

# Q4 2018

## Interim report



**2018 revenues of NOK 1,137m vs NOK 1,283m last year (-11%)**

Q4 revenues of NOK 294m vs NOK 403m last year (-27%)

**2018 diluted EPS of NOK 0.30 compared to NOK 0.49 last year**

Q4 diluted EPS of NOK 0.07 vs NOK 0.17 last year (-59%)

**Full-year return on equity of 20%**

**Proposed final payment to shareholders of NOK 0.20 per share**

Total combined 2018 cash distribution of NOK 0.40 per share

## **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 investment research and brokerage services.

We are a leading Nordic full-service advisor for companies looking to issue bonds, convertible bonds and equities or seeking M&A or restructuring advisory services. By being an independent advisory partnership, our clients can rest assured that they not only get access to the most dedicated and talented people, but also a firm that has all the right incentives for pricing and structuring transactions in the best interests of its clients.

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.

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 approx. 270 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, Germany and Singapore.

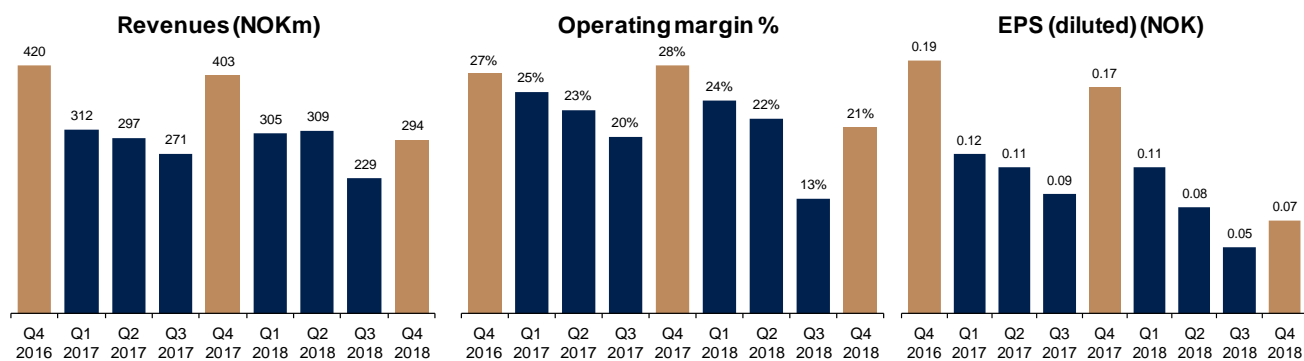
## **OUR VISION AND MISSION**

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 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

		Q4 2018	Q4 2017	Y-o-Y	YTD 2018	YTD 2017	Y-o-Y
<b>Revenues</b>	<b>NOKm</b>	<b>294</b>	<b>403</b>	<b>-27%</b>	<b>1,137</b>	<b>1,283</b>	<b>-11%</b>
Personnel costs	NOKm	-169	-219	-23%	-633	-711	-11%
Non-personnel costs	NOKm	-64	-72	-10%	-273	-262	4%
<b>Total operating costs</b>	<b>NOKm</b>	<b>-233</b>	<b>-291</b>	<b>-20%</b>	<b>-905</b>	<b>-972</b>	<b>-7%</b>
<b>Operating profit</b>	<b>NOKm</b>	<b>61</b>	<b>112</b>	<b>-46%</b>	<b>232</b>	<b>311</b>	<b>-25%</b>
Net financials	NOKm	1	10	-88%	5	20	-73%
<b>Profit before tax</b>	<b>NOKm</b>	<b>62</b>	<b>122</b>	<b>-49%</b>	<b>237</b>	<b>331</b>	<b>-28%</b>
Taxes	NOKm	-14	-32	-54%	-65	-84	-23%
Non-controlling interests	NOKm	-15	-5	NM	-25	-6	NM
<b>Net profit</b>	<b>NOKm</b>	<b>32</b>	<b>85</b>	<b>-62%</b>	<b>147</b>	<b>240</b>	<b>-39%</b>
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EPS (basic)	NOK	0.07	0.18	-61%	0.32	0.52	-38%
<b>EPS (diluted)</b>	<b>NOK</b>	<b>0.07</b>	<b>0.17</b>	<b>-59%</b>	<b>0.30</b>	<b>0.49</b>	<b>-39%</b>
Book value per share	NOK	1.39	1.86	-25%	1.39	1.86	-25%
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Headcount (average)	#	272	262	4%	267	257	4%
Revenues per head (average)	NOKm	1.08	1.54	-30%	4.26	5.00	-15%
Operating costs per head (average)	NOKm	-0.86	-1.11	-23%	-3.39	-3.79	-11%
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Operating cost / Revenues	%	79.4%	72.2%		79.6%	75.8%	
Total compensation / Revenues	%	57.4%	54.4%		55.6%	55.4%	
Operating margin %	%	20.6%	27.8%		20.4%	24.2%	
Return on Equity (annualised)	%	19.6%	42.0%		20.1%	29.3%	



## COMMENTS FROM THE CEO

ABG Sundal Collier entered the final quarter of 2018 with a solid transaction pipeline filled with mandates to be executed before year-end. Unfortunately, the last months of the year turned out quite challenging for the financial industry as volatility returned to stock markets, causing the S&P 500 to post its worst December since the Great Depression in 1931 and with the Nordic MSCI equity index declining by 13% during the quarter.

This market environment, reflecting fears of recession, investor concerns about likely Federal Reserve interest rate hikes, the risk of a global trade war and Brexit uncertainties, effectively closed down the markets for primary transactions. The turbulent conditions allowed for only a few IPOs and ECM and DCM placements to be executed in the Nordic markets during the quarter, and amongst these we had a fair share. Corporate M&A activity remained less impacted.

Although our Q4 revenues, for the reasons outlined above, came in well below those of last year, I am pleased to note that we managed to close a meaningful amount of business in a challenging environment. Volatility and uncertainty are an inherent part of our business, and while our ability to close transactions may from time to time be restricted by market conditions, our continued focus on winning mandates and improving our market position will leave us well positioned and ready to execute on mandated business when markets so allow.

This quarter, we also received further recognition from our corporate and investor clients, whose votes again put ABGSC at the top of the independent surveys for corporate finance, research and sales. The surveys confirm our position as a leading provider of research, brokerage and corporate financing services in the Nordic market, with among other things #1 rankings within Norwegian Corporate Finance (for the 13th year in a row) and for Research & Advisory, as well as a top tier position in Sweden and Denmark. We will seek to take advantage of our solid market position to further grow and broaden our revenue base and service offering, while continuing to carefully manage our cost base.

The Board has decided to propose to the annual general meeting to distribute a payment to shareholders of NOK 0.20 per share. This payment comes on top of the interim distribution of NOK 0.20 per share paid in October, resulting in a total cash distribution of NOK 0.40 per share for the accounting year 2018. The payment is classified as a return of paid-in capital.

*Knut Brundtland, CEO*

## MARKETS DIVISION

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

Revenues in the Markets division primarily comprise secondary commissions on client trades, payments for investment advisory services and research, 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.

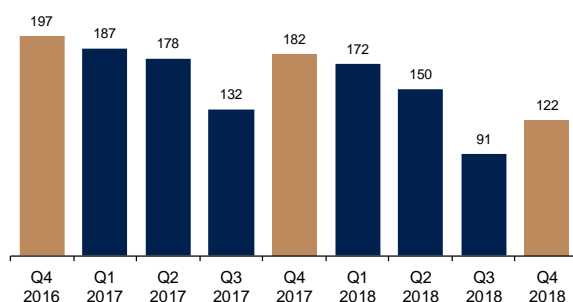
### Key figures and comments

NOKm	Q4 2018	Q4 2017	Y-o-Y	YTD 2018	YTD 2017	Y-o-Y
Equities	106	139	-24%	432	500	-14%
Non-Equities (Fixed Income, CB & FX)	17	43	-62%	104	178	-41%
<b>Revenues</b>	<b>122</b>	<b>182</b>	<b>-33%</b>	<b>536</b>	<b>678</b>	<b>-21%</b>
Revenues - 4 quarter rolling avg.	134	170	-21%	608	696	-13%

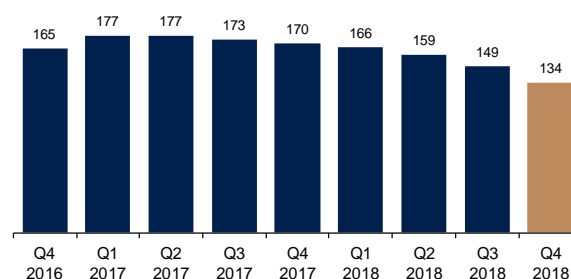
  

NOKm	Q4 2018	Q4 2017	Y-o-Y	YTD 2018	YTD 2017	Y-o-Y
Revenues	122	182	-33%	536	677	-21%
Fixed operating costs	-98	-105	-7%	-400	-402	0%
<b>Operating profit before variable comp.</b>	<b>24</b>	<b>77</b>	<b>-68%</b>	<b>137</b>	<b>275</b>	<b>-50%</b>
Headcount (average)	68	72	-6%	68	72	-6%
Revenues per head (average)	1.80	2.52	-29%	7.84	9.37	-16%
Operating costs per head (average)	-1.44	-1.46	-1%	-5.84	-5.56	5%

Revenues (NOKm)



Revenues - 4 quarter rolling avg. (NOKm)



Markets' revenues of NOK 122m in Q4 were down 33% from NOK 182m last year. Revenues from Equities were down 24% compared to last year, to NOK 106m, which can partly be attributed to the implementation of MiFID II as well as another relatively slow quarter within primary ECM transactions. The lack of primary transactions also impacted Non-Equities revenues, which declined significantly, to NOK 17m compared to NOK 43m last year, with the reduction being mainly within DCM.

The average headcount for the Markets division in Q4 was 68, down 6% year-over-year, with average revenue per head decreasing by 29%. As a result of the above, operating profit before variable compensation was also down, ending at NOK 24m, compared to NOK 77m for the same period last year.

## INVESTMENT BANKING DIVISION

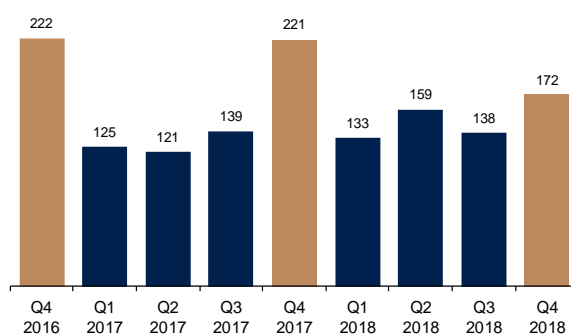
The Investment Banking division comprises all primary operations and corporate advisory services, combining superior industry knowledge within the most important sectors in the Nordic markets with extensive transaction experience within ECM, DCM, M&A and financial restructuring.

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

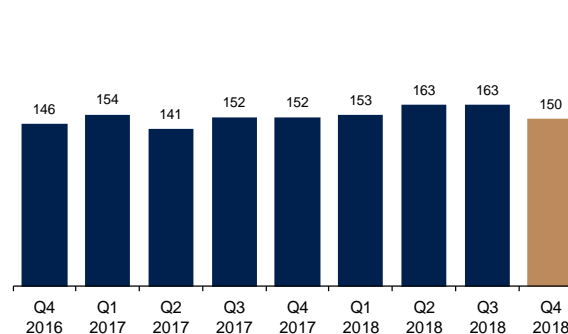
### Key figures and comments

NOKm	Q4 2018	Q4 2017	Y-o-Y	YTD 2018	YTD 2017	Y-o-Y
Revenues	172	221	-22%	601	606	-1%
Fixed operating costs	-81	-68	18%	-278	-245	13%
<b>Operating profit before variable comp.</b>	<b>91</b>	<b>153</b>	<b>-41%</b>	<b>323</b>	<b>361</b>	<b>-11%</b>
Headcount (average)	87	81	7%	84	78	8%
Revenues per head (average)	1.98	2.73	-27%	7.19	7.82	-8%
Operating costs per head (average)	-0.93	-0.84	11%	-3.33	-3.16	5%

Revenues (NOKm)



Revenues - 4 quarter rolling avg. (NOKm)



Net Investment Banking revenues totalled NOK 172m in Q4, down 22% from last year. The average headcount for Investment Banking in the quarter was 87, up 7% year-over-year, while average revenue per head decreased by 27% compared to the same quarter last year. Operating profit before variable compensation was NOK 91m.

### Selected announced transactions

Following a solid third quarter within M&A, deal activity continued at a good pace in Q4 with ABGSC completing eight transactions. These included the sale of the leading Danish incorporated chemical tanker owner and operator Nordic Tankers to MOL Chemical Tankers, where ABGSC acted as exclusive advisor to owner Triton AS. In Denmark, ABGSC further advised ISS Facility Services on the sale of the Direct Cleaning Division to Rengøringscompagniet A/S, the Danish subsidiary of Tomagruppen. ISS Facility Services is one of the world's leading facility services companies. Among the transactions in Sweden, ABGSC acted as financial advisor to the selling shareholder in the private sale of a minority stake in SunPine AB to Lawter. SunPine is the world's largest producer of raw tall diesel, which is primarily sold to Preem, where it is refined into Nordic Swan eco-labelled diesel fuel for vehicles. In Norway, ABGSC advised Fem T in its sale of Ulna Barnehagene to Atvexa. Ulna Barnehagene is the seventh-largest kindergarten operator in the Nordics. ABGSC also advised international energy company Equinor, the largest company on the Oslo stock exchange, in its acquisition of a minority position in solar power company Scatec Solar. In the energy sector, ABGSC further acted as financial advisor and joint lead manager to Noreco in connection with financing of the acquisition of Shell's 36.8% interest in the Danish Underground Consortium. Noreco is a publicly owned company with a focus on the oil, gas and offshore industry, and the transaction has transformed Noreco into a leading North Sea independent E&P company. Likewise, ABGSC acted as financial advisor in the transactions ultimately leading to the merger between bulk shipping companies Lighthouse and Belships.

Q4 was a difficult period for Nordic ECM, with increased volatility and generally more challenging market conditions. A number of transactions were either put on hold or withdrawn in the quarter. Of a total of eight main market IPOs launched across the Nordic region in the quarter (compared to two in more benign markets in Q3), only three were

completed (two in Sweden and one in Finland). Two companies decided to postpone their IPO before bookbuilding commenced; both were in the Norwegian market. The remaining three IPOs were pulled after bookbuilding; one in each of Finland, Denmark and Norway. These were the first main market IPOs to have been pulled since June 2016.

In terms of completed transactions, ABGSC acted as sole global coordinator in the SEK 374m IPO of Jetpak, a leading player within time-critical express deliveries in the Nordics, on NASDAQ First North Premier. Furthermore, ABGSC completed several new share issues during the quarter, including a SEK 850m private placement of new series D shares in Samhällsbyggnadsbolaget, a Nordic real estate company, a SEK 300m private placement in Acast, a fully integrated and fast-growing podcast marketplace, a SEK 51m private placement in MEDS, a mobile first pharmacy, and a NOK 127m private placement in Kahoot, a game-based platform for social learning, as well as the SEK 204m secondary placement in MIPS, a world leader in helmet-based safety.

Q4 new issue volume in the Nordic high yield bond market was NOK 25bn. Bonds on Norwegian documentation accounted for 2/3 of the volume, with Sweden representing the vast majority of the balance. New issue activity slowed down during Q4 due to adverse market conditions, and we saw a significant number of deals being pulled. Given the strong interest from corporates to use the Nordic high yield bond market as a funding source, the market volatility during Q4 therefore precluded 2018 from becoming a new record year for high yield.

ABGSC started the quarter as the sole bookrunner in the SEK 210m senior secured bond for Bong, one of the leading providers of specialized light packaging and envelope products in Europe. We later acted as joint manager and bookrunner in connection with a NOK 200m tap issue for Kistefos, a private investment company wholly owned by Christen Sveaas. Furthermore, Insr Insurance Group, a Scandinavian insurance company, completed the issuance of NOK 75m restricted tier 1 capital. ABGSC acted as sole manager in the transaction. In November, we acted as sole manager and bookrunner in the USD 130m senior secured bond issued by Songa Container, a shipping company with a strategy to capitalize on the rebounding container market.

## FINANCIAL STATEMENTS

### Financial review

ABGSC delivered total Q4 revenues of NOK 294m, down 27% from the same quarter last year. For the full year, revenues were down 11% to NOK 1,137m compared to NOK 1,283m last year.

Total operating costs decreased by 20% compared to Q4 last year, from NOK 291m to NOK 233m. Total operating costs for the year were NOK 905m compared to NOK 972m in 2017. Full-year variable compensation costs decreased by NOK 98m as a function of decreased revenues and profitability.

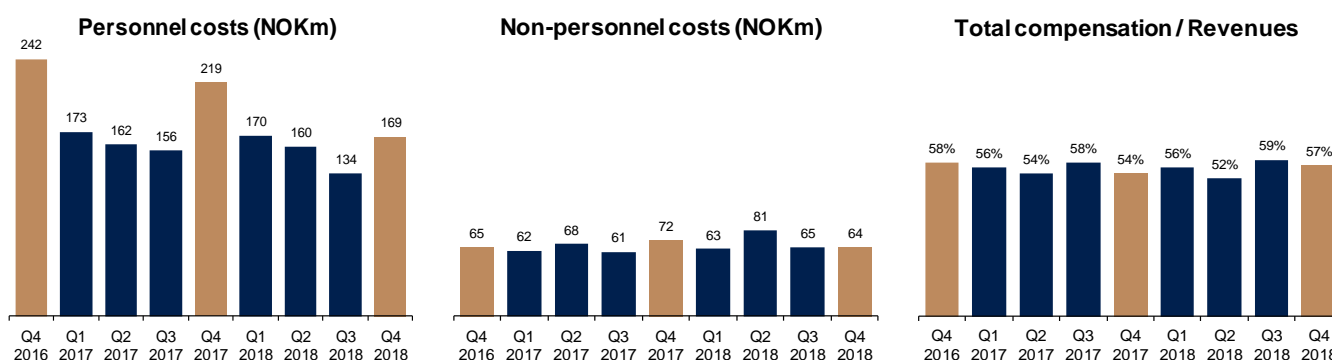
Net financial income was NOK 1m in Q4, down from NOK 10m in Q4 2017. The corresponding figure for the full year 2018 was NOK 5m, compared to NOK 20m in 2017.

Pre-tax profit was NOK 62m in Q4 and NOK 237m for 2018 as a whole. The tax charges were NOK 14m in Q4 compared to NOK 32m in Q4 last year.

Net profit was NOK 32m in the quarter (NOK 85m in Q4 2017) and NOK 147m for the full year (NOK 240m in 2017).

Diluted earnings per share (EPS) was NOK 0.07 for Q4, compared to 0.17 in the same period last year. The corresponding figure for the full year was NOK 0.30, compared to NOK 0.49 in 2017.

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 capital ratio after the dividend payment to shareholders would be 13% (1.63x the required minimum).





*Condensed consolidated income statement (unaudited)*

NOKm	Q4 2018	Q4 2017	YTD 2018	YTD 2017	2016
Brokerage and research revenues	106.3	113.2	363.6	434.1	495.4
Corporate Finance revenues	187.6	290.0	773.8	849.1	747.6
<b>Total revenues</b>	<b>293.9</b>	<b>403.1</b>	<b>1,137.4</b>	<b>1,283.1</b>	<b>1,243.0</b>
Fixed personnel costs	-114.2	-101.7	-404.9	-384.8	-426.4
Other operating costs	-61.3	-68.6	-262.4	-253.4	-245.5
Depreciation	-3.2	-3.1	-10.5	-8.5	-6.3
<b>Total fixed operating costs</b>	<b>-178.7</b>	<b>-173.4</b>	<b>-677.8</b>	<b>-646.7</b>	<b>-678.2</b>
<b>Operating profit before variable compensation</b>	<b>115.3</b>	<b>229.7</b>	<b>459.6</b>	<b>636.4</b>	<b>564.8</b>
Variable personnel costs	-54.6	-117.7	-227.6	-325.7	-297.9
<b>Operating profit after variable compensation</b>	<b>60.7</b>	<b>112.0</b>	<b>232.0</b>	<b>310.7</b>	<b>266.9</b>
Net financial result	1.2	9.8	5.4	20.1	15.0
<b>Profit before tax</b>	<b>61.9</b>	<b>121.8</b>	<b>237.4</b>	<b>330.8</b>	<b>281.9</b>
Taxes	-14.4	-31.7	-65.4	-84.5	-71.2
<b>Net profit</b>	<b>47.5</b>	<b>90.1</b>	<b>172.0</b>	<b>246.3</b>	<b>210.7</b>
Profit / loss to non-controlling interests	15.2	5.0	24.8	5.8	0.0
Profit / loss to owners of the parent	32.3	85.2	147.2	240.5	210.7

*Condensed other comprehensive income*

NOKm	Q4 2018	Q4 2017	YTD 2018	YTD 2017	2016
<b>Net profit</b>	<b>47.5</b>	<b>90.1</b>	<b>172.0</b>	<b>246.3</b>	<b>210.7</b>
<b>Items that may be reclassified to profit or loss</b>					
Exchange differences on translating foreign operations	21.7	15.8	8.7	7.6	-46.1
Hedging of investment in foreign subsidiaries	-22.2	-16.0	-9.3	-7.1	47.9
Income tax relating to items that may be reclassified	5.6	4.0	2.3	1.8	-12.0
<b>Total other comprehensive income</b>	<b>5.0</b>	<b>3.8</b>	<b>1.7</b>	<b>2.3</b>	<b>-10.2</b>
<b>Total comprehensive income for the period</b>	<b>52.6</b>	<b>93.9</b>	<b>173.8</b>	<b>248.6</b>	<b>200.5</b>
Comprehensive income to non-controlling interests	15.2	5.0	24.8	5.8	0.0
Comprehensive income to owners of the parent	37.4	88.9	148.9	242.8	200.5

*Condensed consolidated balance sheet (unaudited)*

NOKm	31/12/2018	31/12/2017	31/12/2016
Total intangible assets	149.3	124.6	53.8
Plant and equipment	10.1	18.7	19.3
Financial non-current assets	17.3	19.3	16.6
<b>Total non-current assets</b>	<b>176.7</b>	<b>162.6</b>	<b>89.7</b>
Receivables	1,947.6	893.8	1,728.6
Investments	123.7	83.4	246.7
Cash and bank deposits	427.7	902.0	748.5
<b>Total current assets</b>	<b>2,499.0</b>	<b>1,879.3</b>	<b>2,723.9</b>
<b>Total assets</b>	<b>2,675.7</b>	<b>2,041.9</b>	<b>2,813.6</b>
Paid-in capital	210.3	305.2	305.4
Retained earnings	426.6	552.1	570.6
<b>Equity attributable to owners of the parent</b>	<b>636.9</b>	<b>857.4</b>	<b>876.0</b>
Non controlling interests	60.8	58.3	0.0
<b>Total equity</b>	<b>697.6</b>	<b>915.7</b>	<b>876.0</b>
Long-term liabilities	30.0	14.8	16.8
Short-term liabilities	1,948.1	1,111.4	1,920.8
<b>Total liabilities</b>	<b>1,978.1</b>	<b>1,126.2</b>	<b>1,937.6</b>
<b>Total equity and liabilities</b>	<b>2,675.7</b>	<b>2,041.9</b>	<b>2,813.6</b>

### Condensed statement of changes in equity

NOKm	Q4 2018	Q4 2017	YTD 2018	YTD 2017	2016
<b>Equity attributable to owners of the parent - opening balance</b>	<b>684.2</b>	<b>766.4</b>	<b>857.4</b>	<b>876.0</b>	<b>997.7</b>
Comprehensive income to owners of the parent	37.4	88.9	148.9	242.8	200.5
Payment to shareholders	0.0	0.0	-235.4	-235.4	-279.7
New issuing of shares	0.0	0.0	0.0	0.0	18.1
Change in own shares	-84.7	2.1	-134.1	-26.0	-60.7
<b>Equity attributable to owners of the parent - closing balance</b>	<b>636.9</b>	<b>857.4</b>	<b>636.9</b>	<b>857.4</b>	<b>876.0</b>
<b>Equity attributable to non-controlling interests - Opening balance</b>	<b>45.6</b>	<b>53.4</b>	<b>58.3</b>	<b>0.0</b>	<b>0.0</b>
Comprehensive income to non-controlling interests	15.2	5.0	24.8	5.8	0.0
Payment to shareholders	0.0	0.0	-22.4	0.0	0.0
Business combinations	0.0	0.0	0.0	52.5	0.0
<b>Equity attributable to non-controlling interests - Closing balance</b>	<b>60.8</b>	<b>58.3</b>	<b>60.8</b>	<b>58.3</b>	<b>0.0</b>
<b>Total equity - closing balance</b>	<b>697.6</b>	<b>915.7</b>	<b>697.6</b>	<b>915.7</b>	<b>876.0</b>

### Condensed consolidated cash flow statement

NOKm	Q4 2018	Q4 2017	YTD 2018	YTD 2017	2016
<b>Cash and cash equivalents - opening balance</b>	<b>499.4</b>	<b>684.8</b>	<b>902.0</b>	<b>748.5</b>	<b>853.5</b>
Net cash flow from operating activities	12.7	225.1	-81.8	433.3	203.1
Net cash flow from investing activities	0.7	-8.4	0.0	-16.3	14.3
Net cash flow from financing activities	-85.2	0.5	-392.6	-263.5	-322.4
<b>Net change in cash and cash equivalents</b>	<b>-71.8</b>	<b>217.3</b>	<b>-474.4</b>	<b>153.5</b>	<b>-105.0</b>
<b>Cash and cash equivalents - closing balance</b>	<b>427.7</b>	<b>902.0</b>	<b>427.7</b>	<b>902.0</b>	<b>748.5</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 2017 annual report, except for the implementation of IFRS 9 and IFRS 15, which entered into effect on 1 January 2018. IFRS 9/IFRS 15 do not have any material effects on the financial statements. For further information, we refer to the accounting principles in the 2017 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 require 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 estimates are 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 2017.

### 3) *Risk and uncertainty*

As described in ABGSC's 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 exposure or the risks and uncertainties described in the 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. Variable compensation, financial results and income taxes are all treated as unallocated items in the internal and external reporting.

<b>Markets</b>		<b>Q4 2018</b>	<b>Q4 2017</b>	<b>YTD 2018</b>	<b>YTD 2017</b>
Revenues - external	NOKm	94	114	364	435
Revenues - allocated to/from other operating segments	NOKm	28	68	172	242
<b>Total revenues</b>	<b>NOKm</b>	<b>122</b>	<b>182</b>	<b>536</b>	<b>677</b>
Fixed operating costs	NOKm	98	105	400	402
<b>Operating profit before variable compensation</b>	<b>NOKm</b>	<b>24</b>	<b>77</b>	<b>137</b>	<b>275</b>
<b>Investment Banking</b>		<b>Q4 2018</b>	<b>Q4 2017</b>	<b>YTD 2018</b>	<b>YTD 2017</b>
Revenues - external	NOKm	200	289	773	848
Revenues - allocated to/from other operating segments	NOKm	-28	-68	-172	-242
<b>Total revenues</b>	<b>NOKm</b>	<b>172</b>	<b>221</b>	<b>601</b>	<b>606</b>
Fixed operating costs	NOKm	81	68	278	245
<b>Operating profit before variable compensation</b>	<b>NOKm</b>	<b>91</b>	<b>153</b>	<b>323</b>	<b>361</b>
<b>Operating revenues from external customers by geographical segments</b>		<b>Q4 2018</b>	<b>Q4 2017</b>	<b>YTD 2018</b>	<b>YTD 2017</b>
Norway	NOKm	134	198	582	596
Sweden	NOKm	102	134	312	461
Denmark	NOKm	12	25	68	52
International	NOKm	46	46	176	174
<b>Total</b>	<b>NOKm</b>	<b>294</b>	<b>403</b>	<b>1,137</b>	<b>1,283</b>

## SHAREHOLDER MATTERS

### Share transactions

During the quarter, ABGSC sold 2.3m treasury shares to partners as settlement of forward contracts previously entered into and has purchased 375k treasury shares from resigned partners at an average price of NOK 4.30 per share. In addition, ABGSC has sold 500k shares on forward contracts to new partners.

### Number of shares

		Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
<b>Shares outstanding (period end)</b>	<b>(1,000)</b>	<b>470,747</b>	<b>470,747</b>	<b>470,747</b>	<b>470,747</b>	<b>470,747</b>
- Treasury shares (period end)	(1,000)	10,024	20,101	14,989	15,422	13,472
+ Forward contracts outstanding (period end)	(1,000)	34,191	43,405	41,116	39,799	37,974
<b>Diluted shares (period end)</b>	<b>(1,000)</b>	<b>494,914</b>	<b>494,051</b>	<b>496,874</b>	<b>495,124</b>	<b>495,249</b>
<b>Shares outstanding (average)</b>	<b>(1,000)</b>	<b>470,747</b>	<b>470,747</b>	<b>470,747</b>	<b>470,747</b>	<b>470,747</b>
- Treasury shares (average)	(1,000)	10,201	11,798	19,148	15,333	14,371
+ Forward contracts outstanding (average)	(1,000)	34,302	38,622	42,830	40,979	38,700
<b>Diluted shares (average)</b>	<b>(1,000)</b>	<b>494,848</b>	<b>497,570</b>	<b>494,430</b>	<b>496,393</b>	<b>495,076</b>

### Shareholder structure

<b>Shares held by Directors and staff</b>	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Shares held by Directors and Staff / Shares outstanding	20%	20%	20%	19%	19%
Shares and fwd contracts held by Directors and Staff / Diluted shares	26%	28%	27%	26%	26%

<b>Shareholders by country (shares outstanding)</b>	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Norway	56%	58%	58%	60%	62%
Great Britain	17%	16%	16%	14%	14%
USA	15%	14%	14%	16%	16%
Sweden	4%	4%	4%	3%	4%
Other	9%	8%	8%	6%	5%

## Largest shareholders

20 largest shareholders as of 31 December 2018 (registered in VPS as of 3 January 2019):

Shareholder	Number of shares	%
Sanden AS *	39,082,233	8.3%
JP Morgan Bank Luxembourg (nominee)	31,268,951	6.6%
State Street Bank (nominee)	21,562,955	4.6%
ABG Sundal Collier Holding ASA (own shares)	13,472,239	2.9%
Erling Neby AS	12,500,000	2.7%
Landkreditt Utbytte	10,000,000	2.1%
Fidelity Int Small Cap Fund	9,702,926	2.1%
Citibank (nominee)	9,048,983	1.9%
Verdipapirfondet Pareto Investment	8,666,830	1.8%
JP Morgan Chase Bank (nominee)	8,489,331	1.8%
State Street Bank (nominee)	8,292,156	1.8%
Watrium AS	7,000,000	1.5%
SEB Prime Solutions	6,626,132	1.4%
A/S Skarv	5,500,000	1.2%
Peter Schofield	4,623,000	1.0%
Swedbank Robur Småbolagsfond Norden	3,994,980	0.8%
Giotto AS **	3,885,900	0.8%
Kilen AS ***	3,824,376	0.8%
ABGSC Foundation - For women in Finance	3,800,000	0.8%
DnB Markets	3,623,035	0.8%
<b>Total top 20</b>	<b>214,964,027</b>	<b>45.7%</b>
Other	255,783,068	54.3%
<b>Total</b>	<b>470,747,095</b>	<b>100.0%</b>

\* Jan Petter Collier, who is a board member of ABG Sundal Collier Holding ASA, and family own a total of 40,131,000 shares including shares owned by Sanden AS.

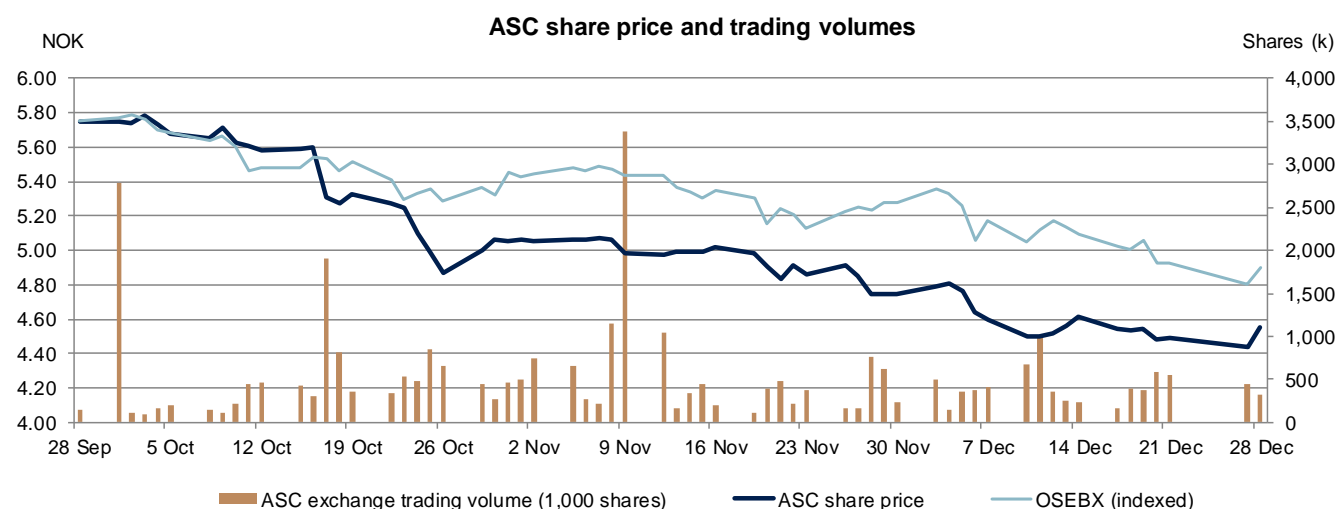
\*\* Knut Brundtland, who is CEO, and family own a total of 5,083,000 shares including shares owned by Giotto AS and Piero AS.

\*\*\* Arild A. Engh, who is a board member of ABG Sundal Collier Holding ASA, owns a total of 5,332,976 shares including shares owned by Kilen AS.

An up-to-date list of the 20 largest shareholders can be found under the Investor Relations section on the ABGSC website ([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 4.55 as of 28 December 2018. The highest closing price observed during the

quarter was NOK 5.78 and the lowest was NOK 4.44. The share traded ex the NOK 0.20 interim cash distribution to shareholders from 24 October 2018.

The average daily traded volume during the quarter on the Oslo Stock Exchange was 522k shares. According to the Fidessa Fragmentation Index, 91% of the total traded volume over the period took place on the Oslo Stock Exchange.

#### *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 market price, with a 15% price adjustment reflecting several restrictions with regards to the selling (or purchasing) of these shares.

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 2019 to 2023.

<b>Expiry year</b>	<b>Forward contracts (1,000)</b>	<b>Forward average price</b>
2019	9,359	3.45
2020	2,065	2.54
2022	13,825	4.03
2023	12,725	5.29
<b>Total</b>	<b>37,974</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 2019.

### *Financial calendar*

ABGSC has approved the financial calendar for the accounting year 2019:

- 30 April 2019, Earnings release Q1 2019
- 12 July 2019, Earnings release Q2 2019
- 16 October 2019, Earnings release Q3 2019
- 12 February 2020, Earnings release Q4 / preliminary full-year figures 2019

Final accounts for 2018 will be released on 20 March 2019. The Annual General Meeting will take place on 30 April 2019 and the first trading day ex. dividend will be 2 May 2019.

## SUPPLEMENTARY INFORMATION

Historical figures – nine quarters

Income statement		Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Revenues	NOKm	420	312	297	271	403	305	309	229	294
Operating costs	NOKm	-307	-235	-229	-217	-291	-233	-240	-199	-233
<b>Operating profit</b>	<b>NOKm</b>	<b>113</b>	<b>77</b>	<b>68</b>	<b>54</b>	<b>112</b>	<b>72</b>	<b>69</b>	<b>30</b>	<b>61</b>
Net financial result	NOKm	11	4	1	5	10	0	1	2	1
<b>Profit before tax</b>	<b>NOKm</b>	<b>124</b>	<b>81</b>	<b>69</b>	<b>59</b>	<b>122</b>	<b>73</b>	<b>70</b>	<b>33</b>	<b>62</b>
Taxes	NOKm	-29	-23	-15	-15	-32	-18	-22	-11	-14
Non-controlling interests	NOKm	0	0	0	-1	-5	-1	-12	3	-15
<b>Net profit</b>	<b>NOKm</b>	<b>95</b>	<b>58</b>	<b>54</b>	<b>43</b>	<b>85</b>	<b>54</b>	<b>36</b>	<b>25</b>	<b>32</b>

Balance sheet		Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
<b>Total non-current assets</b>	<b>NOKm</b>	<b>90</b>	<b>92</b>	<b>88</b>	<b>145</b>	<b>163</b>	<b>155</b>	<b>176</b>	<b>178</b>	<b>177</b>
Receivables	NOKm	1,729	3,849	3,108	2,531	894	1,753	2,490	1,721	1,948
Investments	NOKm	247	242	158	198	83	83	71	48	124
Cash and bank deposits	NOKm	749	745	904	685	902	682	579	499	428
<b>Total current assets</b>	<b>NOKm</b>	<b>2,724</b>	<b>4,837</b>	<b>4,170</b>	<b>3,414</b>	<b>1,879</b>	<b>2,518</b>	<b>3,140</b>	<b>2,268</b>	<b>2,499</b>
<b>Total assets</b>	<b>NOKm</b>	<b>2,814</b>	<b>4,928</b>	<b>4,258</b>	<b>3,559</b>	<b>2,042</b>	<b>2,673</b>	<b>3,316</b>	<b>2,447</b>	<b>2,676</b>
<b>Equity attributable to owners of the parent</b>	<b>NOKm</b>	<b>876</b>	<b>884</b>	<b>724</b>	<b>766</b>	<b>857</b>	<b>830</b>	<b>661</b>	<b>684</b>	<b>637</b>
Non-controlling interests	NOKm	0	0	0	53	58	40	52	46	61
<b>Total equity</b>	<b>NOKm</b>	<b>876</b>	<b>884</b>	<b>724</b>	<b>820</b>	<b>916</b>	<b>870</b>	<b>712</b>	<b>730</b>	<b>698</b>
Long-term liabilities	NOKm	17	16	17	16	15	25	25	30	30
Short-term interest bearing liabilities	NOKm	0	0	0	0	0	0	0	0	0
Short-term liabilities	NOKm	1,921	4,028	3,518	2,723	1,111	1,778	2,579	1,687	1,948
<b>Total liabilities</b>	<b>NOKm</b>	<b>1,938</b>	<b>4,044</b>	<b>3,535</b>	<b>2,740</b>	<b>1,126</b>	<b>1,803</b>	<b>2,604</b>	<b>1,717</b>	<b>1,978</b>
<b>Total equity and liabilities</b>	<b>NOKm</b>	<b>2,814</b>	<b>4,928</b>	<b>4,258</b>	<b>3,559</b>	<b>2,042</b>	<b>2,673</b>	<b>3,316</b>	<b>2,447</b>	<b>2,676</b>

Revenue split		Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Equities	NOKm	161	139	129	93	139	144	102	81	106
Non-Equities (Fixed Income, CB & FX)	NOKm	36	48	49	39	43	29	49	11	17
<b>Markets</b>	<b>NOKm</b>	<b>197</b>	<b>187</b>	<b>178</b>	<b>132</b>	<b>182</b>	<b>172</b>	<b>150</b>	<b>91</b>	<b>122</b>
<b>Investment Banking</b>	<b>NOKm</b>	<b>222</b>	<b>125</b>	<b>121</b>	<b>139</b>	<b>221</b>	<b>133</b>	<b>159</b>	<b>138</b>	<b>172</b>
<b>Revenues</b>	<b>NOKm</b>	<b>419</b>	<b>312</b>	<b>298</b>	<b>271</b>	<b>403</b>	<b>305</b>	<b>309</b>	<b>229</b>	<b>294</b>

Key figures		Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
<b>Headcount (average)</b>	<b>#</b>	<b>252</b>	<b>257</b>	<b>250</b>	<b>258</b>	<b>262</b>	<b>261</b>	<b>261</b>	<b>274</b>	<b>272</b>
Revenues per head (average)	NOKm	1.66	1.21	1.19	1.05	1.54	1.17	1.18	0.84	1.08
Operating costs per head (average)	NOKm	-1.22	-0.91	-0.92	-0.84	-1.11	-0.89	-0.92	-0.73	-0.86
Operating cost / Revenues	%	73%	75%	77%	80%	72%	76%	78%	87%	79%
Total compensation / Revenues	%	58%	56%	54%	58%	54%	56%	52%	59%	57%
Operating margin %	%	27%	25%	23%	20%	28%	24%	22%	13%	21%
Return on Equity (annualised)	%	45%	26%	27%	23%	42%	26%	19%	15%	20%

<b>Shares outstanding (period end)</b>	<b>(1,000)</b>	<b>470,747</b>	<b>470,747</b>	<b>470,747</b>	<b>470,747</b>	<b>470,747</b>	<b>470,747</b>	<b>470,747</b>	<b>470,747</b>	<b>470,747</b>
Treasury shares (period end)	(1,000)	-9,537	-16,835	-11,330	-10,481	-10,024	-20,101	-14,989	-15,422	-13,472
Forward contracts outstanding (period end)	(1,000)	29,493	38,755	33,250	34,469	34,191	43,405	41,116	39,799	37,974
<b>Diluted shares (period end)</b>	<b>(1,000)</b>	<b>490,703</b>	<b>492,668</b>	<b>492,668</b>	<b>494,734</b>	<b>494,914</b>	<b>494,051</b>	<b>496,874</b>	<b>495,124</b>	<b>495,249</b>
Earnings per share (basic)	NOK	0.20	0.13	0.12	0.09	0.18	0.12	0.08	0.05	0.07
<b>Earnings per share (diluted)</b>	<b>NOK</b>	<b>0.19</b>	<b>0.12</b>	<b>0.11</b>	<b>0.09</b>	<b>0.17</b>	<b>0.11</b>	<b>0.08</b>	<b>0.05</b>	<b>0.07</b>
Book value per share (basic)	NOK	1.90	1.95	1.58	1.67	1.86	1.84	1.45	1.50	1.39
Book value per share (diluted)	NOK	2.00	2.11	1.72	1.81	2.00	2.06	1.67	1.71	1.59
Total capital adequacy	NOKm	3,393	3,565	3,124	3,284	3,153	3,352	3,038	3,197	3,540
Core capital	NOKm	600	549	569	566	588	492	500	495	461
<b>Total capital adequacy ratio</b>	<b>%</b>	<b>18%</b>	<b>15%</b>	<b>18%</b>	<b>17%</b>	<b>19%</b>	<b>15%</b>	<b>16%</b>	<b>15%</b>	<b>13%</b>
Minimum requirement coverage ratio	x	2.2x	1.9x	2.3x	2.2x	2.3x	1.8x	2.1x	1.9x	1.6x

<b>Markets</b>		<b>Q4 2016</b>	<b>Q1 2017</b>	<b>Q2 2017</b>	<b>Q3 2017</b>	<b>Q4 2017</b>	<b>Q1 2018</b>	<b>Q2 2018</b>	<b>Q3 2018</b>	<b>Q4 2018</b>
Revenues	NOKm	197	187	177	132	182	172	150	91	122
Fixed operating costs	NOKm	109	98	101	98	105	98	108	96	98
<b>Operating profit before variable comp.</b>	<b>NOKm</b>	<b>88</b>	<b>89</b>	<b>76</b>	<b>34</b>	<b>77</b>	<b>74</b>	<b>43</b>	<b>-5</b>	<b>24</b>
Headcount (average)	#	70	74	70	73	72	69	67	70	68

<b>Investment Banking</b>		<b>Q4 2016</b>	<b>Q1 2017</b>	<b>Q2 2017</b>	<b>Q3 2017</b>	<b>Q4 2017</b>	<b>Q1 2018</b>	<b>Q2 2018</b>	<b>Q3 2018</b>	<b>Q4 2018</b>
Revenues	NOKm	222	125	121	139	221	133	159	138	172
Fixed operating costs	NOKm	69	58	61	58	68	62	68	67	81
<b>Operating profit before variable comp.</b>	<b>NOKm</b>	<b>153</b>	<b>68</b>	<b>60</b>	<b>81</b>	<b>153</b>	<b>71</b>	<b>91</b>	<b>70</b>	<b>91</b>
Headcount (average)	#	76	76	75	78	81	80	81	86	87