ABG SUNDAL COLLIER

ANNUAL REPORT 2019

Art in the ABGSC Annual Report

Every year, ABG Sundal Collier features works by selected artists from the Collier Collection in its' annual report. Visitors to our offices in Oslo, Stockholm, Copenhagen, New York, London, Frankfurt and Singapore can experience international contemporary art in a wide range of media including painting, sculpture and photography.

This year we are pleased to focus on two Norwegian artists featured in the collection, Dag Alveng and Håvard Homstvedt. Alveng is known for his location-based analog photographs that focus on the interaction of light in grayscale. Homstvedt creates mostly figurative sculptures and paintings with a focus on materiality and treatment in a non-literal way. Both artists are well represented in the Collier Collection.

On this page you will find a short presentation of the artists who contributed to this edition. *For information about the individual artworks, please see the list of images on page 96.*

About the artists in this year's report:

Dag Alveng

Dag Alveng (b. 1953) is a leading figure in Norwegian contemporary photography. Alveng's black and white photographs are studies in the interplay of sun and shadow, the power of light, as well as focus on the traces of actions being performed. His work has been shown in solo and group shows around the world, and his works are found in public collections such as the Metropolitan Museum of Art, Museum of Modern Art in New York, Moderna Museet, Stockholm, and the Henie Onstad Kunstsenter. Alveng has published several books including "Layers of Light", "Asylum", and "The Shipyard at Solheimsviken". Alveng lives and works in Oslo.

Håvard Homstvedt

Håvard Homstvedt (b. 1976) lives and works in Oslo. Homstvedt received his artistic education from Yale University School of Art and Rhode Island School of Design. Homstvedt's paintings have been characterized by their textile-like surfaces and thoroughly treated canvases with varied materiality. He has simultaneously worked with multifaceted sculptural expressions, surreal painted bronze busts, idiosyncratic silhouette figures and reliefs intertwined with paintings in ambitious installations. Sculptures and paintings with a crafted treatment span the gamut from 'high' to 'low' in art, and also reflects his interest in finding a method of rendering felt impressions rather than 'reality'. His works are found in various private and public collections, including The National Museum of Art, Architecture and Design in Oslo.


SIDEWALK
CLOSED
DO NOT CROSS

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STRAND

Nordic Investment Banking Powerhouse

ABG Sundal Collier Holding ASA ("the Company") together with its subsidiaries ("ABGSC" or "the Group") 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 more than 270 partners and employees are located in the Nordic offices of Norway, Sweden and Denmark and offices in the key international markets of the US, the UK, Germany and Singapore.

Our Vision and Mission

ABGSC's 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:

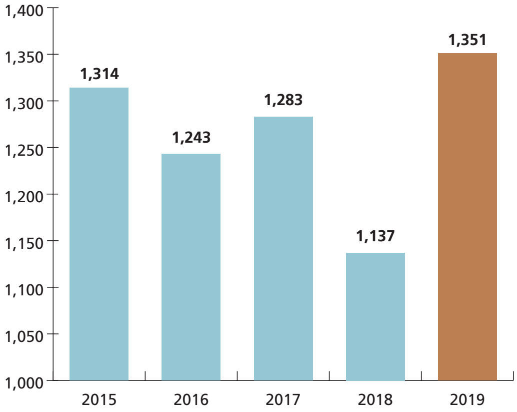
- *Providing the best advice in relation to strategic challenges*
- *Providing the optimal external corporate financing*
- *Improving clients' return on investment*
- *Being "the place to be" for talented staff*
- *Running a cost-focused and highly profitable operation*

Key Figures

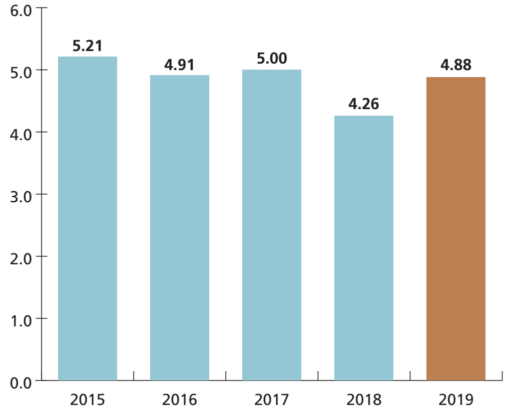
Group Key Figures (NOKm)	2015	2016	2017	2018	2019
Total revenues	**1,314**	**1,243**	**1,283**	**1,137**	**1,351**
Fixed personnel costs	-386	-426	-385	-405	-432
Variable personell costs	-338	-298	-326	-228	-298
Non-personell costs	-266	-252	-262	-273	-282
Total operating costs	-990	-976	-972	-905	-1,012
Operating profit	**324**	**267**	**311**	**232**	**339**
Net profit	**230**	**211**	**240**	**147**	**227**
Book value per share [1]	2.15	1.90	1.86	1.39	1.51
Diluted average number of shares [2]	499	497	494	495	525
EPS (basic)	0.50	0.45	0.52	0.32	0.50
EPS (diluted)	0.47	0.43	0.49	0.30	0.44
Payment to shareholders per share [3]	0.60	0.50	0.50	0.40	0.37
Return on equity [4]	21 %	28 %	29 %	20 %	35 %
Headcount (average)	252	253	257	267	277
Revenues per head (average)	5.21	4.91	5.00	4.26	4.88
Fixed costs per head (average)	-2.59	-2.68	-2.52	-2.54	-2.58
Total costs per head (average)	-3.93	-3.85	-3.79	-3.39	-3.65
Total compensation / Revenues	55 %	58 %	55 %	56 %	54 %
Total costs/ Revenues	75 %	79 %	76 %	80 %	75 %
EBIT margin	25 %	21 %	24 %	20 %	25 %

Definitions:
[1] (Book equity at 31 December + dividend) / (total number of shares – treasury shares)
[2] Adjusted for treasury shares and shares on forward contracts
[3] Dividends proposed past year end or reduction in share premium fund
[4] Net result for the period/Average equity for the period

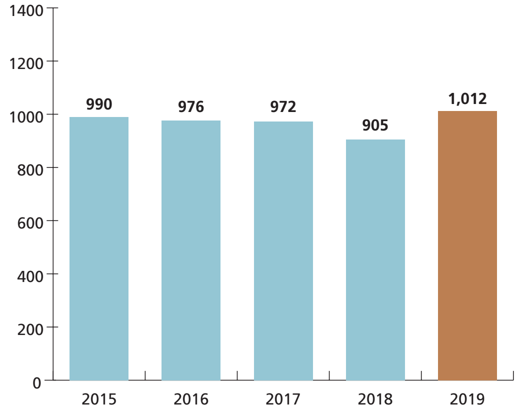
Total revenues (NOKm)



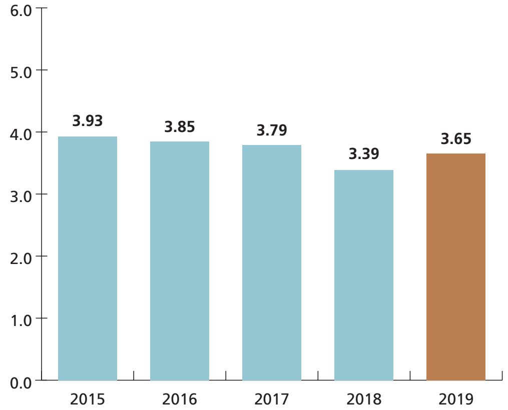
Revenue per head (Average) NOKm



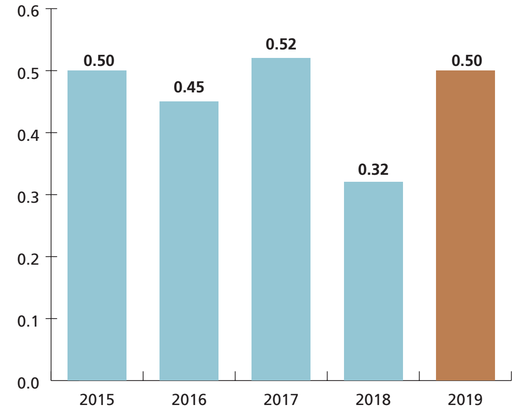
Total operating costs (NOKm)



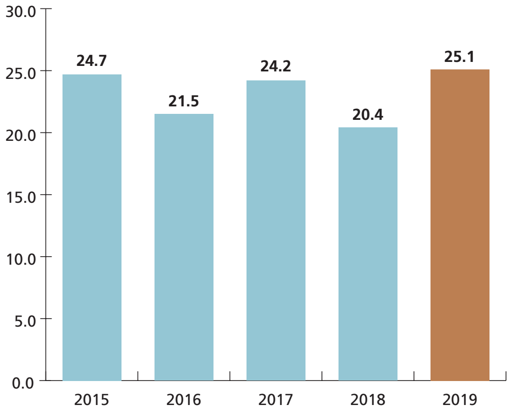
Cost per head (Average) NOKm



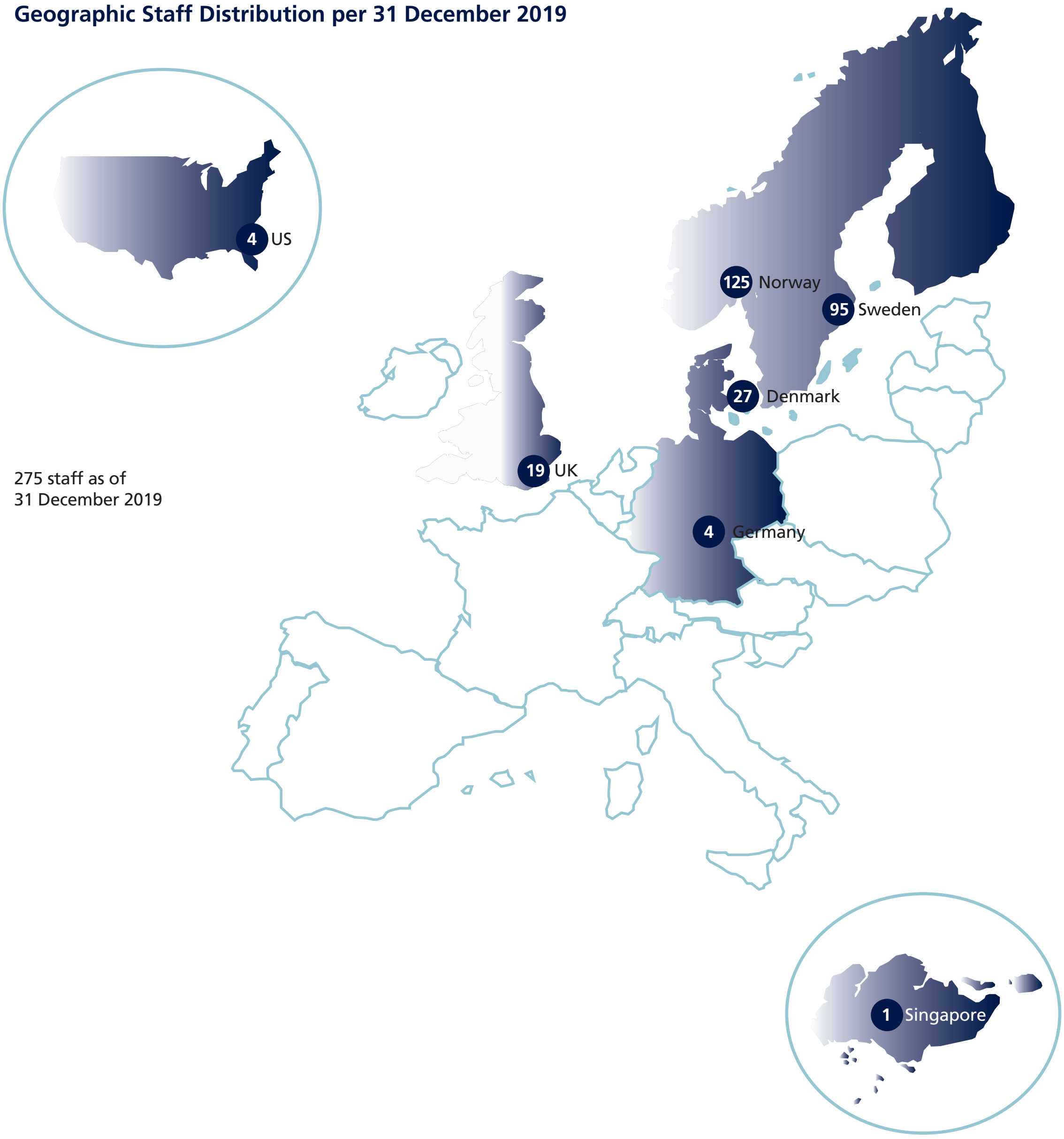
EPS Basic



EBIT margin (%)

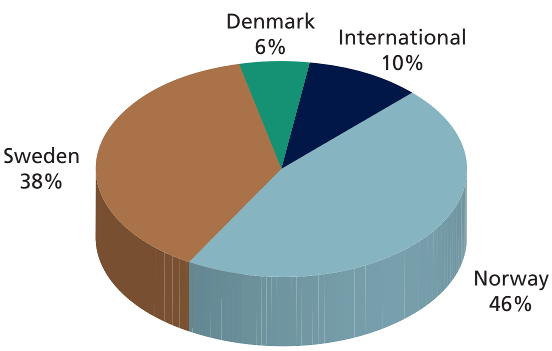


Geographic Staff Distribution per 31 December 2019

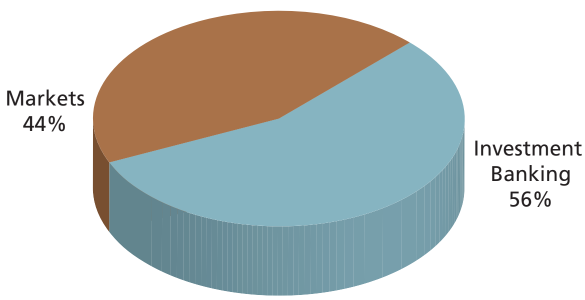


275 staff as of
31 December 2019

Geographic Revenue Distribution 2019



Functional Revenue Distribution 2019



Joint Letter from the Chairman & CEO

At the time of writing this letter, the Covid-19 pandemic is accelerating all over the world. It is causing serious illness and death among especially the elderly in our society. It is our responsibility to protect our senior citizens and people with underlying diseases that make them more susceptible to the virus. The Covid-19 pandemic and the precautions taken to slow the spread of the virus will without a doubt have a severe negative impact on our economies. The lack of visibility on how bad this is going to get, and when it will get better, is creating fear and raging financial markets. Never has last year felt so distant and irrelevant as the world is heading into unchartered territory.

Still, looking back, 2019 was as an important year for ABGSC in our pursuit of being perceived as the most agile and respected Investment Bank in the Nordics. 2019 was a year where we further strengthened our platform and created a solid base capable of handling both additional growth and a more challenging market environment.

The year 2019 also proved the value of diversification as our revenue base does not depend on activity within one particular sector, product line or country. All parts of our organisation contributed well to recording the highest revenues in more than a decade. Going forward, we have ambitions to move forward the positions within our core operations. We are also pleased to note that our most recent investment in the Nordic crowd funding platform Kameo has developed strongly during 2019. Together with ABGSC, Kameo has the best possible foundation to be the #1 Nordic platform within its segment.

Now, looking into the remainder of 2020, we have less visibility than ever. Long gone are last year's, now apparently trivial, concerns related to Brexit and trade wars. At this time, the key global concerns are saving lives and protecting jobs. The only thing that seems certain is that the impact of the pandemic will be severe. We do not know how long it will take before the economy and the financial markets stabilize.

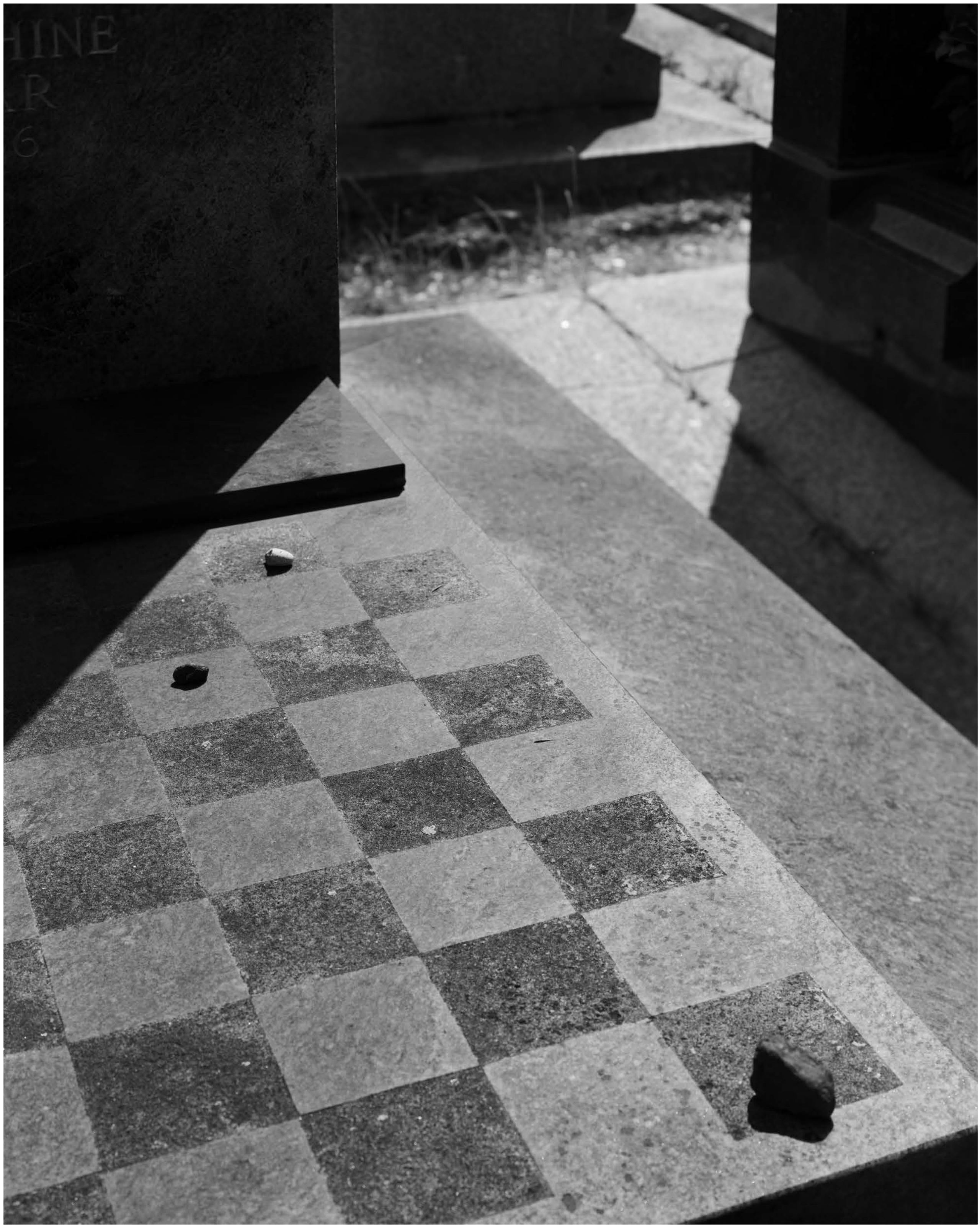
But what we do know is that investment banks and financial advisors will play an important role in restoring the society to normal.

In normal times, our main task is to enable our clients to grow and perform. Now in the immediate short-term perspective, our core focus will be to help them recover and survive. Companies will require access to capital, restructuring advice and support in a likely wave of forced consolidation. We will do our best in guiding our investor clients at a time where quality research and the ability to find trading liquidity will be of significant importance to recover lost fortunes.

ABGSC is lean, well capitalized and employ some of the best people in our industry. Although we must expect some challenging quarters ahead, we are confident that we will benefit from our diversified revenue base and the energetic partnership culture. For now, our primary concern is the health and security of our staff, along with their relatives, friends and relations.

Yours sincerely,

Knut Brundtland, Chairman
&
Jonas Ström, CEO

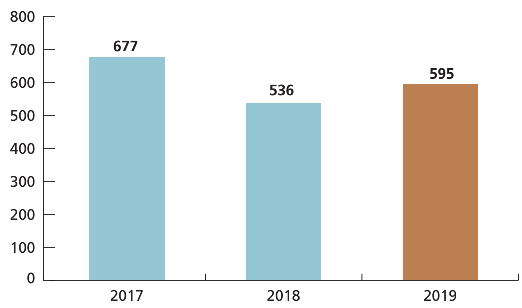

HINE

Markets Division

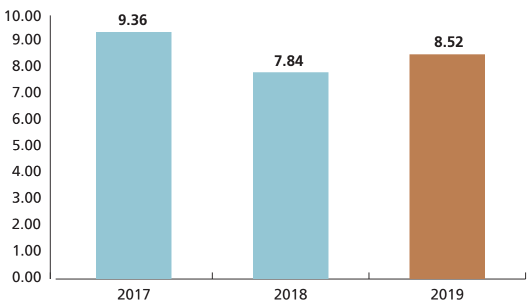
The Markets division consists of all secondary sales and trading activities. With offices in Oslo, Stockholm, Copenhagen, London, Frankfurt, New York and Singapore, we offer a powerful, integrated platform for the global delivery of financial services such as brokerage, trading and execution of equities,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

Revenues in the Markets division comprise secondary commissions on client trades, payments for investment advisory services and research, and sales fees from primary ECM and DCM corporate transactions.

Revenues – Markets (NOKm)



Revenue per head (average) – Markets (NOKm)



Revenues from the Markets division increased from NOK 543m in 2018 to NOK 595m in 2019. Equity-related revenues increased by 5% to NOK 460m in 2019. Revenues within the Non-Equities segment increased by 29% to NOK 135m.

Our standing among international and local clients remains strong, and we continue to build on our top position in the market, with many important accomplishments in 2019. In the TNS SIFO Prospera "Domestic Equity" category, highly knowledgeable and local investors ranked ABGSC #2 in Norway, #5 in Sweden and #3 in Denmark. On an individual sector basis, we held top positions in the most important sectors in the Nordics. Financial Hearings in Sweden ranked ABGSC the second-best brokerage firm. In Norway, ABGSC was voted the second-best brokerage firm by the business magazine Kapital. Our research analyst Bengt Jonassen stood out as the absolute best all-rounder in that ranking, winning in two categories and placing second in two categories (receiving the most scores in total). Moreover, ABGSC's Co-Head of Global Research, John Olaisen, is still in command as the best analyst within offshore/subsea. ABGSC is very proud of its achievements in the Kapital ranking. We will continue to deliver the best value-added product, and we are always seeking to build upon our strong position.

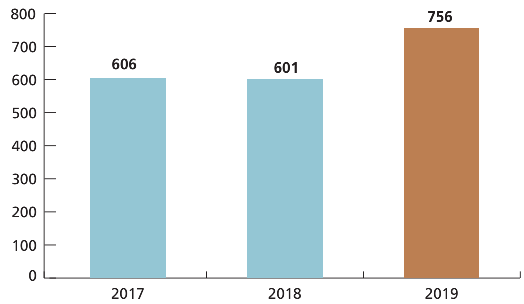
Our integrated pan-Nordic research strategy and sector organisation are cost-efficient, and both reflect the market segmentation of most international investors who view the Nordics as one region. Highly prestigious surveys such as Prospera, Extel, Financial Hearings, Institutional Investor, and Greenwich have for several consecutive years ranked ABGSC among the top three Nordic research houses. We take great pride in our work, and the trust our clients put in us is humbling.

Investment Banking Division

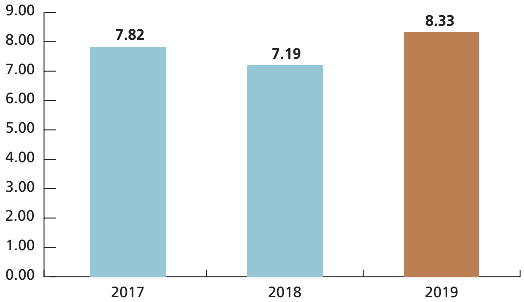
The Investment Banking division comprises all primary operations and corporate advisory services, and combines superior industry knowledge from the most important sectors in the Nordic markets with extensive transaction experience within ECM, DCM, M&A and financial restructuring.

Revenues in the Investment Banking division are mainly transaction fees that are largely based on the successful completion of the respective transactions.

Revenues – Investment Banking (NOKm)



Revenue per head (average)
Investment Banking (NOKm)



Revenues from the Investment Banking division were NOK 756m in 2019 compared to NOK 601m in 2018. Investment Banking revenues stem from a diversified base within a broad range of industries and with a balanced mix of capital market transactions and advisory services.

We are pleased to leave behind a year in which we have significantly advanced our market position, with some of the most high-profile transactions across our product, portfolio and sectors.

Mergers and acquisitions:

The year 2019 was outstanding in terms of M&A transactions, as we advised companies across regions, sectors and product groups.

Our market position was strengthened by the completion of a number of high-profile transactions, including the SEK 23.5bn public cash offer to the shareholders in Hemfosa. ABGSC acted as financial advisor to the buyer SBB in this transaction, which was the largest public offering for a real estate company in Sweden ever. The firm also acted as financial advisor to Brigdepoint in connection with the SEK 9.2bn public cash offer to the shareholders in Cherry. The transaction represents the largest ever public offering for a gaming company in Sweden. Moreover, ABGSC acted as sole financial advisor to KKR in connection with the acquisition of a substantial stake in Söderberg & Partners, which is one of the larger investments by private equity in Sweden during 2018. We also acted as financial advisor to Nordic Capital and sole manager and bookrunner for the bond financing in the sale of Ellos Group to FNG. In addition, we continued to cement our position as a leading M&A sell-side advisor for private equity through several transactions including the advisory role for Norvestor in the sale of Nomor to ServiceMaster in the US.

Furthermore, EVRY and Tieto joined forces through a cross-border merger to create a leading Nordic digital services company. ABGSC acted as exclusive financial advisor to EVRY in the transaction. In Denmark, we also acted as exclusive advisor to Lunar Way in connection with raising DKK 196m. Due to the capital raise, the Danish Financial Supervisory Authority has granted Lunar Way a banking license as the first Danish fintech company ever and as the first financial provider in years.

Equity Capital Markets

Equity Capital Markets ramped up an exciting track record in 2019 with some of the Nordics' most significant transactions during the year. One of the main events was the SEK 13.5bn Stockholm IPO of the private equity firm EQT. ABGSC was engaged as the only bank-independent Nordic manager in this landmark transaction, which was the largest IPO in Sweden this decade and the only IPO priced in the Nordics during the quarter. We also advised on the NOK 1.5bn IPO of the Nordic fitness chain SATS, the NOK 1.3bn IPO of the newsprint company Norske Skog and the SEK 3bn directed new share issue in Pandox, a leading owner of hotel properties in Northern Europe. Moreover, the Norwegian electricity retailer Fjordkraft completed two secondary sales of shares in 2019, and ABGSC acted as sole bookrunner in the NOK 554m sale and the NOK 666m secondary sale of shares in Fjordkraft Holding. We coordinated and acted as joint bookrunner in the SEK 3bn directed share issue in Pandox. The transaction represents the largest directed share issue in Sweden ever. We also acted as joint bookrunner in the NOK 3,399 secondary sale of shares in Entra ASA by the Norwegian State, represented by the Ministry of Trade, Industry and Fisheries. This is the fourth consecutive time ABGSC has acted as joint global coordinator and joint bookrunner for the NMTIF in Entra.

Debt Capital Markets

The year 2019 marked an eventful one in the Nordic high yield bond market, with record-high primary activity. This was also the case for ABGSC, which experienced all-time-high primary DCM activity. The activity level was elevated across all sectors, with the exception of oil service, which saw very limited new issue volume.

In 2019, ABGSC acted as manager for 22 high yield transactions in the Nordic market, across a broad range of sectors, geographies and issuers. In April, ABGSC was the manager for the EUR 105m underwritten bond issue for Infront ASA, which together with a NOK 243m rights issue was used to finance the acquisition of wvd Group, a company twice its size. In July, ABGSC was the manager for the SEK 1,500m underwritten bond issue for FNG, a Benelux-based fashion group, to finance in part the acquisition of Ellos Group from Nordic Capital. In September, ABGSC acted as manager for the EUR 100m bond issue by Independent Oil & Gas, a UK-based offshore gas development company, to finance the company's development project. ABGSC acted as financial advisor to AURELIUS in connection with the divestment of Scandinavian Cosmetics Group and in arranging a fully underwritten, SEK 370m, senior secured bond as acquisition financing for the buyer. In September, ABGSC acted as manager for the EUR 65m bond issue for BEWiSynbra Group, the largest fully integrated EPS producer in northern Europe, to refinance its existing SEK 550m bond.

Statutory Directors' Report

ABG Sundal Collier Holding ASA ("the Company") together with its subsidiaries ("ABGSC" or "the Group") is a Nordic investment bank listed on the Oslo Stock Exchange. The Group's headquarters are located in Oslo, with other offices in Stockholm, Copenhagen, London, Frankfurt, New York and Singapore.

ABGSC is an independent Nordic investment bank, 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.

COMMENTS TO THE ANNUAL ACCOUNTS

Highlights

Earnings before interest and taxes for 2019 increased by 41% to NOK 334m. Diluted EPS for 2019 was NOK 0.44 compared to NOK 0.30 for 2018, primarily reflecting the increased revenue level in 2019. In light of the Group's capital strength, the Board has decided to propose a final payment to shareholders of NOK 0.27 per share. This payment comes on top of the interim distribution of NOK 0.17 per share paid in October 2019, making a total cash distribution of NOK 0.44 per share for the accounting year 2019.

Pursuant to the Norwegian Accounting Act, the Company confirms that the parent company accounts, based on Norwegian GAAP, have been prepared on a going concern basis. Group accounts have also been prepared on a going concern basis, based on International Financial Reporting Standards (IFRS) as adopted by the EU.

Income Statement

2019 revenues were NOK 1,351m compared to NOK 1,137m in 2018.

Revenues from the Markets division increased from NOK 536m in 2018 to NOK 595m in 2019. Equity-related revenues increased by 5% to NOK 460m in 2019. Revenues within the Non-Equities segment (Fixed income, CB and FX) increased by 29% to NOK 135m.

Revenues from the Investment Banking division increased from NOK 601m in 2018 to NOK 756m in 2019. The business mix is balanced with solid contributions from all product areas, sectors and geographies.

Total operating costs for the year were NOK 1,012 compared to NOK 905m in 2018. Full-year variable compensation costs increased by NOK 70m as a function of increased revenues and profitability.

Operating profit before variable compensation for 2019 was NOK 637m (NOK 460m in 2018), an increase of 39%. Net financial result was NOK -5m compared to NOK 5m in 2018. Net profit after tax was NOK 254m (NOK 172m in 2018), resulting in EPS of NOK 0.50 (NOK 0.32 in 2018).

Balance Sheet and Liquidity

ABGSC maintained a strong balance sheet throughout 2019. Our asset base largely consists of short-term receivables and bank deposits.

ABGSC's balance sheet and liquidity position are very solid relative to our capital requirements. Consequently, the Board will propose to the AGM a final payment to the shareholders of NOK 0.27 per share for the final six months of 2019. This payment comes on top of the interim distribution of NOK 0.17 per share paid in October 2019, making a total cash distribution of NOK 0.44 per share for the accounting year 2019 (NOK 0.40 in 2018).

The Group's capital adequacy post the proposed dividend payment to shareholders at the end of 2019 was 1.9x (1.6x in 2018) the requirement set by The Financial Supervisory Authority of Norway. The capital ratio before the proposed payment to shareholders was 2.5x for 2019 (2x in 2018).

The Board currently has a mandate from shareholders to acquire a number of ASC shares corresponding to approximately 10% of the share capital. This mandate is valid until the end of June 2020. The Board will propose to the AGM that the shareholders approve a new mandate to acquire ASC shares, valid until the end of June 2021.

ABGSC has positive cash flow from its operations, although due to the nature of our business, working capital requirements can fluctuate significantly on a daily basis. In order to meet varying liquidity demands from Group operations, we have established overdraft facilities with our main bank. ABGSC's level of liquidity was solid throughout 2019.

Financial Statement for the Parent Company

The parent company receives dividends or group contributions from subsidiaries in order to pay a dividend to the shareholders. In 2019, the parent company received NOK 238m in dividends and group contributions compared to NOK 206m in 2018. The balance sheet is strong, with a book equity to total capital of 31% after dividend allocation.

Allocation of Profit

The net profit of the Company was NOK 194m, and the Board proposes that the Annual General Meeting adopt the following allocation:

NOKm	
Payment to shareholders	NOK 127m
To other equity	NOK 67m
Total allocated	**NOK 194m**

Following the allocation above, the Company will have share premium and other equity of NOK 172m.

Shareholders

The Company's share price closed at NOK 3.99 on 31 December 2019 (NOK 4.55 on 31 December 2018). Shareholders received a total payment of NOK 0.37 per share during 2019, implying a total negative return of 4.2% in 2019. The Oslo Børs main index (OSEBX) increased by 16.5% in the same period.

At the end of 2019, ABGSC had 4,706 shareholders, and the Group's partners owned approximately 17% of the total shares outstanding. Although it is a publicly listed company, the Board believes that ABGSC has managed to retain a partnership ethos. The Group's key people are significant owners of the Company and there is a reassuring alignment of interests between shareholders and staff as a result. We strongly believe that these coinciding interests help us to focus on providing the best possible advice to clients and to create truly long-term relationships while maintaining a clear understanding of the importance of the Group's financial performance.

Organisation, Management and Environmental Information

The Group had 275 full-time staff as at 31 December 2019, of which 125 were in Norway, 95 in Sweden, 27 in Denmark, 4 in Germany, 19 in the UK, 4 in the US and 1 in Singapore. The breakdown by gender was 228 men and 46 women.

The Group's working environment is considered to be good, and absence due to illness continues to be low at approximately 1%. The activities carried out by ABGSC cause no pollution to the environment other than what is considered to be normal for office operations.

ABGSC has a longstanding anti-discrimination policy, and women occupy important senior positions in the Group. We seek to identify highly qualified candidates for all positions and maintain an environment that is "gender- and background-neutral". ABGSC is committed to policies that should make it an attractive working environment for female investment professionals. In its hiring process the Group seeks to hire candidates that are considered to have the best future potential regardless of ethnic origin, religious beliefs or orientation, nationality or other criteria not relevant to their work. The Group does not classify its employees or partners based on such criteria nor does it consider them relevant in relation to careers within ABGSC.

A commitment to diversity has long been a top priority for ABGSC, and we are beginning to see that this is creating successful results for our firm. This year, we had an increase in the number of women hired of over 150% from the previous year, and we aim to continue this positive trend.

Other Conditions

As far as the Board is aware, no matters have arisen during the course of the year that have had a materially negative effect on the Company's or the Group's business position.

Risk management is an integral part of ABGSC's core business activities. In the course of conducting our business operations, ABGSC is exposed to a variety of risks. These include market, credit, liquidity, operational and currency risks that are material and require comprehensive controls and management. ABGSC aims to maintain a low risk profile. For a further description of the Group's risk profile and risk management policy, see Note 5 to the Consolidated Financial Statement.

A separate description pertaining to risk control in the area of financial reporting is included in the Board's Corporate Governance report. The Board has approved the overall limits for market risk for equity trading, bond trading, securities' financing and foreign exchange. ABGSC's main trading activities are carried out on a short-term basis with a low level of overnight exposure. Any breach of the defined limits is reported to the Board of Directors. The purpose of the trading activities is to facilitate client orders, profit from market arbitrage opportunities and market volatility.

The Executive Committee together with the Chief Compliance Officer act as the Group's Credit Committee, approving policies and limits for client financing, cash collateral and the pledging of shares, within the mandate approved by the Board of Directors. Changes in collateral value are monitored daily and adjustments are made by either reducing exposure or providing additional collateral. Regular stockbroking transactions are settled on a delivery versus payment basis such that the credit risk is minimised to the difference between the unsettled amount and the market value of the shares.

COMMENTS ON CORPORATE GOVERNANCE

Implementation and Reporting on Corporate Governance

ABGSC is committed to the Norwegian code of practice for Corporate Governance as issued by NUES (the Norwegian Corporate Governance Board) and has implemented sound corporate governance regulations and practices for the Group. The ABGSC Corporate Governance Policy is published on the ABGSC website, and should be read in combination with this statutory report to understand the overall compliance with the Code of Practice.

Equity and Dividends

The Board is committed to returning excess capital to shareholders through stable cash distributions 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 will until concluding otherwise have a target of returning at least 80% of annual diluted EPS to its shareholders.

For 2019, the Board has decided to propose a final payment to the shareholders of NOK 0.27 per share for the final six months of 2019. This payment comes on top of the interim distribution of NOK 0.17 per share paid in October 2019, making a total distribution of NOK 0.44 per share for the accounting year 2019.

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 2020. Under this mandate, ABGSC purchased 10,044,123 ASC shares in 2019.

The Board currently has a mandate from the shareholders to issue a number of new ASC shares corresponding to approximately 20% of the share capital. The one-year mandate is valid until the end of June 2020. ABGSC did not issue any new ASC shares in 2019.

The Board will further propose to the AGM to the possibility of distributing semi-annual dividend payments for 2020. The first payment will be announced in connection with the Q3 2020 report and be payable in late October or early November based on the earnings after the first six months. ABGSC has sufficient capitalisation to execute such payments without conducting a separate general meeting.

Equal Treatment of Shareholders and Transactions with Close Associates

Internal guidelines require that special approval given for any transactions whereby members of the Board or management might have conflicting interests with the Group. During 2019, there were no such transactions requiring special approval.

General Meetings

The ordinary general meeting was held on 30 April 2019. Shareholders had the opportunity to participate in, and vote at, the general meeting without being present by giving proxy to the Company. Jan Petter Collier represented the Board of Directors at the AGM. The Nomination Committee and the auditor did not attend the AGM.

No extraordinary general meeting was held in 2019.

Nomination Committee

In 2019, the Nomination Committee consisted of Stein Aukner, Roy Myklebust and Jan Petter Collier. The majority of the committee is thereby independent of the Group's executive management and Board of Directors.

The Committee had one meeting in 2019 in relation to the nomination process, which was held before the AGM.

The shareholdings and fees of the members of the Nomination Committee are disclosed in Note 9 to the Consolidated Financial Statement.

Board of Directors: Composition and Independence

The Board of Directors is of the opinion that, overall, it has sufficient expertise and capacity to carry out its duties in a satisfactory manner. The composition of the Board of Directors as a whole represents sufficient diversity of background and expertise. The Board of Directors has five members, three male and two female. The Board members serve for a period of one year unless re-elected.

Two of the current members are independent of the Company's main shareholders, the Company's executive personnel and material business contacts. No executive personnel are members of the Board.

Three out of five of the Board members own shares in the Company. Board member shareholdings are disclosed in Note 9 to the Consolidated Financial Statement.

The Work of the Board of Directors

The Board held eleven board meetings in 2019, six of which were held as phone conferences and five as physical meetings. Board members' total attendance in 2019 was 91%.

The Board of Directors has established two sub-committees: the Compensation Committee and the Audit Committee.

In 2019, the Compensation Committee consisted of Judy Bollinger as chairperson and Anders Grudén as a member until April. They were replaced by Knut Brundtland and Arild Engh following their departure from the ABGSC Board. The Compensation Committee is thereby independent of the Group's executive management. The Compensation Committee met twice in 2019 in relation to the remuneration process in the Group.

In 2019, the Audit Committee consisted of Adele Norman Pran as chairperson and Arild A. Engh as a member. The Audit Committee is thereby independent of the Group's executive management. The Audit Committee had five meetings during 2019.

The Board of Directors evaluated its expertise and own performance in 2018 and will continue to undertake a self-assessment of its own work on a bi-annual basis.

Risk Management and Internal Control

The Board of Directors has drawn up general policies and guidelines for management and control. These policies deal with the Board's responsibility for determining the Group's risk profile, approval of the organisation of the business, assignment of areas of responsibility and authority, requirements concerning reporting lines and information flow as well as management and internal control requirements. The Board's and CEO's areas of responsibility are defined in the rules of procedure for the Board and instructions for the CEO, respectively.

The Audit Committee supervises the financial reporting process and ensures that the internal controls in relation to financial reporting function effectively. Among other things, the Audit Committee reviews the quarterly and annual accounts and reports.

The Group Finance team is headed by the CFO and is organised outside of the business areas. The Head of Group Accounting reports to the CFO and is responsible for matters such as financial reporting, direct and indirect taxes and internal control over financial reporting. On behalf of the CFO, the Head of Group Accounting identifies, assesses and monitors the risk of errors in the group's financial reporting.

The Group Finance team prepares the financial reports of the Group and ensures that such reporting is in line with prevailing legislation, accounting standards, current accounting guidelines and other relevant external and internal regulations. Processes and a number of control measures have been prepared to ensure that the financial reporting is of high quality. These measures include rules concerning authorisations, reconciliations, IT controls and management reviews. The Group Finance team prepares a presentation to the Audit Committee every quarter with details of any questions to be discussed by the committee.

All quarterly and annual reports to the shareholders are reviewed by the Audit Committee with a special focus on correct revenue recognition, correct accrual for costs and the accounting treatment and presentation of any items of a non-recurring nature. The external auditor participates in the meetings of the Audit Committee.

The Group Compliance team is organised as an independent control function separate from the business areas and with established dual reporting lines to the CEO and the Chairman of the Board. The objectives of the function are to support and advise senior management in its work with internal steering and control and to ensure compliance with applicable securities laws and other relevant regulations for conducting the business, to advise senior management in its work with risk assessment, management and control of risks in the business, and ensure that procedures, limits and guidelines are adhered to.

The Compliance function takes a risk-based approach in order to allocate the function's resources efficiently. A compliance risk assessment is used to determine the focus of the monitoring and advisory activities of the Compliance function. The risk assessment takes into account the applicable obligations under relevant international and national laws and regulations, relevant factors in the regulatory environment, the business structure, findings based on annual internal control assessments and ICAAPs, signals from the business and its key staff/managers, signals from the Executive Committee, the Board and relevant internal or external audit findings as well as alerts and findings from monitoring activities and surveillance systems. Based on the risk assessment and any other relevant signals, a high-level annual Group Compliance Plan and derived local monitoring plans are established to ensure that compliance risks are comprehensively monitored.

The Compliance function reports regularly to the Executive Committee and the Board. The Executive Committee receives written risk reports on a weekly basis, and the Board receives written compliance and risk control reports before every board meeting.

Risk management and internal control is on the Board of Director's agenda at most board meetings in order for the Board to fully assess the Group's risk and internal control environment. The Board of Directors has received a summary of the annual internal risk and internal control assessment process, which also reflects the risk and control assessment performed at the business area level supplemented by an independent internal control assessment by the internal auditor.

Remuneration of the Board of Directors

Knut Brundtland and Jan Petter Collier received remuneration as partners of ABGSC for 2019. Arild A. Engh received NOK 1.5m in 2019 for a paid assignment. Other than this, no members of the Board of Directors have undertaken additional paid assignments for the Company in 2019. Remuneration of the Board of Directors complies with the Code of Practice, and details are disclosed in Note 9 to the Consolidated Financial Statement.

Remuneration of Executive Personnel

Remuneration of executive personnel complies with strict regulatory remuneration codes in the relevant countries in which the Group operates, as well as the Code of Practice as demonstrated in the Corporate Governance Policy. Remuneration to executive personnel is disclosed in Note 9 to the Consolidated Financial Statement.

Auditor

The Group's auditor is Deloitte. Roger Furholm has been the responsible partner since 2014.

Memberships, political donations and governmental support

There were no political contributions during the year, in line with our policy.

ABGSC has not received any financial assistance from any governments during the year.

ABGSC is a member of the Norwegian Securities Dealers Association, the Swedish Securities Dealers Association, AksjeNorge and the Norwegian Petroleum Society (NPF).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COMMENTS ON CORPORATE SOCIAL RESPONSIBILITY

ABGSC is conscious of the sensitivities involved in operating an international business in an industry that is subject to increased regulatory scrutiny and change. For this reason, the firm undertakes to combine a culture of performance with a focus on responsibility in relation to its stakeholders and the broader environment.

ABGSC aims to run its business in accordance with the Ten Principles of the United Nations Global Compact (for more information regarding the different principles visit www.unglobalcompact.org), which require businesses to be proactive in protecting human rights, labour rights, the environment, and in promoting anti-corruption.

The ABGSC Corporate Social Responsibility Policy is published on our website.

Human Rights

Our longstanding anti-discrimination policy is set out to make our workplace gender- and background-neutral. The policy is created to promote equal opportunities in all areas, such as remuneration, promotion and recruitment. At ABGSC we aim to create a diverse and inclusive working environment where everyone is valued for their differences and recognised for their talent. The purpose of our diversity and inclusion policy is to promote equality and prevent discrimination in accordance with the Norwegian Equality and Anti-Discrimination Act. Diversity, inclusion, equality, respect and anti-discrimination are embedded in our corporate culture and values.

ABGSC promotes the development of its employees by providing feedback on their individual performance, and via performance-related compensation. Procedures for confidentiality, data protection and whistleblowing are implemented throughout the firm to protect the rights of the individual.

ABGSC is concerned about human rights and seeks to deal with reputable counterparties, both in relation to our clients and suppliers. Given the nature and location of our business, however, we consider the risk of engaging with organisations subject to being in breach of human or labour rights to be limited.

Staff

ABGSC values the wellbeing of its staff and chooses to invest in its most important assets by supporting them in a variety of ways. Examples include promoting their health through comprehensive medical insurance, ergonomic workplaces and the organisation of regular exercising activities. Furthermore, a number of staff members have furthered their education with the support of the firm. ABGSC also believes in providing opportunities to those starting out in their careers, by offering a number of internships each year in its offices. This year the firm took on a total of 29 interns in our Oslo, Stockholm and Copenhagen offices.

Self-development is strongly encouraged, and the firm believes that healthy staff means a healthy business. As a result, ABGSC has not had any work-related accidents or occupational illness in the last five years, and only 1% absenteeism during 2019. In addition, 99% of ABGSC's staff are permanently employed, and 99% of ABGSC's total workforce are employed directly by ABGSC.

Environment

ABGSC cares about the environment, and has put in place several initiatives to promote greater environmental responsibility.

Given the nature of our operations, ABGSC generates only limited direct pollution in the physical environment.

We focus on minimising physical distribution written material and aim to reduce business travel as much as practically possible and have invested in top class solutions for video conferencing. Furthermore, the firm has arrangements in place for glass- and plastic bottle recycling as well as other waste recycling and handling.

We in physical format and we seek to limit travel, primarily through investments in technology.

In Sweden we have moved to a new location in Stockholm (to the brand new Urban Escape complex, one of the most modern and environmentally friendly office locations in the country). In 2021, we will relocate our Norwegian operations to VIA project, a building with the highest environmental standards and a BREEAM Excellent certification (for more information about BREEAM visit www.breeam.com).

ABGSC supports the reporting of ESG data to facilitate investors' understanding of the environmental and social impact of their investments. Our vision is to see listed companies becoming more transparent, and aligning with global norms. We anticipate that our research will become more granular over time, so we can evaluate and compare companies' actions with their policies and ambitions. We see data on emissions and waste as being key metrics, and we pay close attention to corporate governance standards and efforts to improve gender equality. Our ESG research also includes any previous ESG incidents, exposure to ESG trends, opportunities and risks. During 2019, ABGSC hosted several ESG events with the hope of contributing to awareness about corporate social responsibility. The events were often theme-based and led by CSR experts and corporate leaders.

Anti-Corruption Measures

ABGSC has a number of policies and procedures designed to combat bribery, fraud and corruption, as well as money laundering and terrorist financing. The firm is subject to the EU Money Laundering Directives, as well as national legislation in all of its local offices.

Corporate Responsibility

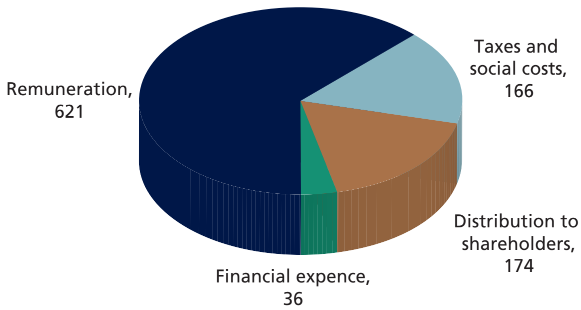
Governance: ABGSC is committed to ensuring its corporate governance structures remain robust and fit to face the requirements and challenges of the industry. ABGSC's Board is composed of individuals with strong business backgrounds, qualified to oversee and guide management on all matters. Different governance documents are in place to ensure both local and global practice for good corporate governance.

Co-existence of performance with responsibility: ABGSC has an established and transparent set of remuneration principles, which have been developed in response to new regulations, as well as in consideration of the firm's shareholders and partners.

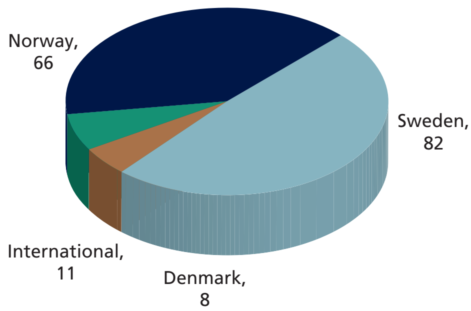
ABGSC's remuneration policies are based on numerous factors, with long-term commitment, a risk-balanced attitude, client focus and teamwork at their core. ABGSC's remuneration policies are approved and overseen by the Board and require direct input from control departments, such as Compliance and Risk Control.

Balancing stakeholder needs: ABGSC's key stakeholders are its clients, employees and partners, shareholders, and the general public. Balancing financial returns with the interests of these stakeholders is an important task, and we believe this can be achieved through careful planning and a responsible attitude.

In 2019, ABGSC generated NOK 997m in economic value, which was distributed as follows:



Taxes and social costs of NOK 166m were as follows per country:



Acting in the client's best interests: Acting in the best interests of our clients is the foundation of which we have built our business. A "tone from the top" approach is prevalent and ABGSC's partnership model ensures a long-term focus and that ethical principles infiltrate all areas of the business.

Focus Areas and Initiatives

CSR and sustainability are increasingly part of our society's everyday life, and it has long been high on our agenda to engage with and invest in society, with an emphasis on where we can best use our resources and expertise efficiently.

ABGSC is a professional, profitable, international and highly-rated organisation with a long-term perspective, and our CSR policy should reflect this. We wish to take responsibility and contribute to the society in a way we can best use our resources and expertise efficiently.

Women in Finance:
Since its inception in 2018, the ABGSC Women in Finance Foundation has donated approx. NOK 750,000 to initiatives that may stimulate an increase in the proportion of female students who study finance at universities in the Nordics. Although the foundation is self-financed and run as a separate entity, ABGSC provides operational support to the foundation and contributes with its resources and network.

In 2019, the activities have mainly been focussed on Nordic Universities and business schools, such as the Norwegian School of Economics, the Norwegian University of Science and Technology, BI Norwegian Business School, and the Stockholm School of Economics.

Some of the goals for 2020 are to arrange the Foundation's first own "Women in Finance" event, to continue to establish networks with students in the Nordics, and to launch the foundation in Denmark.

ABGSC is committed to continuing its involvement in this issue and contributing to change over time. If we can attract a high share of female talent over time, we will strengthen our long-term productivity, quality, position and profitability.

PROSPECTS FOR 2020

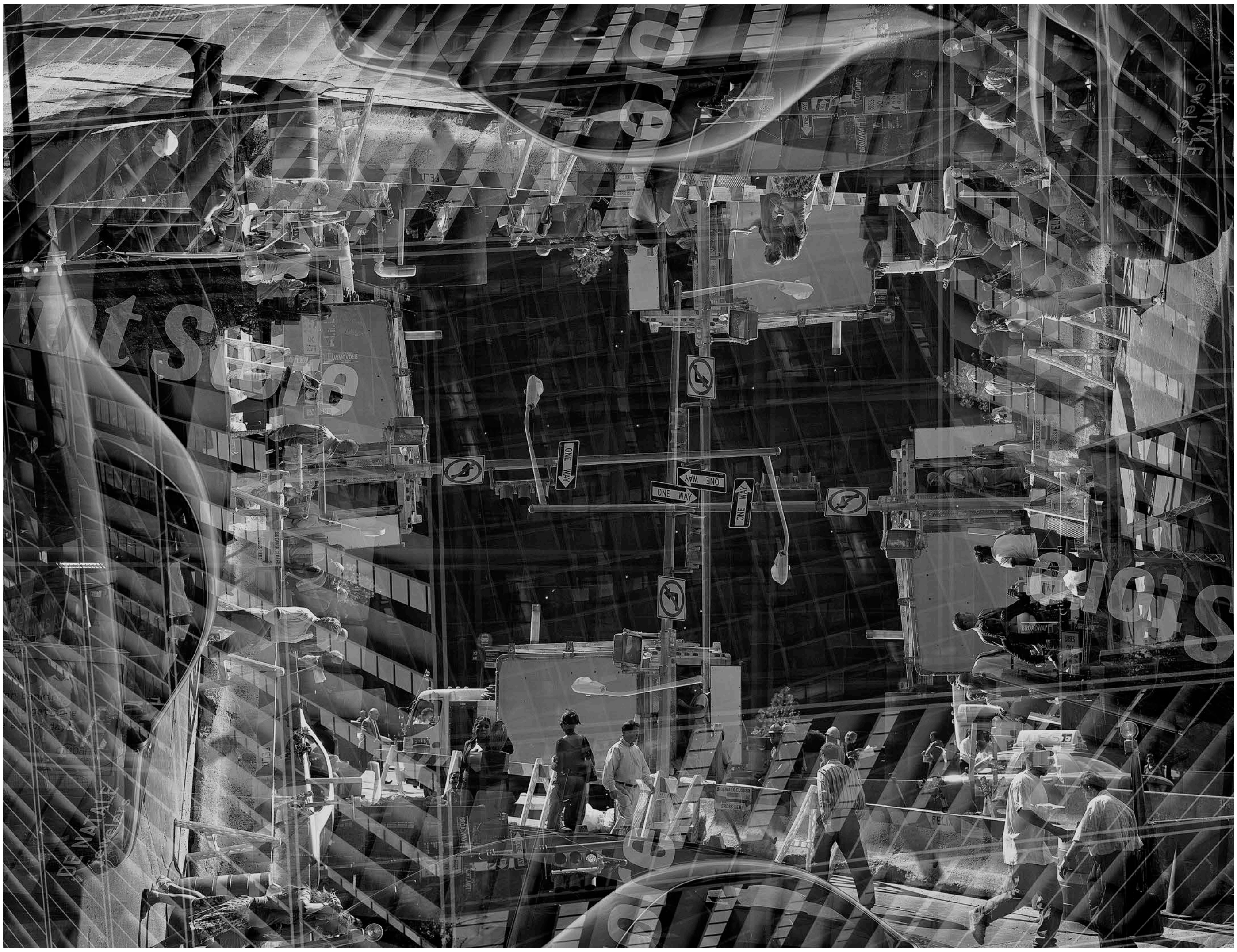
Looking into the remainder of 2020, we have less visibility than ever. The only thing that seems certain is that the impact of the Corona pandemic will be severe. We do not know how long time it will take before the economy and the financial markets stabilizes. But what we do know, is that investment banks and financial advisors will play an important role in restoring the society to normal.

In normal times, our main task is to enable our clients to grow and perform. Now in the immediate short term perspective, our core focus will be to help them recover and survive. Companies will require access to capital, restructuring advise and support in a likely wave of forced consolidation. We will do our best in guiding our investor clients at a time where quality research and the ability to find trading liquidity will be of significant importance to recover lost fortunes.

ABGSC is lean, well capitalized and employ some of the best people in our industry. Although we must expect some challenging quarters ahead, we are confident that we will benefit from our diversified revenue base and the energetic partnership culture.

Oslo, 25 March 2020

(sign)	(sign)	(sign)
Knut Brundtland Chairman	Martina Klingvall	Adele Norman Pran
(sign)	(sign)	(sign)
Jan Petter Collier	Arild A. Engh	Jonas Ström CEO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Consolidated Financial Statement

Consolidated Income Statement

Amount in NOK 1,000

OPERATING REVENUES AND COSTS	NOTES	2019	2018
Brokerage and research revenues		444,231	363,582
Corporate Finance revenues		907,122	773,815
Total operating revenues	3	**1,351,353**	**1,137,397**
Wages and social costs	9	432,322	404,903
Administration costs	9, 11	243,155	262,373
Depreciation	15	38,971	10,504
Total operating costs	3	**714,449**	**677,780**
Operating profit before variable compensation		**636,905**	**459,617**
Variable personnel cost		297,502	227,615
Operating profit after variable compensation		**339,403**	**232,002**
FINANCIAL INCOME AND COSTS			
Interest income		28,197	36,503
Result from associated companies	16	-2,250	251
Other financial income		2,523	1,871
Interest costs		-28,703	-29,556
Other financial costs		-5,199	-3,631
Net financial result		**-5,432**	**5,439**
Profit before taxes		**333,971**	**237,441**
Tax cost	10	80,307	65,421
NET RESULT FOR THE YEAR		**253,664**	**172,019**
Profit / loss for the year attributable to:			
Owners of the parent		227,443	147,187
Non-controlling interests		26,221	24,832
Diluted earnings per share	21	**0.44**	**0.30**
Basic earnings per share	21	0.50	0.32
Consolidated statement of other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations	13	6,340	8,744
Loss on hedges of net assets of foreign operations	13	-6,086	-9,329
Income tax relating to items that may be reclassified	13	1,521	2,332
Total other comprehensive income		**1,776**	**1,748**
Total comprehensive income for the year		**255,440**	**173,767**
Total comprehensive income for the year attributable to:			
Owners of the parent		229,218	148,934
Non-controlling interests		26,221	24,832

Consolidated Statement of Financial Positions as of 31 December

Amount in NOK 1,000

ASSETS	NOTES	2019	2018
Non-current assets			
Intangible assets			
Deferred tax assets	10	22,284	26,209
Goodwill	14	93,308	93,308
Other intangible assets	15	43,769	29,752
Total intangible assets		**159,362**	**149,269**
Tangible non-current assets			
Office equipment and fittings	15	8,472	10,101
Right-of-use assets	11	64,988	0
Total tangible non-current assets		**73,460**	**10,101**
Financial non-current assets			
Long-term receivables	8	20,701	4,497
Investments in associates	16	28,880	11,126
Other shares	12	2,725	1,699
Total financial non-current assets		**52,306**	**17,323**
Total non-current assets		**285,128**	**176,693**
Current assets			
Receivables			
Accounts receivables	6 - 8, 19	759,576	1,219,304
Receivables from stockbrokers	6 - 8	419,482	519,776
Other receivables	6, 8 , 17	177,204	208,526
Total receivables	12	**1,356,262**	**1,947,606**
Investments			
Securities and financial instruments	6, 12	59,166	123,724
Cash and bank deposits			
Cash and bank deposits	6, 12, 20	570,618	427,681
Total current assets		**1,986,047**	**2,499,011**
TOTAL ASSETS		**2,271,175**	**2,675,704**

Consolidated Statement of Financial Positions as of 31 December

Amount in NOK 1,000

EQUITY AND LIABILITIES	NOTES	2019	2018
Equity			
Paid-in-capital			
Share capital	22	108,272	108,272
Treasury shares at nominal value	22	-3,225	-3,099
Share premium		10,984	105,134
Total paid-in-capital		**116,031**	**210,307**
Retained earnings		575,063	426,559
Equity attributable to owners of the parent		**691,094**	**636,865**
Non controlling interests		**62,183**	**60,766**
Total equity	4	**753,277**	**697,632**
Liabilities			
Non-current liabilities			
Deferred tax	10	8,718	9,189
Long-term provisions	8	13,583	16,173
Lease liabilities	11	39,143	0
Deposits from partners		4,190	4,640
Total non-current liabilities		**72,771**	**30,003**
Current liabilities			
Accounts payable	6, 8	31,464	2,735
Liabilities payable to customers	6 - 8, 12	678,160	686,073
Securities and financial instruments (short positions)	6, 12	40,856	53,913
Liabilities payable to stockbrokers	6 - 8, 12	225,403	671,137
Income tax payable	6, 8, 10	37,787	39,221
Public dues payable	6, 8	29,677	23,134
Lease liabilities	11	26,990	0
Other liabilities	6, 8, 17	381,928	471,857
Total current liabilities	12	**1,445,127**	**1,948,070**
Total liabilities		**1,517,899**	**1,978,072**
TOTAL EQUITY AND LIABILITIES		**2,271,175**	**2,675,704**

Oslo, 25 March 2020

(sign)	(sign)	(sign)
Knut Brundtland Chairman	Martina Klingvall	Adele Norman Pran
(sign)	(sign)	(sign)
Jan Petter Collier	Arild A. Engh	Jonas Ström CEO

Consolidated Cash Flow

Amount in NOK 1,000

	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	333,971	237,441
Interest income	-28,197	-36,503
Interest received	28,197	36,503
Interest costs	28,703	29,556
Interest paid	-26,027	-29,556
Total other comprehensive income before taxes	254	-585
Taxes paid	-75,702	-93,813
Depreciation	38,971	10,504
Change in investments	51,501	-50,293
Change in accounts receivables/receivables from other stockbrokers	560,022	-979,977
Change in accounts payable/payable to customers and other stockbrokers	-424,918	851,507
Change in other current assets/liabilities	-52,569	-27,709
Net cash flow from operating activities	**434,206**	**-52,925**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets /intangible assets	-26,592	-31,050
Investments in financial non-current assets	-37,233	2,205
Net cash flow from investing activities	**-63,825**	**-28,845**
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loans	-450	-817
Repayment of lease liabilities	-27,199	0
Change in own shares	-813	-39,849
Payment to shareholders	-198,981	-351,924
Net cash flow from financing activities	**-227,444**	**-392,591**
Net increase/ (decrease) in bank deposits, cash and cash equivalents	142,937	-474,361
Bank deposits, cash and cash equivalents as of 1 January	427,681	902,042
Bank deposit, cash and cash equivalents as of 31 December	**570,618**	**427,681**

Consolidated Statement of changes in Equity

Amount in NOK 1,000

	Share capital	Own shares	Share premium	Other paid in capital	Retained earnings	Cumulative translation differences	Non-controlling interests	Total equity
Shareholders' equity as of 1 January 2018	**108,272**	**-2,306**	**155,352**	**43,931**	**532,949**	**19,186**	**58,335**	**915,719**
Net result for the year					147,187		24,832	**172,019**
Other comprehensive income					2,332	-585		**1,748**
Payment to shareholders			-50,219	-43,931	-235,374		-22,401	**-351,924**
Change in own shares		-793			-39,056			**-39,849**
Other					-81			**-81**
Shareholders' equity as of 31 December 2018	**108,272**	**-3,099**	**105,134**	**0**	**407,957**	**18,602**	**60,766**	**697,632**
Net result for the year					227,443		26,221	**253,664**
Other comprehensive income					1,521	254		**1,776**
Payment to shareholders			-94,149	0	-80,027		-24,805	**-198,981**
Change in own shares		-127			-687			**-813**
Shareholders' equity as of 31 December 2019	**108,272**	**-3,225**	**10,984**	**0**	**556,207**	**18,856**	**62,183**	**753,277**

Notes to the Consolidated Financial Statement

All amounts in NOK 1,000 unless otherwise specified

Note 1 - Accounting policies

General information

ABG Sundal Collier Holding ASA ("the Company") is a public limited company and its head office is located in Vika, Oslo in Norway. The Company together with is subsidiaries ("ABGSC" or "the Group") provides investment banking, stock broking and corporate advisory services that encompass the needs of both international investors and Nordic business clients. The Company's shares are listed on the Oslo Stock Exchange.

The consolidated financial statements comprise ABG Sundal Collier Holding ASA and its subsidiaries. The consolidated financial statements are presented in Norwegian kroner (NOK), which is the functional currency of the Company. Except as indicated, the amounts presented have been rounded to the nearest thousand.

The consolidated financial statements for the Group for the year 2019 were approved by the Board of Directors of ABG Sundal Collier Holding ASA on 25 March 2020.

Basis of preparation

The consolidated financial statements for the Group are prepared in accordance with the International Financial Reporting Standards (IFRS) published by 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 consolidated financial statements are prepared on the historical cost basis, except for certain financial assets. Shares and equity instruments, derivatives, short positions, bonds and other debt instruments designated at fair value through profit or loss are measured at fair value. Financial assets classified as available for sale are also measured at fair value.

Changes in accounting policies

New and amended IFRS Standards that are effective for the current year:

IFRS 16 Leases

In the current year, the Group has applied IFRS 16 Leases (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below

The date of initial application of IFRS 16 for the Group is 1 January 2019.

The Group has applied IFRS 16 using the cumulative catch-up approach which:

- Requires the Group to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application
- Does not permit restatement of comparatives, which continue to be presented under IAS 17 and IFRIC 4

(a) Impact of the new definition of a lease

The Group has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group

(b) Impact on Lessee Accounting

(i) Former operating leases

IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Group:

a) Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii)
b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;
c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within administration cost in profit or loss.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease

The Group had no leases that were classified as finance leases applying IAS 17 prior to implementation of IFRS 16

c) Financial impact of initial application of IFRS 16
The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on 1 January 2019 is 3 %.

The following table shows the operating lease commitments disclosed applying IAS 17 at 31 December 2018, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

Impact on retained earnings as at 1 January 2019

	TNOK
Operating lease commitments at 31 December 2018	98,061
Short-term leases and leases of low-value assets	0
Effect of discounting the above amounts	8,246
Finance lease liabilities recognised under IAS 17 at 31 December 2018	0
Present value of the variable lease payments that depend on a rate or index	0
Present value of the lease payments due in periods covered by extension options that are included in the lease term and not previously included in operating lease commitments	0
Lease liabilities recognised at 1 January 2019	89,815

The Group has recognised TNOK 89,815 of right-of-use assets and TNOK 89,815 of lease liabilities upon transition to IFRS 16.

Basis of consolidation
ABGSC's consolidated financial statements comprise the parent company ABG Sundal Collier Holding ASA and companies in which ABG Sundal Collier Holding ASA has a controlling interest.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over an investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers the all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- Potential voting rights held by the Group, other vote holders and other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder's meetings.

See Note 24 in the consolidated financial statement for a complete list of subsidiaries.

Associates are those entities for which the Group has significant influence, which is the power to participate in (but not control) the financial and operating policy decisions of the associates so as to obtain benefits from its activities. Significant influence generally exists when the Group controls between 20% and 50% of the voting power of the investee.

Investments in associates are accounted for using the equity method and are initially recognised at cost. The investments include goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates, from the date that significant influence commences until the date that significant influence ceases. If the Group's share of losses exceeds its interest in an associate, the carrying amount of that associate is valued at zero and recognition of further losses is ceased. If the associate subsequently reports profits, the Group resumes recognizing its share of profits only after its share of profits equals the share of losses not recognised.

See Note 16 in the consolidated financial statement for a reconciliation of investments in associated companies.

The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

All Group-internal transactions and intercompany balances, including internal profits and unrealised gains and losses, have been eliminated.

Accounting of partnership
Some of the subsidiaries in the Group are the principal partners in silent partnerships. The relations are as follows:

- ABG Sundal Collier ASA is the principal partner in ABG Sundal Collier silent partnership
- ABG Sundal Collier Eiendom AS is the principal partner in ABG Sundal Collier Eiendom silent partnership
- Sundal Collier & Co AS is the principal partner in the Sundal Collier & Co silent partnership

The silent partnership's accounts are fully incorporated in the financial statements of the principal partner. The partner's share of the profit are classified as variable personnel cost in the income statement, while unpaid profits to partners are classified as current liabilities. Capital contributions from partners are classified as long-term liabilities in the accounts of the principal partner.

Foreign currency

Transactions and balance sheet items in foreign currency
Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate applicable on the balance sheet date. Unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the income statement. Unrealised exchange differences on non-monetary financial assets (typically investments in equity instruments) are a component of the change in the instrument's entire fair value. For a non-monetary financial asset held for trading and for non-monetary financial assets designated at fair value through profit or loss, unrealised exchange differences are recognised in the income statement. For non-monetary financial investments available-for-sale, unrealised exchange differences are recorded directly in equity until the asset is sold or becomes impaired.

Net assets in foreign operations
Foreign subsidiaries' assets and liabilities have been translated into functional currency at the exchange rates on the balance sheet date. Revenues and expenses from foreign subsidiaries have been translated using the monthly average exchange rates during the year. Translation gains and losses on both foreign operations and related hedging instruments are recognised in equity as a separate components (cumulative translation differences). When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserve (both foreign operation and related hedging instrument) is transferred from equity and recognised in the income statement as part of the gain or loss.

Segment reporting
An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. Furthermore, the entity's component's operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and thus separate financial information is available. The Group is organised into two operating segments; Markets and Investment Banking.

See Note 3 for financial segment reporting.

Revenue recognition
Revenue is recognised when it is probable that transactions will generate future economic benefits that will flow to the company and the amount can be reliably estimated.

Markets
Commissions from trades are recognised at the trade date.

Fixed-priced research services are typically billed periodically. Discretionary fees from research are recognised where there is deemed to be no uncertainty related to ABGSC's right to claim compensation for a research provided.

Investment Banking
Revenue from service delivery is recognised in conjunction with the execution of the services used to complete an engagement. Revenue from performance fees are recognised upon completion of the transaction, or there is deemed to be no uncertainty related to ABGSC's right to claim compensation for a transaction. Fixed fees (contractual sign-on fees or periodical fees) are recognised at the time they are earned.

Leases
The Group has applied IFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under IAS 17. The details of accounting policies under both IAS 17 and IFRS 16 are presented separately below

Policies applicable from 1 January 2019
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an administration costs on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described under the Impairment of financial assets. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in administration costs in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components

Operational leases (Policy applicable before 1 January 2019)
A lease is classified as operating lease if the lessor does not transfer substantially all the risks and rewards incidental to ownership. The Group has only operational leases.

Lease payments under operating leases where the Group is the lessee are recognised as an expense on a straight-line basis over the lease term.

Financial instruments
Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The Group classifies its financial assets in the following categories: financial assets and liabilities at fair value through profit and loss, and financial assets and liabilities at amortized cost. Management determines the classification of financial instruments at initial recognition. Financial assets and liabilities measured at fair value are presented in the balance sheet as "Securities and financial instruments" and "Securities and financial instruments (short positions)" and consist of derivatives, short positions, fixed income and equity securities.

Financial assets and liabilities

<u>Classification and measurement of financial assets</u>
Debt instruments that meet the following conditions are measured subsequently at amortised cost:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Receivables from transactions with other stockbrokers and counterparties are measured subsequently at amortised cost. Unsettled security trades transacted prior to the year-end for which settlement does not occur until after year-end are recorded under accounts receivable and accounts payable to customers / stockbrokers. These financial assets are measured at fair value on initial recognition, and subsequently they are measured at amortized cost using the effective interest method, less allowance for impairment. As the receivables are generally short term, the effects of amortization is minimal. The losses arising from impairment are recognised in the income statement in "administration costs".

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Financial assets and liabilities measured at fair value are presented in the balance sheet as "Securities and financial instruments" and "Securities and financial instruments (short positions)" and consist of derivatives, short positions, fixed income and equity securities.

Financial assets FVTPL are initially recognised and subsequently measured at fair value in the balance sheet. Transaction costs are taken directly to profit or loss. Changes in fair value are recognised in the income statement in "brokerage and research revenue.

<u>Financial liabilities</u>
Short positions in shares are carried at fair value. All other liabilities are carried at amortized cost.

Financial liabilities measured at amortised cost are recognised initially at fair value net of transaction costs incurred, and subsequently are carried at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on the issue and fees and costs that are an integral part of the effective interest rate. Accrued interest is included in the carrying amount of the liabilities in the balance sheet.

Determination of fair value
For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method and valuation models. The Group uses widely recognised valuation models for determining fair values of financial instruments.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions The Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value and the related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value on the balance sheet.

Impairment of financial assets
In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Specifically, IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on:
- Debt investments measured subsequently at amortised cost or at FVTOCI;
- Lease receivables;
- Trade receivables and contract assets; and
- Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

As impairment of financial assets is only applicable to the Group's receivables, the Group applies the simplified approach and recognizes lifetime ECL for these assets, measuring the loss allowance at an amount equal to lifetime ECL. The assessment is performed on a receivable by receivable basis.

Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:
- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy
The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on past experience adjusted by forward-looking information, primarily publicly available information regarding the financial status of the debtor and the industry it operates within. As for the exposure at default this is represented by the assets' gross carrying amount at the reporting date. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The losses arising from impairment are recognized in the income statement in "Operating expenses".

Hedge accounting
The Group uses derivatives and other financial instruments for trading purposes and to hedge its exposure to market price risk and currency risk. These derivatives are classified as financial assets or financial liabilities depending on whether their fair value at the balance sheet date is positive (assets) or negative (liabilities). The derivatives are measured at fair value.

In accordance with the Group's risk management objectives and strategies, The Group enters into hedging transactions to ensure that it is economically hedged. However, as most of the hedged items which are exposed to market price risk are carried at fair value though profit and loss, hedge accounting would have no effect, as the hedging instrument also is carried at fair value through profit and loss. Therefore, the Group only practice hedge accounting for net investments in foreign subsidiaries.

Where hedge accounting is applied, the Group documents, at the inception of the hedge, the relationship between the hedged items and the hedging instruments, as well as the Group's risk management objective and strategy for undertaking the hedges. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Hedges of net investments in foreign operations seek to eliminate the currency exposure on the carrying amount of the Group's net investments in foreign subsidiaries in the consolidated financial statements. The exchange differences arising from the translation of net investments in foreign subsidiaries into the presentation currency are recognised directly in other comprehensive income. The effective portion of the gains or losses on hedging instruments is also recognised within other comprehensive income, net of tax. Any ineffective portion of changes in the fair value of hedging instruments is recognised immediately in the income statement in the Net Financial Result. The amounts recognised in other comprehensive income are transferred to the income statement upon disposals of hedged foreign subsidiaries.

See Note 13 for further information.

Goodwill
All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of all identifiable assets and liabilities acquired.

Goodwill is not amortised, but tested yearly for impairment. Goodwill is allocated to the relevant cash-generating unit, and if the related discounted cash flow does not exceed the carrying amount of goodwill, the goodwill will be written down to its fair value.

Fixed assets and depreciation
Fixed assets are carried at original cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of equipment.

The carrying amount of the Group's equipment is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount (the greater of its net selling price and value in use) is estimated. An impairment loss is recognised in the income statement whenever the carrying amount of an asset or of a cash-generating unit exceeds its recoverable amount. The impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Cash and bank deposits
Cash and bank deposits include cash, bank deposits and other monetary instruments where the maturity is less than three months from the date of purchase. Client funds are not included in the balance.

Income taxes
The income tax expense consists of the aggregate of current taxes payable and changes in deferred tax. Current and deferred tax are recognised as expense or income in the income statement, except when they relate to items recognised directly to equity, in which case the tax is also recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the period.

Deferred tax liabilities and assets are recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used in the tax returns. Deferred tax liabilities and assets are generally recognised for all taxable temporary differences. Deferred tax and deferred tax assets are only off-set as far as this is possible under taxation legislation and regulations.

Pensions
The Group's subsidiaries now have pension schemes where the company's commitment is to contribute to the individual employee's pension scheme (defined contribution plans). Contributions to defined contribution plans are expensed when employees have rendered services in exchange for such contributions, generally in the year of contribution.

Note 2 – Significant accounting judgements and estimates

Financial statement preparation requires estimates and assumptions that affect the application of accounting policies and the amounts recognised in the consolidated financial statements. Actual results may differ from these estimates. As the accounting estimates and underlying assumptions are reviewed on an ongoing basis, the judgements, estimates and assumptions are based on the best assessment present at the time of the rendering of the accounts.
The most significant accounting judgements and estimates are the following:

Revenue recognition

Investment Banking
Revenue from service delivery is recognised in conjunction with the execution of the services used to complete an engagement. Revenue from performance fees are recognised upon completion of the transaction, or there is deemed to be no uncertainty related to ABGSC's right to claim compensation for a transaction. Accruing for performance fees requires management judgment of both the probability of future events and the performance fee amount that the group is entitled to. See note 17 for further information. The accruals are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. Fixed fees (contractual sign-on fees or periodical fees) are recognised at the time they are earned.

Determination of fair value of financial instruments
Most of the Group's financial instruments are quoted in active markets, but determination of fair value of financial assets and financial liabilities that are not quoted in active markets will have to be performed by using valuation techniques. These valuation techniques are validated by qualified personnel and all valuations are also performed by qualified personnel. To the extent practical, the valuation models use only observable or known data, however as future cash flows and events are unknown, valuation will require management to make estimates.

Income taxes
The Group is subject to income taxes in several tax jurisdictions. The use of silent partnerships in the Norwegian subsidiaries is also affecting the calculation of the tax accruals. Estimates are required in determining the Group's provision for income taxes. The Group recognises liabilities for anticipated tax using historical experience and estimates for taxable income. Where the final tax assessment is different from the initially recorded accruals, such differences will impact the income tax cost and the deferred tax provisions in the period the assessment is made.

Deferred tax assets are continuously assessed and are only recognised to the extent that is probable that future taxable profit will be large enough for the deferred tax asset to be utilised.

Note 3 - Information about segments and geographical markets

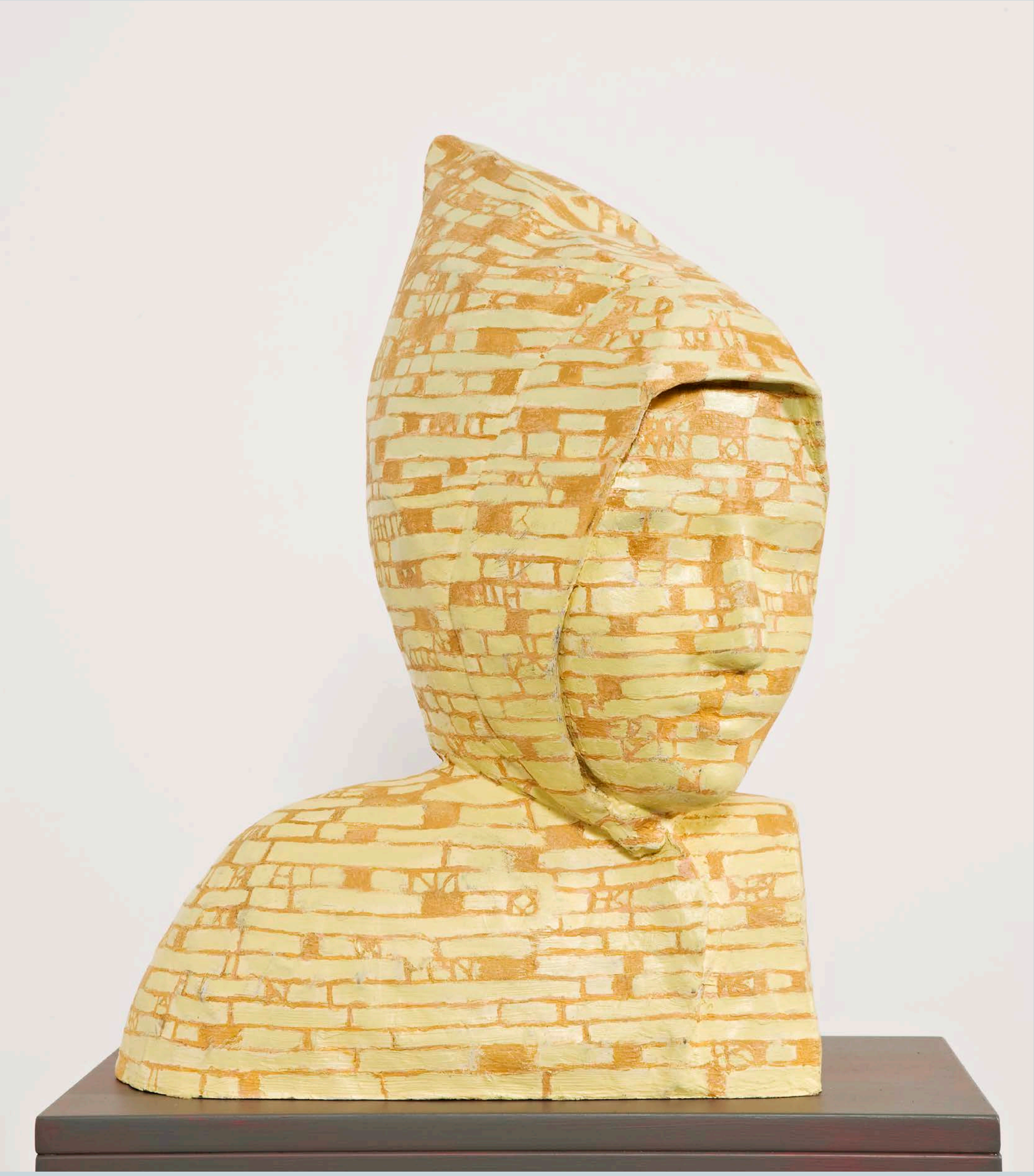
The Group's two business segments are Markets and Investment Banking. The Markets division consists of all secondary sales and trading activities, including financial services such as brokerage, trading and execution of equities, bonds, derivatives, structured products and FX. The Investment Banking segment consists of all primary operations and corporate advisory services including ECM, DCM, M&A and financial restructuring. The internal management system is matrix-based. Revenues and costs are recorded both by business segment and geographical markets. The business segment is based on which department has generated the revenue or cost, while the geographical market is determined by the location of each legal entity. Assets and liabilities and equity and cash flow are recorded by geographical market only. Transactions between segments are eliminated at Group level.

	2019			
	Markets	Investment Banking	Unallocated	Total
Profit & loss				
Revenues - external	371,584	979,769		1,351,353
Revenues - from other operating segments	223,618	-223,618		-
Total revenues	**595,202**	**756,151**	**-**	**1,351,353**
Operating costs	404,155	310,294		714,449
Operating profit before variable compensation	**191,047**	**445,857**	**-**	**636,904**
Variable personnel costs			-297,502	-297,502
Financial result			-5,432	-5,432
Tax cost			-80,307	-80,307
Profit after tax from continuing operations	**191,047**	**445,857**	**-383,240**	**253,664**

	2018			
	Markets	Investment Banking	Unallocated	Total
Profit & loss				
Revenues - external	364,114	773,283		1,137,397
Revenues - from other operating segments	172,334	-172,334		-
Total revenues	**536,448**	**600,949**	**-**	**1,137,397**
Operating costs	399,834	277,945	-	677,779
Operating profit before variable compensation	**136,614**	**323,004**	**-**	**459,617**
Variable personnel costs			-227,615	-227,615
Financial result			5,439	5,439
Tax cost			-65,421	-65,421
Profit after tax from continuing operations	**136,614**	**323,004**	**-287,598**	**172,019**

Revenues are attributed to the individual countries on the basis of the domicile of the service provider.

Geographical segment	**2019**	**2018**
Norway	620,236	582,339
Sweden	506,625	311,323
Denmark	85,160	67,630
International	139,332	176,105
Total	**1,351,353**	**1,137,397**



Note 4 – Capital ratio

ABGSC is required to have a capital ratio of a minimum 8% of total capital adequacy. The capital ratio is calculated as core capital divided by capital adequacy. The capital ratio at year-end is:

	2019	2018
Capital adequacy of credit-, counterparty-, and business risk	694,097	994,648
Capital adequacy of position-, and currency risk	128,580	230,333
Capital adequacy of operational risk	2,373,058	2,315,037
Total capital adequacy	**3,195,734**	**3,540,018**
Booked equity	753,277	697,632
Proposed payment to shareholders	-149,515	-116,255
Intangible assets	-122,602	-120,591
Core capital	**481,160**	**460,786**
Total capital adequacy ratio	**15.1%**	**13.0%**
Number of times regulatory minimum	**1.9x**	**1.6x**

The operational risk is calculated using the following amounts (revenues and net financials):

	2019	2018
2019	1,350,833	
2018	1,142,835	1,142,835
2017	1,303,224	1,303,224
2016		1,257,999
Capital adequacy of operational risk	**2,373,058**	**2,315,037**

Note 5 – Risk management

Risk management is an integral part of ABGSC*s core business activities. In the course of conducting our business operations, ABGSC is exposed to a variety of risks. These risks include market, credit, liquidity, operational and currency risks that are material and require comprehensive controls and management. The responsibility and accountability for these risks remain primarily within each business area. ABGSC aims to maintain a low risk profile. Risk is managed through clearly defined decision making processes, authorisation systems and exposure limits. The Group’s accounting for and reporting of transactions as well as information in disclosures are heavily dependent on IT systems. The IT systems are standardized and parts of system development and operations are outsourced. During 2019, ABGSC implemented a new post-trade platform. There is typically increased operational risk associated with this type of change process. Effective internal controls related to IT are important for ensuring accurate, complete and reliable financial reporting.

Note 6 – Market risk

Market risk
ABGSC is exposed to fluctuations in the value of its own investments, market-making and settlement from customers. Financial market risk is managed under rules established in the Norwegian Companies Act and internal control regulations. The Board has established procedures for internal control designed to monitor financial market risk and ensure a robust control discipline. In order to facilitate settlement on ABGSC's agency business, ABGSC may borrow securities or fund the purchase of securities, leaving ABGSC with a risk that the buyer or seller may not be able to complete their obligation under the trade. Settlement risk is mitigated by only trading with good-quality, credit worthy clients that are institutional investors or high net-worth individuals. Generally, the underlying securities are liquid securities for which there is a transparent and liquid market.

Interest rate risk
ABGSC's interest rate risk is limited due to the modest volume of long-term balance sheet investments.

Foreign currency risk
ABGSC's foreign currency exposure is linked to future cash flow and balance-sheet items in all operations. The foreign currency risk is mitigated by use of drawing rights and currency derivatives in the respective currencies.

Exchange rate risk is predominantly short term related to settlement of customer trades, where settlement is executed at trade date plus two business days. The sensitivity to currency effects on these trades is limited. Long-term exchange-rate risk is related to net investments in foreign operations where accumulated profit and loss is kept in local currency. The Group hedge its exchange-rate risk related to net investments in foreign operations.

ABGSC is also exposed to FX rate risk through positions in FX forwards.

The Group is only exposed to foreign currency risk for the net exposure, see below:

Financial assets and liabilities in foreign currencies

	Assets	Liabilities	Net position in foreign currency	NOK
SEK	1,271,811	1,236,787	35,024	33,070
EUR	13,448	11,507	1,941	19,145
USD	27,360	25,356	2,004	17,592
GBP	7,677	7,798	-121	-1,402
DKK	179,955	184,803	-4,848	-6,400
Other currencies				-14,795
Total net position currency 2019				**47,209**
Total net position currency 2018				**24,857**

Note 7 – Credit risk

Credit risk is the risk of losses due to failure from counterparties or clients to meet their payment obligations, and adverse credit quality migration of financial instruments. The main categories are:

Securities Financing

Key features describing the credit risk in securities financing are:
- Financing system based on securities as collateral (not based on credit capacity in general)
- Daily margin calculations based on real time market value, stock liquidity, volatility and risk

Changes in the value of collateral are followed up on a daily basis and are compensated for by reduction in exposure or with additional collateral. Credit losses have been moderate in previous years. Legal and/or financial recovery is an everyday ongoing process.

	2019	2018
Receivables from Securities Financing clients	93,885	73,213
Market value of collateral from Securities Financing clients	271,785	131,103
Net exposure to Securities Financing clients	-	-

Other accounts receivable/settlement risk
Regular stock broking trades are settled with exchange of cash and shares (delivery versus payments) and the credit risk is thereby reduced to the difference between the unsettled amount and the market value of the shares. Credit risk is considered low, and no loss has been booked in 2019.

When trading derivatives through Oslo Clearing, the clearing party retains the risk of settlement from the customer until maturity. ABGSC has had limited derivative trading where we have been the clearing party towards Oslo Clearing in 2019.

	2019	2018
Accounts receivables	665,691	1,146,091
Receivables from broker firms	419,482	519,776
Liabilities payable to broker firms	-225,403	-671,137
Liabilities payable to customers	-678,160	-686,073
Net exposure other accounts receivables / settlement risk	**181,611**	**308,657**

Derivatives and FX contracts
ABGSC is exposed to counterparty risk in relation to derivatives. ISDA contracts and Credit Support Annex (CSA) have been established with major counterparties, and changes in market value are settled on a daily basis. Counterparty risk is largely eliminated by collateral and daily margin calculations, but still considered as medium risk.

As of 31 December 2019 ABGSC has outstanding FX contracts of NOK 14m. That number will be reduced in a possible default situation since ABGSC has netting agreements with the counterparties. In addition it is mainly received 10% collateral from customers.

<u>**Counterparty exposure related to derivative contracts**</u>

	2019		2018	
Assets	**Book value**	**Net value**	**Book value**	**Net value**
Financial derivatives	14,490	3,588	13,283	3,214
Received collateral	5,555	5,555	2,597	2,597
Net exposure	**8,935**	**-**	**10,686**	**617**

	2019		2018	
Liabilities	**Book value**	**Net value**	**Book value**	**Net value**
Financial derivatives	18,840	7,577	30,849	20,779
Pledged collateral	200,406	200,406	21,034	21,034

Note 8 – Liquidity risk

Amounts included earned interest:

Agreed rest maturity assets	1-30 days	30 days-1 year	1-3 years	>3 years	Total value
Long term receivables			20,701		20,701
Accounts receivables	759,576				759,576
Receivables from stockbrokers	419,482				419,482
Other current receivables	169,204	8,000			177,204
Total 2019	**1,348,262**	**8,000**	**20,701**	**-**	**1,376,964**
Total 2018	**1,939,606**	**8,000**	**4,497**	**-**	**1,952,104**

Agreed rest maturity liabilities	1-30 days	30 days-1 year	1-3 years	>3 years	Total value
Long-term provisions	-		5,965	7,618	13,583
Lease liabilities		26,990	32,162	6,981	66,133
Accounts payable	31,464				31,464
Liabilities payable to customers	678,160				678,160
Liabilities payable to stockbrokers	225,403				225,403
Social and corporate taxes		67,464			67,464
Other liabilities		381,928			381,928
Total 2019	**935,027**	**476,383**	**38,127**	**14,599**	**1,464,135**
Total 2018	**1,359,945**	**534,212**	**11,461**	**4,712**	**1,910,330**

Note 9 – Wages and social costs

	2019	2018
Wages/partner remuneration	328,696	305,455
Social security tax	51,143	51,224
Pension costs including social security tax	29,814	25,270
Other personnel costs	22,669	22,955
Total wages and social costs	**432,322**	**404,903**
Average number of man-labour years	277	267

Board of Directors' statement on Executive management Remuneration
The Board of Directors has prepared a separate statement regarding the remuneration of the Executive Committee in accordance with the Norwegian Public Limited Companies Act, § 6-16a. The following guidelines will be presented at the Annual General Meeting on 28 April 2020. These guidelines have been complied with for the year 2019 and are valid for 2020 onwards.

The remuneration to senior management is based on the same principles for remuneration that are applied for all partners of the Group. Compensation to partners and employees consists of a fixed salary or compensation and a variable discretionary compensation, the amount of which is dependent on a combination of Group results and individual performance. Principles for the allocation of variable compensation are decided by the Board after recommendations from the Compensation Committee. The preliminary variable compensation is decided by the Executive Committee and finally approved by the CEO. Variable compensation to individual members of senior management is decided by the CEO after taking advice from the Compensation Committee. The compensation of the CEO is proposed by the Compensation Committee and approved by the Board. Members of the Executive Committee are all defined as specifically identified staff ("SIS"). Variable compensation to SIS is subject to various deferral mechanisms, determined by the local regulations governing the legal entity at which the SIS is employed.

There are no specific agreements regarding remuneration at termination of employment for the CEO or members of the Executive Committee.

The CEO and members of the Executive Committee participate in pension schemes according to the same conditions as other partners and employees.

Board of Directors Remuneration
The highest governing body of the Group is its Board of Directors. The Board has a majority of Non-Executive Directors. Remuneration to Board members consists of payment of fees, and is based on the position of the Board member. There are no specific agreements regarding fees at termination for the Chairman of the Board or other members of the Board. ABGSC did not have any outstanding loans to, or guarantees made on behalf of, any Board member during 2019. Board fees paid in 2019 and outstanding numbers of shares as of 31 December 2019 are shown in the table below:

Board Member	Board Fee	Other fee [1]	Number of shares
Judy Bollinger (Chairman) [2]	450	35	1,890,934
Knut Brundtland (Chairman) [3]	0	0	5,083,000
Anders Grudén [4]	270	174	60,000
Adele Norman Pran	270	100	0
Arild A. Engh [5]	270	1,500	5,332,976
Jan Petter Collier [6]	270	10	40,131,000
Martina Klingvall [7]	0	0	0

Nomination Committee	Other fee	Number of shares
Stein Aukner [8]	40	75,429
Roy Myklebust	20	2,000,000
Jan Petter Collier [6]	20	40,131,000

[1] Other fee is fees related to Audit Committee, Compensation Committee and Board Fees for board membership in subsidiaries

[2] Judy Bollinger was Chairman of the Board until the AGM on 30 April 2019

[3] Knut Brundtland was elected as Chairman of the Board on the AGM on 30 April 2019. See under Executive management remuneration for his remuneration as CEO for the period before 30 April 2019

[4] Anders Grudén was member of the Board until the AGM on 30 April 2019

[5] Arild A. Engh received in 2019 TNOK 1,500 as remuneration for a paid assignment

[6] Jan Petter Collier has through his partnership in ABGSC received a fixed compensation of TNOK 2,500, a variable compensation in respect of calendar year 2019 of TNOK 4,800, pension contribution of TNOK 68 and benefits in kind of TNOK 28

[7] Martin Klingvall was elected as member of the board on the AGM on 30 April 2019

[8] 75,000 of the shares are controlled through proxies

Executive management remuneration
Executive committee members reporting directly to the CEO are defined as executive management. Remuneration to executive management consists of a fixed payment as well as a variable element, plus pension contribution and other remuneration in-kind. There are no specific agreements regarding salary at termination or change of conditions of employment for any executive management individual.

Executive management individual's remuneration and shareholding as of 31 December 2019 and 31 December 2018 are shown in the tables below:

2019

Name	Position	Fixed compen-sation [1]	Variable compen-sation [1) & 2)]	Pension contri-bution	Benefits in kind	Number of shares	Number of shares on forward contracts [3]
Knut Brundtland	CEO [4]	1,867	1,750	23	8	5,083,000	5,000,000
Jonas Ström	CEO [5]	4,986	4,870	199	5	263,000	3,962,000
Are Andersen	Head of IB	3,000	5,295	68	25	3,190,184	2,000,000
Geir B. Olsen	CFO	2,200	1,750	68	25	900,000	600,000
Hans Øyvind Haukeli	Head of Markets Norway	3,000	4,470	68	25	2,650,000	2,350,000
Jessica Blink	Head of Legal	1,522	495	201	4	190,000	0
John Olaisen	Co-head of Global Reserach	3,000	4,550	68	25	1,430,000	2,450,000
Per Flostrand	Head of Equity Sales International	3,750	3,652	146	6	865,000	2,800,000

1) Norwegian Executive management members are part of a silent partnership, and receive fixed and variable compensation through participation of the profit distribution from the silent partnership.

2) Variable compensation in respect of calendar year 2019.

3) The forward contracts have settlement in 2020-2024.

4) Knut Brundtland was CEO until 30 April 2019.

5) Jonas Ström became CEO 1 May 2019, but compensation is for the whole year 2019.

2018

Name	Position	Fixed compen-sation [1]	Variable compen-sation [1) & 2)]	Pension contri-bution	Benefits in kind	Number of shares	Number of shares on forward contracts [3]
Knut Brundtland	CEO	3,500	3,300	62	25	5,083,000	0
Are Andersen	Head of IB	3,000	4,953	62	25	3,190,184	0
Christer Linde	Co-head of Global Research	2,022	2,093	259	30	150,000	650,000
Geir B. Olsen	CFO	2,200	1,000	62	25	900,000	100,000
Hans Øyvind Haukeli	Head of Markets Norway	3,000	4,450	62	25	2,500,000	350,000
Jonas Ström	Managing Director Sweden	4,680	1,560	199	141	263,000	1,962,000
Per Flostrand	Head of Equity Sales International	2,169	3,515	0	25	865,000	800,000

1) Norwegian Executive management members are part of a silent partnership, and receive fixed and variable compensation through participation of the profit distribution from the silent partnership.

2) Variable compensation in respect of calendar year 2018.

3) The forward contracts have settlement in 2019-2023

Remuneration to auditors
The following table shows total audit and other services delivered to the Group by the appointed auditor. Amounts do not include VAT.

2019	Audit fee	Assurance services	Tax services	Other non-audit services	Total
Deloitte Norway	1,226	106	324	20	1,677
Deloitte Abroad	1,091	1	94	-	1,186
Total Deloitte	**2,317**	**107**	**418**	**20**	**2,863**
Others	570	-	105		675
Total	**2,887**	**107**	**523**	**20**	**3,538**

2018	Audit fee	Assurance services	Tax services	Other non-audit services	Total
Deloitte Norway	1,174	86	320	43	1,624
Deloitte Abroad	891	-	6	45	941
Total Deloitte	**2,066**	**86**	**326**	**88**	**2,565**
Others	525	-	65		590
Total	**2,591**	**86**	**391**	**88**	**3,155**

Note 10 – Taxes

Tax cost in the income statement	2019	2018
Tax payable in Norway	51,738	49,469
Tax payable outside Norway	28,527	13,161
Total tax payable	**80,265**	**62,630**
Change in deferred tax in Norway	1,357	2,500
Change in deferred tax outside Norway	-1,314	290
Total change in deferred tax	**43**	**2,791**
Tax cost	**80,307**	**65,421**
Reconciliation from nominal to effective tax rate		
Profit before taxes	333,971	237,441
Expected tax cost based on nominal tax rate (22%)	73,474	54,611
Net tax free gain/loss and other income	-1,143	20
Non deductible costs	3,013	6,903
Prior year adjustment	881	-626
Loss carried forward	-1,475	-511
Effect on finance tax in Norway	6,319	4,250
Differences in tax rates outside Norway	-763	772
Tax cost on ordinary profit	**80,307**	**65,421**
Effective tax rate	24.0 %	27.6 %
Tax payable in the balance sheet		
Total tax payable	80,265	62,630
Tax on comprehensive income	-4,910	-4,471
Tax paid in advance	-35,600	-18,989
Tax payable in companies purchased/sold during the year	-	-
FX effects	-1,087	-612
Prior year adjustment	-881	663
Tax payable at year end	**37,787**	**39,221**

	2019	2018
Tax effect on temporary differences at year end		
Current items		
Receivables	2,919	4,859
Provisions	675	2,105
Shares	1,283	5,437
Other current items	15,179	11,700
Total current items	**20,055**	**24,101**
Non current items		
Fixed assets	1,945	1,280
Other non current items	-8,433	-8,362
Total non current items	**-6,488**	**-7,081**
Total deferred tax asset	**13,567**	**17,019**
Recognized deferred tax asset	22,284	26,209
Recognized deferred tax liability	8,718	9,189
Net deferred tax asset	**13,567**	**17,019**
Reconciliation of changes in deferred tax asset		
Net tax asset at 1 January	17,019	21,948
Net tax asset in company purchased during the year	0	0
Total change in deferred tax	-43	-2,791
FX-effect	-21	1
Income tax relating to other comprehensive income	-3,388	-2,139
Total deferred tax asset as of 31 December	**13,567**	**17,019**

Note 11 – Rental costs and lease commitments

Right-of-use assets

	2019
Right-of-use assets as of 1 January	89,742
Depreciation of the year	-25,663
Revaluation	1,070
FX-effects	-160
Right-of-use assets as of 31 December	**64,988**

Remaining lease-term	1-7 years
Depreciation method	Linear

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflow	2019
< 1 year	27,800
1-2 years	15,192
2-3 years	15,192
3-4 years	4,433
4-5 years	3,424
> 5 years	4,851
Total undiscounted lease liabilities as of 31 December	**70,892**
Discount element	-4,759
Total discounted lease liabilities as of 31 December	**66,133**

	2019
Interest expense on lease liabilites	2,676
Income from subleasing right-of-use assets	2,127

Note 12 – Fair value measurement of financial assets and liabilities

	2019	2018
Financial assets		
Financial instruments at fair value through profit and loss	61,892	125,423
Receivables	1,356,262	1,947,606
Cash and bank deposits	570,618	427,681
Total financial assets	**1,988,773**	**2,500,710**
Financial liabilities		
Financial instruments at fair value through profit and loss	40,856	53,913
Liabilities to customers and stockbrokers	903,563	1,357,210
Other current liabilities	472,720	536,947
Total financal liabilities	**1,417,139**	**1,948,070**

Determination of fair value
For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method and valuation models. The Group uses widely recognised valuation models for determining fair values of financial instruments.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk. Based on the established fair value and the related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value on the balance sheet.

Fair value measurement method

Level 1: Quoted marked prices
For financial instruments traded in active markets, fair values are based on quoted market prices or dealer price quotations. All shares and bonds at this level are held as part of bonds and risk trading and are all made within large volume and high liquidity markets and objects. Only those positions with high volumes and high liquidity will be placed at this level.

Level 2: Valuation techniques with market observable input
For financial instruments where fair value measurement inputs are other than quoted prices included within level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques with non-market observable input
Financial assets valued without access to market observable input is generally valued at acquisition cost as these assets are derived through our ordinary business. The assets are valued for impairment based on assumptions for the timing and probability of the asset being exchanged for cash or being repaid in full. Impaired assets are written down to expected net present realisable value based on debt servicing ability and value estimates for collateral, if any. Assets which, at the choice of the debtor, can be exchanged for cash within short notice, are never valued above the nominal repayment value. Investments in equities and other investments where there are no market observable input are valued based on gathered information related to the financial status of the assets, the value of the underlying assets of the company and recent transactions in the market or for comparable assists, if any.

Specification of financial instruments divided by valuation techniques

2019				
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Securities and financial trading instruments	59,166	-	2,725	61,892
Total	**59,166**	**-**	**2,725**	**61,892**
Liabilities				
Securities and financial trading instruments (short positions)	40,856	-	-	40,856
Total	**40,856**	**-**	**-**	**40,856**

2018				
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Securities and financial trading instruments	61,756	61,418	2,250	125,423
Securities and financial instruments, available for sale: (non-current assets)	-	-	-	-
Total	**61,756**	**61,418**	**2,250**	**125,423**
Liabilities				
Securities and financial trading instruments (short positions)	53,913	-	-	53,913
Total	**53,913**	**-**	**-**	**53,913**

Level 3 financial instruments (non-current assets)
The table below show a more detailed description of level 3 financial instruments.

	2019	2018
Balance as of 1 January	**1,699**	**1,321**
Additions/purchase of shares	1,027	-
Disposal of shares	-	-379
Balance as of 31 December	**2,725**	**1,699**

Note 13 – Hedging of net assets of foreign operations

As of 31 December 2019 the Group had the following amounts in hedging instruments:

Currency	Bank accounts	FX-forwards	in NOK
DKK	50,318	-	66,430
EUR	-266	-	-2,619
GBP	184	-6,000	-67,427
SEK	31,478	-280,000	-234,654
SGD	19	-1,400	-9,014
USD	-398	-22,000	-196,660

The Group hedges the carrying amount of net assets of the foreign operations by use of bank accounts and FX forward contracts. It is the FX risk of the carrying amount of equity values that is hedged.

In 2019, the hedging instruments had a loss of NOK 5m net of tax, which is recognised in other comprehensive income.

Note 14 – Goodwill, acquisitions and non-controlling interests

The carrying amount of goodwill was NOK 93,308 as of 31 December 2019 (2018: NOK 93,308). The goodwill has been tested for impairment in line with the policy set out in Note 1. No impairment charge has been booked in 2019 (2018: No impairment charge). The goodwill originates from the ABG merger in 2001 and the acquisition of Vika Project Finance AS in 2017.

	2019			2018		
	ABG	VPF	Sum	ABG	VPF	Sum
Cost	34,870	58,438	93,308	34,870	58,438	93,308
Accumulated impairment losses	0	0	0	0	0	0
Balance at end of year	**34,870**	**58,438**	**93,308**	**34,870**	**58,438**	**93,308**
Cost	**ABG**	**VPF**	**Sum**	**ABG**	**VPF**	**Sum**
Balance at beginning of year	34,870	58,438	93,308	34,870	58,438	93,308
Addition amounts recognised from business combinations during the year	0	0	0	0	0	0
Balance at end of year	**34,870**	**58,438**	**93,308**	**34,870**	**58,438**	**93,308**

Equity attributable to non-controlling interests	2019	2018
Balance at beginning of year	60,766	58,335
Comphrensive income to non-controlling interests	26,221	24,832
Payment to shareholders	-24,805	-22,401
Balance at end of year	**62,183**	**60,766**

Total revenues, profit before tax and net cash flow for Vika Project Finance AS was in 2019 respectively 63m NOK, 46m NOK and 3m NOK, whereas total assets and equity was 50m NOK and 35m NOK.

Note 15 – Fixed assets

	Other intangible assets	Office equipment and fittings
Acquisition cost as of 1 January 2019	38,149	74,129
FX-adjustment	-1,006	-248
Disposals at cost	-4,487	-18,006
Additions	23,036	3,556
Acquisition cost as of 31 December 2019	**55,692**	**59,431**
Accumulated depreciation as of 1 January 2019	8,397	64,029
FX-adjustment	-223	-135
Depreciation	8,236	5,073
Disposals	-4,487	-18,008
Accumulated depreciation as of 31 December 2019	**11,923**	**50,959**
Carrying amount as of 1 January 2019	**29,752**	**10,101**
Carrying amount as of 31 December 2019	**43,769**	**8,472**
Depreciation rates (linear method)	12.5 - 20%	12.5 - 33%

Acquisition cost as of 1 January 2018	10,535	108,981
FX-adjustment	0	-2,189
Disposals at cost	0	-36,099
Additions	27,614	3,436
Acquisition cost as of 31 December 2018	**38,149**	**74,129**
Accumulated depreciation as of 1 January 2018	3,512	97,305
FX-adjustment	0	-3,214
Depreciation	4,885	5,619
Disposals	0	-35,681
Accumulated depreciation as of 31 December 2018	**8,397**	**64,029**
Carrying amount as of 1 January 2018	**7,023**	**11,676**
Carrying amount as of 31 December 2018	**29,752**	**10,101**
Depreciation rates (linear method)	12.5 - 20%	12.5 - 33%

Note 16 – Investments in associated companies

2019 Entity	Industry	Owner-ship interest	Carrying amount 01.01.2019	Invest-ment in 2019	Net result 2019	Received dividend	Carrying amount 31.12.2019
Kameo AS	Crowdfunding	20.00 %	0	20,004	-4,400	0	15,604
Nordier Property Group AB, Sweden	Property	38.56 %	11,126	0	2,150	0	13,276
Total			**11,126**	**20,004**	**-2,250**	**0**	**28,880**

2018 Entity	Industry	Ownership interest	Carrying amount 01.01.2018	Net profit 2018	Received dividend	Carrying amount 31.12.2018
Nordier Property Group AB, Sweden	Property	38.56%	17,254	251	6,380	11,126
Total			**17,254**	**251**	**6,380**	**11,126**

A summary of the financial information of Kameo and Nordier Property Group AB:

2019	Assets	Liabilities	Equity	Revenues	Result for the year
Kameo AS	17,450	13,371	4,079	5,488	-25,464
Nordier Property Group AB, Sweden	51,584	19,463	32,121	54,196	5,767

2018	Assets	Liabilities	Equity	Revenues	Profit for the year
Nordier Property Group AB, Sweden	32,607	15,003	17,604	45,899	640
Total	**32,607**	**15,003**	**17,604**	**45,899**	**640**

Kameo AS and Nordier Property Group AB is unlisted companies and is recognised within the Group accounts using the equity method.

ABGSC has granted Nordier a loan of TSEK 3.856 in 2019. ABGSC has received revenue from Kameo for services in 2019 of TNOK 2,800. ABGSC has in granted Kameo a short-term loan of TNOK 5.000 and ABGSC has booked TNOK 39 as interest income on this loan.

Note 17 – Other receivables and liabilities

	2019	2018
Prepaid costs	22,235	20,029
Not yet invoiced revenues and project-costs	122,166	101,840
Other receivables	32,803	86,658
Total other receivables	**177,204**	**208,526**
Amounts due to partners/employees (incl. national insurance contribution)	344,768	293,990
Accrued costs and other short-term liabilities	37,160	177,867
Total other liabilities	**381,928**	**471,857**

Note 18 – Guarantees and mortgages

	2019	2018
Shares	49,915	82,636
Net receivables	275,496	381,870
Total assets pledged as collateral	**325,411**	**464,507**
Carrying amount of mortgaged liabilities	0	0

The Group has pledged shares and receivables (net of corresponding debt) as collateral for the bank overdraft liability. As of 31 December 2019 the Group has no bank overdraft.

Note 19 – Accounts receivables

	2019	2018
Gross accounts receivables	764,165	1,232,440
Allowance for doubtful accounts	-4,589	-13,137
Net accounts receivables	**759,576**	**1,219,304**

Note 20 – Cash and bank deposits and funds on client accounts

Foreign currency holdings have been valued at the exchange rate as of 31 December. Included in the balance of cash and bank deposits are amounts of restricted cash of NOK 221m (NOK 220m in 2018). ABGSC has bank overdraft facilities with a total limit of NOK 1,000m (NOK 1,000m in 2018). Funds on client accounts and corresponding client debt are not included in the balance sheet. These are included in the cash and bank deposits in the financial statement.

	2019	2018
Client funds	519,493	535,552
Client debt	473,882	403,594
Net funds on client accounts	**45,611**	**131,958**

Note 21 – Earnings per share

Basic earnings per share		**2019**	**2018**
Profit for the year attributable to the owners of the parent		227,443	147,187
Average number of outstanding shares less own shares	Numbers in 1,000	455,182	455,585
Basic earnings per share		**0.50**	**0.32**
Diluted earnings per share			
Profit for the year attributable to the owners of the parent		227,443	147,187
Interest on forward contracts		6,385	3,549
Numerator diluted EPS		233,827	150,736
Average number of outstanding shares	Numbers in 1,000	470,747	470,747
Average number of own shares	Numbers in 1,000	-15,565	-15,162
Average number of shares on forward contracts	Numbers in 1,000	69,969	40,283
Diluted average number of shares	Numbers in 1,000	525,151	495,867
Diluted earnings per share		**0.44**	**0.30**

Note 22 – Shareholder information

As of 31 December 2019 there are a total of 470,747,095 (470,747,095 as of 31 December 2018) shares outstanding at a face value of NOK 0.23 in the Company. All shares have equal voting rights and all shares have the same right to dividends. The Company has forward agreements with partners purchasing a total of 75,611,300 (37,974,000 as of 31 December 2018) shares from the company with settlement in 2020-2025. The Company owns 14,023,162 treasury shares at year-end, an increase of 550,923 shares from the beginning of the year. The Company has authorisation to repurchase its shares in the market or to issue new shares. In 2019, the Company purchased 1,492,500 shares from departing partners at a total of NOK 3,568,990 and sold 9,493,200 shares to partners at NOK 31,424,951 related to previous forward agreements and to specially identified staff who according to local regulations have to purchase shares as part of their variable compensation. The Company purchased 8,551,623 shares in a structured buy-back offer and in the market at NOK 34,761,654.

Partners of the Group may purchase partner shares, which are settled in cash or financed up to a 5-year period carried through by using a forward contract. Partner shares are offered at market price, with a 15% price adjustment reflecting several severe restrictions with regards to the selling (or purchasing) of these shares.

Overview of shareholders as of 31 December 2019 (registered in VPS as of 3 January 2020)

Shareholder	Number of shares	Share
Sanden AS *	39,082,233	8.3%
State Street Bank (nominee)	16,970,712	3.6%
JP Morgan Bank Luxembourg (nominee)	15,317,721	3.3%
ABG Sundal Collier Holding ASA (own shares)	14,023,162	3.0%
SEB Prime Solutions	13,500,000	2.9%
Erling Neby AS	12,500,000	2.7%
Fidelity Int Small Cap Fund	9,702,926	2.1%
Landkreditt Utbytte	9,000,000	1.9%
JP Morgan Chase Bank (nominee)	8,489,331	1.8%
Citibank (nominee)	8,095,831	1.7%
Watrium AS	7,000,000	1.5%
Salt Value AS	6,240,403	1.3%
A/S Skarv	5,500,000	1.2%
Peter Schofield	4,623,000	1.0%
DnB Markets	4,593,061	1.0%
Sole Active AS	4,069,271	0.9%
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%
State Street Bank (nominee)	3,549,900	0.8%
Total top 20	**193,767,827**	**41.2%**
Other	276,979,268	58.8%
Total	**470,747,095**	**100.0%**

* Jan Petter Collier, who is a board member in 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 Chairman of the Board of ABG Sundal Collier Holding, and family own a total of 5,083,000 shares including shares owned by Giotto AS and Piero AS, plus 5,000,000 shares on a forward contract.

*** 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 Sasan AS and Kilen AS.

Note 23 – Forward contracts for ASC shares held by partners of the Group

Partners of the Group held forward contracts for 75,611,300 shares by 31 December 2019. The forward contracts are for settlement in 2020 – 2025. Based on settlement on the termination date, the number of shares under these contracts that will be issued in the following years, and the lowest and highest settlement price for the shares, are noted below. The settlement price will be adjusted to reflect any dividends paid prior to settlement. The interest element of 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.

Expiry year	Number of shares	Lowest exercise price (NOK per share)	Highest exercise price (NOK per share)	Volume weighted average exercise price (NOK per share)
2020	3,293,000	1.29	3.49	2.98
2021	2,597,000	2.76	3.40	3.19
2022	12,811,300	3.62	4.09	3.70
2023	12,265,000	4.20	5.44	4.99
2024	43,145,000	3.04	4.06	3.65
2025	1,500,000	3.42	3.42	3.42
Total	**75,611,300**			

The exercise price is based on the weighted average market price for shares at the initial contract date. The stated high/low and average prices have not been adjusted for the proposed final payment to shareholders of NOK 0.27 per share.

Restrictions on shares

As of 31 December 2019, partners of ABGSC held a total of 80,802,268 shares (registered in VPS) in the Company. These shares are subject to certain material restrictions. A total of 9,341,289 shares are held as "Partner Shares" and regulated by the Partnership Agreement. In addition all shares on forward contracts are defined as "Partner Shares".

Note 24 – Related parties

The Group's ultimate parent company is ABG Sundal Collier Holding ASA. Subsidiaries, 100% controlled unless stated otherwise, are listed in the following table:

- ABG Sundal Collier ASA
- ABG Sundal Collier AB
- ABG Sundal Collier Crowd AB
- ABG Sundal Collier Eiendom AS
- ABG Sundal Collier Finance & Advisory AB
- ABG Sundal Collier Finance & Advisory AS
- ABG Sundal Collier Holdings Inc.
- Vika Business Management AS (50% ownership)
- ABG Sundal Collier Inc.
- ABG Sundal Collier LLP
- ABG Sundal Collier Ltd
- ABG Sundal Collier Pte. Ltd.
- Lagerselskapet Holding AS and subsidiaries
- Sundal Collier & Co AS
- Vika Project Finance AS (50% ownership)

Note 25 – Legal matters/disputes

In 2014, ABGSC acted as co-lead manager in connection with the IPO of OW Bunker A/S ("OWB"). OWB went bankrupt in November 2014. A group of institutional investors have issued a writ of summons against the OWB bankruptcy estate and several other co-defendants. The OWB bankruptcy estate as well as other parties in the complexes have as a precaution submitted a series of conditioned recourse claims against the joint lead managers, ABGSC, a law firm and the auditor indemnifying the OWB bankruptcy estate for any loss they may suffer if the prospectus is not deemed to be true and fair and the OWB bankruptcy estate is found to be liable in this respect. ABGSC's part of any claim is estimated to a maximum of DKK 37m. ABGSC considers the claim to be unfounded and has not made any provisions.

In the normal course of business the Group will from time to time be involved in minor complaints with various parties that will have no material impact on the Group's overall financial position.

Note 26 – Significant subsequent events

After the balance sheet day, the Covid-19 virus outbreak has and the subsequent preventive measures have significantly increased market uncertainty and had extraordinary adverse impact on debt and equity markets.

In this context, we would highlight that ABGSC has a capital light business model and our primary function is to be an advisor and an intermediary. The balance sheet is liquid and we have a limited proprietary trading activity and a modest and conservative security financing operation.

As for most other similar firms in our industry, the market turmoil has increased secondary trading flows, but limits the possibility to complete IPOs, private placements and M&A transactions in the short term. If the current situation prevails, there are likely be several companies requiring access to capital, restructuring advice and support in a likely wave of forced consolidation. This will represent alternative business opportunities for us in a challenging market environment.

In February, the Board of Directors proposed a payment to the shareholders of NOK 127.1m.

ABG Sundal Collier Holding ASA

Income Statement

Amount in NOK 1,000

OPERATING REVENUES AND COSTS	NOTES	2019	2018
Revenues		0	0
Total operating revenues		**0**	**0**
Wages and social costs	8	2,170	1,646
Administration costs	8	4,179	15,828
Total operating costs		**6,349**	**17,475**
Operating loss		**-6,349**	**-17,475**
FINANCIAL INCOME AND COSTS			
Interest income from group companies	7	2,972	1,671
Other interest income		279	1
Dividend/contribution from group companies	7	237,925	206,100
Other financial income	5	11,872	3,472
Write-down of shares	4	-817	-3,115
Interest costs to group companies	7	-64	-36
Other interest costs		-14,794	-8,175
Other financial costs		-4,400	-7
Net financial result		**232,973**	**199,910**
Profit before taxes		**226,624**	**182,435**
Tax cost	3	33,045	36,500
NET RESULT FOR THE YEAR		**193,579**	**145,935**
ALLOCATIONS AND TRANSFERS			
To other equity		66,477	145,935
From share premium		0	-94,149
Proposed payment to shareholders		127,102	94,149
Total allocations and transfers	2	**193,579**	**145,935**

ABG Sundal Collier Holding ASA

Balance Sheet as of 31 December

Amount in NOK 1,000

ASSETS	NOTES	2019	2018
Non-current assets			
Intangible assets			
Deferred tax asset	3	2,575	2,648
Financial non-current assets			
Shares in subsidiaries	4	631,312	629,420
Investments in associates	5	28,880	11,126
Long-term receivables		3,641	0
Total financial non-current assets	6	**663,833**	**640,546**
Total non-current assets		**666,408**	**643,194**
Current assets			
Receivables			
Receivables from group companies	7	271,424	220,979
Other receivables		5,146	2,643
Total receivables	6	**276,570**	**223,623**
Cash and bank deposits			
Cash and bank deposits		0	0
Total current assets		**276,570**	**223,623**
TOTAL ASSETS		**942,977**	**866,817**

ABG Sundal Collier Holding ASA

Balance Sheet as of 31 December

Amount in NOK 1,000

EQUITY AND LIABILITIES	NOTES	2019	2018
Equity			
Paid-in-capital			
Share capital	2, 9-10	108,272	108,272
Treasury shares at nominal value	2	-3,225	-3,099
Share premium	2	10,984	10,984
Total paid-in-capital		**116,031**	**116,157**
Other equity			
Retained earnings	2	172,347	186,583
Total equity		**288,377**	**302,740**
Liabilities			
Current liabilities			
Bank overdraft facility	6	477,435	424,121
Liabilities payable to group companies	7	2,923	2,715
Income tax payable	3	33,556	36,158
Payment to shareholders		127,102	94,149
Public dues payable		12,930	6,821
Other current liabilities		654	113
Total current liabilities		**654,600**	**564,076**
TOTAL EQUITY AND LIABILITIES		**942,977**	**866,817**

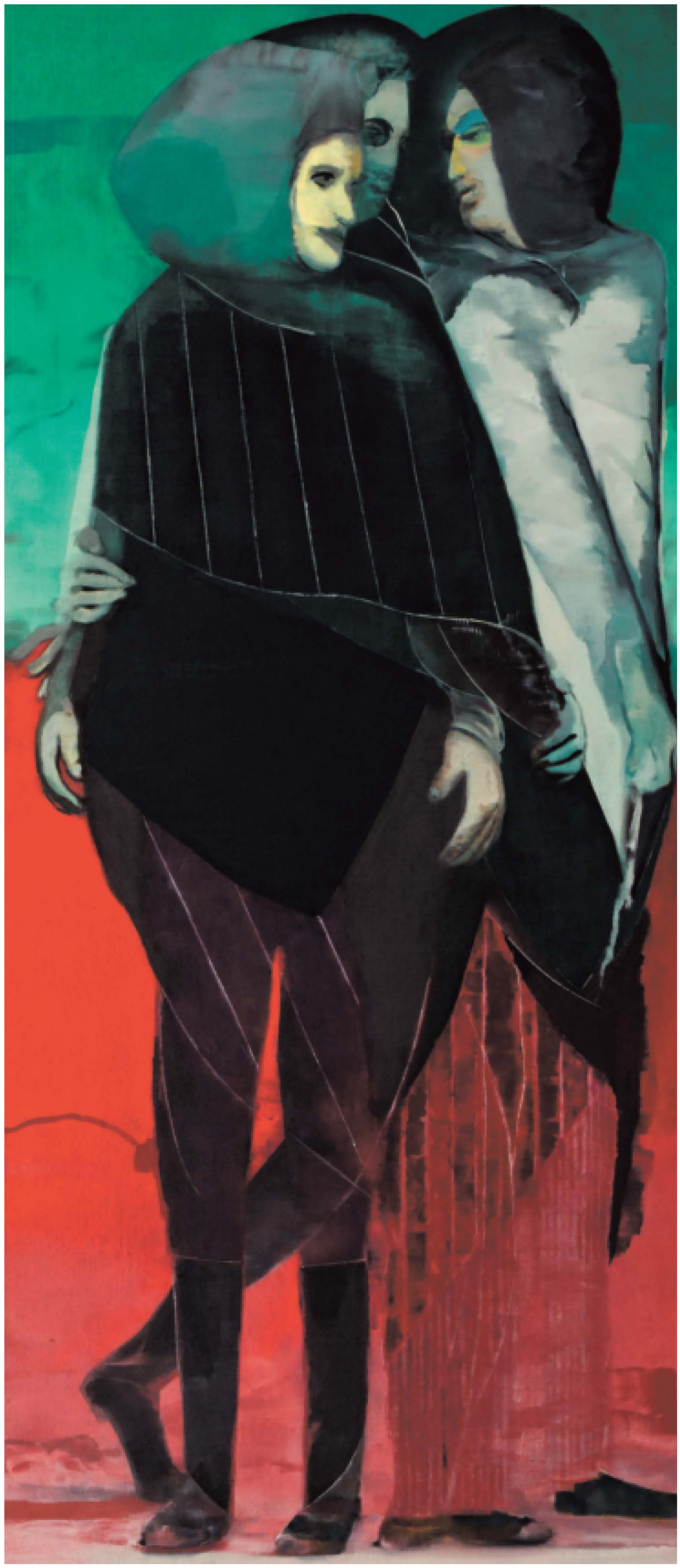
Oslo, 25 March 2020

(sign)	(sign)	(sign)
Knut Brundtland Chairman	Martina Klingvall	Adele Norman Pran
(sign)	(sign)	(sign)
Jan Petter Collier	Arild A. Engh	Jonas Ström CEO

ABG Sundal Collier Holding ASA

Cash Flow Statement

Amount in NOK 1,000	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	226,624	182,435
Taxes paid	-35,573	-61,461
Change in intercompany accounts	-37,306	116,125
Change in other current assets/liabilities	2,715	1,605
Net cash flow from operating activities	**143,530**	**238,704**
CASH FLOW FROM INVESTING ACTIVITIES		
Net sale / purchase of financial non-current assets	-21,854	4,253
Net cash flow from investing activities	**-21,854**	**4,253**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term loan	53,314	126,415
Change in own shares	-813	-39,849
Payment to shareholders	-174,176	-329,523
Net cash flow from financing activities	**-121,676**	**-242,957**
Net increase in bank deposits, cash and cash equivalents	0	0
Bank deposits, cash and cash equivalents at beginning of year	0	0
Bank deposit, cash and cash equivalents as of 31 December	**0**	**0**



ABG Sundal Collier Holding ASA
Notes to Financial Statement

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All amounts in NOK 1,000 unless otherwise specified

Note 1 – Accounting policies

General information
ABG Sundal Collier Holding ASA is a public limited company and its head office is located in Vika, Oslo, in Norway. The Group provides investment banking, stock broking and corporate advisory services that encompass the needs of both international investors and Nordic business clients. The company's shares are listed on the Oslo Stock Exchange.

The financial statements for the company, including notes, for the year 2019 were approved by the Board of Directors of the company on 25 March 2020.

Basis of preparation
The accounts are prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles (NGAAP).

Classification of assets and liabilities
Receivables that are to be repaid within one year and assets that are not of a permanent nature or used in the business are classified as current assets. Other assets are classified as long-term assets.

Liabilities are classified as a long-term liability if the liability is due to be repaid more than one year after the balance sheet date. All other liabilities are classified as current liabilities.

Current assets are valued at the lower of cost and net realisable value.

Goodwill
When a business is acquired, a purchase price in excess of the identified fair value of assets and liabilities is accounted for as goodwill. Goodwill is amortised using a straight-line method over the expected economic life of the asset, not exceeding 10 years.

Financial non-current and current assets
Other non-current shareholdings, minor investments where the company does not hold substantial influence and investments in subsidiaries, are in general carried at original cost. If a decline in fair value below the carrying amount is expected to be permanent, the investments are written down. Dividends received and other surplus distributions from these companies are recognised as financial income.

An investment in associates is recognised within the P&L and balance sheet as Equity Investments.

Receivables
Receivables are carried at face value less provisions for expected losses. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Losses on receivables are written off in the year in which they are identified.

Cash and bank deposits
Cash and bank deposits include cash, bank deposits and other monetary instruments where the maturity is less than three months from the date of purchase. Client accounts are not included in the balance.

Assets and liabilities in foreign currency
Realised and unrealised profit or losses arising from transactions, assets or liabilities denominated in foreign currencies are included in the net result for the year. Exchange rates at year-end are used to convert foreign currency amounts to NOK.

Income taxes
The income tax cost consists of the aggregate of current taxes payable and changes in deferred tax. Current and deferred tax are recognised as cost or income in the income statement, except when they relate to items recognised directly to equity, in which case the tax is also recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the period.

Deferred tax liabilities and assets are recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used in the tax returns. Deferred tax liabilities and assets are generally recognised for all taxable temporary differences. Deferred tax and deferred tax assets are only off-set as far as this is possible under taxation legislation and regulations. Deferred tax assets are continuously assessed and are only recognised to the extent that is probable that future taxable profit will be large enough for the deferred tax asset to be utilised.

Note 2 – Shareholders' equity

	Share capital	Own shares	Share premium	Other paid-in-capital	Retained earnings	Total equity
Shareholders' equity as of 1 January 2018	108,272	-2,306	155,352	43,931	79,674	**384,923**
Net profit for the year					145,935	**145,935**
Proposed payment to shareholders			-94,149			**-94,149**
Repayment of paid-in-capital			-50,219	-43,931		**-94,149**
Change in own shares		-793			-39,056	**-39,849**
Other					30	**30**
Total equity as of 31 December 2018	**108,272**	**-3,099**	**10,984**	**0**	**186,583**	**302,740**
Net profit for the year					193,579	**193,579**
Proposed payment to shareholders					-127,102	**-127,102**
Paid dividend during the year					-80,027	**-80,027**
Change in own shares		-127			-687	**-813**
Total equity as of 31 December 2019	**108,272**	**-3,225**	**10,984**	**0**	**172,347**	**288,377**

Note 3 – Taxes

Tax cost in the income statement	**2019**	**2018**
Tax payable	33,556	36,783
Change in deferred tax	73	90
Prior year adjustment	-584	-373
Total tax cost	**33,045**	**36,500**
Reconciliation from nominal to effective tax rate		
Profit before taxes	226,624	182,435
Expected tax cost based on nominal tax rate (22% in 2019 / 23% in 2018)	49,857	41,960
Tax-free income/costs	-1,800	-664
Non deductible costs	677	4,126
Group contribution with no tax effect	-19,140	-11,500
Effect on finance tax in Norway (3% in 2019 / 2% in 2018)	4,035	2,950
Prior year adjustment	-584	-373
Tax cost on ordinary profit	**33,045**	**36,500**
Effective tax rate	14.6 %	20.0 %
Tax effect on temporary differences at year end		
Non current items		
Receivables	2,290	2,290
Fixed assets	0	2
Other non current items	285	356
Total non current items	**2,575**	**2,648**
Total deferred tax asset	**2,575**	**2,648**

Note 4 – Financial assets

Shares in subsidiaries

Company name	Registered office	Number	Ownership / Voting rights	Booked equity	Net result 2019	Book value
ABG Sundal Collier ASA	Oslo, Norway	1,200,000	100 %	845,038	219,963	600,070
ABG Sundal Collier Crowd AB	Stockholm, Sweden	50,000	100 %	372	322	46
ABG Sundal Collier Eiendom AS	Oslo, Norway	30,000	100 %	3,797	7,886	3,020
ABG Sundal Collier Finance & Advisory AB	Stockholm, Sweden	50,000	100 %	-131	-179	46
ABG Sundal Collier Finance & Advisory AS	Oslo, Norway	30,000	100 %	-58	-83	30
Sundal Collier & Co AS	Oslo, Norway	256,000	100 %	3,101	-817	3,100
Vika Project Finance AS	Oslo, Norway	5,000	50 %	35,420	34,962	25,000
Book value of shares in subsidiaries as of 31 December 2019						**631,312**

Note 5 – Investments in associated companies

Entity	Ownership / Voting rights	Head office	Booked value 01.01.19	Invest-ment in 2019	Profit for the year	Received dividend	Book value 31.12.19
Kameo AS	20.00%	Oslo	0	20,004	-4,400	0	15,604
Nordier Property Group AB, Sweden	38.56%	Stockholm	11,126	0	2,150	0	13,276
Total			**11,126**	**20,004**	**-2,250**	**0**	**28,880**

See Note 16 to the consolidated financial statement.

Note 6 - Guarantees and mortgages

Book value of assets pledged as collateral	2019	2018
Shares	663,833	640,546
Net receivables	263,640	223,623
Total assets pledged as collateral	**927,473**	**864,169**
Carrying amount of mortgaged liabilities	477,435	424,121

The company has pledged shares and receivables (net for corresponding debt) as collateral for the bank overdraft liability. As of 31 December 2019 the company has a bank overdraft of NOK 477m.

Note 7 - Related parties

Details of transactions with subsidiaries as of 31 December 2019 are as follows:

Company	Liabilities	Receivables	Interest	Dividend/Group contributions
ABG Sundal Collier AB	88	0	0	0
ABG Sundal Collier ASA	0	240,234	2,594	227,000
ABG Sundal Collier Crowd AB	0	18,987	103	0
ABG Sundal Collier Eiendom AS	0	11,240	271	10,925
ABG Sundal Collier Finance & Advisory AB	0	949	5	0
ABG Sundal Collier LLP	124	0	0	0
Lagerselskapet Holding AS	48	0	0	0
Sundal Collier & Co AS	2,663	0	-64	0
Vika Project Finance AS	0	14	0	0
Total intercompany balance transactions	**2,923**	**271,424**	**2,908**	**237,925**

The Group has no other related parties than mentioned above, in Note 8 - wages and social costs, or Note 9 - shareholder information. All transactions between related parties are carried out on an arms-length basis.

Note 8 - Wages and social costs

	2019	2018
Fees to external board and committee members	1,815	1,380
Social Security Tax	347	264
Other costs	8	3
Total wages and social costs	**2,170**	**1,646**

The company has no employees.

There are no specific agreements regarding salary on termination or a change of conditions of employment for the Chairman of the Board, other members of the Board or the management. The CEO and one board member (Jan Petter Collier) are partners in ABGSC and receive remuneration and profit participation through this engagement.

The Board of directors' remuneration and shares can be found in the consolidated statements to ABGSC.

The accounts include audit fees to Deloitte and associated companies as follows:
ABGSC's fee to Deloitte AS (Norway) for ordinary audit was NOK 467,000 (2018: 454,000), no fees for assurance services (2018: 0) and fee for tax services NOK 24,000 (2018: 24,000). Non-audit services amounted to NOK 20,375 in 2019 (2018: 27,975).

Note 9 - Shareholder information

See Note 22 to the consolidated financial statement.

Note 10 - Forward contracts for ASC shares held by partners of the Group

See Note 23 to the consolidated financial statement.

Responsibility Statement

We confirm to the best of our knowledge that:

- the consolidated financial statements for 2019 have been prepared in accordance with IFRS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that

- the financial statements for the parent company for 2019 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that

- the information presented in the financial statements gives a true and fair view of the Company's and the Group's assets, liabilities, financial position and results for the period viewed in their entirety, and that

- the Board of Directors' report gives a true and fair view of the development, performance and financial position of the Company and the Group, and includes 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, 25 March 2020

(sign)	(sign)	(sign)
Knut Brundtland Chairman	Martina Klingvall	Adele Norman Pran
(sign)	(sign)	(sign)
Jan Petter Collier	Arild A. Engh	Jonas Ström CEO

Auditor’s Report

Deloitte.

Deloitte AS
Dronning Eufemias gate 14
Postboks 221 Sentrum
NO-0103 Oslo
Norway

Tel: +47 23 27 90 00
www.deloitte.no

To the General Meeting of ABG Sundal Collier Holding ASA

INDEPENDENT AUDITOR’S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ABG Sundal Collier Holding ASA, which comprise:

- The financial statements of the parent company ABG Sundal Collier Holding ASA (the Company), which comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of ABG Sundal Collier Holding ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Post-trade IT system; control activities relevant to financial reporting

Key audit matter	How the matter was addressed in our audit
The Groups accounting for and reporting of transactions as well as information in disclosures are heavily dependent on the post-trade IT system. During 2019, the group has implemented a new post-trade IT system The post-trade IT system is standardized and parts of system development and operations are outsourced. See note 5 for further information regarding development, management and operations of the post-trade IT system. Effective internal controls related to the post-trade IT system is important to ensure accurate, complete and reliable financial reporting and is therefore a key audit matter.	The Group has established an overall governance model and control activities related to its IT-systems. We have gained an understanding of the overall governance model for the IT-systems relevant to financial reporting. We assessed and tested the design of selected control activities that are relevant to financial reporting related to IT operations, change management and information security. For a sample of these control activities, we tested if they operated effectively in the reporting period. We assessed and tested the design of selected automated control activities for the post-trade IT system related to recording of transactions, calculations, reconciliations and transaction settlement. For a sample of these control activities, we tested if they operated effectively in the reporting period. We assessed the third party confirmation (ISAE 3402) from the service providers of the previous and the new post-trade IT system, to assess whether the service providers had adequate internal controls in areas that are important for the Group's financial reporting. In addition, we assessed the Group's monitoring of the service providers. We used our own IT specialists to understand the overall governance model for IT and in the assessment and testing of the control activities related to IT.

Revenue recognition

Key audit matter	How the matter was addressed in the audit
Revenues for the Group consist of brokerage and corporate finance revenues. See the revenue recognition section in the Accounting Policies and note 2 for further information. Corporate finance revenues account for approximately 67 % of operating revenues. The majority of the corporate finance engagements are settled before year-end. There are however ongoing engagements which warrant additional audit focus and have an increased inherent risk of error due to the judgement involved related to recognition of performance fees. Accruing for performance fees requires management judgment of both the probability of future events occurring and the performance fee	The Group has established control activities regarding recognition of revenue from corporate finance engagements. We assessed and tested the design and implementation of selected control activities relevant to financial reporting. For a sample of these controls, we tested if they operated effectively in the reporting period. The control activities tested were related to both the Group's assessment of the probability of the future event occurring and the performance fee amount that the Group is entitled to. On a sample basis, we tested that the accrued corporate finance revenue was calculated in accordance with the engagement contract. Where available, we also tested that publicly available transaction information were accurately and correctly applied in the calculation or reconciled the accrual to cash receipts post year-end.

amount that the Group is entitled to, and is therefore a key audit matter.	We considered the adequacy of the Groups' disclosures related to revenue recognition for corporate finance revenues.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

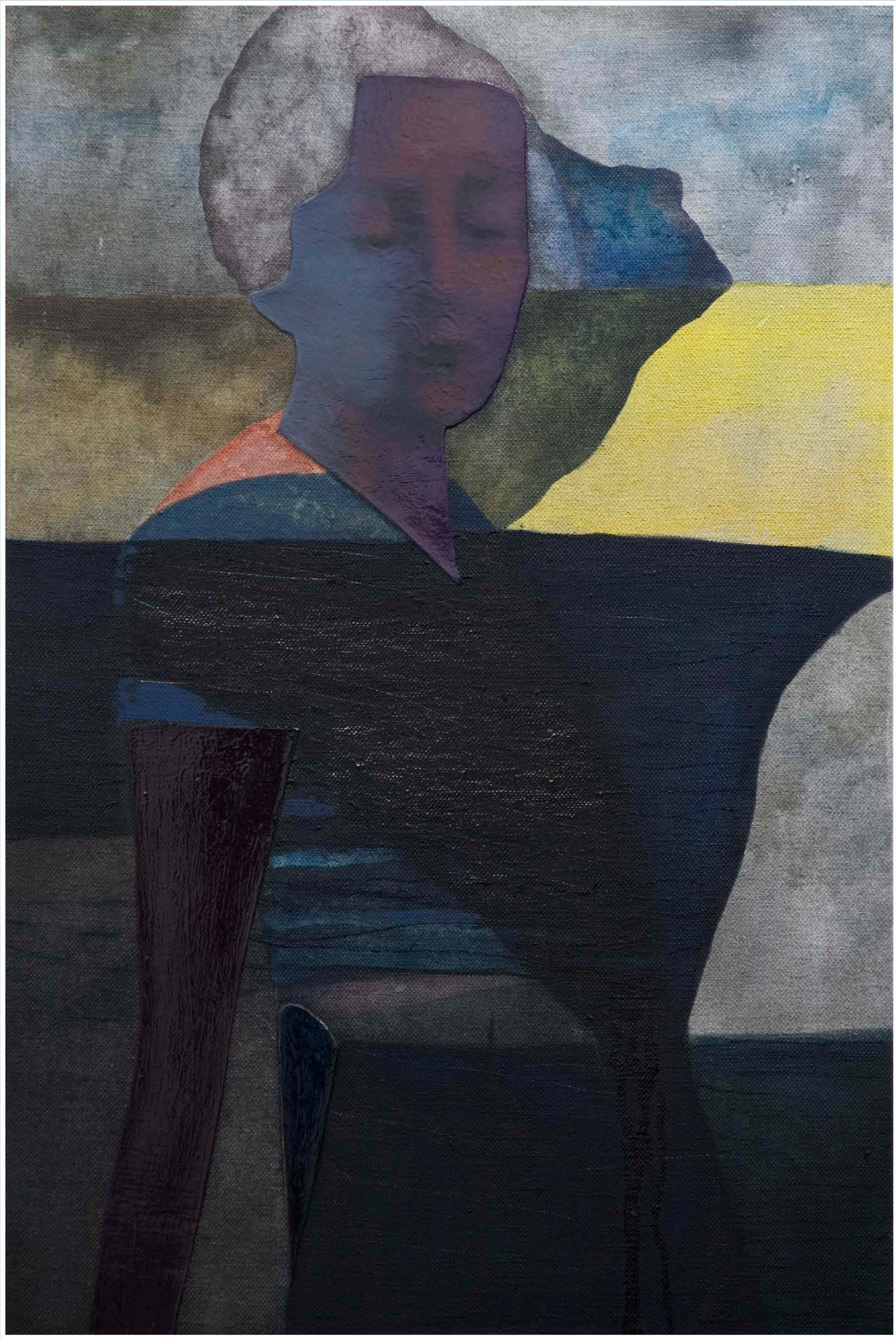
In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not



detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company’s accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 25 March 2020
Deloitte AS

Roger Furholm
State Authorised Public Accountant (Norway)

Addresses

Norway
ABG Sundal Collier ASA
PO Box 1444 Vika
Munkedamsveien 45E
NO-0115 Oslo
NORWAY
Tel +47 22 01 60 00

United Kingdom
ABG Sundal Collier Ltd
St. Martins Court
25 Newgate St.
London EC4M 7EJ
UK
Tel +44 (0) 20 7905 5600

Singapore
ABG Sundal Collier Pte. Ltd
10 Collyer Quay,
Ocean Financial Center
40-07
049315
SINGAPORE

Denmark
ABG Sundal Collier ASA
Copenhagen Branch
Forbindelsesvej 12
DK-2100
Copenhagen Ø
DENMARK
Tel + 45 3546 3000

Germany
ABG Sundal Collier ASA
Frankfurt branch
Schillerstr. 2, 5. Obergeschoss
DE - 60313 Frankfurt/Main
GERMANY
Tel +49 69 96 86 96 0

Sweden (Stockholm)
ABG Sundal Collier AB
PO Box 7269
Regeringsgatan 25, 8th floor
SE-111 53 Stockholm
SWEDEN
Tel +46 8 566 28 600

USA
ABG Sundal Collier Inc
850 Third Avenue,
Suite 9-c
New York, NY 10022
USA
Tel +1 212 605 38 00

www.abgsc.com

Images

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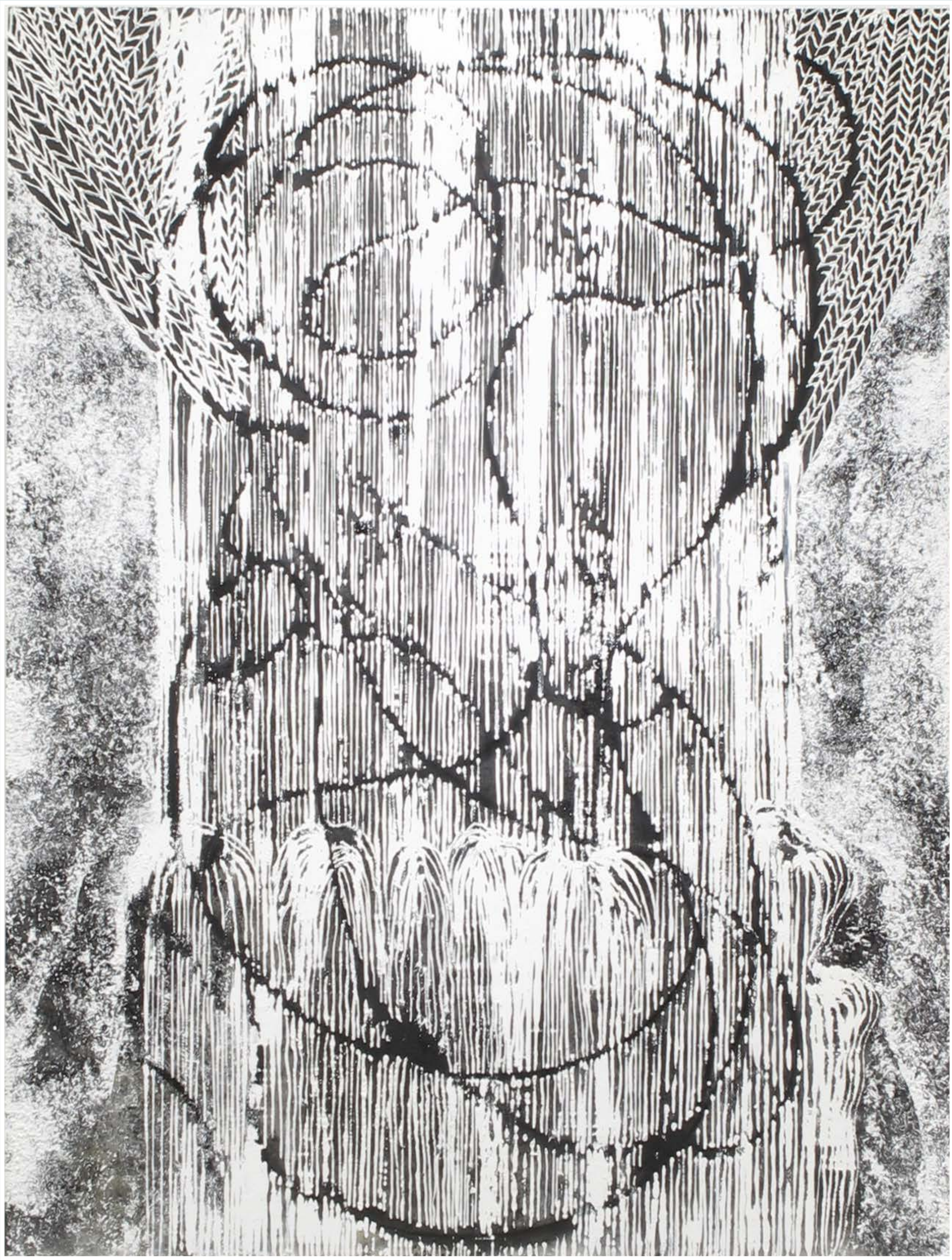

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