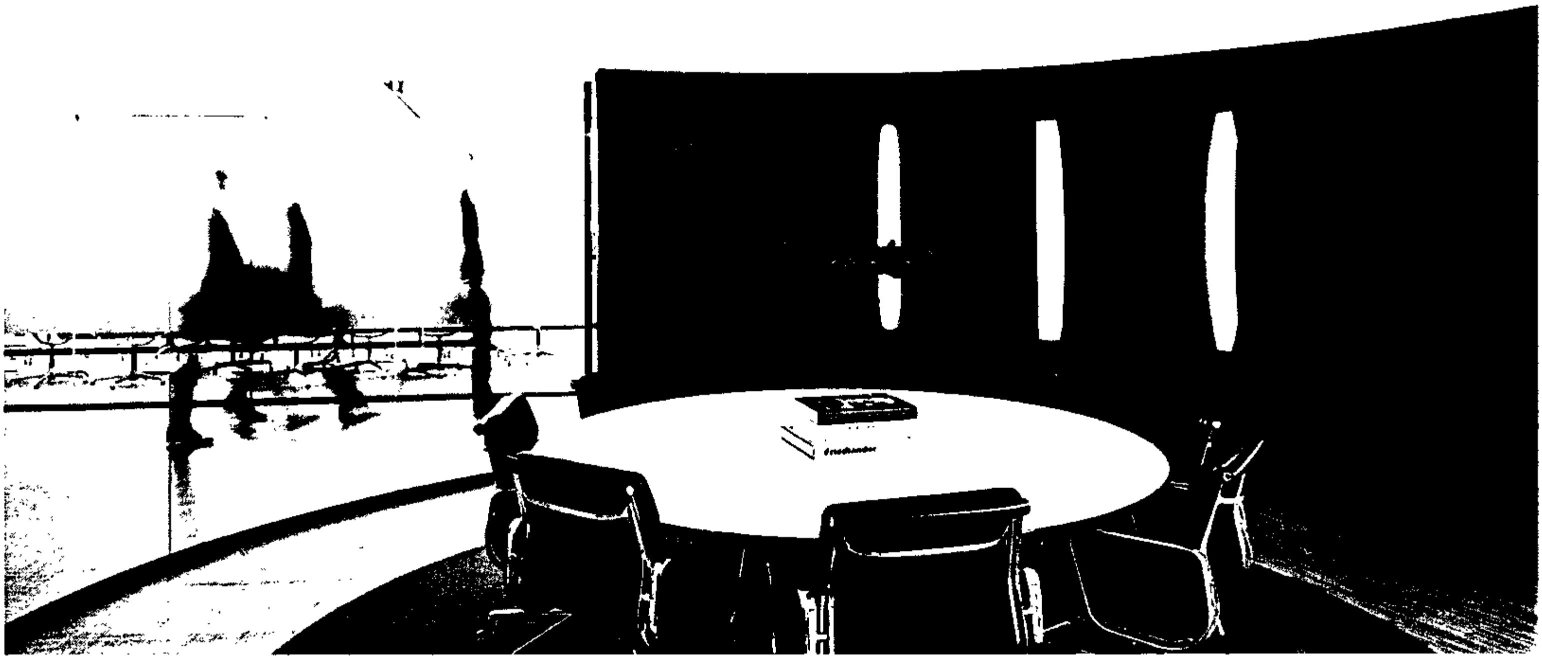
ABG Sundal Collier Limited

Annual report and financial statements for the year ended 31 December 2016



Registered number: 03374775 (England and Wales)

15/5/17 FES 0157

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Officers and professional advisers

Directors

P Flostrand

G B Olsen

E Dgebuadze

Secretary

E Dgebuadze

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London EC4M 7EJ

Bankers

DNB London

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The Walbrook Building

25 Walbrook

London EC4N 8AF

Solicitors

Travers Smith LLP

10 Snow Hill

London EC1A 2AL

Auditor

Deloitte LLP

Chartered accountants and statutory auditor

London

United Kingdom

Directors' report

The directors present their annual report on the affairs of ABG Sundal Collier Ltd ("the company") together with the financial statements and auditor's report, for the year ended 31 December 2016. The Directors have taken advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Principal Activities and Business Review

The principal activity of the company is to be the Corporate Member of ABG Sundal Collier Partners LLP ("the partnership"). The partnership provides high quality, independent equity research products focusing on the Nordic region and aimed at professional investors. The partnership acts as an introductory stockbroker in connection with this product. The partnership has built a reputation for excellent execution and good advice.

Principal risks and uncertainties

Financial risk management objectives and policies

The company's activities exposed it to financial risks including currency risk, liquidity risk and credit risk.

The directors seek to identify, assess and monitor each class of risk in accordance with defined policies and procedures.

The risk team is charged with monitoring the risk faced by the company. The Board approves all risk management policies and limits. The directors review all internal controls and associated risk management systems.

Directors and their interests

None of the directors had any disclosable interests in the shares of the company. However, all of the directors who served during the year are shareholders in the company's ultimate parent company ABG Sundal Collier Holding ASA (a Norwegian registered company).

Dividend

During the year the company declared a dividend of 33p per share to equity holders. (2015: 36p per share).

Charitable and political contributions

During the year, the company made no charitable donations (2015: £nil). There were no political contributions during the year (2015: £nil).

Going concern basis

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. While the cash flow for 2016 was negative, continued funding, both through current bank deposits and from the Norwegian ultimate parent company are readily available. For this reason the directors continue to adopt the going concern basis in preparing the financial statements. This has been described in more detail in note 2 to the financial statements.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

Per Flostrand

Director

2 MAY 2017

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of ABG Sundal Collier Limited

We have audited the financial statements of ABG Sundal Collier Limited for the year ended 31 December 2016 which comprise the Income Statement, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Christopher Mather

Christopher Mather FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
2 May 2017

Income statement

	Notes	[redacted]	2015
Continuing operations			£
Revenue	3		2,645,495
Administrative expenses			-15,605
Operating profit	**4**		**2,629,890**
Investment income	6		68,659
Finance costs	7		-21,117
Profit before tax			**2,677,432**
Tax	8		-598,544
Total comprehensive income for the year attributable to the equity holder of the company			**2,078,888**

All income and expenses in the current year are included in the income statement. Accordingly, no separate statement of total comprehensive income has been prepared.

All amounts relate to continuing activity.

The notes on pages 13 to 22 form part of these financial statements.

Statement of financial position

31 December 2016

	Notes	2016	2015
		£	£
Non-current assets			
Deferred tax asset	10	14,777	18,021
Investment in subsidiary	11	3,005,000	3,005,000
		3,019,777	**3,023,021**
Current assets			
Trade and other receivables	9	[illegible]	10,432,415
Cash and cash equivalents		[illegible]	39,734
		[illegible]	**10,472,150**
Total assets		[illegible]	**13,495,170**
Current liabilities			
Trade and other payables	12	[illegible]	-1,457,050
Corporation tax		-81,624	-213,460
Total liabilities		[illegible]	**-1,670,510**
Net assets		[illegible]	**11,824,660**
Equity			
Share capital	14	[illegible]	4,500,000
Reserves		[illegible]	7,324,660
Total equity		[illegible]	**11,824,660**

The financial statements of ABG Sundal Collier Limited (registered number 03374775) were approved by the board of directors and authorised for issue on 2 MAY 2017.

They were signed on its behalf by:

Per Flostrand

Director

2 MAY 2017

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Statement of changes in equity

31 December 2016

	Share capital	Retained earnings	Total
	£	£	£
Balance, 1 January 2015	**4,500,000**	**10,245,772**	**14,745,772**
Dividend		-5,000,000	*-5,000,000*
Total comprehensive income for the year		*2,078,888*	*2,078,888*
Balance, 31 December 2015	**4,500,000**	**7,324,660**	**11,824,660**
Dividend		*-1,600,000*	*-1,600,000*
Total comprehensive income for the year		*772,907*	*772,907*
Balance, 31 December 2016	**4,500,000**	**6,497,567**	**10,997,567**

Cash flow statement

31 December 2016

	Notes	2016	2015
		£	£
Net cash from operating activities	15	1,847,920	4,911,936
Investing activities			
Interest received		54,911	47,542
Net cash from/(used in) investing activities		54,911	47,542
Financing activities			
Dividend paid		-1,800,000	-5,000,000
Net cash from/(used in) financing activities		-1,800,000	-5,000,000
Net increase/(decrease) in cash and cash equivalents		-77,188	-40,522
Cash and cash equivalents at beginning of year		39,734	80,362
Effect of foreign exchange rate changes		-1,207	-106
Cash and cash equivalents at end of year		38,773	39,734

Notes to the financial statements

31 December 2016

1 General information

ABG Sundal Collier Limited is a company incorporated in the United Kingdom. The address of the registered office is given on page 3. The nature of the company's operations and its principal activities are set out in the Directors' report.

The financial statements are presented in Sterling because that is the currency of the primary economic environment in which the company operates.

2 Significant accounting policies

Basis of accounting

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Accounting standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and therefore comply with Article 4 of the EU IAS Regulation.

Consolidated financial statements

The financial statements contain information about ABG Sundal Collier Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the Company and its subsidiary are included by full consolidation in the IFRS consolidated financial statements of its ultimate parent, ABG Sundal Collier Holding ASA, a public company registered in Norway.

Adoption of new and revised Standards

The following new and revised standards and interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements.

- Amendments to IAS 1 Disclosure Initiative
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- Annual Improvements to IFRSs: 2012-14 Cycle

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IFRS 9 Financial Instruments
- IFRS 16 Leases
- IFRS 2 (amendments) Classification and Measurement of Share-based Payment Transactions
- IAS 7 (amendments) Disclosure Initative
- IAS 12 (amendments) Recognition of Deferred Tax Assets for Unrealised Losses

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 4. The financial position of the company, its cash flows and liquidity position are described on pages 9 to 12. In addition note 13 to the financial statements includes the company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

The company has considerable financial resources as evidenced by its capital together with strong support from the shareholder. The financial forecasts indicate that the company will continue to operate profitably in the future. Consequently, the Directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT and other sales related taxes and net trading gains or losses.

Foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing for that month. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences are taken to the income statement, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are taken directly to reserves.

Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The current income tax payable is based on taxable profit for the year and represents the resulting tax payable for the year less payments made on account. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on all taxable and deductible temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Investment in subsidiary

Investment in subsidiary is stated at cost less any impairment. Fair value information has not been disclosed for the investment because the fair value cannot be reliably measured.

Plant and equipment

Fixtures and fittings and computer equipment are stated at cost less accumulated depreciation and any impairment loss. Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, at the following rates:

Fixtures and fittings	-	20%
Computer equipment	-	33%

The carrying value of fixtures and fittings and computer equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may be impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the impairment or loss

Financial assets

The company's financial assets are all classified as loans and receivables.

Loans and receivables - Trade receivables, cash and cash equivalents, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to its initial carrying value, less any impairment, except for short-term receivables when the recognition of interest would be immaterial. All the financial assets are short-term, therefore there is no material difference between the carrying value and fair value.

Trade receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Other debtors include balances representing unsettled sold securities transactions and are recognised on a trade date basis. All such balances are shown gross.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownerships and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company's financial liabilities are all classified as 'other financial liabilities'.

Other financial liabilities - Other financial liabilities in this category include non derivative payables with fixed or determinable payments that are not quoted on an active market. They are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, except for short-term or sundry payables when the recognition of interest would be immaterial. This category includes trade and other payables. All the financial liabilities are short-term, therefore there are no material differences between the carrying value and fair value.

Trade payables

Trade payables are stated at their nominal value. The company accrues for all goods and services consumed but as yet unbilled at amounts representing management's best estimate of fair value. Other creditors include balances representing unsettled purchased securities transactions and are recognised on a trade date basis. All balances are shown gross.

Derecognition of financial liabilities

The company derecognises a financial liability when and only when the company's obligation is discharged, cancelled or it expires.

Cash and cash equivalents

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term, highly liquid investments with a maturity of three months or less.

Impairment of financial assets

The company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. A financial asset is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

Provisions

Provisions are recognised for present obligations arising from the consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation and it can be reliably estimated. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured.

Dividends

Dividends payable are recognised when the dividend is approved by the shareholders of the company.

3 Revenue

Revenue represents profit share from the subsidiary, ABG Sundal Collier Partners LLP.

	[redacted]	2015
	[redacted]	£
Profit share from ABG Sundal Collier Partners LLP	[redacted]	2,645,495

4 Profit for the year

Profit for the year has been arrived at after charging:

	[redacted]	2015
	[redacted]	£
Fees to the company's auditor for annual audit	[redacted]	7,500
Fees to the company's auditor for other services	[redacted]	2,750
Foreign exhange gains (+) / losses (-)	[redacted]	874

5 Director's emoluments

The company's directors did not provide any qualifying services to the company and were employed by ABG Sundal Collier Partners LLP, so no remuneration has been paid out by ABG Sundal Collier Limited.

6 Investment income

	[redacted]	2015
	[redacted]	£
Interest on bank deposits	[redacted]	228
Interest on deposits with group undertakings	[redacted]	67,238
Other financial income	[redacted]	1,193
Sum	[redacted]	**68,659**

The company is the corporate member of the partnership ABG Sundal Collier LLP.

7 Finance costs

	[redacted]	2015
	[redacted]	£
Bank charges and interest costs	[redacted]	1,520
Interest on deposits with group undertakings	[redacted]	19,595
Other financial expenses	[redacted]	2
Sum	[redacted]	**21,117**

8 Tax

United Kingdom Corporation tax:	2016 £	2015 £
Current tax	241,038	608,666
Prior year adjustment	4,863	-14,077
Deferred tax (see note 10)	3,244	3,955
Sum	**249,145**	**598,544**

Factors affecting the tax charge for the year

The tax assessed on the profit on ordinary activities for the year is higher (2015: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Profit before tax	1,022,052	2,677,432
UK corporation tax rate of 20% (2015: 20.25%)	204,410	542,180
Prior year adjustment	4,863	-14,077
Tax effect on expenses that are not tax deductible	39,872	70,441
Sum	**249,145**	**598,544**

9 Trade and other receivables

	2016 £	2015 £
Amount owed by ABG Sundal Collier Inc	1	0
Amount owed by ABG Sundal Collier Partners LLP	11,487,706	10,377,870
Other debtors	54,545	54,545
Sum	11,542,252	10,432,415

The directors consider that the carrying amount of trade and other receivables approximates their fair value. There are no amounts impaired or past due.

10 Deferred tax

The following are the major deferred tax assets recognised by the company and movements thereon during the current and prior reporting period.

	£
Balance, 1 January 2015	**21,976**
Change deferred tax	-3,955
Balance, 31 December 2015	**18,021**
Change deferred tax	-3,244
Balance, 31 December 2016	**14,777**

The deferred tax asset arises due to timing differences on fixed assets in excess of depreciation of £14,777 (2015: £18,021).

11 Investment in subsidiary

	2016	2015
	£	£
ABG Sundal Collier Partners LLP	[illegible]	3,005,000

Details of the subsidiary are as follows:

	Place of Incorporation	Proportion of ownership	Proportion of voting power
ABG Sundal Collier Partners LLP	Great Britain	99.50%	99.50%

ABG Sundal Collier Partners LLP, ("The Partnership"), was incorporated 22 September 2010, and authorised by the Financial Conduct Authority on 1 June 2011, the date when the business of ABG Sundal Collier Limited was transferred to ABG Sundal Collier Partners LLP. In addition to the Corporate Member, ABG Sundal Collier Limited, the partnership has three Executive Members.

12 Trade and other payables

	2016	2015
	£	£
Amount owed to ABG Sundal Collier ASA	[illegible]	1,454,020
Amount owed to ABG Sundal Collier Inc	[illegible]	6
Accounts payable	[illegible]	53
Other liabilities	[illegible]	2,971
Sum	[illegible]	1,457,050

13 Financial risk management

The company is exposed to currency risk, liquidity risk and credit risk. The directors seek to identify, assess and monitor each class of risk in accordance with defined policies and procedures.

The risk team is charged with monitoring the risk faced by the company. The Board approves all risk management policies and limits. The directors review all internal controls and associated risk management systems.

Currency risk

Currency risk arises from the exposure to changes in foreign exchange spot and forward prices and volatility of exchange rates. The company is exposed to the risk that the GBP value of monetary assets or the GBP value of the profit and loss could change as a result of foreign exchange movements. The company's policy is to minimise exposure to currency risk. The company minimises its currency risk by exchanging foreign currency balances for sterling on a regular basis to such an extent that impact of unexchanged balances would be immaterial.

The intercompany accounts between the company and its parent are held in both GBP and Norwegian Kroner. To the extent that exchange movements affect the intercompany balances, equal and opposite exchange movements occur in the records of the parent company. The company does not have any significant exposure to foreign currency as this is retained and managed within the parent company.

<u>Sensitivity analysis</u>

The tables below summarise the effect of percentage changes in exchange rates against sterling movements on the company's assets and liabilities as at 31 December 2016. Assumed +/-10 percent change in foreign exchange rates:

2016	Assets	Liabilities	Net position	Gain (+) / loss (-)
	£	£	£	£
NOK	0	3,256	-3,256	-326
Sum	**0**	**3,256**	**-3,256**	**-326**

2015	Assets	Liabilities	Net position	Gain (+) / loss (-)
	£	£	£	£
NOK	1,603	15,180	-13,577	-1,358
USD	3,787	0	3,787	379
SEK	176	0	176	18
Sum	**5,566**	**15,180**	**-9,614**	**-961**

Liquidity risk

The company maintains most of its cash with its parent company which it draws down as necessary in order to meet short-term obligations. The amount due to ABG Sundal Collier ASA was £3,506,412 (2015 (due from): £1,454,020).

The following table details the expected maturity of the Company's material liabilities as at the balance sheet date. The table has been drawn up based on the undiscounted net cash outflows.

[redacted]

31 December 2015	<1 month	1-3 months	3 months - 1 year	1-5 years	>5 years
	£	£	£	£	
Trade and other payables			1,457,050		
Tax payable		213,460			
Sum	**0**	**213,460**	**1,457,050**	**0**	**0**

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables. The company is exposed to credit risk on its bank balance and on amounts due from the parent company and subsidiary.

Credit risk is the potential loss that the company would incur if a counterparty fails to settle under its contractual obligations or there is a failure of a deposit taking institution. The company manages this exposure by the use of the parent company to hold surplus funds and to settle transactions. The company has no debtor which is past due but not yet impaired. The company's only major debtors are intra-group companies which has sufficient funds to pay the debt as and when required.

14 Share capital

	[redacted]	2015
		£
Authorised:		
4,500,000 ordinary shares of £1 each		4,500,000
Issued and fully paid:		
4,500,000 ordinary shares of £1 each		4,500,000

The company has one class of ordinary shares which carry no right to fixed income.

15 Notes to the cash flow statement

	2016	2015
	£	£
Operating profit from continuing operations	**987,140**	**2,629,890**
Operating cash flows before movements in working capital	**987,140**	**2,629,890**
Change in receivables	-1,109,837	1,412,679
Change in payables	2,047,523	1,441,739
Cash generated by operations	**1,924,826**	**5,484,308**
Corporation tax paid	-376,906	-572,372
Net cash from operating activities	1,547,920	4,911,936

16 Related party transactions

As the company acts as a corporate member of the partnership in ABG Sundal Collier Partners LLP, there are some transactions related to cost reimbursements with the subsidiary ABG Sundal Collier Partners LLP. In addition, the company receives funding from ABG Sundal Collier ASA, as well as cost reimbursements from other companies within the ABGSC Group. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

During the year, the company entered into the following transactions with related parties:

	Amounts owed / to by related parties	
	2016	**2015**
	£	£
ABG Sundal Collier ASA	-3,503,900	-1,454,020
ABG Sundal Collier Partners LLP	11,467,706	10,377,870
ABG Sundal Collier Inc	1	-6
Sum	**7,963,807**	**8,923,844**

17 Remuneration of key management personnel

The company's directors did not provide any qualifying services to the company and were employed by ABG Sundal Collier Partners LLP. ABG Sundal Collier Limited has therefore not paid any remuneration.

18 Ultimate parent company

The company is a subsidiary of ABG Sundal Collier ASA, a company incorporated in Norway. The ultimate parent company and the ultimate controlling party. Both ABG Sundal Collier ASA and ABG Sundal Collier Holding ASA prepares group accounts in which the results of the company are incorporated. The group accounts for both ABG Sundal Collier ASA and ABG Sundal Collier Holding ASA are available at Munkedamsveien 45, 0250 Oslo, Norway.

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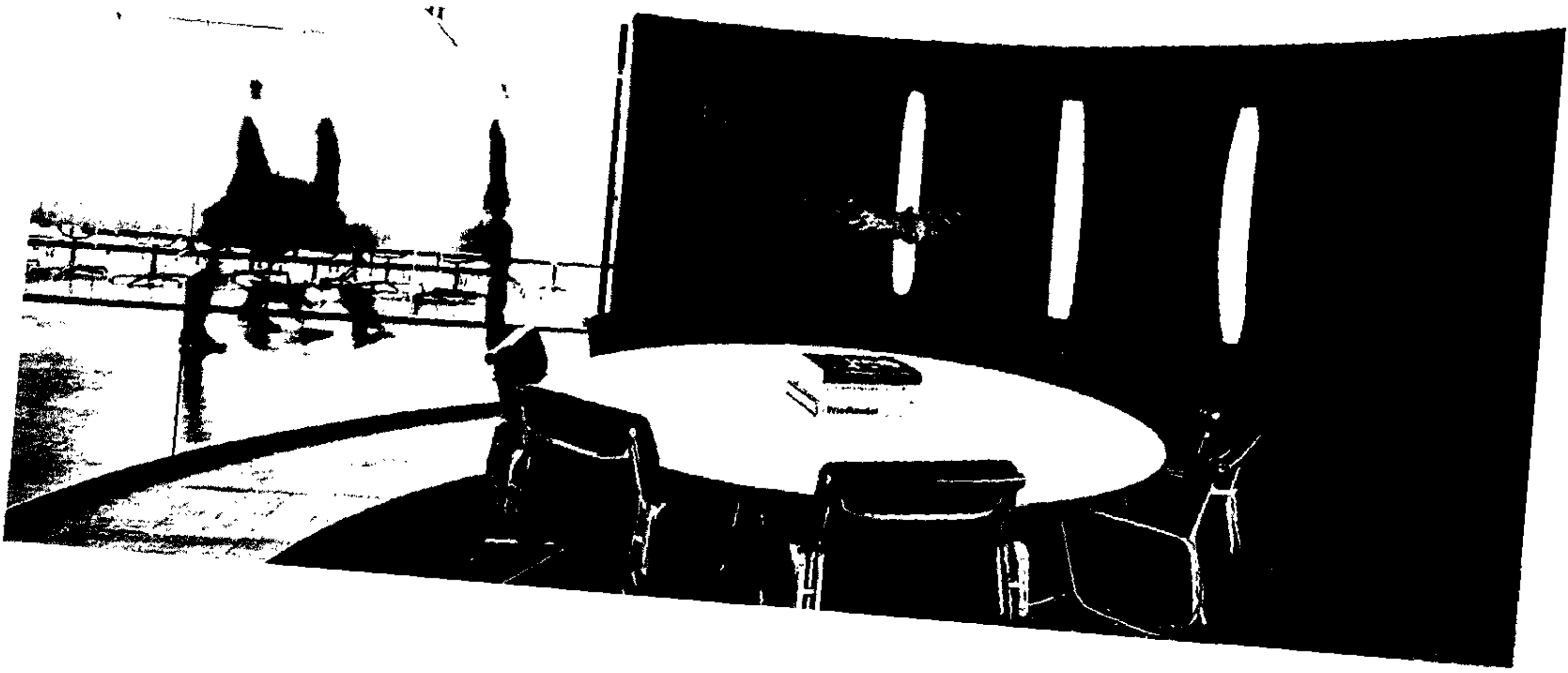
THESE ACCOUNTS
FORM PART OF THE
GROUP ACCOUNTS
OF COMPANY
No. 3374775



Annual accounts 2016

ABG Sundal Collier ASA

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STATUTORY DIRECTORS' REPORT

ABG Sundal Collier ASA ("the Company") has concession as brokerage firm to engage in investment services in accordance with Securities Trading Act paragraph 2-1, first section no. 1, 2, 3, 5 and 6, and related services in accordance with the same law paragraph 2-1, second section no 1-6. The company is 100% owned by ABG Sundal Collier Holding ASA, a listed company on Oslo Stock Exchange. The company's headquarters are located in Oslo, with branches in Copenhagen and Frankfurt, and 100% owned subsidiaries in Stockholm, London and New York ("ABGSC" or "the Group").

ABGSC forms one of the leading independent Nordic investment banking partnerships, providing global capital to Nordic companies. We provide in-depth industry knowledge, leading corporate finance advisory capability and full-scale securities distribution power. Our strategy is to provide value-added services while earning fair returns for the benefit of our clients, shareholders and staff. We have an Investment Banking operation covering the Nordic markets and a global distribution network, with a physical presence in London, New York and Frankfurt in addition to the Nordic financial centres.

Comments on the Annual Accounts

Pursuant to the Norwegian Accounting Act, the Company confirms that both the parent company accounts as well as the group accounts have been prepared on a going concern basis under Norwegian GAAP.

Income Statement

For the full year, revenues were NOK 1,235m compared to NOK 1,298m for 2015.

Revenues from the Markets division decreased from NOK 695m in 2015 to NOK 659m in 2016. Equity-related revenues declined by 3% to NOK 523m in 2016 as ABGSC managed to maintain a strong position in a structurally challenging market environment. Revenues within the Non-Equities segment (Bonds, Convertible Bonds and FX) decreased by 11% to NOK 136m, primarily driven by lower primary issuance volumes in the combined Nordic high yield and convertible bonds market.

Revenues from the Investment Banking division decreased from NOK 604m in 2015 to NOK 576m in 2016. Investment Banking revenues stem from a diversified revenue base within a broad range of industries and with a balanced mix between capital market transactions and advisory services. The market for mergers and acquisitions was at a similar level as last year, while equity capital markets recovered well during the second half of 2016, supported by some very large IPOs completed in the Nordic market. The appetite for issuing and subscribing for corporate bonds improved towards the end of the year, while the activity within the specialised convertible bonds segment also remained low throughout the year.

Total operating costs for the year were NOK 970m, same as in 2015. Full-year variable compensation costs decreased by NOK 27m as a function of reduced revenues and profitability. We expect a meaningful fixed cost reduction in 2017 with the appreciation of the NOK in the second half of 2016 and as implemented cost reduction measures will be reflected from Q1 2017 onwards.

Operating profit before variable compensation for 2016 was NOK 562m (NOK 653m in 2015), a decrease of 14%. Net financial income was NOK 14m compared to NOK 10m in 2015. Net profit after tax was NOK 207m (NOK 225m in 2015).

Balance Sheet and Liquidity

ABGSC maintained a strong balance sheet throughout 2016. Our asset base largely consists of short-term receivables and bank deposits, and the maturity profile is positive, with short-term assets partly financed by equity.

ABGSC's balance sheet and liquidity position are very solid relative to our capital requirements. The Group's capital adequacy at the end of 2016 was 3.1x (3.5x in 2015) the requirement set by The Financial Supervisory Authority of Norway. The capital ratio for the parent company was 3.2x for 2016 (3.9x in 2015).

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 banks. ABGSC's level of liquidity was comfortable throughout 2016.

Financial Statement for the Parent company

The parent company had total revenues of NOK 672m in 2016 compared to NOK 749m in 2015. Total operating costs were NOK 521m compared to NOK 513m in 2015. Full-year variable compensation costs decreased by NOK 26m as a function of reduced revenues and profitability. Net financial result was NOK 127m, an increase of NOK 118m compared to 2015 due to the effect of hedging of net assets of foreign operations. The tax expense was NOK 60m. The balance sheet remained solid with a booked equity ratio of 22% after group contribution to the parent company.

Allocation of Profit

The net profit of the Company was NOK 217m, and the Board proposes that the Annual General Meeting adopts the following allocation:

Group contribution	NOK 257m
From other equity	NOK -40m
Total allocated	**NOK 217m**

Organisation, Management and Environmental Information

The Group had 249 full-time staff as at 31 December 2016, of which 112 were in Norway, 79 in Sweden, 2C in Denmark, 7 in Germany, 20 in the UK and 11 in the US. The breakdown by gender was 208 men and 41 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 long-standing anti-discrimination policy, and women occupy important positions in the Company. We seek to identify highly qualified candidates for all positions and maintain an environment that is "gender and background neutral". Women occupy senior both within front and support operations in locations across the organisation, and the Company is committed to policies that should make it an attractive working environment for female investment professionals. In its hiring process the Group tries to hire the candidates considered to be the ones with 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.

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 4 to the annual accounts.

A separate description pertaining to risk control in the area of financial reporting is included in the Board's Corporate Governance report that can be found in the annual report for ABGSC Holding ASA and on the web page. The Board has approved the overall limits for market risk for equity trading, bond trading, convertible 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 arbitrage opportunities in the market and profit from market volatility.

Comments on Corporate Social Responsibility can be found in the annual report for ABGSC Holding ASA.

Our secondary market operations for convertible bonds are allocated a risk mandate utilised for client facilitation and market making activities. The risks within this area are more difficult to fully hedge than for equities and the convertible risk mandate includes a mix of risk constraints and limits supervised and monitored by a risk controller and the Risk Manager. Most convertible bond trades are OTC with less transparent liquidity, which also leads to a more challenging valuation for any positions held, as observable market prices are not always available. The higher risk within this area, when compared to ordinary equities, is balanced by higher revenue potential. The Board believes that the convertible bond trading business provides an opportunity for a solid risk-adjusted return.

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 stock broking 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.

Prospects for 2017

Following the volatile start to the year, Q4 marked a strong finish to 2016. During the year, ABGSC has added key staff and has advanced its position organically in the Swedish investment banking market and in the Norwegian debt capital segment. In spite of continued pressure on secondary equity trading commissions, ABGSC has protected its revenue base and profitability within this segment by maintaining a quality product offering while balancing its cost base.

Interest rates and market volatility are currently at historically low levels and ABGSC's ability to execute transactions and generate revenues will always be impacted by market developments and market conditions. Still, ABGSC is better positioned than ever to capitalise on its broad sector competence, transaction excellence and investor relationships in a market currently open for conducting business. As shown historically, our lean and flexible cost base in combination with a well-diversified business mix and ability to shift product focus should provide some protection in the event of a more challenging market environment.

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Oslo, 15 March 2017

Judy Bollinger (sign) Chairman	Jan Petter Collier (sign)
Tone Bjørnov (sign)	Knut Brundtland (sign) CEO

FINANCIAL STATEMENT

Income statement

Parent company			Amount in NOK 1,000		Group
[redacted]	**2015**	**NOTES**	**OPERATING REVENUES AND COSTS**	[redacted]	**2015**
[redacted]	749,183		Operating revenues	[redacted]	1,298,514
[redacted]	**749,183**	2	**Total operating revenues**	[redacted]	**1,298,514**
[redacted]	164,019	5	Wages and social costs	[redacted]	383,443
[redacted]	144,735	5, 7	Administration costs	[redacted]	253,677
[redacted]	3,980	16	Depreciation	[redacted]	8,830
[redacted]	**312,734**	2	**Total operating costs**	[redacted]	**645,950**
[redacted]	**436,449**		**Operating profit before variable compensation**	[redacted]	**652,564**
[redacted]	199,928		Variable personnel costs	[redacted]	324,230
[redacted]	**236,522**		**Operating profit after variable compensation**	[redacted]	**328,334**
[redacted]			**FINANCIAL INCOME AND COSTS**	[redacted]	
[redacted]	31,874		Interest income	[redacted]	32,492
[redacted]	69,463	9 , 15	Other financial income	[redacted]	906
[redacted]	786	15	Interest income from group companies	[redacted]	39
[redacted]	-2,503	15	Interest cost to group companies	[redacted]	-618
[redacted]	-13,987		Interest cost	[redacted]	-14,017
[redacted]	-76,917	9	Other financial costs	[redacted]	-9,265
[redacted]	**8,716**		**Net financial result**	[redacted]	**9,537**
[redacted]	**245,238**		**Profit before taxes**	[redacted]	**337,871**
[redacted]	53,084	6	Tax cost	[redacted]	112,403
[redacted]	**192,154**		**NET RESULT FOR THE YEAR**	[redacted]	**225,469**
[redacted]			**ALLOCATIONS AND TRANSFERS**		
[redacted]	-31,011		To/from other equity		
[redacted]	223,166	15	Group contribution		
[redacted]	**192,154**		**Total allocations and transfers**		

Balance sheet as of 31 December

Parent company			Amount in NOK 1,000	Group	
[redacted]	**2015**	**NOTES**	**ASSETS**	[redacted]	**2015**
			Non-current assets		
			Intangible assets		
	13,381	6	Deferred tax assets		**13,789**
			Fixed assets		
	9,873	16	Office equipment and fittings		**19,056**
			Financial non-current assets		
	11,471		Long term receivables		12,389
	195,914	11, 14	Shares in subsidiaries		0
	407	11	Other shares		871
	207,793		**Total financial non-current assets**		**13,260**
	231,047		**Total non-current assets**		**46,106**
			Current assets		
			Receivables		
	507,555	11, 12	Accounts receivables		523,028
	56,851	15	Receivables from group companies		9
	556,388	11	Receivables from stockbrokers		556,462
	36,573	13	Other short term receivables		85,177
	1,157,367		**Total receivables**		**1,164,676**
			Investments		
	291,454	11	Securities and financial instruments		**291,454**
			Cash and bank deposits		
	548,271	10	Cash and bank deposits		**886,017**
	1,997,092		**Total current assets**		**2,342,147**
	2,228,139		**TOTAL ASSETS**		**2,388,253**

Balance sheet as of 31 December

Parent company			Amount in NOK 1,000	Group	
[redacted]	2015	NOTES	**EQUITY AND LIABILITIES**	[redacted]	2015
			Equity		
			Paid-in-capital		
	120,000	3, 8	Share capital		120,000
	480,070	3, 8	Share premium		480,070
	28,584	3, 8	Other paid-in-capital		28,584
	628,654	**3, 8**	**Total paid-in-capital**		**628,654**
			Other equity		
	44,086	3, 8	Retained earnings		272,000
	672,740	3, 8	**Total equity**		**900,654**
			Liabilities		
			Non-current liabilities		
	7,236		Deposits from partners		7,236
	7,236		**Total non-current liabilities**		**7,236**
			Current liabilities		
	12,611		Accounts payable		29,582
	150,797	11	Liabilities payable to customers		150,797
	524,314	11	Liabilities payable to stockbrokers		524,314
	170,740	11	Securities and financial instruments (short positions)		170,740
	433,492	15	Liabilities payable to group companies		158,714
	911	6	Income tax payable		8,571
	2,880		Public duties payable		14,666
	252,417	13	Other liabilities		422,979
	1,548,162		**Total current liabilities**		**1,480,363**
	1,555,398		**Total liabilities**		**1,487,599**
	2,228,139		**TOTAL EQUITY AND LIABILITIES**		**2,388,253**

Oslo, 15 March 2017

The Board of ABG Sundal Collier ASA

Judy Bollinger (sign)
Chairman

Jan Petter Collier (sign)

Tone Bjørnov (sign)

Knut Brundtland (sign)
CEO

Cash flow statement

Parent company		Amount in NOK 1,000	Group	
[redacted]	2015		[redacted]	2015
		CASH FLOW FROM OPERATING ACTIVITIES		
	245,238	Profit before taxes		337,871
	0	Items booked directly through the equity net of tax		-34
	-6,372	Taxes paid		-28,604
	3,980	Depreciation		8,830
	-81,113	Change in secuirites and financial instruments		-81,113
	36,638	Change in accounts receivables/ receivables from stockbrokers		27,465
	-65,010	Change in accounts payable/ payable to customers and stockbrokers		-55,886
	15,106	Change in intercompany accounts		-178,280
	98,649	Change in other current assets/liabilities		125,361
	247,116	**Net cash flow from operating activities**		**155,610**
		CASH FLOW FROM INVESTING ACTIVITIES		
	-2,160	Purchase of fixed assets		-7,238
	15,588	Net cash flow from financial non-current assets		26,087
	13,428	**Net cash flow from investing activities**		**18,849**
		CASH FLOW FROM FINANCING ACTIVITIES		
	-720	Repayment of long-term loans		-720
	-330,477	Distributed group contribution		-330,477
	-331,197	**Net cash flow from financing activities**		**-331,197**
	1,362	Foreign currency effects on cash and cash equivalents		49,183
	-69,290	Net increase/ (decrease) in bank deposits, cash and cash equivalents		-107,556
	617,562	Bank deposits, cash and cash equivalents as of 1 January		993,573
	548,271	**Bank deposit, cash and cash equivalents as of 31 December**		**886,017**

NOTES TO THE FINANCIAL STATEMENT

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All amounts in NOK 1,000 unless otherwise specified

Note 1 - Accounting policies

General information

The accounts and the consolidated accounts for the Group are prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles (NGAAP).

Financial statement preparation requires estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as disclosures of contingencies. Actual results may differ from estimates.

Group accounts

The Group's activities include securities brokerage and research services, proprietary trading, advice in relation to mergers and acquisitions, restructuring and other corporate finance advisory activities, as well as real estate advisory business.

The Group accounts show the total profit/loss and the total financial position of the parent company ABG Sundal Collier ASA and its controlling interests as a financial whole. The Group accounts include companies where ABG Sundal Collier ASA owns shares, directly or indirectly, such that the shares owned represent the majority of voting rights in the company or allow the Group the right to appoint the majority of the members of the company's board of directors. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary.

ABG Sundal Collier ASA is the principal partner in the ABG Sundal Collier silent partnership.

Net assets in foreign operation

Exchange differences arising from the translation of the net assets in foreign operations, and the related hedges, are booked towards other equity and will be recognised in the profit/loss when the net assets are realised.

Revenue recognition

Revenue is recognised in conjunction with the performance of the services used to complete an engagement. Revenues 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 are recognised as earned.

Commissions from equity trades are recognised at the trade date.

Classification of assets and liabilities

Receivables that are to be repaid within one year and assets that are not of a permanent nature or use in the business, are classified as currents 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 after 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 original cost and net realisable value

Fixed assets and depreciation

Fixed assets are carried at original cost less accumulated depreciations. If the fair value of a fixed asset or group of assets is lower than the recorded cost value, and such fair value is not expected to be of temporary nature, the assets are written down to fair value. The same principles are applied to short and long-term debt.

Investments

Securities and financial instruments classified as current assets are recorded at market value. The market value is the market price as at 31 December for listed securities and assumed market value for non-listed securities. In any portfolio that uses derivatives as a part of its risk management, the derivatives are classified as a part of the portfolio and are valued at the price of the underlying instrument. Short positions in shares are carried at fair value.

Financial long-term assets

Other long-term shareholdings and minor investments, where the company does not hold substantial influence, 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.

Receivables

Receivables are carried at face value less provision for expected loss. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the 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. Funds on Client accounts are not included in the balance.

Unsettled trades

Security trades transacted prior to the year-end but for which settlement does not occur until after year-end are recorded under accounts receivable and accounts payable to customers. Allowance is made against receivables for estimated losses.

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.

Accounting of silent partnership

The silent partnership's accounts are fully incorporated in the accounts of the principal partner. Unpaid profits to partners are classified as current liabilities. Deposits from partners are classified as long-term liabilities.

Income taxes

Tax cost are matched with profit/ loss before tax. Tax related to equity transactions is posted directly towards equity.

The tax cost consists of current income tax costs and change in net deferred tax. Deferred tax is calculated at the nominal tax rate for timing differences arising between accounting and tax values. Deferred tax liabilities and deferred tax assets are presented in the balance sheet as a net amount.

Pensions

The Group 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 recorded as cost when employees have rendered services in exchange for such contributions, generally in the year of contribution.

Note 2 – 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, convertible bonds, 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 expenses are recorded both by business segment and geographical markets. The business segment is based on which department has generated the revenue or expense, while the geographical market is determined by the location of each legal entity. Assets and liabilities except from directly allocable items specified below, and equity and cash flow are recorded by geographical markets only. Transactions between segments are eliminated at Group level.

[redacted]

		2015		
	Markets	Investment Banking	Unallocated	Total
Profit & loss				
Revenues - external	524,351	774,163		1,298,514
Revenues - from other operating segments	170,569	-170,569		-
Total revenues	**694,920**	**603,594**	**-**	**1,298,514**
Operating costs	428,807	217,143		645,950
Operating profit before variable compensation	**266,113**	**386,451**	**-**	**652,564**
Variable personnel costs			-324,230	-324,230
Financial result			9,537	9,537
Tax cost			-112,403	-112,403
Profit after tax from continuing operations	**266,113**	**386,451**	**-427,096**	**225,469**

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

Geographical segment:

		2015
Norway	[redacted]	598,108
Sweden		356,276
Other EU		267,462
US		76,668
Total		**1,298,514**

Note 3 – Capital ratio

The Group 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 total capital adequacy. The capital ratio at year-end is:

	Parent company		Group	
	[redacted]	2015	[redacted]	2015
Capital adequacy of credit-, counterparty-, and business risk	[redacted]	487,638	[redacted]	622,588
Capital adequacy of position-, and currency risk	[redacted]	512,260	[redacted]	512,260
Capital adequacy of operational risk	[redacted]	1,155,002	[redacted]	2,097,523
Total capital adequacy	[redacted]	**2,154,900**	[redacted]	**3,232,372**
Booked equity	[redacted]	672,740	[redacted]	900,654
Intangible assets	[redacted]	-4,833	[redacted]	-4,833
Core capital	[redacted]	**667,907**	[redacted]	**895,821**
Total capital adequacy ratio	[redacted]	**31.0%**	[redacted]	**27.7%**
Number of times regulatory minimum	[redacted]	**3.9x**	[redacted]	**3.5x**

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

		2015		2015
2016	[redacted]		[redacted]	
2015	[redacted]	689,906	[redacted]	1,308,056
2014	[redacted]	614,886	[redacted]	1,132,732
2013	[redacted]	543,211	[redacted]	915,250
Capital adequacy of operational risk	[redacted]	**1,155,002**	[redacted]	**2,097,523**

Note 4 – Risk management

Risk management

Risk management is an integral part of ABGSC 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 risk that are material and require comprehensive controls and management. The responsibility and accountability for these risks remain primarily within each businesses 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 IR systems. The IT systems are standardized and parts of system development and operations are outsourced. Effective internal controls related to IT are important to ensure accurate, complete and reliable financial reporting.

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 the 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 who 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 being executed at trade date plus two business days. The sensitivity to currency effects on these trades is limited. Long-term exchange risk is related to net investments in foreign operations where accumulated profit and loss is kept in local currency. The Group is hedging the exchange-rate risk related to net investments in foreign operations.

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

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.

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 2016.

When trading derivatives through Oslo Clearing the clearing party retains the risk of settlement from the customer until maturity. ABG has had limited derivative trading where we have been the clearing party towards Oslo Clearing in 2016.

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 2016 ABGSC has outstanding FX contracts of NOK 47m. 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.

Note 5 – Wages and social costs

	Parent company		Group	
	[redacted]	2015	[redacted]	2015
Wages/partner remuneration	[redacted]	136,271	[redacted]	290,186
Social Security Tax	[redacted]	8,407	[redacted]	41,967
Pension costs including Social Security Tax	[redacted]	8,812	[redacted]	31,728
Other personnel costs	[redacted]	10,529	[redacted]	19,561
Total wages and social costs	[redacted]	**164,019**	[redacted]	**383,443**
Average number of man-labour years	[redacted]	138	[redacted]	251

Board of Directors' statement on Executive Committee Remuneration

The Board of Directors will prepare 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 26 April 2017. These guidelines have been complied with for the year 2016 and are valid for 2017 onwards.

The remuneration to senior management is based on the same principles for remuneration that is applied for all partners of the Group. Compensation to partners and employees consists of a fixed salary or compensation and a variable 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 to each partner and employee is decided by the Executive Committee and finally approved by the CEO. The 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 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 of which the SIS is employed.

There are no specific agreements regarding remuneration at termination 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.

The CEO to employee compensation ratio for 2016 was 2.99 (2015: 3.18).

Other risk-takers and employees in Norway, incl. branches, with control tasks, in excess of those mentioned as executive committee and board member has received a total of app. NOK 37m in remunerations.

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 of the Non-Executive Board members consists of payment of fees, and is based on the position of the Board member. Executive Committee members of the board are not receiving remuneration in their role as Board members. 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 2016. Board fees paid in 2016 and outstanding number of shares as at 31 December 2016 is shown in the table below:

Board Member	Board Fee	Indirect ownership (Number of Shares)
Judy Bollinger (Chairman) 1)	0	5,330
Jan Petter Collier 2)	0	103,574
Tone Bjørnov	10	0
Jørgen C. Arentz Rostrup 3)	10	102

1) Judy Bollinger joined the Board as chairman from 17 October 2016
2) Jan Petter Collier has through his partnership in ABGSC received a fixed compensation of NOK 2,500, a variable compensation in respect of calendar year 2016 of NOK 4,000, pension contribution of NOK 56 and benefits in kind of NOK 25
3)Jørgen C. Arentz Rostrup resigned from the Board with effect from 18 October 2016 as a consequence of joining Telenor Group as CFO

Executive Committee Remuneration

The core decision-making group of the firm is the Executive Committee. Remuneration of the members of the Executive Committee 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 member of the Executive Committee. Executive Committee's remuneration, loan, shares on forward contracts as well as owned or controlled outstanding number of shares as of 31 December 2016 and 31 December 2015 are shown in the tables below:

[redacted]

1) Norwegian Executive Committee 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 2016.

Executive Committee Member	Position	2015 Fixed compensation 1)	Variable compensation 1) & 2)	Pension Contribution	Benefits in kind	Indirect ownership (number of shares)
Knut Brundtland	CEO	3,417	5,500	70	25	10,039
Are Andersen	Co-head of IB	3,000	6,100	70	25	8,212
Arild Abel Engh	Head of IB	3,000	5,900	70	25	13,645
Geir Ringstad	Head of Markets	2,600	1,300	70	25	2,187
Geir B. Olsen	CFO	1,800	1,900	70	25	1,750
Karl Berglund	Managing Partner Sweden	3400	2868	268	25	1,609
Magnus Tornling	Co-head of IB / Head of Equity	3000	6100	70	25	1,285

1) Norwegian Executive Committee 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 2015.

Remuneration to auditors

<u>Parent company</u>

ABG Sundal Collier ASA's fee to Deloitte AS (Norway) for ordinary audit was NOK 570,000 (2015: 616,600), fee for assurance services NOK 61,000 (2015: 72,100), fee for tax services NOK 361,000 (2015: 270,000). There were no non-audit services provided in 2016 (2015: 179,075).

<u>Group</u>

[redacted]

2015					
Deloitte Norway	623	72	270	179	1,145
Deloitte Abroad	919	-	184	36	1,139
Total Deloitte	**1,543**	**72**	**454**	**215**	**2,284**
Others	540	-	187	-	727
Total	**2,083**	**72**	**641**	**215**	**3,011**

Note 6 – Taxes

Tax cost in the income statement	Parent company		Group	
	[redacted]	2015	[redacted]	2015
Tax payable in Norway		52,602		73,632
Tax payable outside Norway		0		28,602
Total tax payable		**52,602**		**102,234**
Change in deferred tax in Norway		841		-5,237
Change in deferred tax outside Norway		-359		15,406
Total change in deferred tax		**482**		**10,169**
Total tax cost		**53,084**		**112,403**
Reconciliation from nominal to effective tax rate				
Profit before taxes		245,238		337,871
Expected tax cost based on nominal tax rate (25% in 2016/27% in 2015)		66,214		91,225
Tax free income/loss		-20,617		-2,527
Non deductible costs		1,135		4,295
Prior year adjustment		6,352		8,899
Loss carried forward		-910		14,251
Tax effect on 2% reduced tax rate in Norway from 2016		778		778
Differences in tax rates outside Norway		131		-4,519
Tax cost on ordinary profit		**53,084**		**112,403**
Effective tax rate		**21.6 %**		**33.3 %**
Tax payable in the balance sheet				
Total tax payable		52,602		102,234
Tax on comprehensive income		0		-24,136
Tax paid in advance		0		-19,414
Tax on group contribution		-45,852		-45,554
FX effects		0		1,107
Prior year adjustment		-5,839		-5,666
Tax payable at year end		**911**		**8,571**
Tax effect on temporary differences at year end				
Current items				
Receivables		3,851		3,851
Shares		3,616		3,616
Other current items		-292		-292
Total current items		**7,175**		**7,175**
Non current items				
Fixed assets		2,551		2,959
Tax loss carry forward		3,655		3,655
Total non current items		**6,206**		**6,614**
Total net deferred tax asset		**13,381**		**13,789**
Reconciliation of changes in deferred tax assets				
Net tax asset at 1 January		13,673		27,896
Total change in deferred tax		-482		-10,169
FX effects		190		2,140
Income tax relating to other comprehensive income		0		-6,077
Total deferred tax asset as of 31 December		**13,381**		**13,789**

Note 7 – Rental costs and lease commitments

	Parent company		Group	
Rental and leasing costs included in operating costs	[redacted]	**2015**	[redacted]	**2015**
Office rental	[redacted]	12,848	[redacted]	33,238
Other	[redacted]	462	[redacted]	3,297
Total	[redacted]	**13,310**	[redacted]	**36,535**

Minimum lease commitments under non-cancellable leases having a remaining lease term in excess of one year end at Group level:

		2015	
Year	[redacted]	Lease expense	Sub-lease income
2016		38,085	3,901
2017		38,423	3,979
2018		37,736	3,044
2019		36,991	1,552
2020		37,280	
2021		-	-
Thereafter		60,033	-

Note 8 – Shareholders equity

Amount in NOK 1,000	Parent company				
	Share Capital	Share premium	Other paid in capital	Retained earnings	Total equity
Shareholders equity as of 1 January 2015	120,000	480,070	28,584	75,098	**703,752**
Net profit for the year				192,154	**192,154**
Distributed group contribution				-223,166	**-223,166**
Shareholders equity as of 31 December 2015	**120,000**	**480,070**	**28,584**	**44,086**	**672,740**
[redacted]					

	Group				
	Share Capital	Share premium	Other paid in capital	Retained earnings	Total equity
Shareholders equity as of 1 January 2015	120,000	480,070	28,584	255,260	**883,914**
Net profit for the year				225,469	**225,469**
Distributed group contribution				-226,666	**-226,666**
Translation differences on net assets in foreign operations				66,913	**66,913**
Hedge of net assets of foreign operations				-66,882	**-66,882**
Tax on items booked directly to equity				17,971	**17,971**
Other				-65	**-65**
Shareholders equity as of 31 December 2015	**120,000**	**480,070**	**28,584**	**272,000**	**900,654**
[redacted]					

Note 9 – Hedging of assets of foreign operations

By hedging the net assets in a foreign operation, the company is seeking to eliminate the exchange rate risk on the book value of the assets and liabilities in foreign operations. In the Group accounts, hedge accounting is applied and both the transaction adjustment related to foreign operations (cumulative translation adjustments) and the hedge of net assets of foreign operations is recognised within the equity for the Group.

Recognized amounts within the Equity	Group	
	[redacted]	**2015**
Translation differences on net assets in foreign operations		66,913
Hedge of net assets of foreign operations		-66,882
Tax on items booked directly to equity		17,971
		18,002

In the parent company accounts, the hedge of net assets of foreign operation is recognised through profit and loss as financial income of NOK 47,907 in 2016 and as a financial cost of NOK 66,882 in 2015.

Note 10 – Cash and bank deposits

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 594m (NOK 514m in 2015). ABGSC has bank overdraft facilities with a total limit of NOK 1,000m (NOK 1,0C0m in 2015). Funds on client accounts and corresponding client debt are not included in the balance sheet. Net funds are a result of timing differences on transfers and interest on client depots. These are included in the cash and bank deposits in the financial statement.

	[redacted]	2015
Client funds		1,140,561
Client debt		1,138,299
Net funds on client accounts		**2,262**

Note 11 – Guarantees and mortgages

Parent company			Group	
[redacted]	2015		[redacted]	2015
		Book value of assets pledged as collateral		
	317,036	Securities and financial instruments		121,585
	457,154	Net receivables		416,777
	774,190	**Total assets pledged as collateral**		**538,362**
	0	Book value of mortgaged liabilities		0

Note 12 – Accounts receivables

	Parent company		Group	
	[redacted]	2015	[redacted]	2015
Gross accounts receivables		525,492		536,535
Allowance for doubtful accounts		-17,937		-13,507
Net accounts receivables		**507,555**		**523,028**

Note 13 - Other current receivables and liabilities

	Parent company		Group	
	[redacted]	2015	[redacted]	2015
Prepaid costs		10,961		24,263
Deposits		1,145		5,245
Accrued revenues / project-costs		2,631		25,979
Prepaid taxes		0		0
Other receivables		21,836		29,690
Total other receivables		**36,573**		**85,177**
Amounts due to partners/employees (incl. national insurance contribution)		203,470		332,141
Accrued costs and other short-term liabilities		48,948		90,838
Total other liabilities		**252,417**		**422,979**

Note 14 – Securities and financial assets

Securities owned by parent company

Shares in subsidiaries

Company name	Registered office	Number	Ownership / Voting rights	Total equity 31 December 2016	Net result 2016	Book value
ABG Sundal Collier AB	Stockholm, Sweden	81,000	100%	171,489	77,245	88,045
ABG Sundal Collier Ltd.	London, UK	4,500,000	100%	116,356	8,767	63,813
ABG Sundal Collier Holding Inc.	Delaware, USA	500	100%	177,326	3,504	42,652
Lagerselskapet Holding AS with subsidiaries	Oslo, Norway	1,000	100%	640	24	599
ABG Sundal Collier Invest AS	Oslo, Norway	220	100%	-2,999	428	1
[redacted]						

Note 15 – Related parties

ABG Sundal Collier ASA is part of ABG Sundal Collier Holding ASA Group.

Details of intercompany balances and transactions with Group subsidiaries as at 31 December 2016 are as follows:

	Parent company			
Company	**Liability**	**Receivable**	**Net interest income/ (cost)**	**Group contribution & dividend received/ (paid)**
ABG Sundal Collier Holding ASA	316,827		-1,456	-312,600
ABG Sundal Collier AB		17,841	157	47,560
ABG Sundal Collier Eiendom AS	11,739		-530	
ABG Sundal Collier Inc.	79,166		-560	
ABG Sundal Collier Invest AS		5,420	90	-1,025
ABG Sundal Collier LLP	166,385		-1,547	
ABG Sundal Collier Ltd.		53,104	501	15,919
ABG Sundal Collier Holding Inc	34,595		-107	
Lagerselskapet Holding AS	67		0	
Sundal Collier & Co AS		113	0	
ABG Sundal Collier Shipping AS		397	0	

[redacted]

	Group			
Company	**Liability**	**Receivable**	**Net interest income/ (cost)**	**Group contribution & dividend received/ (paid)**
ABG Sundal Collier Holding ASA	317,260		-1,456	-312,600
ABG Sundal Collier Eiendom AS	11,776		-499	0
Sundal Collier & Co AS		113	0	0
ABG Sundal Collier Shipping AS		397	0	0

[redacted]

Note 16 – Fixed assets

	Parent company	Group
	Office equipment and fittings	**Office equipment and fittings**
Acquisition cost as of 1 January 2016	46,162	124,562
FX-adjustment	-530	-8,984
Disposals at cost	0	-8,805
Additions	2,214	2,077
[redacted]		
Accumulated depreciation as of 1 January 2016	36,289	105,506
FX-adjustment	-356	-8,514
Depreciation	4,854	6,279
Disposals	-1,137	-13,770
[redacted]		
[redacted]		
Depreciation rates (linear method)	12.5 - 33%	12.5 - 33%

Note 17 – Shareholder information

There are a total of 1,200,000 shares at a face value of NOK 100 in the company. All shares are owned by the listed company ABG Sundal Collier Holding ASA.

The consolidated accounts of the listed company ABG Sundal Collier Holding ASA can be received by contacting the company on their business acdress: Munkedamsveien 45, Oslo

Note 18 – 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 has as a precaution submitted a conditioned recourse claim against the joint leading 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 with minor complaints with various parties that will have no material impact on the Group's overall financial position.

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To the General Meeting of ABG Sundal Collier ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ABG Sundal Collier ASA showing a profit of TNOK 216 697 in the financial statements of the parent company and profit of TNOK 207 414 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2016, and 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 financial statements of the group, which comprise the balance sheet as at 31 December 2016, and 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.

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 parent company as at 31 December 2016, 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 financial statements give a true and fair view of the financial position of the group as at 31 December 2016, 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.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included 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 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.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include 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 and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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, included International Standards on Auditing (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 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'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 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

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 statements on Corporate Social Responsibility concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit 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, 15 March 2017
Deloitte AS

Roger Furholm (signed)
State Authorised Public Accountant (Norway)