

Tetragon Financial Group Limited (“TFG”) Q3 2012 Results Call

November 5, 2012

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TETRAGON



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Key Financial Metrics

- Earnings Per Share
- Net Asset Value (“NAV”) Per Share
- Distributions

Financial Highlights Report

TETRAGON FINANCIAL GROUP

Financial Highlights

	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Quarterly Average
Net income (\$MM)	\$70.8	\$79.2	\$53.4	\$80.3	\$67.3	\$88.1	\$73.2
EPS (\$)	\$0.62	\$0.69	\$0.46	\$0.69	\$0.57	\$0.74	\$0.63
CLO Cash receipts (\$MM) (1)	\$119.1	\$110.0	\$102.6	\$113.2	\$105.1	\$102.4	\$108.7
CLO Cash receipts per share (\$)	\$1.05	\$0.96	\$0.89	\$0.97	\$0.89	\$0.86	\$0.94
Net cash balance (\$MM)	\$353.1	\$299.1	\$224.8	\$211.5	\$155.6	\$67.7	\$218.6
Net assets (\$MM)	\$1,623.6	\$1,570.3	\$1,510.1	\$1,474.4	\$1,413.6	\$1,368.3	\$1,493.4
Number of shares outstanding (million) (2)	113.6	114.2	115.1	116.0	117.2	118.8	115.8
NAV per share (\$)	\$14.29	\$13.75	\$13.12	\$12.71	\$12.06	\$11.52	\$12.91
DPS (\$)	\$0.115	\$0.115	\$0.105	\$0.105	\$0.10	\$0.10	\$0.11
Weighted average IRR on completed transactions (%)	17.9%	17.6%	17.5%	17.6%	16.8%	16.3%	17.3%
Number of CLO investments (3)	80	79	78	77	75	75	77
ALR Fair Value Adjustment (\$MM)	(\$107.0)	(\$109.3)	(\$120.7)	(\$128.7)	(\$118.0)	(\$133.8)	(\$119.7)

(1) Gross cash receipts from CLO portfolio.

(2) Excludes shares held in treasury and in a subsidiary.

(3) Excludes CDO-squared and ABS CDO transactions written off in October 2007. TFG continues to hold the economic rights to 3 of these written-off transactions.

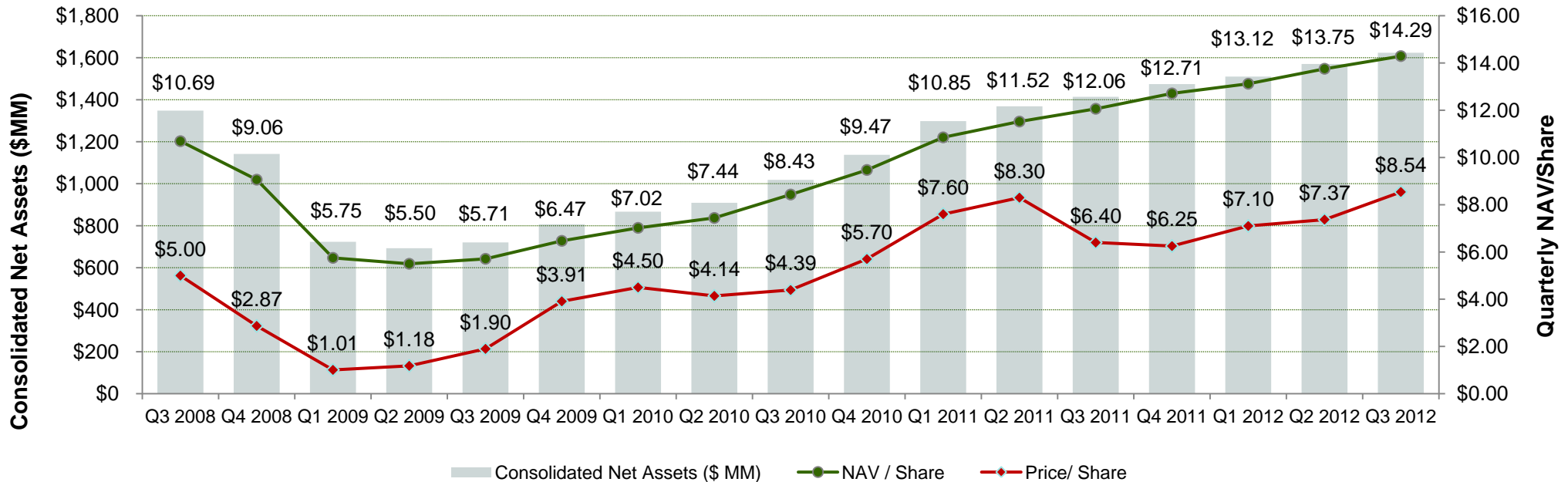
Performance Report by Quarter

TETRAGON FINANCIAL GROUP				
Quarterly Statement of Operations as at 30 Sep 2012				
Statement of Operations	Q3 2012 (\$MM)	Q2 2012 (\$MM)	Q1 2012 (\$MM)	Q4 2011 (\$MM)
Interest income	59.4	58.3	57.5	55.1
CLO management fee income	5.4	4.4	4.4	4.3
Other income	1.4	1.8	1.3	2.9
Investment income	66.2	64.5	63.2	62.3
Management and performance fees	(25.5)	(28.3)	(19.5)	(28.6)
Admin / custody and other fees	(5.5)	(4.6)	(4.8)	(7.6)
Total operating expenses	(31.0)	(32.9)	(24.3)	(36.2)
Net investment income	35.2	31.6	38.9	26.1
Net change in unrealised appreciation in investments	38.3	52.1	16.2	58.5
Realised gain / (loss) on investments	0.5	(0.1)	0.1	0.3
Realised and unrealised losses from hedging and fx	(1.7)	(2.9)	(0.7)	(3.3)
Net realised and unrealised gains from investments and fx	37.1	49.1	15.6	55.5
Income taxes	(0.8)	(1.0)	(0.6)	(0.7)
Noncontrolling interest	(0.7)	(0.5)	(0.5)	(0.6)
Net increase in net assets from operations	70.8	79.2	53.4	80.3

Net Assets, NAV Per Share and Share Price

NAV rose to \$1,623.6 million or \$14.29 per share at the end of Q3 2012, highest level to date (+3.9% vs Q2 2012)

TFG Consolidated Net Assets (\$MM) and NAV per Share ⁽ⁱ⁾

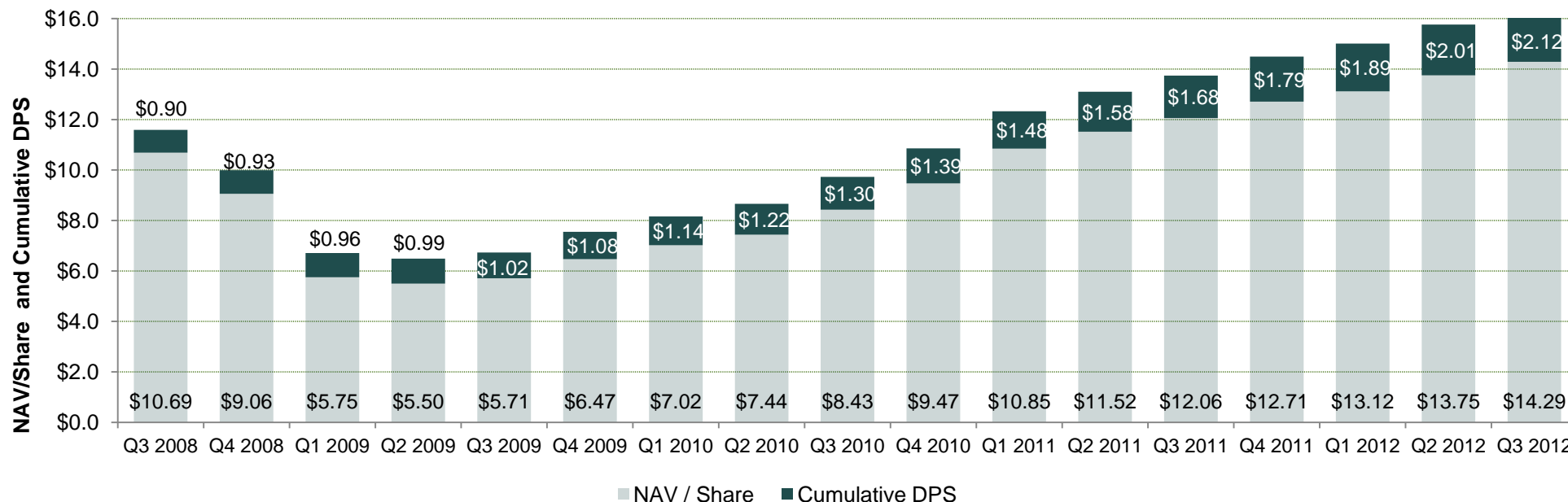


(i)Source: NAV per share and Cumulative DPS as per TFG's financial disclosures for each relevant quarter-end date. The cumulative DPS reflect dividends announced with respect to each relevant quarter. Please note that dividends announced with respect to each quarter are typically not distributed to shareholders until the beginning of the following quarter. Please note further that the NAV per share reported as of each quarter-end date excludes any shares held in treasury as of that date.

Distributions - Dividends

- TFG declared a Q3 2012 dividend of \$0.115 per share, unchanged from Q2 2012
- Inclusive of the Q3 dividend, the rolling 12-month dividend growth rate (year-on-year) was 15.8%

Quarterly TFG NAV per Share and Cumulative Dividends per Share (DPS) (\$) (i)

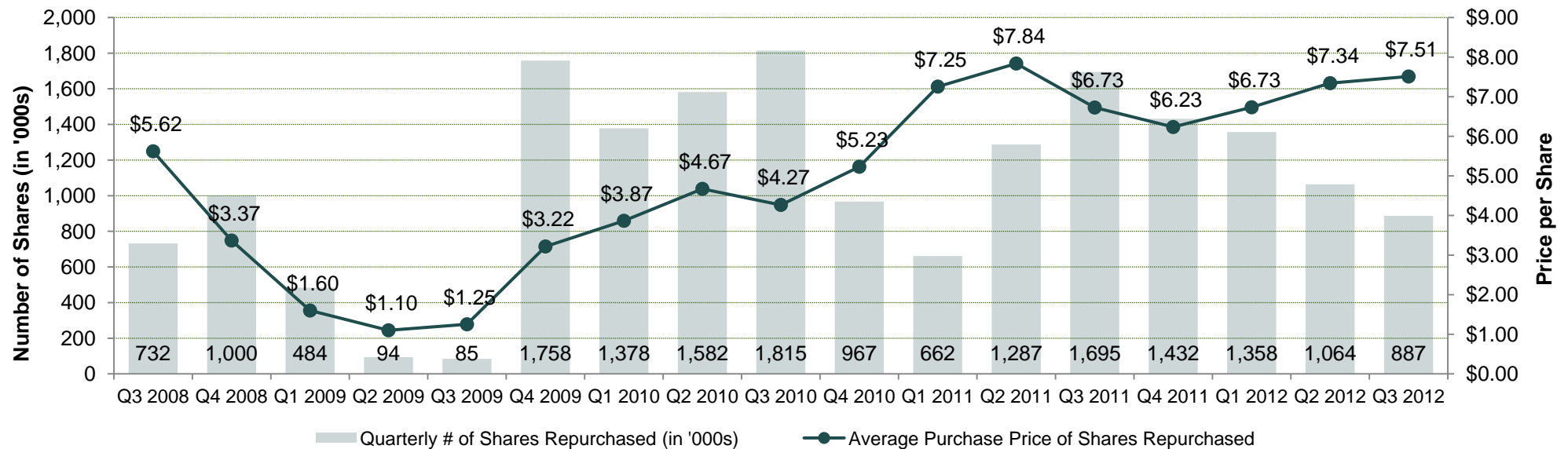


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Distributions - Share Repurchases

- Repurchased 886,721 shares at an aggregate cost of approximately \$6.7 million during Q3
- Average price \$7.51 per share
- 19.4 million repurchased since the inception of the program
- Further planned buyback of \$150 million announced on October 29

Quarterly TFG Share Repurchases (in '000s) (i)



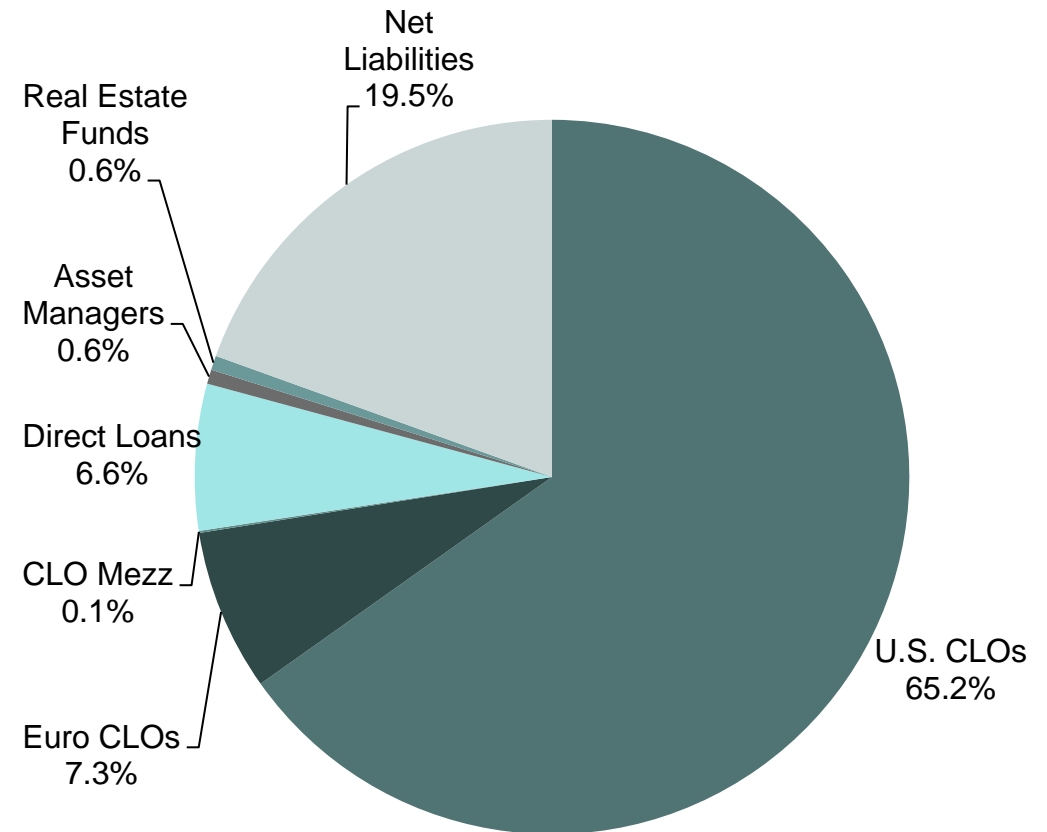
(i) The Average Purchase Price of Shares Repurchased is a weighted-average using the number of shares repurchased each quarter including commissions.

TFG's Net Asset Breakdown

As of the end of Q3 2012:

- Total fair value of TFG's CLO approximately \$1.177 billion
 - Just over \$1 billion US investments
 - \$119 million European exposure
- Look-through exposure of approximately \$19 billion of par value
- Direct holdings of liquid US bank loans approximately \$107.8 million

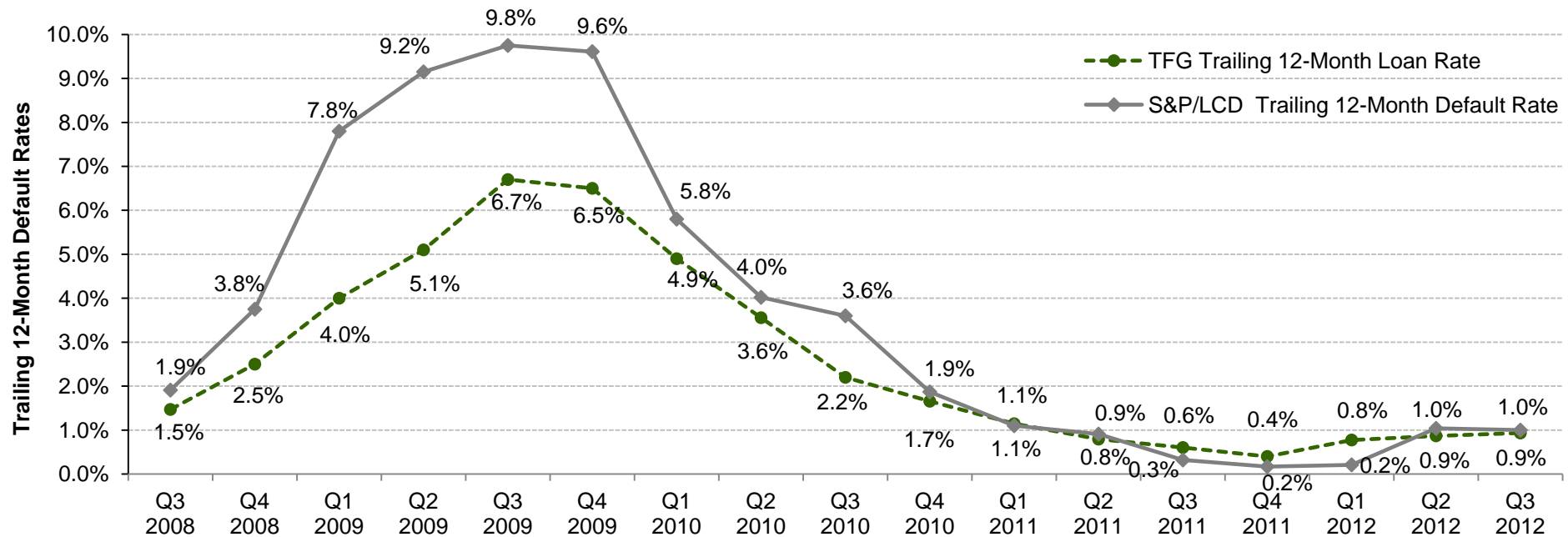
Q3 2012 TFG's Net Asset Breakdown



TFG and US Market-Wide Trailing 12-Month Default Rate

- Lagging 12-month corporate loan default rate unchanged at 0.9% annualized
- US CLO equity = 0.6% vs. US institutional loans = 1.0%
- European CLO equity = 3.3% vs. European leverage loan index = 6.2%

Figure 9: TFG and U.S. Market-Wide Trailing 12-Month Default Rates (i)(ii)



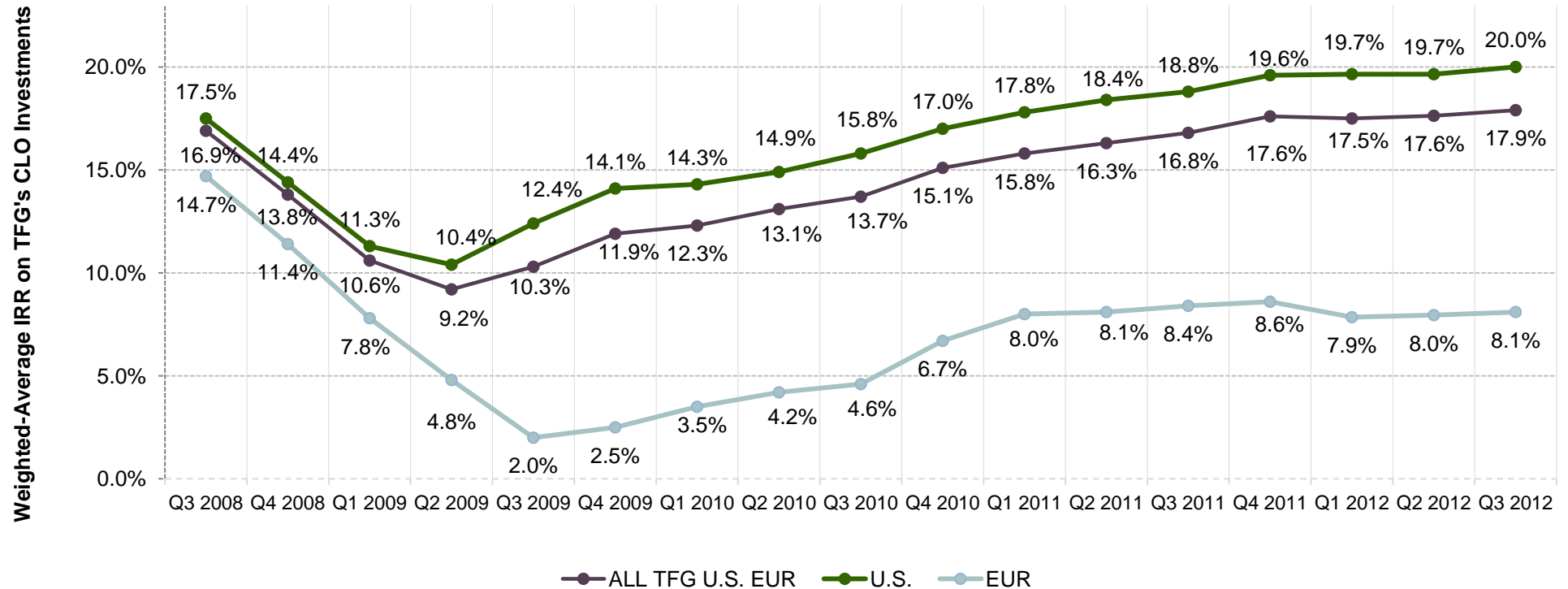
(i) Source: TFG as of the outlined quarter-end date. The calculation of TFG's lagging 12-month corporate loan default rate does not include certain underlying investment collateral that was assigned a "Selective Default" rating by one or more of the applicable rating agencies. Such Selected Defaults are included the S&P/LCD lagging 12-month U.S. institutional loan default rate discussed above. Furthermore, TFG's CLO equity and direct loan investment portfolio includes approximately 9.1% CLOs with primary exposure to European senior secured loans and such loans are included in the calculation of TFG's corporate default rate.

(ii) Source: S&P/LCD Quarterly Review as of the outlined quarter-end date.

Weighted-Average IRR on CLO Equity Investments

- Weighted-average IRRs on CLO equity investments rose to 17.9% vs 17.6% in Q2
- US CLO average IRR increased to 20%
- European CLO average IRR rose to 8.1%

Weighted-Average IRR on TFG's CLO Investments (i)

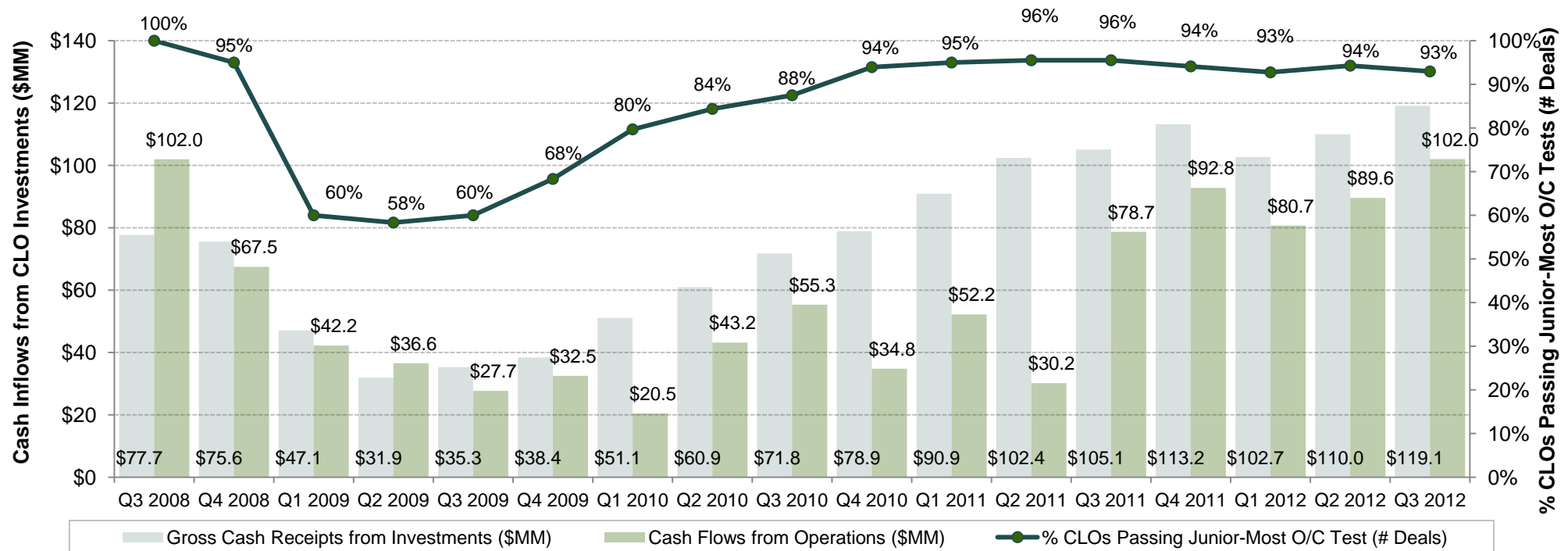


(i) Source: TFG as of the outlined quarter-end date.

TFG's Gross Investment and Operating Cash Flows

- 97% of TFG's CLO investments passing most junior OC test at end of Q3 2012, weighted by fair value

TFG's Gross Investment and Operating Cash Flows (\$MM) vs. % of CLOs Passing Junior-Most O/C Tests ⁽ⁱ⁾⁽ⁱⁱ⁾



(i) The percentage of TFG's CLOs passing their junior-most O/C tests has been calculated as the ratio of the number of deals passing their junior O/C tests to the total number of CLO deals held by TFG as of the applicable quarter-end date.

(ii) Gross Cash Receipts from Investments refer to the actual cash receipts collected during each quarter from TFG's CLO investments. Cash Flows from Operations refer to cash inflows from investments less expenses and net cash settlements on FX and credit hedges.

CLO Portfolio Credit Quality

ALL CLOs	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Caa1/CCC+ or Below Obligors:	6.40%	5.70%	6.20%	7.00%	7.00%	7.20%	7.60%	8.30%	9.60%	10.50%	11.10%	12.00%	12.60%
WARF:	2,605	2,578	2,588	2,624	2,614	2,642	2,664	2,671	2,658	2,706	2,762	2,809	2,813

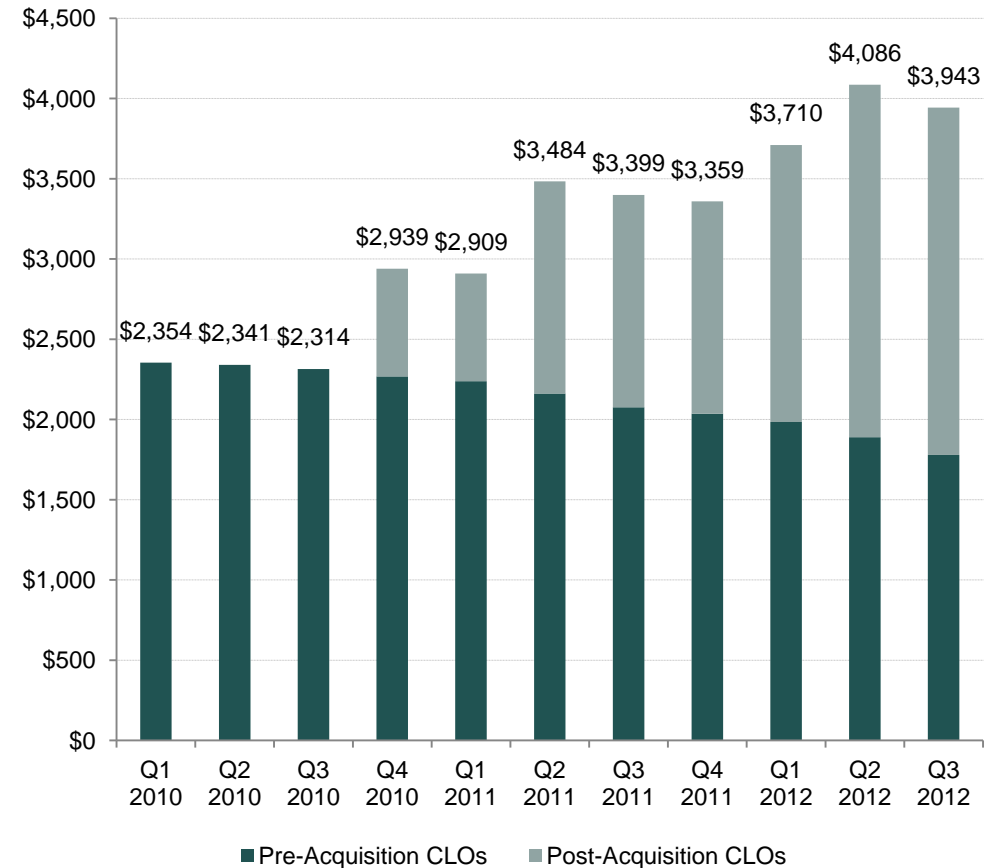
US CLOs	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Caa1/CCC+ or Below Obligors:	4.90%	4.20%	4.80%	5.50%	5.50%	5.80%	6.50%	6.90%	7.90%	8.40%	9.40%	12.00%	12.80%
WARF:	2,528	2,491	2,504	2,533	2,522	2,542	2,591	2,622	2,610	2,648	2,719	2,799	2,824

EUR CLOs	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Caa1/CCC+ or Below Obligors:	12.20%	11.60%	11.10%	12.30%	12.00%	12.30%	11.40%	13.10%	15.30%	17.40%	16.80%	15.60%	12.00%
WARF:	2,903	2,910	2,900	2,948	2,941	2,997	2,914	2,837	2,817	2,898	2,907	2,845	2,779

LCM

- As of the end of Q3 2012 LCM's total loan assets under management stood at \$3.9 billion (Q2 2012: \$4.1 billion)
- LCM XII closed October 4, 2012, a \$518.25 million new issue CLO
- LCM's assets under management stood at \$4.4 billion as of October 5, 2012

LCM Assets Under Management History (\$MM)

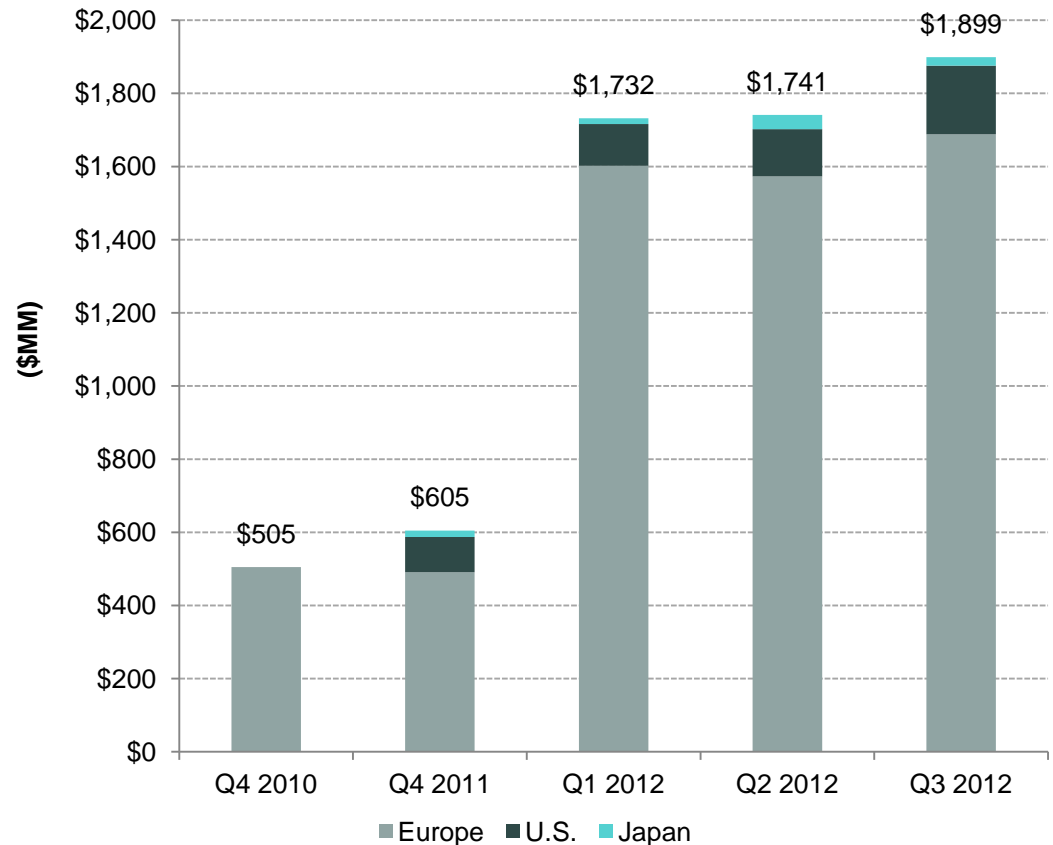


*LCM cash flow CLOs: LCM I, LCM II, LCM III, LCM IV, LCM V, LCM VI, LCM VIII, LCM IX, LCM X, LCM XI and LCM XII

GreenOak Real Estate

- GreenOak continued to execute on its business growth strategy, including increasing investor commitments to its funds
- GreenOak's investment team is actively building a pipeline of interesting opportunities in the United States, Japan, and Europe, which we expect to continue to materialize over the next several quarters

GreenOak Assets Under Management History (\$MM)



Loan and CLO Market

Tender Offer Details

- TFG commenced a tender offer today, to purchase a portion of the outstanding non-voting shares for a maximum aggregate payment of \$150,000,000 in cash
- Deutsche Bank to act as dealer manager
- A modified Dutch auction structure to be used
- Pricing ranging from \$9.25 up to and including \$10.65 per share
- Offer expected to expire at 5:30 pm CET on December 4, 2012
- Full details of the tender offer, with complete instructions on how to tender shares are in the offer to purchase which is available on our website www.tetragoninv.com

Questions & Answers
