performance fees of £5.1m include £4.8m of carried interest related to MF03
- Reduction in fees from mezzanine funds is due to the realisation of large assets and subsequent return of capital to investors

Loan book

Significant realisations has resulted in a 25% decrease in loan book

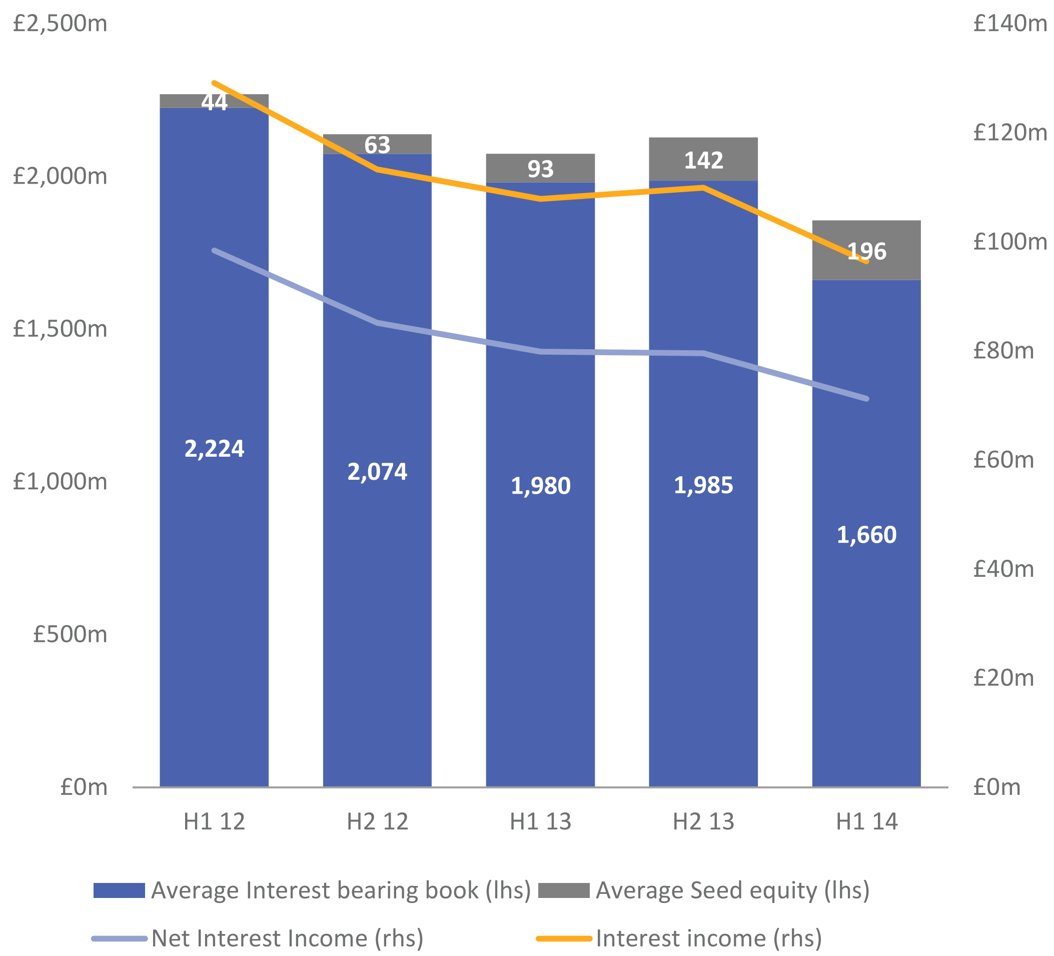


* Includes rolled up PIK and cash interest

** Includes realisation of previous fair value movements

Net interest income

Decrease in NII driven by decrease in average book size



- FY14 average loan book impacted by high level of exits in first half
- Net interest income moving in line with investment book

Seed capital

Balance sheet capital to seed new products and growth initiatives

Capital Deployed

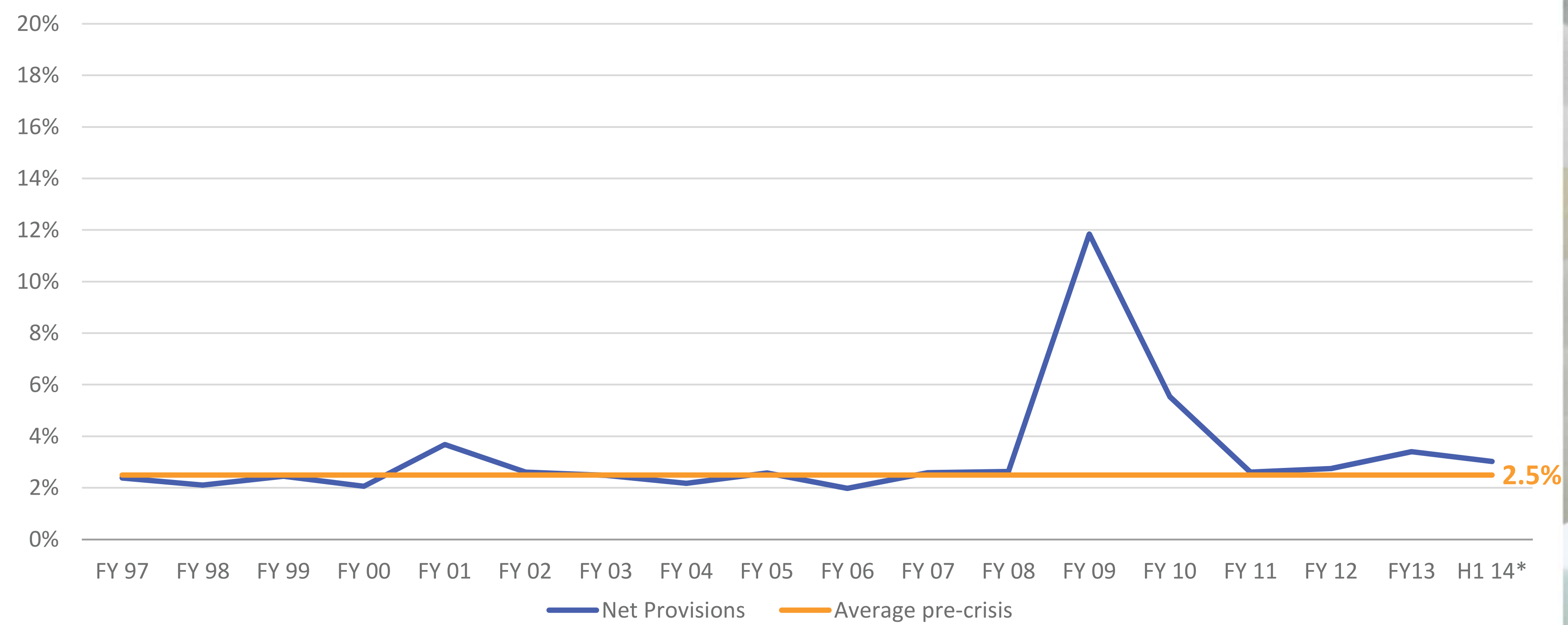
- £753m of unutilised cash and bank facilities to seed new products and initiatives
- Committed £110m into Longbow as seed across 3 funds, on which the FMC will earn £13.9m fee income per annum once fully invested
- European CLOs 'skin in the game' rules require 5% balance sheet commitment
- New credit products will access this capital
  - Australian Senior Loans
  - US CLOs
  - Expansion of real estate
  - Other product opportunities

Accounting

- IC return earned on seed capital by:
  - Interest / dividend income; or
  - Fair value on unrealised gains – ie mark to market
  - Lower returns by lower risk
- FMC earns fees on
  - Third party capital managed
  - Charges the IC for managing the seed capital
- Total group return attractive given overall risk profile
- First two US CLOs are expected to be consolidated in line with IFRS – consolidation does not impact the risk profile of the Group

Long terms provisions

Net provisions expected to be first half weighted



* LTM to 30/09/2013

- Net impairments of £59.0m in H1 14, excludes £17.3m related to restructured assets
- Write backs of £3.5m

Gains on investments

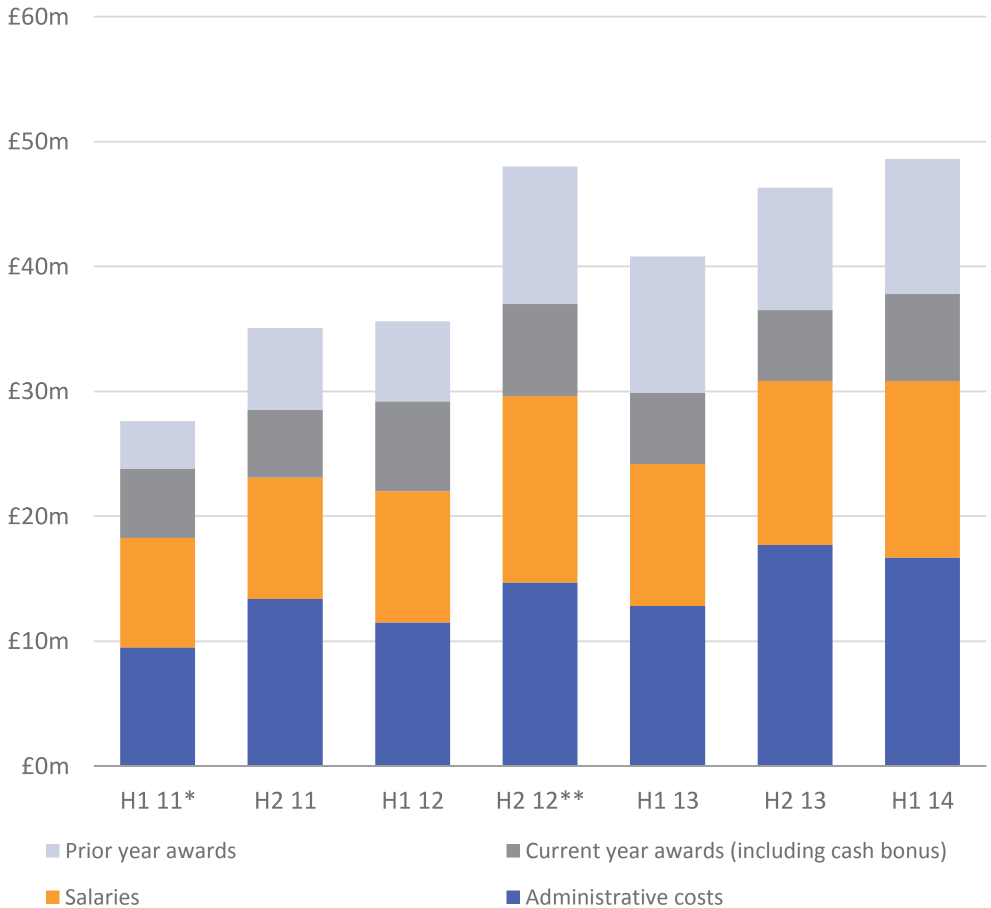
High realised capital gains due to the exit of Allflex

£m	H1 14	H2 13	H1 13
Net realised gains	101.0	3.4	10.7
Unrealised gains	56.4	37.6	21.3
Total gains	**157.4**	**41.0**	**32.0**

- Total unrealised capital gains of £61.1m
  - £56.4m to income statement
  - £4.7m to reserves
- Income statement unrealised gains includes £15.1m following the restructuring of Via Location
- £110.1m of realised capital gains recycled from the AFS reserve

Group operating costs

Increasing headcount to support growth



* Excludes £5.7m one off costs re 20 Old Broad Street Lease

** Excludes £45m one off write back following the closure of the MTIS scheme

- Costs higher as impact of investment in growth of the business flowing through – US, Japan, distribution capability
- Administrative costs impacted by placement fees being amortised. H1 14 £2.4m versus £5.8m in FY13, which was H2 weighted
- Current year awards includes cash bonus paid

Balance sheet

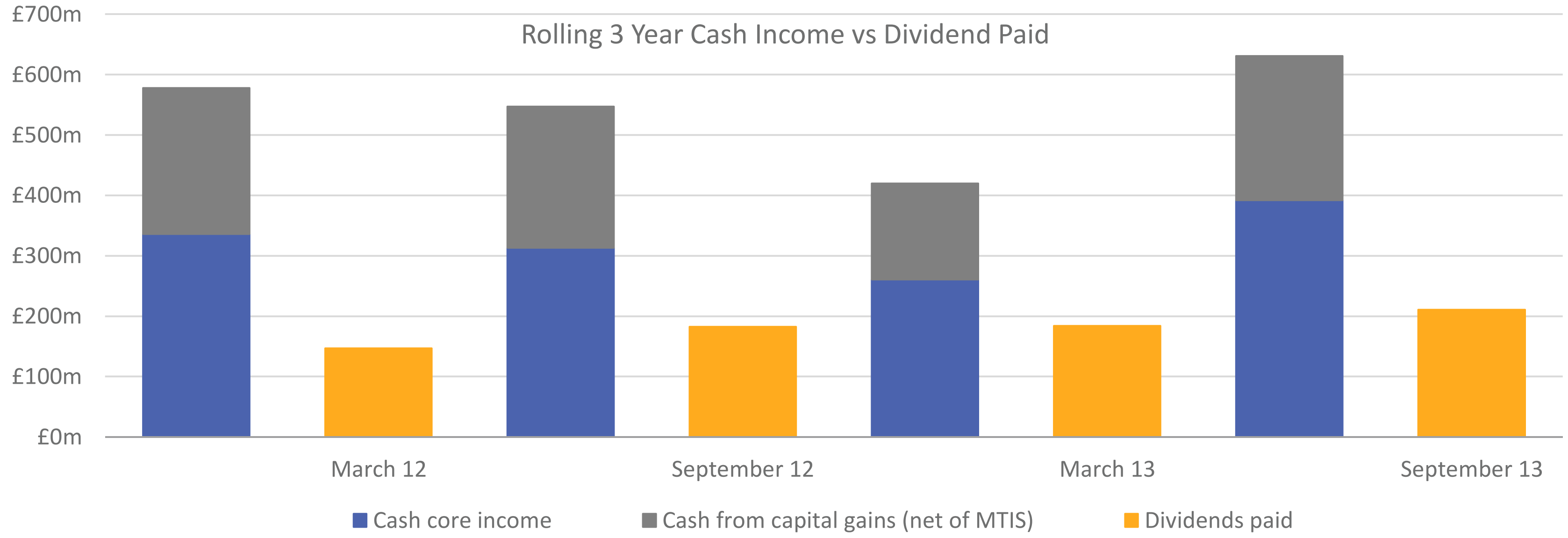
BALANCE SHEET	30 September 2013 - £m	31 March 2013 – £m
Loans & investments	2,029	2,696
Net current assets	233	22
	2,262	**2,718**
Borrowings	740	1,155
Shareholders’ funds	1,522	1,563
	2,262	**2,718**

BALANCE SHEET METRICS	30 September 2013 - £m	31 March 2013 – £m
LTM ROE*	13.5%	8.9%
Gearing ratio	49%	74%
Debt facilities	1,380	1,492
Unutilised cash and debt facilities	753	355

* Excludes FV on Derivatives of £6.8m in H1 14 (FY13: £5.7m)

Cash core income

Solid dividend coverage



- Cash core income of £169m with a further £103m from realised capital gains
- On a rolling 3 year basis cash core income is £391m in H1 14, up from £260m at March 2013
- Dividend well covered on aggregate 3 years (policy)
  - – Cash core income is 1.9x the dividend paid (including realised gains: 3.0x)

Financial outlook

Strengthened outlook with new products and growth initiatives

FMC

- Fundraising momentum to continue with SDP final close, US products in marketing and good pipeline of opportunities
- Funds raised in first half to boost fee income by £14.2m per annum once fully invested
- Improving quality of fee base
- Operating cost growth to reduce as annualisation impact of FY13 investments take effect

IC

- After a strong first half, pace of realisations to slow in the second half
- NII to track downward due to annualised impact of realisations
- Provisions expected to be first half weighted
- Strong pipeline of new investment opportunities

Conclusion and Q&A

Appendix

Top twenty assets

Company	Activity	Country	Sponsor	Performance
Applus+	Inspection, certification & technological services	Spain	Carlyle	
Gerflor	PVC flooring	France	ICG	
Materis	Speciality chemicals manufacturer	France	Wendel	
Ethypharm	Drug development and manufacturer	France	Astorg	
Westbury	Contract catering	UK	ICG	
AAS Link	Share registry and fund administration services	Australia	Pacific Equity Partners	
SAG	Provides services & technical solutions for utilities	Germany	EQT	
Lowenplay	Gaming arcade operator	Germany	Axa PE	
Feu Vert	Auto centre operator	France	CDC Capital	
Intelsat	Fixed satellite services	USA	BC Partners	
Fort Dearborn	Product labels	USA	KRG Capital Partners	
Nocibe	Cosmetic & perfume retailer	France	Charterhouse	
Quorn	Food manufacturing	UK	Exponent PE, ICG	
Euro Cater A/S	Food service distributer	Denmark	ICG	
Fraikin	Rental of trucks and vans	France	CVC Capital Partners	
Inspecta	Testing, inspection and certification	Finland	3i Group plc	
Veda Advantage	Credit bureau	Australia	Pacific Equity Partners	
Flakt Wood	Supplier of energy efficient air solution	France	Sagard	
Casa Reha	Care home operator	Germany	HgCapital	
Indas	Manufacturer of incontinence products	Spain	Vista Capital	

- Continued strong performance on the largest assets on the whole
- No particular concerns for those showing underperformance

Top ten equity assets

Company	Activity	Country	Sponsor	Performance
Gerflor	PVC flooring	France	ICG	
AAS Link	Share registry and fund administration services	Australia	Pacific Equity Partners	
Intelsat	Fixed satellite services	USA	BC Partners	
Applus+	Inspection, certification and technological services	Spain	Carlyle	
AVR	Waste management	Netherlands	CVC	
Westbury	Contract catering	UK	ICG	
Menissez	Bread manufacturer	France	Management	
Minimax	Company information	Germany	Charterhouse	
Parkeon	Parking and transport ticketing	France	Equistone Partners	
Ethypharm	Drug development and manufacturer	France	Astorg	

Includes all equity classes: AFS, FVTPL and amortised cost

Fair value accounting – Top AFS and FVTPL assets

AFS assets

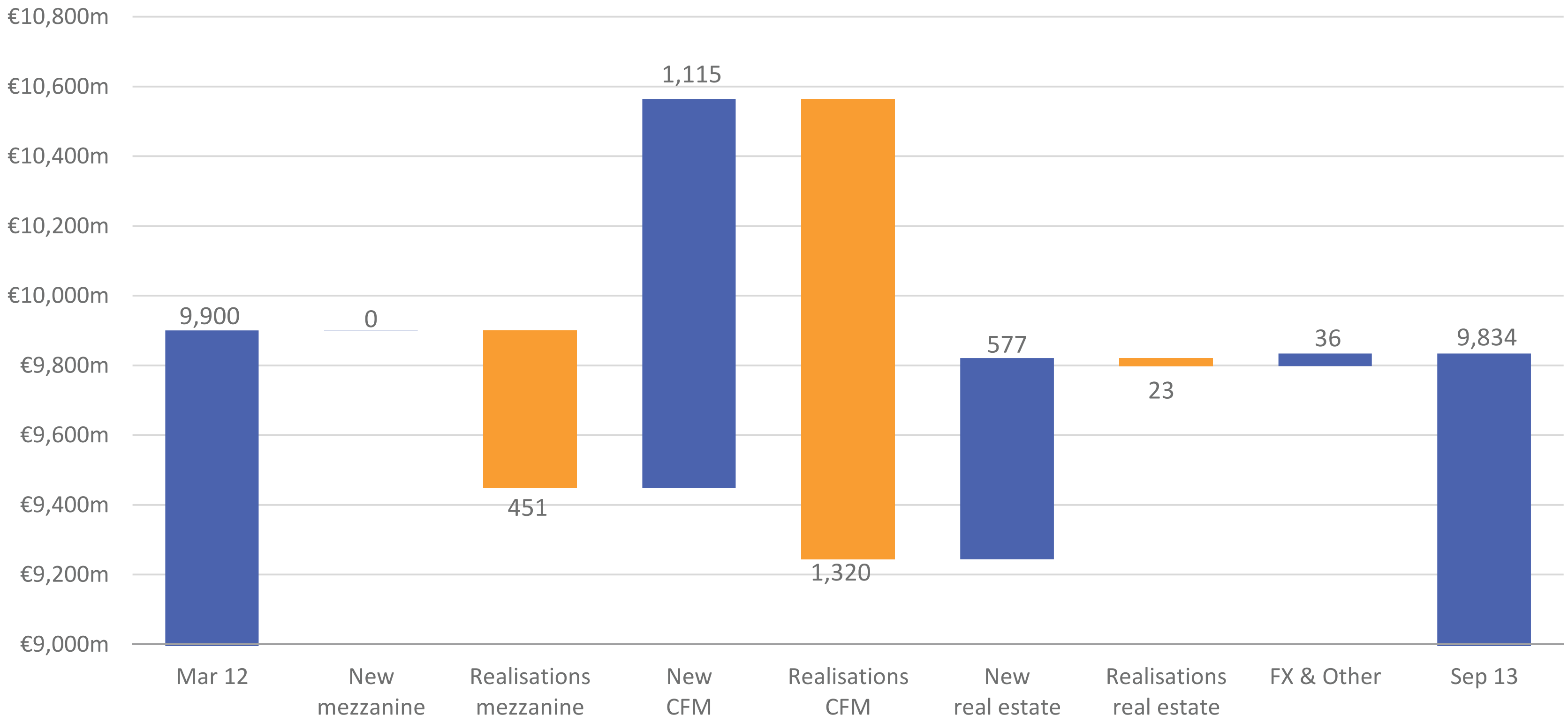
Company	Business	Country	Value (£m) at Sep-2013	Value (£m) at Mar-13
Intelsat	Fixed satellite services	USA	42.1	38.0
AAS Link	Share registry and fund administration services	Australia	32.8	29.1
Menissez	Bread Manufacturing	France	21.0	17.9
Via Location	Truck Rental	France	17.3	-
Minimax	Company information	Germany	13.8	7.4
Hoyts/ Kilmner	Multiplex cinema	Australia	12.5	5.8
Elior	Contract catering	France	10.7	11.4

FVTPL assets

Company	Business	Country	Value (£m) at Sep-2013	Value (£m) at Mar-13
Gerflor	PVC flooring	France	55.2	32.1
Euro Cater A/S	Food service distributor	Denmark	33.6	-
Parkeon	Parking and transport ticketing	France	21.5	-
ATPI	Business travel	UK	20.7	19.6
Symingtons	Food manufacturing	UK	16.9	15.6

Third party AUM

Third party AUM down 1% to €9.8bn primarily due to realisations offsetting €1.7bn of new funds raised



Fee income

£m	H1 14	H2 13	H1 13
Mezzanine Fund Management fee income	28.6	33.6	24.6
Credit Fund Management fee income	9.4	10.2	9.0
Third Party Funds fee income	**38.0**	**43.8**	**33.6**
Investment Company fee income	10.7	12.1	11.2
Total fee income	**48.7**	**55.9**	**44.8**

Credit funds fee income

£m	H1 14 AUM	H1 14 Fees	H2 13 AUM	H2 13 Fees	H1 13 AUM	H1 13 Fees
CDOs	2,865	7.3	3,159	7.2	3,296	6.7
Managed Accounts & Pooled Funds	1,143	1.8	1,037	2.8	755	2.3
Performance and Catch up Fees	-	0.3	-	0.2	-	-
Total	**4,008**	**9.4**	**4,196**	**10.2**	**4,051**	**9.0**

Impairments

£m	H1 14	H2 13	H1 13
Gross impairment	79.8	55.0	86.1
Restructurings	(17.3)	-	-
Recoveries	(3.5)	(39.8)	(21.3)
Net impairment	**59.0**	**15.2**	**64.8**

Pre-tax profits, earnings per share & dividends

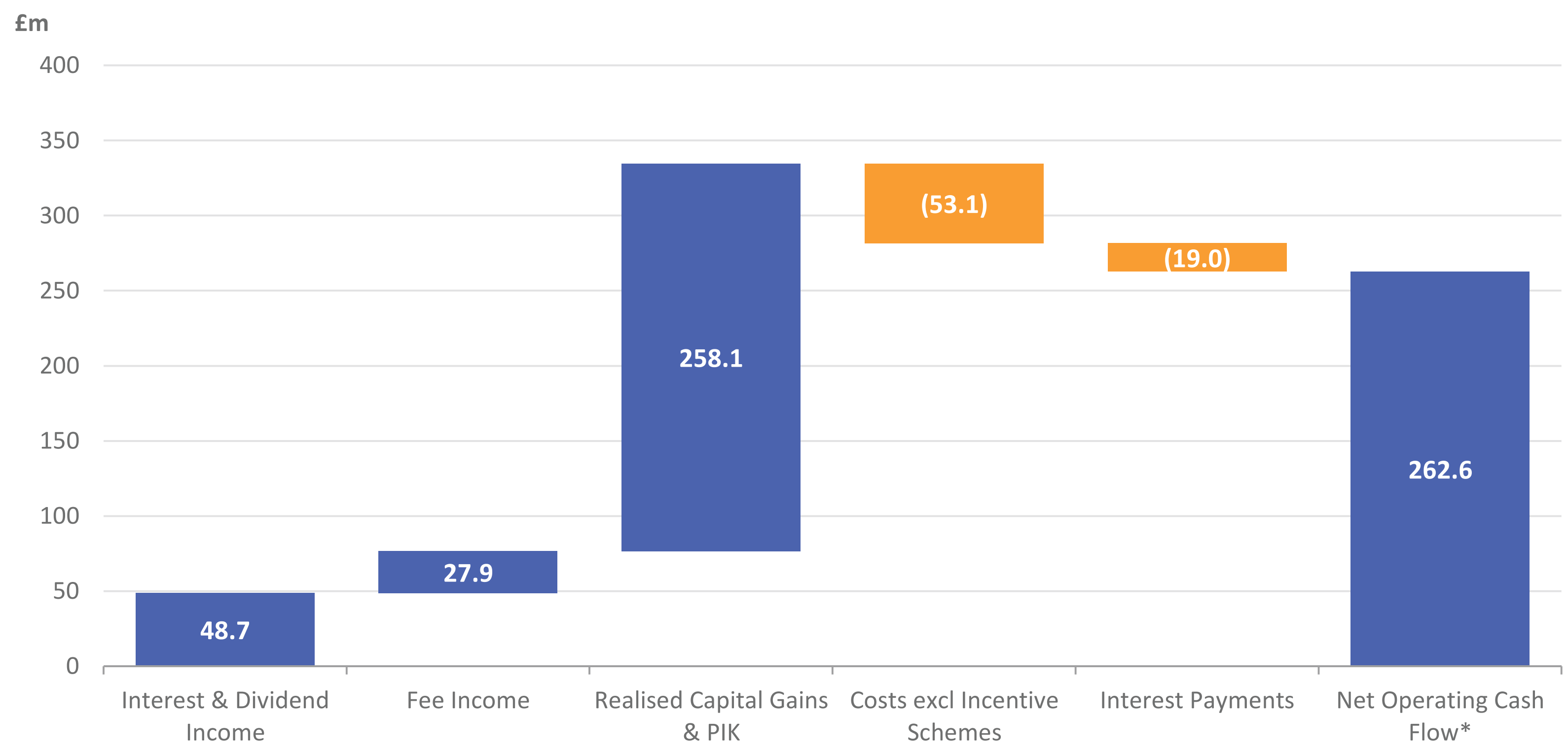
	H1 14	H1 13	H1 12
Pre tax profit excluding FV* (£m)	162.1	41.1	100.7
Pre tax profit (£m)	155.3	39.6	108.8
Net profit (£m)	122.9	39.5	85.1
Adjusted EPS * (pence per share)	33.7	10.7	19.6
EPS (pence per share)	32.0	10.3	21.6
DPS (pence per share)	6.6	6.3	6.0

** Adjusted for fair value movement on derivatives*

Cash flow analysis

£m	H1 14	H2 13	H1 13
Operating cash flow	168.6	18.9	12.4
Cash flow relating to Capital Gains	103.4	24.9	(28.3)
Repayments & recoveries	446.8	82.3	66.0
Tax & others	(14.7)	(15.5)	(29.9)
Free Cash flow	**704.1**	**110.6**	**20.2**
New investments	(132.9)	(64.2)	(197.7)
Dividend	(52.8)	(24.4)	(50.5)
Net share purchases	(26.9)	(8.3)	(2.6)
Net debt decrease / (increase)	**491.5**	**13.7**	**(230.6)**

Operating cash flow

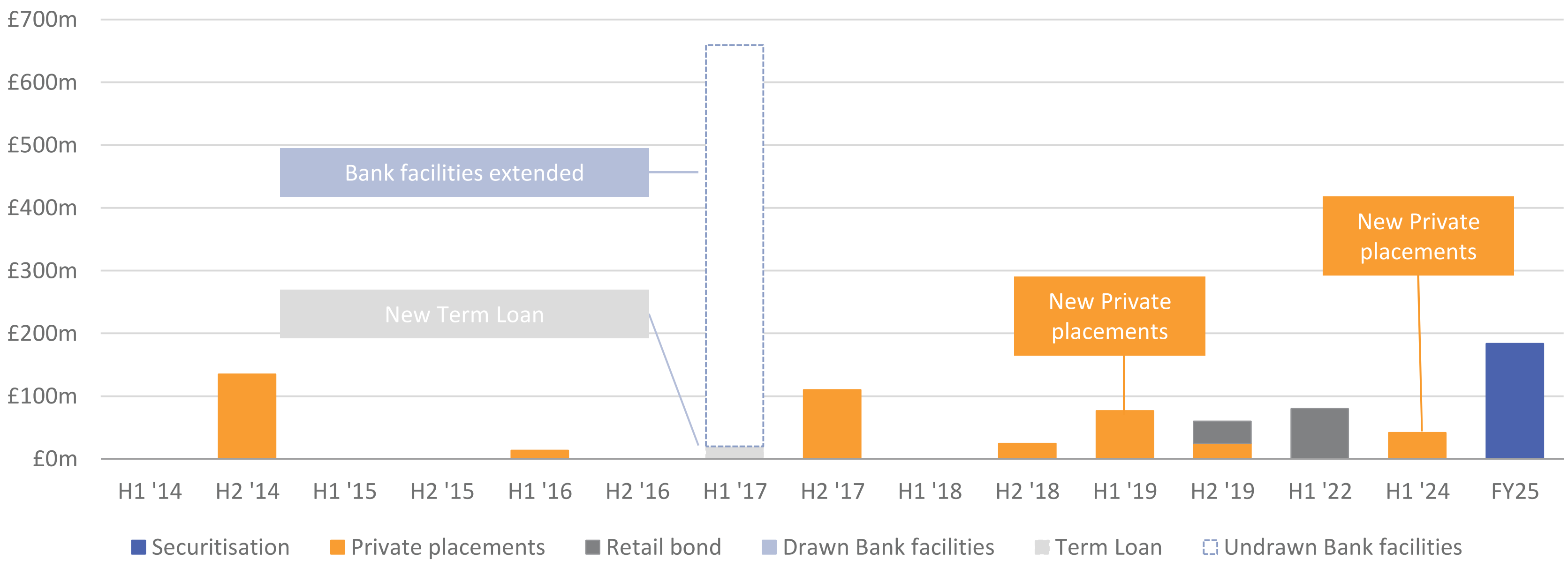


* Net cash flow from operating activities less incentive schemes

Cash core income

Cash core income calculation	£m
Pre tax profit excluding FV	162.1
Less capital gains	(157.4)
Plus provisions	76.3
Less accrued PIK	(66.4)
Plus PIK realised	154.6
Cash core income	**169.2**

Debt summary

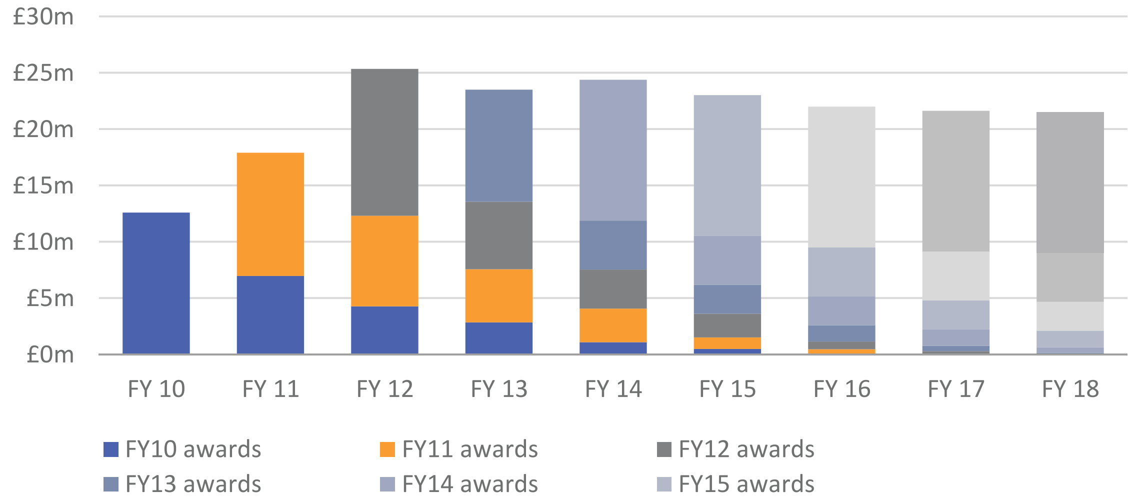


- Bank facility of £80m extended from July 2014 to July 2016
- New three year £20m term loan commenced in May 2013
- Diversified sources of financing – bank facilities, bonds, private placements, securitisation
- Reduction in existing bank facilities of £82m, in line with loan agreements
- Investment grade ratings of BBB– from Fitch and S&P

Incentive schemes

£m	Group H1 2014	Segmental FM Co	 Inv Co
FY 10 Awards	0.6	0.3	0.3
FY 11 Awards	3.8	1.0	2.8
FY 12 Awards	2.6	1.4	1.2
FY 13 Awards	3.4	2.0	1.4
FY 14 Accruals	7.5	2.0	5.5
Total	**17.9**	**6.7**	**11.2**

Long term P&L impact of incentive schemes
(excluding balance sheet carry)



- Based on FY10 to FY13 actual awards, and constant FY13 awards for future years

Future P&L impact of FY10 to FY13 awards – Excluding Balance Sheet Carry

	FY14	FY15	FY16	FY17	FY18
£m	11.9	6.2	2.6	0.8	0.2

Assets in BSC Scheme

Year of investment	Portfolio companies	
FY11	* EOS * Fort Dearborn * Team System * Quorn	* Westbury Street Holdings * Gerflor * Courtepaille
FY12	* Tegel * BvD * Ventura Motors	* HMG * Citic
FY13	* Riverland * Symingtons * SCF * Esmalglass * Convergint	* Punter Southall * ATPI * Viking * Icopal
FY14	* Euro Cater A/S	* Inenco

Consolidation of US CLOs

- The first two US CLOs are expected to be consolidated in line with IFRS
- Consolidation does not impact the risk profile of the Group
- There will be no change in the Group's income statement upon consolidation
- The Group will continue to receive fees and dividends from the US CLOs
- Seed capital held by the Group will be eliminated on consolidation
- Additional loan assets will be brought in which represent the portfolio of loans the CLOs has invested in
- An additional liability will be recognised representing the monies owed to their party investors in the CLO

Group Balance Sheet FY14 Forecast Balance Sheet £m	ICG excl US CLOs	US CLOs Adjustments	Consolidated ICG
Seed Capital	384	(50)	334
Loans & investments	2,034	440	2,474
Cash	35	-	35
Other Assets	42	-	42
Total Assets	2,495	390	2,885
Senior Debt	(32)	(390)	(422)
PPs / Bonds	(465)	-	(465)
IF II Securitisation	(223)	-	(223)
Other Liabilities	(140)	-	(140)
Total Liabilities	(860)	(390)	(1,250)
Equity	1,635	-	1,635

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