

# Q2 2016

## Interim report



### **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

## **ABOUT ABG SUNDAL COLLIER**

ABG Sundal Collier is an independent Nordic investment banking powerhouse, established for more than 30 years, founded on a hard-working partnership culture and the ability to attract and develop top talent.

Our strategy is to be an advisor and an intermediary, and our core product offering comprises corporate advisory, corporate financing and investor research and brokerage services.

We provide our in-depth industrial knowledge across a broad range of sectors in our Nordic home market to companies and investors in the Nordics and internationally.

Our corporate advisory team offers unparalleled transaction experience in combination with the value of our long-standing connections to regional and international investors and corporations. Our market-leading Nordic and international securities distribution platform provides access to financing for corporates and is well set up for naturally matching trading flows and delivering best execution for clients.

Our approx. 250 partners and employees are located in the Nordic offices in Norway, Sweden and Denmark and in offices in the key international markets of the US, the UK and Germany.

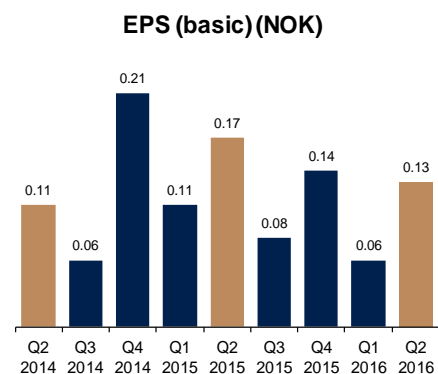
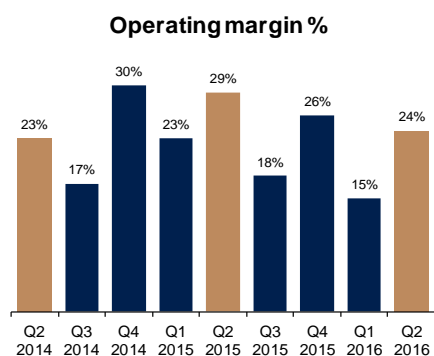
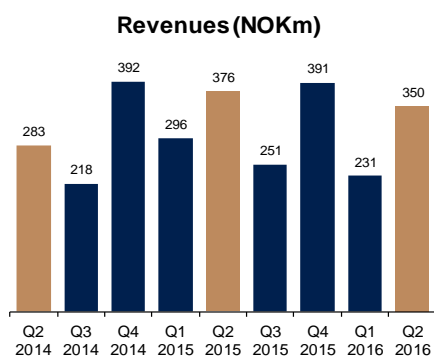
## **OUR VISION AND MISSION**

Our ambition is to be the preferred Nordic investment bank in our defined markets. We are committed to delivering long-term superior value for all key stakeholders by:

- Providing the best advice in relation to strategic challenges
- Providing the optimal external corporate financing
- Improving clients' return on investment
- Being "the place to be" for talented staff
- Running a cost-focused and highly profitable operation

## KEY FIGURES

		Q2 2016	Q2 2015	Y-o-Y	YTD 2016	YTD 2015	Y-o-Y
<b>Revenues</b>	<b>NOKm</b>	<b>350</b>	<b>376</b>	<b>-7%</b>	<b>582</b>	<b>672</b>	<b>-13%</b>
Personnel costs	NOKm	-202	-201	0%	-335	-366	-8%
Non-personnel costs	NOKm	-65	-66	-2%	-129	-130	0%
<b>Total operating costs</b>	<b>NOKm</b>	<b>-267</b>	<b>-268</b>	<b>0%</b>	<b>-465</b>	<b>-495</b>	<b>-6%</b>
<b>Operating profit</b>	<b>NOKm</b>	<b>83</b>	<b>108</b>	<b>-23%</b>	<b>117</b>	<b>177</b>	<b>-34%</b>
Net financials	NOKm	1	1	-12%	3	6	-43%
<b>Profit before tax</b>	<b>NOKm</b>	<b>84</b>	<b>110</b>	<b>-23%</b>	<b>120</b>	<b>182</b>	<b>-34%</b>
Taxes	NOKm	-23	-32	-29%	-32	-52	-38%
<b>Net profit</b>	<b>NOKm</b>	<b>62</b>	<b>78</b>	<b>-21%</b>	<b>88</b>	<b>130</b>	<b>-33%</b>
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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%	



## COMMENTS FROM THE CEO

Following the weak and turbulent market environment in the first quarter, equity market volatility came down significantly in April and May as capital markets slowly but steadily recovered some ground. In general, global macro data improved somewhat in the quarter, as well as, for instance, manufacturing activity, which accelerated in both the US and in the eurozone. The oil price bounced substantially and ended the quarter up 24%, and Nordic Q1 earnings statements generally were supportive too, as results generally beat expectations.

The somewhat unexpected result of the Brexit referendum at the end of June gave rise to steep declines on equity markets around the globe. The market recovered a large portion of the drop during the final days of the quarter, however, with the Nordic market ending June down 3%, and Q2 up 1%. Among the Nordics, the Norwegian market did best in the quarter, with the benchmark index gaining 4%. Finland (+3%) also performed strongly on a relative basis, while Denmark (+1%) and Sweden (-1%) lagged. On a sector basis, Oil & Gas and Health Care stocks outperformed, while the Technology and Financials sectors weighed on the market.

As opposed to the lacklustre start to the year, Q2 proved to be eventful with 11 new companies coming to the Nordic exchanges. ABGSC has yet again proved our transaction execution and distribution capabilities as we have managed six IPOs in Denmark, Sweden and Norway. I would particularly like to highlight the selection of ABGSC as a manager in the IPO of the Danish state-owned energy company DONG. This was by far the largest IPO during the quarter and is a considerable breakthrough for our ECM franchise in Denmark.

Unlike elsewhere in Europe, the Nordic M&A market has slowly but steadily improved in recent quarters. Q2 continued this trend with the announcements of high profile transactions across the Nordic countries, such as Tencent's acquisition of Finnish mobile gaming company Supercell, Castellum's acquisition of Norrporten and Det Norske Oljeselskap's acquisition of BP Norge.

The Swedish high yield bond market was fairly active during the quarter, with ABGSC managing several issues. The Norwegian market has gradually opened up for new issues, but ABGSC has continued to focus on restructuring advisory as the oil service segment, in particular, continues to be under pressure.

Our strategy of diversifying our revenue base in terms of geography, sectors and products continues to pay off, making our firm more robust and with a flexible platform for further profitable growth. On this note, I am very pleased to report that our Swedish and Danish operations have recorded their best quarterly revenues since the financial crisis.

ABGSC has made a strategic decision to continue to expand our position within debt capital markets and fixed income. We believe in a long-term trend of an increased level of debt securitisation, making corporate high yield and convertible bonds potential areas of growth and of particular interest to a firm such as ABGSC. During the quarter, we have added capacity in DCM and have also expanded our resource base within ECM, reflecting identified potential for growing market share and revenues. We believe that the investment in new professionals will add value and improve our competitiveness and our KPIs going forward.

*Knut Brundtland, CEO*

## MARKETS DIVISION

The Markets division consists of all secondary sales and trading activities. With offices in Oslo, Stockholm, Copenhagen, London, Frankfurt and New York, we offer a powerful, integrated platform for the global delivery of financial services such as brokerage, trading and execution of equities, convertible bonds, bonds, derivatives, structured products and FX.

Revenues in the Markets division primarily comprise secondary commissions on client trades and sales fees from primary ECM and DCM corporate transactions. During a year, secondary commissions tend to follow a seasonal pattern with slightly lower activity during holiday periods.

### Key figures and comments

NOKm	Q2 2016	Q2 2015	Y-o-Y	YTD 2016	YTD 2015	Y-o-Y
Equities	133	150	-12%	245	287	-15%
Non-Equities (Fixed Income, CB & FX)	42	45	-6%	69	75	-8%
<b>Revenues</b>	<b>175</b>	<b>195</b>	<b>-10%</b>	<b>314</b>	<b>361</b>	<b>-13%</b>
Revenues - 4 quarter rolling avg.	162	171	-6%	329	332	-1%

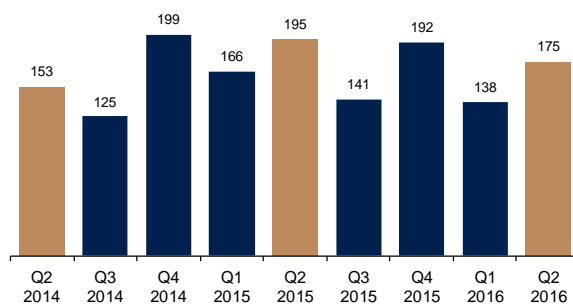
  

NOKm	Q2 2016	Q2 2015	Y-o-Y	YTD 2016	YTD 2015	Y-o-Y
Revenues	175	196	-10%	314	362	-13%
Fixed operating costs	-108	-103	5%	-215	-212	1%
<b>Operating profit before variable comp.</b>	<b>68</b>	<b>93</b>	<b>-27%</b>	<b>99</b>	<b>149</b>	<b>-34%</b>
Headcount (average)	73	74	-1%	73	76	-4%

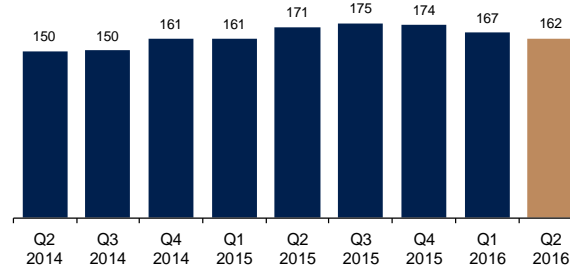
  

Revenues per head (average)	2.39	2.64	-9%	4.28	4.74	-10%
Operating costs per head (average)	-1.47	-1.39	6%	-2.93	-2.78	5%

Revenues (NOKm)



Revenues - 4 quarter rolling avg. (NOKm)



Markets' revenues of NOK 175m were down 10% from NOK 195m last year. Revenues from Equities were down 12% y-o-y, with revenues related to commission trading continuing to be under pressure. The Non-Equities revenues were in line with last year.

The average headcount for Markets was 73, down 1% y-o-y, with average revenue per head decreasing by 9%. Operating profit before variable compensation was down to NOK 68m, from NOK 93m in the same period last year.

## INVESTMENT BANKING DIVISION

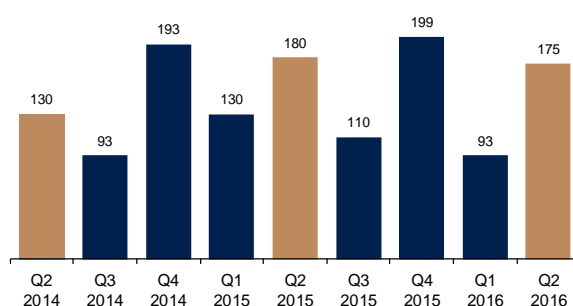
The Investment Banking division comprises all primary operations and corporate advisory services. We combine superior industry knowledge within the most important sectors in the Nordic markets with extensive transaction experience within ECM, DCM, M&A and financial restructuring.

Revenues in the Investment Banking division are mainly transaction fees, which to a large extent are based on a successful completion of the respective transactions.

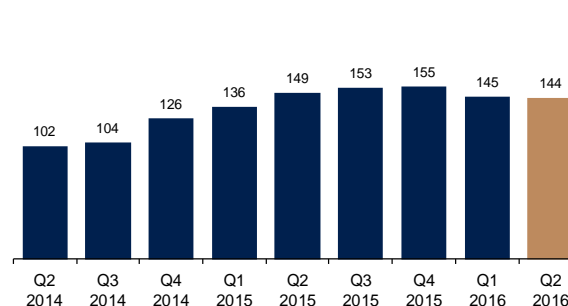
### Key figures and comments

NOKm	Q2 2016	Q2 2015	Y-o-Y	YTD 2016	YTD 2015	Y-o-Y
Revenues	175	180	-3%	268	310	-14%
Fixed operating costs	-69	-59	17%	-126	-109	16%
<b>Operating profit before variable comp.</b>	<b>106</b>	<b>122</b>	<b>-13%</b>	<b>142</b>	<b>202</b>	<b>-29%</b>
Headcount (average)	75	68	10%	74	69	7%
Revenues per head (average)	2.34	2.64	-11%	3.62	4.53	-20%
Operating costs per head (average)	-0.92	-0.86	7%	-1.70	-1.59	7%

Revenues (NOKm)



Revenues - 4 quarter rolling avg. (NOKm)



Net Investment Banking revenues totalled NOK 175m in Q2, in line with the solid Q2 last year. This reflects the strong recovery in the ECM market and solid activity within the Swedish DCM and Norwegian debt restructuring. The business mix is well diversified in terms of products, industries and geographies.

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. Operating profit before variable compensation was down to NOK 106m, from NOK 122m in the same period last year.

### Selected announced transactions

M&A transactions completed in Q2 2016 included the sale of Unicare, one of the largest private providers of healthcare services in Norway, to healthcare-focused private equity firm G Square. ABGSC advised the sellers in the transaction. Also, the merger between Arnarlax and Fjarðarlax, the two largest Icelandic salmon farming companies, was completed in the quarter, including a financing of the combined company, through which SalMar, one of the leading Norwegian salmon farming companies, increased its ownership in the combined company. ABGSC advised Fjarðarlax in the transaction. Furthermore, ABGSC advised Danish private equity firm MAJ Invest in its divestment of pierre.dk, the largest and most modern auto paint service chain in Europe, to Intelligent Repair Solutions Group based in Hamburg, Germany. We also advised grocery retail group ICA Gruppen in its sale of InkClub, one of the leading online retailers of office consumables, and Polaris Private Equity in its acquisition of Akademikliniken, the leading provider of plastic surgery and aesthetic treatments in the Nordic region.

ECM activity in the second quarter of 2016 was relatively strong with a wide range of completed transactions. ABGSC acted as co-lead manager of the DKK 19.7bn IPO of DONG Energy, the leading Danish energy company with a strong profile in renewables. Other completed IPOs included the SEK 1.2bn IPO of Nordic Waterproofing, one of Europe's leading producers and suppliers of waterproofing products, the SEK 244m IPO of online art auction site lauritz.com, the SEK 480m IPO of Swedish biotech company Wilson Therapeutics, the NOK 958m IPO of B2 Holding, a Norwegian

provider of debt solutions for banks and institutional vendors, and the SEK 501m IPO of TF Bank, an Internet-based consumer bank. A number of private placements were also completed in the quarter including a NOK 283m private placement for Compusoft, a provider of software solutions and services for kitchen and bathroom design, and an SEK 474m secondary placement of shares in D. Carnegie & Co, the largest listed real estate company in Sweden.

The financial restructuring of Songa Offshore was completed in April 2016, and ABGSC advised the company in the process. We also advised Volstad Shipping in its NOK 275m financial restructuring. A number of bond issues were completed in the quarter including an SEK 400m senior secured bond issue for Swedish real estate company SSM Holding, a EUR 250m senior secured bond for Siem Industries exchangeable into shares of subsea oil service company Subsea 7, and an SEK 600m senior secured bond issue for Swedish real estate development company Magnolia Bostad.

## FINANCIAL STATEMENTS

### Financial review

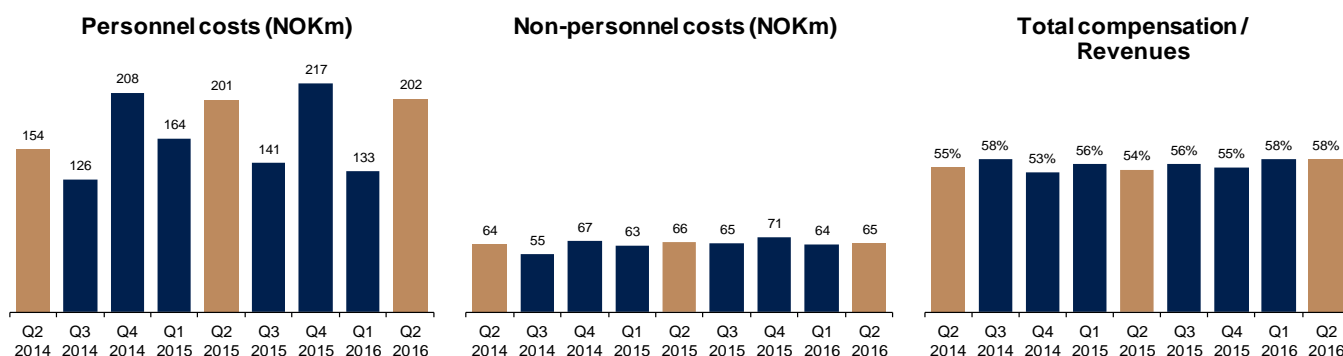
Revenues in Q2 2016 were down 7% compared to a relatively strong Q2 last year. For the first six months, revenues were NOK 582m compared to NOK 672m for the same period last year.

Total operating costs (including variable personnel costs) were stable y-o-y, NOK 267m compared to NOK 268m last year. Although variable personnel costs were reduced being an indirect function of revenues, this was partly offset by the continued depreciation of the NOK relative to other currencies. This effect increased fixed costs by approximately NOK 8m when translating from local currencies into NOK compared to the same quarter last year. Corresponding revenues in other currencies provided a natural hedge, thereby making the net impact immaterial. For the first six months, total operating costs (including variable personnel costs) were NOK 465m compared to NOK 495m for the same period last year.

Net financial income in Q2 was NOK 1m, stable y-o-y. Pre-tax profit was NOK 84m. The tax charge was NOK 23m. Net profit was NOK 62m in the quarter vs. NOK 78m last year.

Basic earnings per share (EPS) was NOK 0.13 for Q2, compared to NOK 0.17 in the same period last year. The corresponding figures for the first six months of the year were NOK 0.19 and NOK 0.28, respectively.

The balance sheet remains very strong and liquid, with a significant portion of the asset base consisting of bank deposits in combination with a balanced net working capital. The Group's capital adequacy ratio as at 30 June 2016 was 21% (2.6x the regulatory minimum requirement).





*Condensed 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
<b>Total revenues</b>	<b>350.4</b>	<b>376.1</b>	<b>581.7</b>	<b>672.0</b>	<b>1,313.9</b>
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
<b>Total operating costs</b>	<b>-176.5</b>	<b>-161.3</b>	<b>-340.7</b>	<b>-320.9</b>	<b>-651.6</b>
<b>Operating profit before variable compensation</b>	<b>173.9</b>	<b>214.8</b>	<b>241.0</b>	<b>351.1</b>	<b>662.3</b>
Variable personnel costs	-90.7	-106.3	-124.1	-174.5	-338.0
<b>Operating profit after variable compensation</b>	<b>83.3</b>	<b>108.5</b>	<b>116.9</b>	<b>176.5</b>	<b>324.3</b>
Net financial result	1.1	1.3	3.2	5.7	17.1
<b>Profit before tax</b>	<b>84.4</b>	<b>109.7</b>	<b>120.2</b>	<b>182.2</b>	<b>341.4</b>
Taxes	-22.7	-32.0	-32.3	-51.9	-111.1
<b>Net profit</b>	<b>61.6</b>	<b>77.7</b>	<b>87.9</b>	<b>130.3</b>	<b>230.3</b>

*Condensed other comprehensive income*

NOKm	Q2 2016	Q2 2015	YTD 2016	YTD 2015	2015
<b>Net profit</b>	<b>61.6</b>	<b>77.7</b>	<b>87.9</b>	<b>130.3</b>	<b>230.3</b>
<b>Items that may be reclassified to profit or loss</b>					
Exchange differences on translating foreign operations	-10.1	2.8	-35.7	19.3	66.9
Hedging of investment in foreign subsidiaries	9.4	-4.4	37.7	-18.6	-66.9
Income tax relating to items that may be reclassified	-2.4	1.2	-9.4	5.0	18.0
<b>Total other comprehensive income</b>	<b>-3.0</b>	<b>-0.4</b>	<b>-7.4</b>	<b>5.8</b>	<b>18.0</b>
<b>Total comprehensive income for the period</b>	<b>58.6</b>	<b>77.3</b>	<b>80.5</b>	<b>136.1</b>	<b>248.3</b>

*Condensed 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
<b>Total non-current assets</b>	<b>87.9</b>	<b>120.9</b>	<b>99.4</b>
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
<b>Total current assets</b>	<b>4,090.6</b>	<b>3,393.9</b>	<b>2,311.5</b>
<b>Total assets</b>	<b>4,178.5</b>	<b>3,514.7</b>	<b>2,410.8</b>
Paid-in capital	306.2	287.3	288.7
Retained earnings	473.8	586.7	709.0
<b>Total equity</b>	<b>780.0</b>	<b>874.0</b>	<b>997.7</b>
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
<b>Total liabilities</b>	<b>3,398.4</b>	<b>2,640.7</b>	<b>1,413.1</b>
<b>Total equity and liabilities</b>	<b>4,178.5</b>	<b>3,514.7</b>	<b>2,410.8</b>

*Condensed statement of changes in equity*

NOKm	Q2 2016	Q2 2015	YTD 2016	YTD 2015	2015
<b>Shareholders equity - opening balance</b>	<b>1,019.8</b>	<b>1,316.7</b>	<b>997.7</b>	<b>1,248.2</b>	<b>1,248.2</b>
Comprehensive income for the period	58.6	77.3	80.5	136.1	248.3
Payment to shareholders	-279.7	-459.9	-279.7	-459.9	-459.4
New issuing of shares	18.1	19.9	18.1	19.9	19.9
Change in own shares	-36.9	-79.9	-36.6	-70.2	-59.3
<b>Shareholders equity - closing balance</b>	<b>780.0</b>	<b>874.0</b>	<b>780.0</b>	<b>874.0</b>	<b>997.7</b>

*Condensed consolidated cash flow statement*

NOKm	Q2 2016	Q2 2015	YTD 2016	YTD 2015	2015
<b>Cash and cash equivalents - opening balance</b>	<b>843.5</b>	<b>931.0</b>	<b>853.5</b>	<b>1,014.2</b>	<b>1,014.2</b>
Net cash flow from operating activities	-238.7	6.0	-249.2	-100.3	307.7
Net cash flow from investing activities	7.6	7.8	7.7	21.1	31.0
Net cash flow from financing activities	98.0	-381.4	98.3	-371.6	-499.4
<b>Net change in cash and cash equivalents</b>	<b>-133.1</b>	<b>-367.6</b>	<b>-143.2</b>	<b>-450.8</b>	<b>-160.7</b>
<b>Cash and cash equivalents - closing balance</b>	<b>710.4</b>	<b>563.5</b>	<b>710.4</b>	<b>563.5</b>	<b>853.5</b>

## Notes

### 1) *Accounting principles*

The quarterly report is prepared in accordance with IAS 34 Interim Financial Reporting and International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and all interpretations from the Financial Reporting Interpretations Committee (IFRIC), which have been endorsed by the EU Commission for adoption within the EU. The quarterly report is prepared using the same principles as those used for the 2015 annual report. The quarterly report is unaudited.

### 2) *Judgments, estimates and assumptions*

The preparation of condensed consolidated interim financial statements in accordance with IFRS and the application of the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on a continuous basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. When preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty, were the same as those that applied to the consolidated financial statements as of the period ending 31 December 2015.

### 3) *Risk and uncertainty*

As described in ABGSC's 2015 annual report, ABGSC's total risk exposure is analysed and evaluated at the group level. Risk evaluations are integrated in all business activities both at the group and business unit levels, increasing ABGSC's ability to take advantage of business opportunities. There has not been any significant change in the risk exposures or the risks and uncertainties described in the 2015 annual report.

### 4) *Related parties*

There have not been any changes or transactions with any related parties that significantly impact the Group's financial position or results for the period.

## 5) Segment information

ABGSC's two business segments are Markets and Investment Banking. The management system is matrix-based, with revenues and expenses recorded by both business segment and geographical market. Assets and liabilities, except for items subject to direct allocation, and equity and cash flow are recorded by geographical market. Bonuses and profit sharing, financial results and income taxes are all treated as unallocated items in the internal reporting.

<b>Markets</b>		<b>Q2 2016</b>	<b>Q2 2015</b>	<b>YTD 2016</b>	<b>YTD 2015</b>
Revenues - external	NOKm	117	131	244	270
Revenues - allocated to/from other operating segments	NOKm	59	65	70	92
<b>Total revenues</b>	<b>NOKm</b>	<b>175</b>	<b>196</b>	<b>314</b>	<b>362</b>
Fixed operating costs	NOKm	108	103	215	212
<b>Operating profit before variable compensation</b>	<b>NOKm</b>	<b>68</b>	<b>93</b>	<b>99</b>	<b>149</b>
<b>Investment Banking</b>					
<b>Investment Banking</b>		<b>Q2 2016</b>	<b>Q2 2015</b>	<b>YTD 2016</b>	<b>YTD 2015</b>
Revenues - external	NOKm	234	245	338	402
Revenues - allocated to/from other operating segments	NOKm	-59	-65	-70	-92
<b>Total revenues</b>	<b>NOKm</b>	<b>175</b>	<b>180</b>	<b>268</b>	<b>310</b>
Fixed operating costs	NOKm	69	59	126	109
<b>Operating profit before variable compensation</b>	<b>NOKm</b>	<b>106</b>	<b>122</b>	<b>142</b>	<b>202</b>
<b>Operating revenues from external customers by geographical segments</b>					
<b>Operating revenues from external customers by geographical segments</b>		<b>Q2 2016</b>	<b>Q2 2015</b>	<b>YTD 2016</b>	<b>YTD 2015</b>
Norway	NOKm	141	190	237	309
Sweden	NOKm	125	106	196	186
Other Europe	NOKm	70	61	120	139
US	NOKm	14	19	29	38
<b>Total</b>	<b>NOKm</b>	<b>350</b>	<b>376</b>	<b>582</b>	<b>672</b>

## SHAREHOLDER MATTERS

### Share transactions

On 16 February 2016, the Board authorised the purchase of own shares of up to NOK 60m during 2016. In May, ABGSC purchased 10,097,136 own shares at NOK 5.65 per share, corresponding to an amount of approximately NOK 57m.

During the quarter, ABGSC issued 4,579,400 new shares and sold 7,125,571 treasury shares to partners as settlement of forward contracts previously entered into. In addition, ABGSC sold 1,950,000 shares on forward contracts and 100,000 shares cash to partners during the quarter.

### Number of shares

		Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
<b>Shares outstanding (period end)</b>	<b>(1,000)</b>	<b>466,168</b>	<b>466,168</b>	<b>466,168</b>	<b>466,168</b>	<b>470,747</b>
- Treasury shares (period end)	(1,000)	9,128	8,933	3,043	2,948	5,820
+ Forward contracts outstanding (period end)	(1,000)	36,512	36,272	30,383	40,788	31,033
<b>Diluted shares (period end)</b>	<b>(1,000)</b>	<b>493,552</b>	<b>493,507</b>	<b>493,507</b>	<b>504,007</b>	<b>495,960</b>
<b>Shares outstanding (average)</b>	<b>(1,000)</b>	<b>464,253</b>	<b>466,168</b>	<b>466,168</b>	<b>466,168</b>	<b>469,439</b>
- Treasury shares (average)	(1,000)	5,883	9,078	6,500	2,956	4,433
+ Forward contracts outstanding (average)	(1,000)	46,444	36,454	33,839	33,091	36,116
<b>Diluted shares (average)</b>	<b>(1,000)</b>	<b>504,814</b>	<b>493,544</b>	<b>493,507</b>	<b>496,304</b>	<b>501,122</b>

### Shareholder structure

<b>Shares held by Directors and staff</b>	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Shares held by Directors and Staff / Shares outstanding	23%	23%	23%	23%	23%
Shares and fwd contracts held by Directors and Staff / Diluted shares	29%	30%	28%	30%	28%

<b>Shareholders by country (shares outstanding)</b>	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Norway	61%	61%	60%	60%	62%
Great Britain	18%	17%	17%	18%	16%
USA	13%	14%	14%	14%	15%
Sweden	4%	4%	4%	4%	4%
Other	4%	4%	5%	4%	4%

## Largest shareholders

20 largest shareholders as of 30 June 2016 (registered in VPS as of 4 July 2016):

Shareholder	Number of shares	%
J.P. Morgan Luxembourg (nominee)	45,645,700	9.7%
Sanden A/S *	38,399,100	8.2%
Ferd AS	35,790,102	7.6%
Perestroika AS	21,405,275	4.5%
State Street Bank (nominee)	18,534,925	3.9%
Erling Neby AS	9,200,000	2.0%
Citibank (nominee)	8,650,418	1.8%
Verdipapirfondet Pareto Investment	7,000,000	1.5%
Fidelity Investment	6,840,610	1.5%
State Street Bank (nominee)	6,582,259	1.4%
Morgan Stanley & Co (nominee)	6,280,161	1.3%
DNB Bank ASA	6,203,661	1.3%
ABG Sundal Collier Holding ASA (own shares)	5,819,990	1.2%
A/S Skarv	4,500,000	1.0%
SEB Prime Solutions	4,450,000	0.9%
Peter Schofield	4,353,000	0.9%
KLP Aksje Norge Indeks	4,220,263	0.9%
Landkreditt Utbytte	4,000,000	0.8%
Giotto AS **	3,892,800	0.8%
Holberg Global	3,666,129	0.8%
<b>Total top 20</b>	<b>245,434,393</b>	<b>52.1%</b>
Other	225,312,702	47.9%
<b>Total</b>	<b>470,747,095</b>	<b>100.0%</b>

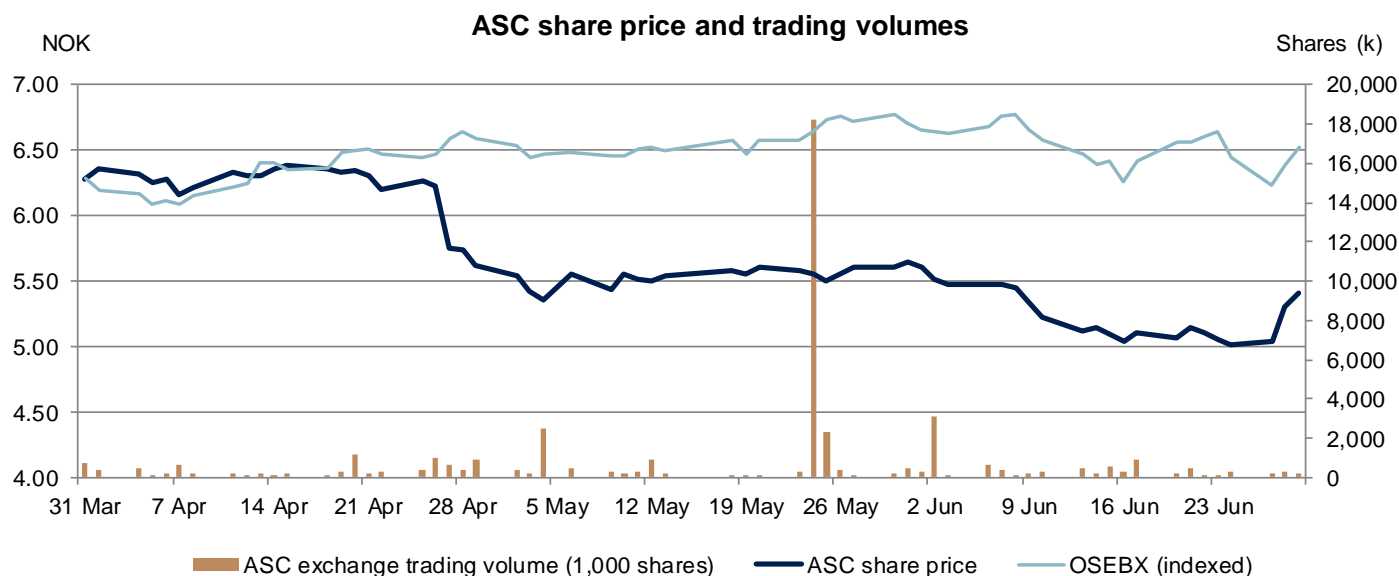
\* Jan Petter Collier, who is a board member in ABG Sundal Collier Holding ASA, and family own a total of 40,631,000 shares including shares owned by Sanden AS.

\*\* Knut Brundtland, who is CEO, and family own a total of 5,050,000 shares including shares owned by Giotto AS.

An updated list of the 20 largest shareholders can be found under the Investor Relations section on the ABGSC web site ([www.abgsc.com](http://www.abgsc.com)).

## Share price development

The ABG Sundal Collier Holding ASA share is listed on the Oslo Stock Exchange with the ticker symbol "ASC".



The closing price per share was NOK 6.28 as of 31 March 2016, and NOK 5.40 as of 30 June 2016. The highest closing price observed during the period was NOK 6.36 and the lowest was NOK 5.01. The share traded ex the NOK 0.60 dividend to shareholders from 27 April 2016.

The daily average traded volume during the quarter on the Oslo Stock Exchange was 743k shares. According to the Fidessa Fragmentation Index, 97% of the total traded volume over the period took place on the Oslo Stock Exchange.

On 24 May, the 10.1m shares acquired in the buy-back were crossed on the Oslo Stock Exchange at NOK 5.65 per share. On 24 May, partners in ABGSC sold net 5.3m ASC shares to investors. The shares were sold at a price of NOK 5.40 per share.

During the quarter, ABGSC sold own shares as settlement of forward contracts previously entered into, and 2m shares were crossed on 24 May, 1.9m shares were crossed on 25 May and 3m shares were crossed on 2 June.

### Forward contracts with partners

As part of the partner share incentive programme, several partners in the firm have entered into forward contracts for the future delivery of shares. Under the programme, new and certain existing partners are given the opportunity to acquire restricted partner shares at a 15% discount (reflecting the restrictions imposed on partner shares).

The settlement price is based on the 30-day-volume weighted average market price for shares on the initial contract date. The final settlement price will be adjusted to reflect any distribution to shareholders paid prior to settlement. The interest element in the forward contract will also lead to an adjustment of the settlement price in cases where the contract is settled prior to the original expiry date.

The forward contracts have settlement in the period 2017 to 2019.

Expiry year	Forward contracts (1,000)	Forward average price
2017	12,223	2.90
2018	9,854	3.02
2019	8,955	4.74
<b>Total</b>	<b>31,033</b>	

### Policy for distribution to shareholders

The Board is committed to returning excess capital to shareholders through stable cash distribution and the buy-back of shares over time. Excess capital will be evaluated on a continuous basis, taking into consideration a number of

factors including market conditions, regulatory requirements, counterparty and market perceptions and the nature of our business.

The Board currently has a mandate from the shareholders to acquire a number of ASC shares corresponding to approximately 10% of the share capital. The one-year mandate is valid until the end of June 2017.

### *Financial calendar*

ABGSC has approved the financial calendar for the accounting year 2016:

- 18 October 2016: Earnings release Q3 2016
- 14 February 2017: Earnings release Q4 / preliminary full-year figures 2016



## SUPPLEMENTARY INFORMATION

Historical figures – nine quarters

Income statement		Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Revenues	NOKm	283	218	392	296	376	251	391	231	350
Operating costs	NOKm	-218	-181	-275	-228	-268	-206	-288	-198	-267
<b>Operating profit</b>	<b>NOKm</b>	<b>64</b>	<b>38</b>	<b>117</b>	<b>68</b>	<b>108</b>	<b>44</b>	<b>103</b>	<b>34</b>	<b>83</b>
Net financial result	NOKm	7	5	2	4	1	5	7	2	1
<b>Profit before tax</b>	<b>NOKm</b>	<b>71</b>	<b>43</b>	<b>119</b>	<b>72</b>	<b>110</b>	<b>49</b>	<b>110</b>	<b>36</b>	<b>84</b>
Taxes	NOKm	-19	-13	-24	-20	-32	-13	-46	-10	-23
<b>Net profit</b>	<b>NOKm</b>	<b>52</b>	<b>29</b>	<b>95</b>	<b>53</b>	<b>78</b>	<b>36</b>	<b>64</b>	<b>26</b>	<b>62</b>

Balance sheet		Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
<b>Total non-current assets</b>	<b>NOKm</b>	<b>162</b>	<b>157</b>	<b>149</b>	<b>131</b>	<b>121</b>	<b>109</b>	<b>99</b>	<b>97</b>	<b>88</b>
Receivables	NOKm	3,101	3,851	1,257	3,412	2,629	3,173	1,166	2,179	3,071
Investments	NOKm	332	353	195	183	201	251	291	120	309
Cash and bank deposits	NOKm	1,000	1,042	1,014	931	563	762	854	843	710
<b>Total current assets</b>	<b>NOKm</b>	<b>4,434</b>	<b>5,246</b>	<b>2,467</b>	<b>4,526</b>	<b>3,394</b>	<b>4,185</b>	<b>2,311</b>	<b>3,142</b>	<b>4,091</b>
<b>Total assets</b>	<b>NOKm</b>	<b>4,596</b>	<b>5,403</b>	<b>2,615</b>	<b>4,658</b>	<b>3,515</b>	<b>4,294</b>	<b>2,411</b>	<b>3,239</b>	<b>4,178</b>
<b>Total equity</b>	<b>NOKm</b>	<b>1,122</b>	<b>1,153</b>	<b>1,248</b>	<b>1,317</b>	<b>874</b>	<b>919</b>	<b>998</b>	<b>1,020</b>	<b>780</b>
Long-term liabilities	NOKm	24	22	19	19	18	19	18	18	18
Short-term interest bearing liabilities	NOKm	135	140	0	0	139	0	0	0	396
Short-term liabilities	NOKm	3,315	4,087	1,348	3,322	2,483	3,357	1,395	2,202	2,984
<b>Total liabilities</b>	<b>NOKm</b>	<b>3,474</b>	<b>4,250</b>	<b>1,367</b>	<b>3,341</b>	<b>2,641</b>	<b>3,375</b>	<b>1,413</b>	<b>2,220</b>	<b>3,398</b>
<b>Total equity and liabilities</b>	<b>NOKm</b>	<b>4,596</b>	<b>5,403</b>	<b>2,615</b>	<b>4,658</b>	<b>3,515</b>	<b>4,294</b>	<b>2,411</b>	<b>3,239</b>	<b>4,178</b>

Revenue split		Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Equities	NOKm	124	88	149	136	150	113	142	112	133
Non-Equities (Fixed Income, CB & FX)	NOKm	29	37	50	30	45	28	50	27	42
<b>Markets</b>	<b>NOKm</b>	<b>153</b>	<b>125</b>	<b>199</b>	<b>166</b>	<b>195</b>	<b>141</b>	<b>192</b>	<b>138</b>	<b>175</b>
<b>Investment Banking</b>	<b>NOKm</b>	<b>130</b>	<b>93</b>	<b>193</b>	<b>130</b>	<b>180</b>	<b>110</b>	<b>199</b>	<b>93</b>	<b>175</b>
<b>Revenues</b>	<b>NOKm</b>	<b>283</b>	<b>218</b>	<b>392</b>	<b>296</b>	<b>376</b>	<b>251</b>	<b>391</b>	<b>231</b>	<b>350</b>

Key figures		Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
<b>Headcount (average)</b>	<b>#</b>	<b>252</b>	<b>257</b>	<b>259</b>	<b>255</b>	<b>250</b>	<b>252</b>	<b>252</b>	<b>253</b>	<b>256</b>
Revenues per head (average)	NOKm	1.12	0.85	1.51	1.16	1.50	0.99	1.55	0.91	1.37
Operating costs per head (average)	NOKm	-0.87	-0.70	-1.06	-0.89	-1.07	-0.82	-1.14	-0.78	-1.04
Operating cost / Revenues	%	77%	83%	70%	77%	71%	82%	74%	85%	76%
Total compensation / Revenues	%	55%	58%	53%	56%	54%	56%	55%	58%	58%
Operating margin %	%	23%	17%	30%	23%	29%	18%	26%	15%	24%
Return on Equity (annualised)	%	18%	10%	32%	16%	28%	16%	27%	10%	27%

<b>Shares outstanding (period end)</b>	<b>(1,000)</b>	<b>457,879</b>	<b>458,366</b>	<b>459,946</b>	<b>459,946</b>	<b>466,168</b>	<b>466,168</b>	<b>466,168</b>	<b>466,168</b>	<b>470,747</b>
Treasury shares (period end)	(1,000)	-322	-47	-3,986	-2,503	-9,128	-8,933	-3,043	-2,948	-5,820
Forward contracts outstanding (period end)	(1,000)	45,714	46,227	43,997	57,116	36,512	36,272	30,383	40,788	31,033
<b>Diluted shares (period end)</b>	<b>(1,000)</b>	<b>503,271</b>	<b>504,546</b>	<b>499,957</b>	<b>514,559</b>	<b>493,552</b>	<b>493,507</b>	<b>493,507</b>	<b>504,007</b>	<b>495,960</b>
Earnings per share (basic)	NOK	0.11	0.06	0.21	0.11	0.17	0.08	0.14	0.06	0.13
<b>Earnings per share (diluted)</b>	<b>NOK</b>	<b>0.11</b>	<b>0.06</b>	<b>0.19</b>	<b>0.11</b>	<b>0.16</b>	<b>0.07</b>	<b>0.13</b>	<b>0.05</b>	<b>0.12</b>
Book value per share (basic)	NOK	2.45	2.52	2.72	2.87	1.88	1.98	2.14	2.19	1.66
Book value per share (diluted)	NOK	2.57	2.63	2.83	2.99	2.00	2.09	2.23	2.33	1.78
Total capital adequacy	NOKm	3,657	3,537	2,804	2,820	2,835	2,940	3,286	2,879	3,219
Core capital	NOKm	958	961	747	757	697	697	687	687	669
<b>Total capital adequacy ratio</b>	<b>%</b>	<b>26%</b>	<b>27%</b>	<b>27%</b>	<b>27%</b>	<b>25%</b>	<b>24%</b>	<b>21%</b>	<b>24%</b>	<b>21%</b>
Minimum requirement coverage ratio	x	3.3x	3.4x	3.3x	3.4x	3.1x	3.0x	2.6x	3.0x	2.6x

<b>Markets</b>		<b>Q2 2014</b>	<b>Q3 2014</b>	<b>Q4 2014</b>	<b>Q1 2015</b>	<b>Q2 2015</b>	<b>Q3 2015</b>	<b>Q4 2015</b>	<b>Q1 2016</b>	<b>Q2 2016</b>
Revenues	NOKm	153	125	199	166	196	141	192	138	175
Fixed operating costs	NOKm	102	94	105	110	103	105	112	107	108
<b>Operating profit before variable comp.</b>	<b>NOKm</b>	<b>50</b>	<b>32</b>	<b>94</b>	<b>56</b>	<b>93</b>	<b>36</b>	<b>80</b>	<b>31</b>	<b>68</b>
Headcount (average)	#	82	82	83	79	74	73	74	73	73

<b>Investment Banking</b>		<b>Q2 2014</b>	<b>Q3 2014</b>	<b>Q4 2014</b>	<b>Q1 2015</b>	<b>Q2 2015</b>	<b>Q3 2015</b>	<b>Q4 2015</b>	<b>Q1 2016</b>	<b>Q2 2016</b>
Revenues	NOKm	130	93	193	130	180	110	199	93	175
Fixed operating costs	NOKm	48	49	57	50	59	55	59	57	69
<b>Operating profit before variable comp.</b>	<b>NOKm</b>	<b>82</b>	<b>44</b>	<b>136</b>	<b>80</b>	<b>122</b>	<b>55</b>	<b>140</b>	<b>36</b>	<b>106</b>
Headcount (average)	#	62	65	68	69	68	70	71	73	75

## RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January 2016 to 30 June 2016 has been prepared in accordance with the IAS 34 "Interim Financial Reporting" and gives a true and fair view of the Group's assets, liabilities, financial position and results for the period viewed in their entirety, and that the interim report includes a fair review of any significant events that arose during the six-month period and their effect on the half-yearly financial report and any significant related parties' transactions. The report includes, to the best of our knowledge, a description of the material risks that the Board of Directors at the time of this report deem might have a significant impact on the financial performance of the Group.

Oslo, 13 July 2016

\_\_\_\_\_  
Judy Bollinger (Chairman)  
(sign)

\_\_\_\_\_  
Anders Grudén  
(sign)

\_\_\_\_\_  
Tone Bjørnov  
(sign)

\_\_\_\_\_  
Jan Petter Collier  
(sign)

\_\_\_\_\_  
Jørgen C. Arentz Rostrup  
(sign)

\_\_\_\_\_  
Knut Brundtland (CEO)  
(sign)