

Q2 2016

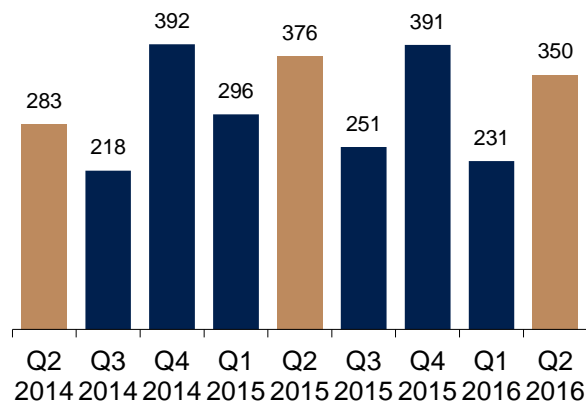
Interim presentation



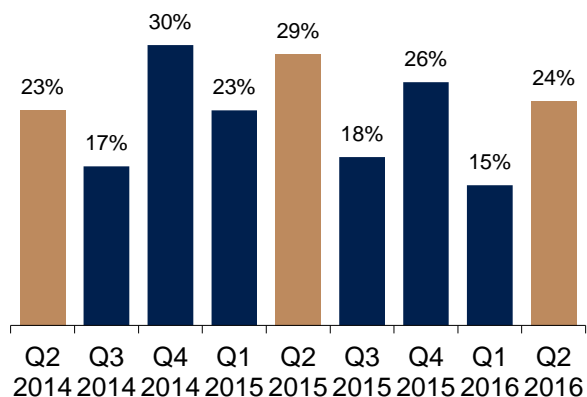
14 July 2016

Q2 2016 highlights

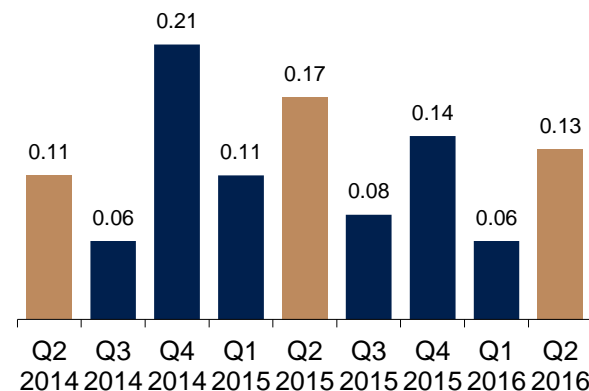
Revenues (NOKm)



Operating margin %



EPS basic (NOK)



Revenues of NOK 350m vs NOK 376m last year

- Solid contribution from Investment Banking Sweden, Denmark and Norway

EPS of NOK 0.13 vs NOK 0.17 last year

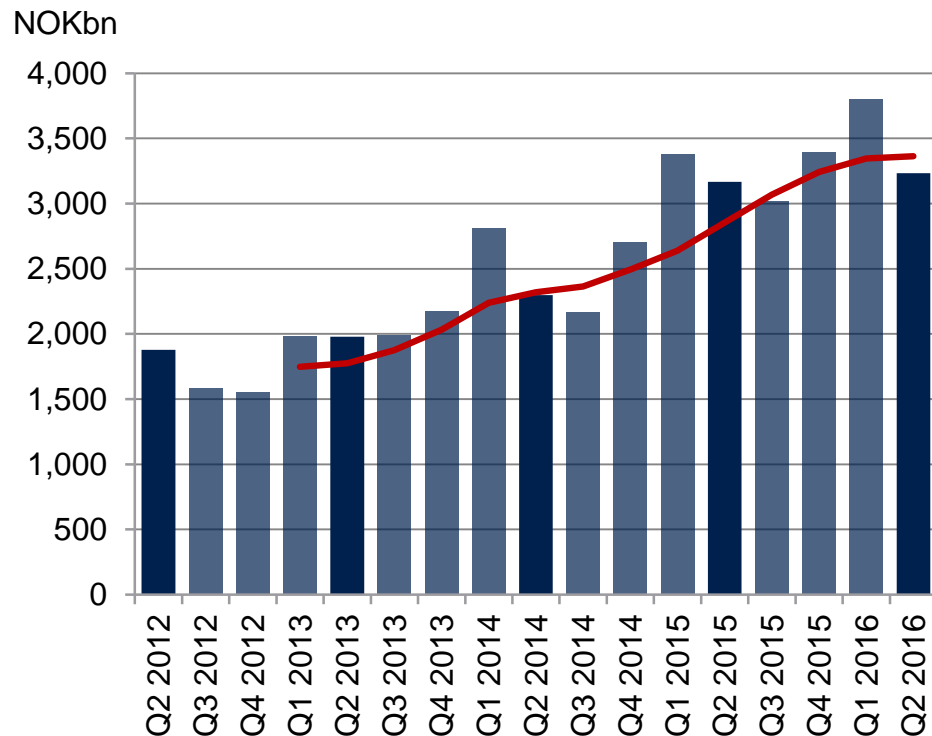
- EBIT margin of 24% with total operating costs in line with last year

Annualised Q2 return on equity of 27%

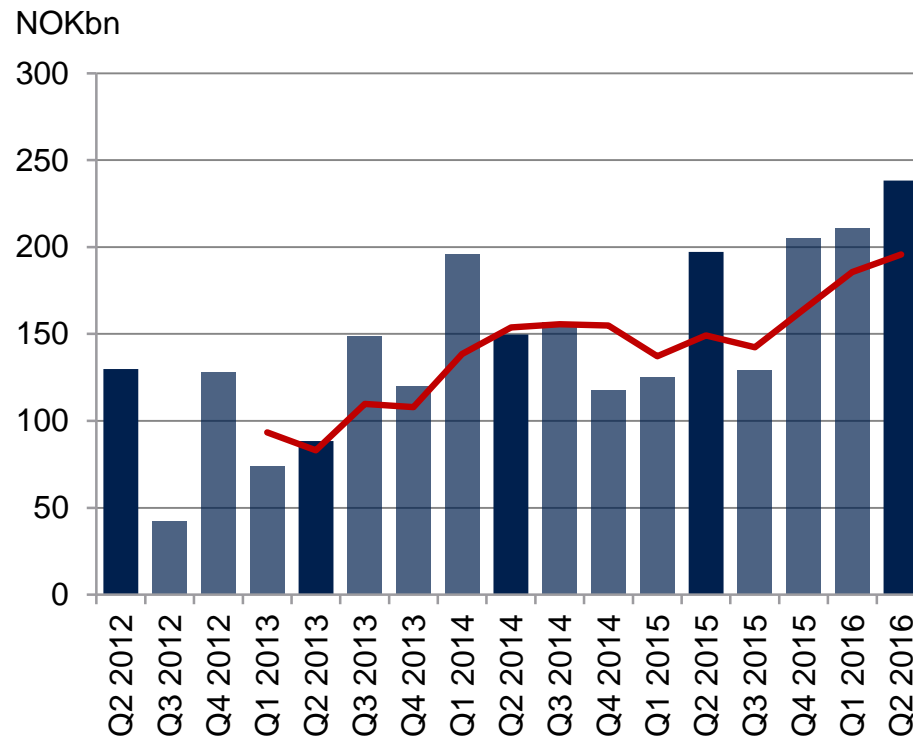
- Robust capitalisation (capital ratio of 21%) and liquid balance sheet

Secondary equity market volumes stable and Nordic M&A volumes slowly increasing in NOK terms

Nordic Equity trading volumes¹⁾



Nordic M&A volumes²⁾



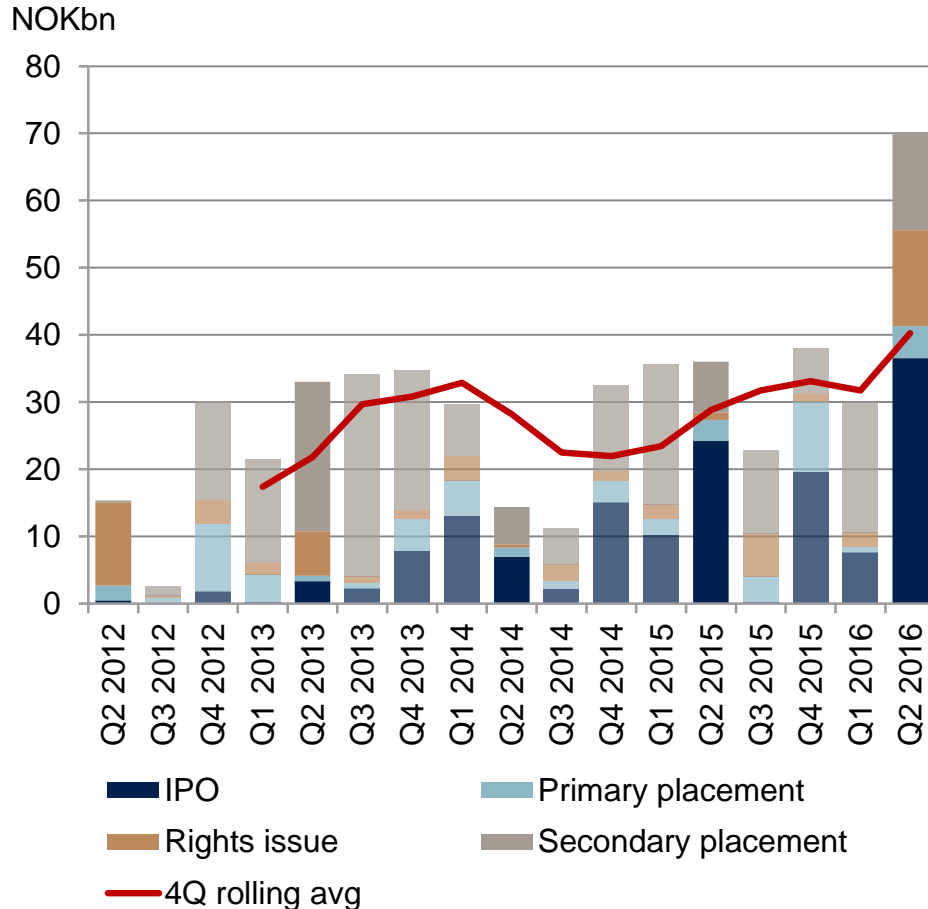
3 Source: Nordic stock exchanges, BATS, Mergermarket, ABGSC

1) Including non-exchange market volumes

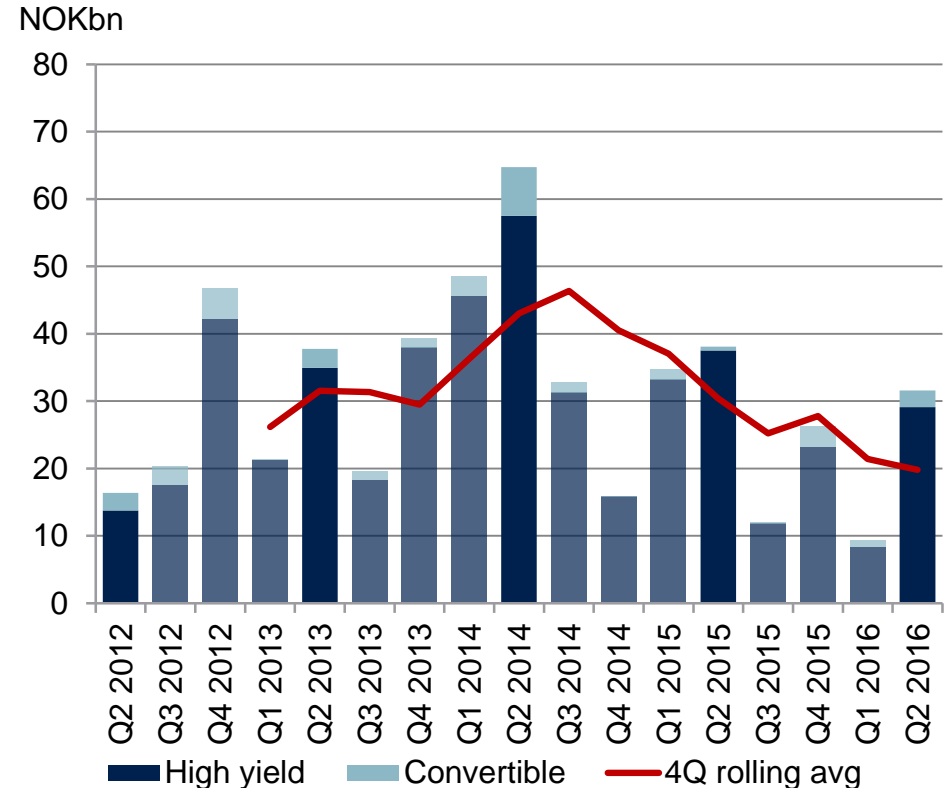
2) Nordic buyers or sellers, announced transactions

Solid ECM quarter driven by a number of IPOs and signs of improvement within DCM

Nordic ECM volumes¹⁾



Nordic DCM volumes²⁾



4 Source: ThomsonOne, Stamdata

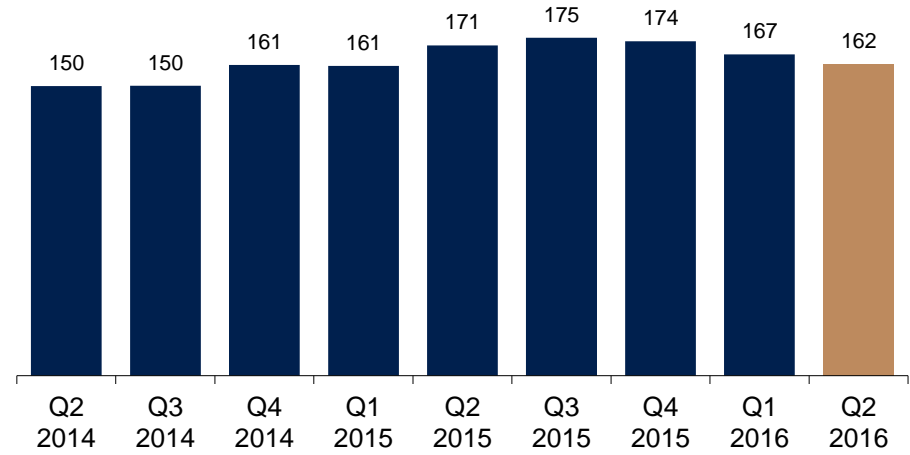
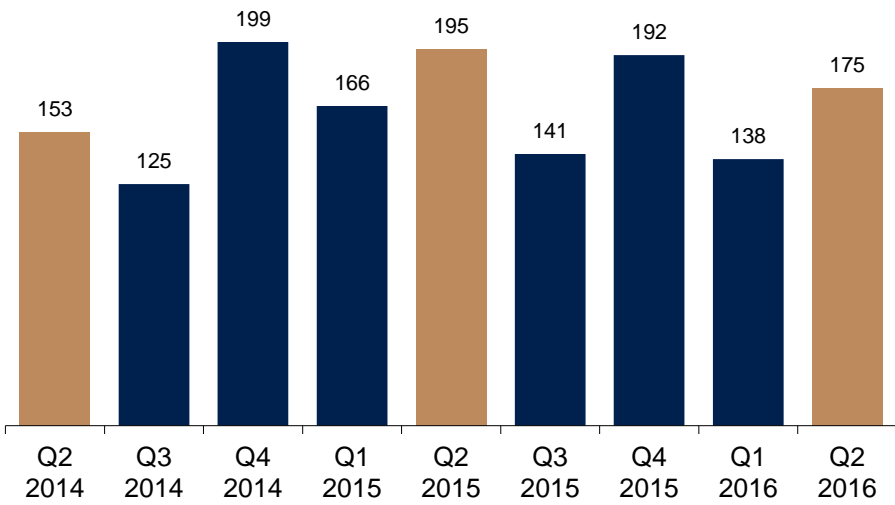
1) IPOs, rights issues, primary placements and secondary placements

2) Corporate high yield and convertible bonds

Markets division: Revenues of NOK 175m, down 10% y-o-y

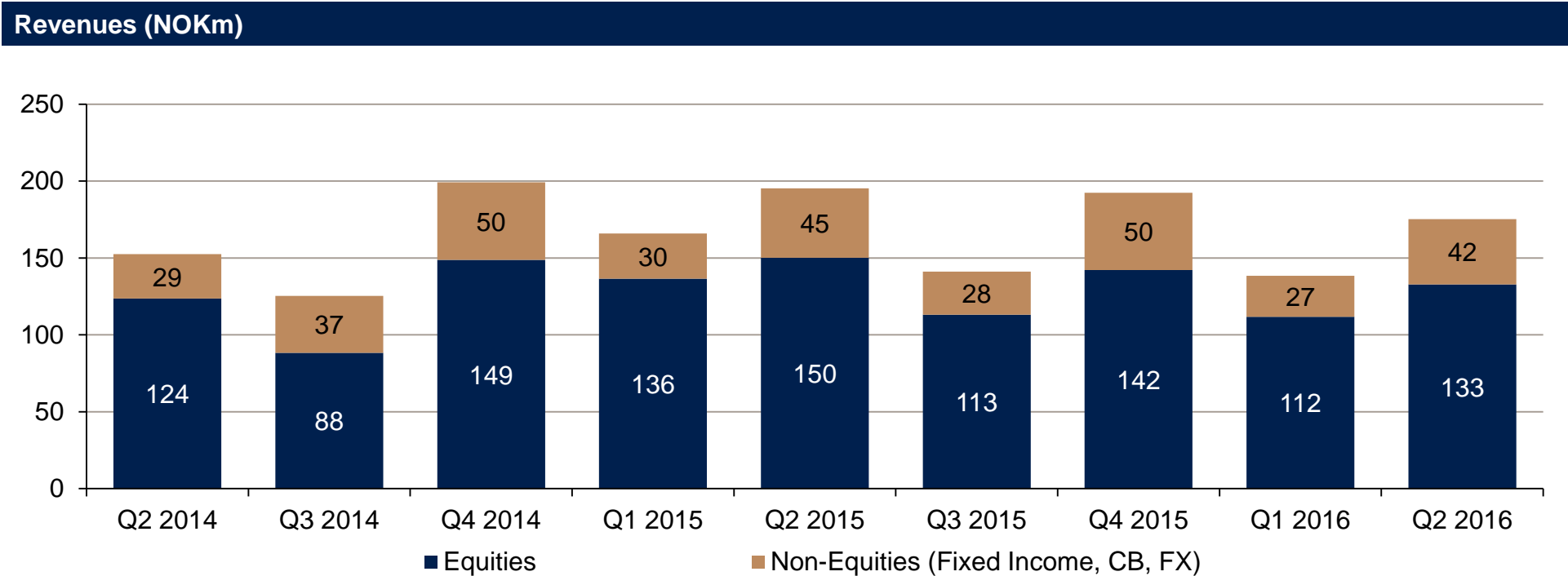
Revenues (NOKm)

Revenues – 4 quarter rolling average (NOKm)



- Average number of staff during the quarter amounted to 73, down 1% y-o-y and average revenues per head down 9%

Markets division: Revenue drop primarily within Equities

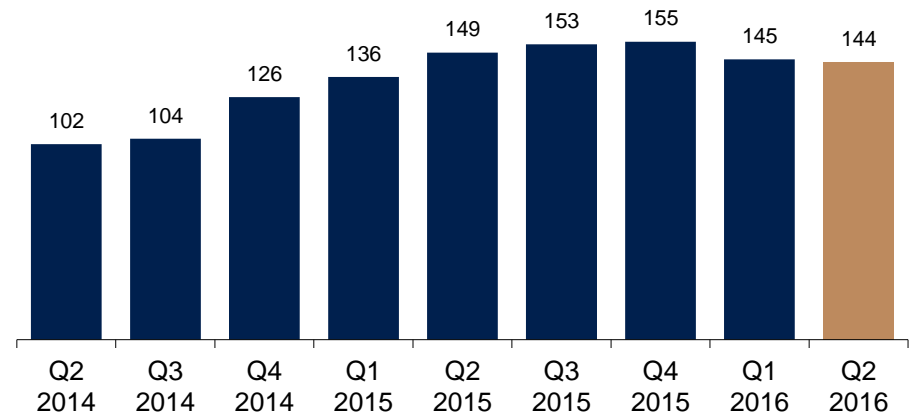
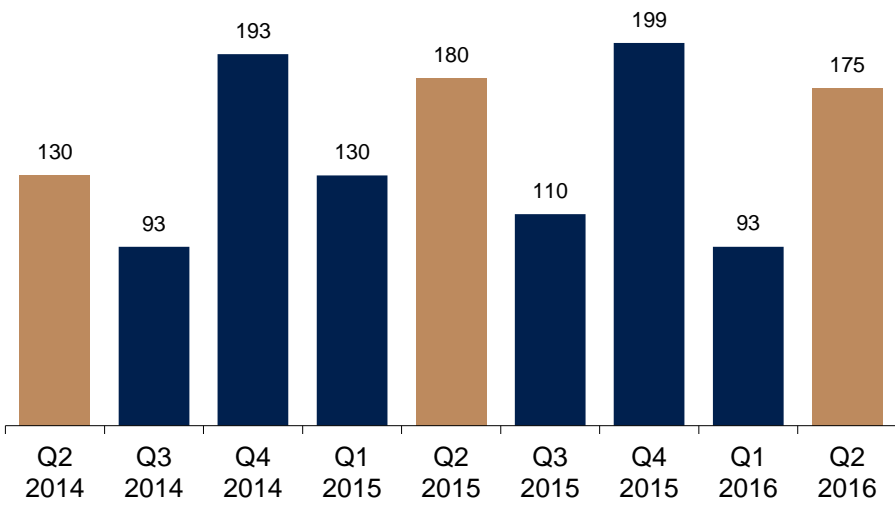


- Revenues from Equities were down 12% y-o-y, with revenues related to commission trading continuing to be under pressure
- Non-Equities revenues were fairly in line with last year

Investment Banking division: Net revenues of NOK 175m, in line with the solid Q2 last year

Revenues (NOKm)

Revenues – 4 quarter rolling average (NOKm)



- The revenues reflects the strong recovery in the ECM market and solid activity within the Swedish DCM and Norwegian debt restructuring.
- The average headcount for Investment Banking in the quarter was 75, up 10% y-o-y with average revenue per head decreasing by 11% y-o-y

Strong contribution from all locations

Selected Q2 transactions



Unicare

Undisclosed
Sale to G-Square

Advisor to the sellers

2016



Nordic Waterproofing

SEK 1,180m
Initial public offering

Joint global coordinator and
bookrunner

2016



Siem Industries

EUR 250m
Exchangeable bond into
Subsea 7

Joint bookrunner

2016



DONG Energy

DKK 19,683m
Initial public offering

Co-lead manager

2016



Wilson Therapeutics

SEK 480m
Initial public offering

Joint global coordinator

2016



InkClub

SEK 322m
Sale to Lennart Nyberg

Advisor to ICA Gruppen

2016



Songa Offshore

USD 2,400m
Debt restructuring incl. USD
125m convertible bond issue

Joint lead manager
and bookrunner

2016



Compusoft

NOK 283m
Secondary placement

Advisor to Tritoria Holding

2016



TF Bank

SEK 501m
Initial public offering

Joint global coordinator

2016



Undisclosed
Acquisition by Polaris
Private Equity

Advisor to Polaris Private
Equity

2016



B2Holding

NOK 958m
Initial public offering

Joint global coordinator

2016



Lauritz.com

SEK 244m
Initial public offering

Sole global coordinator
and bookrunner

2016



Volstad Shipping

NOK 275m
Financial restructuring

Advisor to Volstad Shipping

2016



Micro Matic

Undisclosed
Sale to Katalysator

Advisor to Herkules Capital

2016



pierre.dk

Undisclosed
Sale of pierre.dk to Ufenau
Capital Partners

Advisor to sellers

2016



Magnolia Bostad

SEK 600m
Senior secured bond

Joint bookrunner

2016



SSM

SEK 400m
Senior secured bond

Manager and sole bookrunner

2016



Fjarðalax

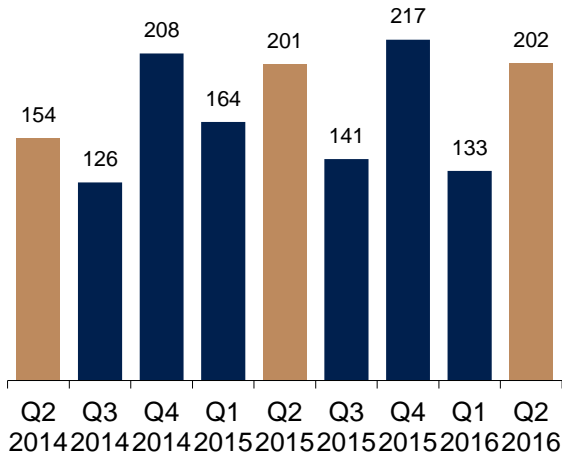
Undisclosed
Merger with Arnalax

Advisor to Fjarðalax

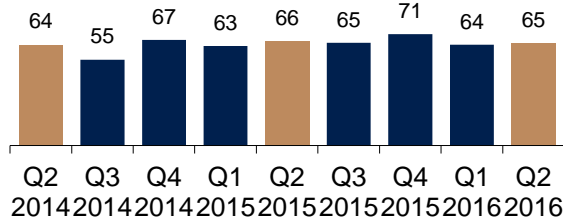
2016

Operating costs in line with last year despite inflation by NOK depreciation

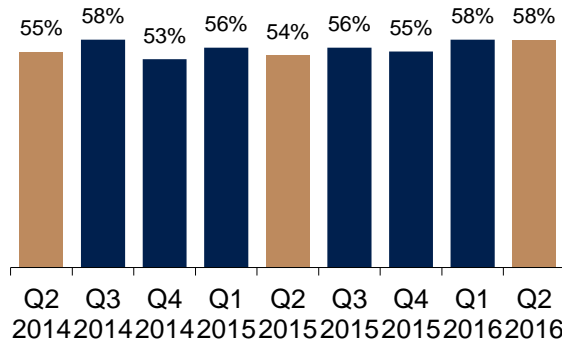
Personnel costs (NOKm)



Non-personnel costs (NOKm)



Total personnel costs / Revenues



- Total operating costs were stable, amounting to NOK 202m compared to NOK 201m in Q1 last year.
- The continued depreciation of the NOK relative to foreign currencies increased the fixed cost base by approx. NOK 8m when translating from local currencies into NOK compared to same quarter last year
- Limited inflation expected in Q2 at current exchange rate levels

Closing remarks

- Q2 is a proof of delivery of the communicated strategy – diversified business mix and broad geographical revenue base
- The quarter was an active period for Investment Banking with a range of completed transactions
- The commission based market for equity brokerage and research services continues to be under pressure
- ABGSC has added capacity in DCM and also expanding our resource base within ECM, reflecting an identified potential for market share and revenues
- The current mandated transaction pipeline is solid and well diversified across all product groups, but recently increased geo-political uncertainty may jeopardise execution

Appendix: Key figures

		Q2 2016	Q2 2015	Y-o-Y	YTD 2016	YTD 2015	Y-o-Y
Revenues	NOKm	350	376	-7%	582	672	-13%
Personnel costs	NOKm	-202	-201	0%	-335	-366	-8%
Non-personnel costs	NOKm	-65	-66	-2%	-129	-130	0%
Total operating costs	NOKm	-267	-268	0%	-465	-495	-6%
Operating profit	NOKm	83	108	-23%	117	177	-34%
Net financials	NOKm	1	1	-12%	3	6	-43%
Profit before tax	NOKm	84	110	-23%	120	182	-34%
Taxes	NOKm	-23	-32	-29%	-32	-52	-38%
Net profit	NOKm	62	78	-21%	88	130	-33%
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EPS (basic)	NOK	0.13	0.17	-24%	0.19	0.28	-32%
EPS (diluted)	NOK	0.12	0.16	-25%	0.18	0.26	-31%
Book value per share	NOK	1.66	1.88	-12%	1.66	1.88	-12%
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Headcount (average)	#	256	250	2%	254	253	0%
Revenues per head (average)	NOKm	1.37	1.50	-9%	2.29	2.66	-14%
Operating costs per head (average)	NOKm	-1.04	-1.07	-3%	-1.83	-1.96	-7%
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Operating cost / Revenues	%	76.2%	71.2%		79.9%	73.7%	
Total compensation / Revenues	%	57.6%	53.5%		57.7%	54.4%	
Operating margin %	%	23.8%	28.8%		20.1%	26.3%	
Return on Equity (annualised)	%	27.4%	28.4%		18.9%	22.7%	

Appendix: Consolidated income statement (unaudited)

NOKm	Q2 2016	Q2 2015	YTD 2016	YTD 2015	2015
Brokerage revenues	137.8	175.5	269.0	329.1	602.7
Corporate Finance revenues	212.6	200.6	312.7	342.8	711.2
Total revenues	350.4	376.1	581.7	672.0	1,313.9
Fixed personnel costs	-111.2	-95.0	-211.3	-191.2	-385.6
Other operating costs	-63.5	-64.2	-125.8	-125.2	-257.2
Depreciation	-1.7	-2.2	-3.6	-4.5	-8.8
Total operating costs	-176.5	-161.3	-340.7	-320.9	-651.6
Operating profit before variable compensation	173.9	214.8	241.0	351.1	662.3
Variable personnel costs	-90.7	-106.3	-124.1	-174.5	-338.0
Operating profit after variable compensation	83.3	108.5	116.9	176.5	324.3
Net financial result	1.1	1.3	3.2	5.7	17.1
Profit before tax	84.4	109.7	120.2	182.2	341.4
Taxes	-22.7	-32.0	-32.3	-51.9	-111.1
Net profit	61.6	77.7	87.9	130.3	230.3

Appendix: Consolidated balance sheet (unaudited)

NOKm	30/06/2016	30/06/2015	31/12/2015
Total intangible assets	53.2	66.0	53.3
Plant and equipment	18.6	18.8	19.1
Financial non-current assets	16.1	36.0	27.0
Total non-current assets	87.9	120.9	99.4
Receivables	3,070.8	2,629.0	1,166.5
Investments	309.5	201.4	291.5
Cash and bank deposits	710.4	563.5	853.5
Total current assets	4,090.6	3,393.9	2,311.5
Total assets	4,178.5	3,514.7	2,410.8
Paid-in capital	306.2	287.3	288.7
Retained earnings	473.8	586.7	709.0
Total equity	780.0	874.0	997.7
Long-term liabilities	17.9	18.4	17.6
Short-term interest bearing liabilities	396.5	139.2	0.0
Short-term liabilities	2,984.0	2,483.2	1,395.5
Total liabilities	3,398.4	2,640.7	1,413.1
Total equity and liabilities	4,178.5	3,514.7	2,410.8

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