

Year-end Report 2016

JANUARY–DECEMBER 2016 (COMPARED WITH JANUARY–DECEMBER 2015)

- Total income increased by 27%, amounting to SEK 1,513 million (1,187)
- Earnings after tax (EAT) increased by 42%, amounting to SEK 405 million (286)
- Return on equity (RoE) was 20% (21)
- Earnings per share increased to SEK 4.25 (3.16)
- Continued strong growth with increased quality in the credit portfolio, SEK 13,242 million (8,697) +52%
- Credit losses decreased to 1.1% (1.3)

THE FOURTH QUARTER OF 2016 (COMPARED WITH THE FOURTH QUARTER OF 2015)

- Total income increased by 31%, amounting to SEK 431 million (330)
- Earnings after tax increased by 31% and amounted to SEK 120 million (91)
- Earnings per share increased to SEK 1.18 (0.98)
- Signed financing agreement with Rossignol. Estimated volume amounted to approximately SEK 1.2 billion
- Signed new factoring and inventory financing agreement with Office Depot
- Launched a new digital business product – Reverse Factoring
- Invested in Better Wealth and Wint via Collector Ventures
- Invested in Matspar.se and Mr.Shoebox via Collector Ventures
- Began collaboration with rewards app Wrapp in card purchases
- Launched digital payment solution B2B
- Fully subscribed rights issue completed with 9,335,000 million in number of increased shares.
- The Board of Directors proposes that no dividends be paid for 2016, which is in line with the adopted dividend policy.

EVENTS AFTER THE END OF THE PERIOD

- Collector moves up to the Nasdaq Stockholm, Large Cap segment
- Invested in Northkap via Collector Ventures
- Collector Bank AB (publ) has established an MTN-program of SEK 5 billion and published prospectus
- Collector contemplates the issuance of SEK bonds

“Year after year, quarter after quarter, Collector has broken new records. This demonstrates that the business model is stable and not exposed to temporary fluctuations.”

Lena Apler, Founder & Executive Chairman

INCOME

Full year 2016

1513 +27%
SEK MILLION

RETURN ON EQUITY (RoE)

31 December 2016

20%

EARNINGS AFTER TAX

Full year 2016

405 +42%
SEK MILLION

TOTAL CAPITAL RATIO

31 December 2016

18%

THIS IS COLLECTOR

Collector is an innovative, digital, niche bank that offers financing solutions to private and corporate customers. Since 2005, Collector has had annual organic revenue growth of 30% and earnings growth (EAT) of 56%. Operations are comprised of the Retail and Corporate segments. Within the Retail segment, the Company is engaged in lending to private individuals, invoice and payments by instalments to e-commerce and retail companies, credit card services and deposits.

The Corporate segment includes factoring and company credits directed mainly at small and medium-sized enterprises, property finance, debt collection on behalf of clients (assignment debt collection) and the acquisition of portfolios of overdue receivables. The Company has offices in Gothenburg (head office), Stockholm, Helsinki and Oslo. The Group consists of the parent company Collector AB (publ), wholly owned subsidiary Collector Bank AB, where the main business is conducted, Colligent Inkasso AB and Colligent Norge AS with business services and debt collection and Collector Ventures 1 KB with investments in FinTech. Collector is listed on the Nasdaq Stockholm Large Cap list. Read more on www.collector.se

Key ratios

SEK million	Q4 2016	Q4 2015	%	Full year 2016	Full year 2015	%
Income	431	330	31	1,513	1,187	27
Organic growth, % ¹⁾	27	24		27	30	
Operating earnings	176	138	28	599	449	34
Earnings before tax (EBT)	155	120	29	521	371	41
Earnings after tax (EAT)	120	91	31	405	286	42
Earnings per share, SEK ²⁾	1.18	0.98	21	4.25	3.16	34
Average number of shares ³⁾	101,574,361	93,355,502		95,421,407	89,887,451	
Capital base ⁴⁾	2,390	1,541	55	2,390	1,541	55
Equity	2,566	1,649	56	2,566	1,649	56
Total capital ratio, % ⁵⁾	17.6	16.9		17.6	16.9	
Return on equity (RoE), % ⁶⁾	20	21		20	21	
Equity per share, SEK ⁷⁾	25	17.7	41	25	17.7	41
Equity to assets ratio, % ⁸⁾	17	16		17	16	
Credit losses, % ⁹⁾	1.1	1.3		1.1	1.3	
The C/I ratio ¹⁰⁾	0.49	0.50		0.50	0.54	
Average number of full-time employees ¹¹⁾	349	276	26	329	264	25
Investments in intangible fixed assets	36	16	130	102	50	105

1) Growth, excluding acquisitions and currency effects.

2) The period's earnings after tax attributable to the period's average number of outstanding ordinary shares, before and after dilution. Earnings for 2015 have been adjusted with dividends attributable to preferred shares to preferred shares.

3) The period's average number of ordinary shares before and after dilution. The number of shares has been adjusted retroactively according to a resolution by The Annual General Meeting to split shares.

4) See Note 5 on page 18.

5) Capital base divided by total capital requirement. Refers to the financial group of companies. See Note 5 on page 18.

6) Earnings after tax in relation to average equity. Rolling, 12 months.

7) Equity divided by the number of outstanding shares at the end of the period. The number of shares has been adjusted retroactively according to a resolution by the Annual General Meeting to split shares.

8) Equity divided by total capital at the end of the period.

9) Credit losses in relation to lending and other accounts receivable. Rolling, 12 months.

10) Total expenses before credit losses, according to the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL) See Note 1, page 14.

11) Including temporary employees, but not parental or other leave.

Report from the operating business

From Mid Cap to Large Cap in record time

Collector has had a fantastic start on the stock market with significant interest from the market and a very good price performance. Only one year after listing, Collector was promoted from Mid Cap to Large Cap. The business has developed positively, and growth continues at a high rate, which likely makes Collector the fastest growing company in the Large Cap.

Fourth quarter 2016

On the corporate side, Collector has made its largest ever business transaction with Rossignol. The transaction is a combination of factoring and inventory financing in Europe, providing the Group with working capital and replacing 15 local banks. This is proof that Collector has the ability and expertise to meet advanced customer needs in a professional manner, while minimizing the credit risk, including credit insurance.

The fourth quarter was, as usual, the best to date for Collector. It sounds familiar, but Collector has year after year, quarter after quarter, set new records. This proves that the business model is stable and not subject to temporary fluctuations. Within Payment solutions, for example, we created an innovative solution for Liseberg, a comprehensive solution for Stadium that comprises e-commerce, stores and sports associations, and we began an e-commerce solution collaboration with Coop Norge. Overall, these developments have laid the groundwork for sustained positive growth in 2017.

IT development

In 2015, the decision was taken to gradually replace all external critical business systems with proprietary ones. This has been the primary focus during in 2016. The advantage is that, in doing so, we can control the overall development and develop products at the pace we want. Eventually, we will also reap cost benefits, as licensing fees and external consulting hours will virtually disappear. The number of developers is now up to 130 people. During 2017, we will see the outcome of this work as the systems are gradually put into use. Our own loan and deposit system Money Penny has been launched and will bring significantly better user experiences and applications for our customers during the year. Furthermore, we will launch a number of digital products during the first quarter of 2017.

FinTech – Collector Ventures

A concept and buzzword that has been prevalent in 2016 is FinTech. Although Collector has a fantastic business culture with cornerstones such as courage, desire for innovation and interest in the world around us, a lot is happening outside the company. We therefore decided to set up a private Venture Capital company with the purpose of investing in promising FinTech startups.

Collector Ventures began operations in May 2016 and has invested in ten companies. A point of common interest is that Collector will be able to reap technical and business benefits from the company's operations in the short or long term. The investments are managed by a separate team, NFT Ventures, with very good deal flow and expertise in the area. The fact that Sweden has become the leader in FinTech development is gratifying, but perhaps not surprising, as we are known for being quick to embrace new technology. It is too early to say anything about the development of the portfolio companies, but what we are seeing bodes very well for future development and growth.

Expectations going forward

With a strong financial position, high level of technological expertise and a strong culture, it is clear that we will retain our position as the Nordic leader in digital niche banking during 2017. "There is no reason to renounce growth and profit development for the future, when we have laid the foundation for innovation that meets the demands of the modern customer for simplicity and digital products. "To manage one's finances via the mobile phone is now a given. The future is just a click away, both for individuals and businesses.

Finally, the current CEO, Stefan Alexandersson, has chosen to resign from the company. It is with a certain sadness that we will be parting ways after 12 years of tireless work together. The recruitment process is ongoing. I choose to see the opportunity to bring in fresh new leadership for Collector for continued development and growth, and at the same time I wish Stephen all the best in his future pursuits.



LENA APLER
Founder & Executive Chairman



Group Development

Income and earnings Jan–Dec

Collector finished the year 2016 strong. Total income increased by 27% compared with the same period in the previous year and amounted to SEK 1,513 million (1,187). Organic growth excluding currency effects amounted to 27%. The growth was related to increased volumes in Personal loans and Property finance.

Earnings before tax (EBT) increased by 41% and amounted to SEK 521 million (371). The improved earnings are the result of a combination of higher income, reduced operating expenses and a lower cost of funding. Earnings after tax (EAT) increased by 42% to SEK 405 million (286), corresponding to a return on equity (RoE) of 20% (21). The rights issue was completed during the fourth quarter and led to an increase in the number of shares. The increased number of shares affected return on equity and earnings per share. Despite the rights issue, earnings per share increased by 34%, to SEK 4.25 (3.16).

Income and earnings for the fourth quarter

Collector reported the highest income to date in the fourth quarter. Total income increased by 31% compared with the corresponding period in the previous year and amounted to SEK 431 million (330). Besides Personal loans and Property finances, Payment Solutions and Assignment debt collection showed good growth during the quarter. For Payment solutions, Stadium and Coop Norge are now up and running and are beginning to generate credit volume. They are not expected to reach full credit volume until 2017. The factoring transaction with Office Depot began in January and the factoring and inventory financing transaction with Rossignol will begin in March 2017.

Earnings before tax (EBT) increased by 29% to SEK 155 million (120). This is the single best result for any quarter to date. Earnings after taxes (EAT) increased by 31% to SEK 120 million (91). Earnings per share for the quarter increased by 21% to SEK 1.18 (0.98).

Expenses

Collector has a highly scalable business model. The cost/income ratio (C/I) improved to 0.50 for the full year (0.54) and to 0.49 for the fourth quarter of 2016 (0.50). In the fourth quarter, we incurred initial expenses for Stadium and Rossignol, and we increased activity regarding our update of the branding and communication platform “Believe in the idea”.

Credit portfolio

The total credit portfolio amounted to SEK 13,242 million (8,697) and in one year has increased by over SEK 4.5 billion, corresponding to a 52% increase. Property finances have a seasonal variation, with many completions at year-end and mid-year, and have enjoyed strong growth in the loan portfolio during the fourth quarter.

The product areas Personal loans and Payment solutions have had good growth. The quality of the overall loan portfolio continues to improve thanks to further improvements in scoring models. The relationship between healthy receivables compared to doubtful receivables continues to improve.

Credit losses

Credit losses were reduced over the rolling 12-month period, amounting to 1.1% (1.3) by the end of the period. The primary reason for this reduction in credit losses is the improved quality of the personal loan portfolio combined with the strong portfolio growth. The virtually non-existent credit losses within the Corporate segment continued.

Liquidity and financial investments

Liquid resources amounted to SEK 1,021 million (825) as of 31 December 2016. Collector's excess liquidity is invested in Swedish municipal bonds and deposited in accounts in Nordic banks. The Group's financial investments by the end of the period amounted to SEK 362 million (149). Of these, SEK 40 million (0) was in FinTech investments through Collector Ventures.

Funding

Collector's primary source of funding is deposits from the general public. Deposits from the public by the end of the period amounted to SEK 11,345 million (7,854). Contracted and unutilized credit facilities amounted to SEK 800 million.

Collector has a commercial paper programme with a scope of SEK 3,000 million. Certificates issued amounted to SEK 806 million (0) by the end of the period. In September 2016, Collector's Board resolved 2016 to launch a MTN programme with a scope of SEK 5,000 million. Collector is able to launch the programme from the first quarter of 2017.

Capital and total capital ratio

Collector's Board resolved in September 2016 to implement a rights issue to strengthen Collector's capital base for future growth and to maintain its financial objectives with a total capital ratio of at least 15%. The fully-subscribed issue was completed in the fourth quarter and SEK 513 million has been added to the capital base.

Collector has received permission from the Swedish Financial Supervisory Authority to include earnings for the year in the capital base. A review of the earnings in the period was conducted, and this year's earnings have been included in the capital base. The capital base for the financial group of companies amounted to SEK 2,390 million by the end of the period ((1,541), and the capital requirement amounted to SEK 1,087 million (728). Total capital ratio amounted to 17.6% (16.9).

Development in the segments

Retail

The Retail segment's total external income increased by 29% during 2016, totalling SEK 1,036 million (804). The contribution margin improved from increased volumes, primarily in Personal loans but also because of economies of scale. Earnings before tax (EBT) for the Retail segment increased by 40%, amounting to SEK 333 million (238).

The product payment solutions for e-commerce and retail chains had a higher growth rate in the fourth quarter. The transactions with Stadium and Coop Norge are now up and running and are beginning to generate credit volume. They are not expected to reach full credit volume until 2017. During the fourth quarter, Collector launched Checkout, which gives online retailers an integration of every key payment method and Collector Insights, which gives them the possibility to analyze their customer database.

The Personal loans product area experienced heavy growth in 2016 as a result of increased new lending, chiefly in Sweden. In October 2016, the limit for Collector Personal loans in Sweden was raised to SEK 500,000. This has provided a good influx of larger loans but at slightly lower average interest rates, as borrowers granted large loans have very good creditworthiness. In the short term, this involves a slight margin reduction, which is expected to be offset by longer duration and lower credit losses.

The Cards product area launched a banking app with credit card functions during the quarter. A collaboration with Wrapp was initiated. Wrapp is a loyalty app that strengthens the relationship between consumers and traders and is a free service that rewards customers for purchases made with a card that is linked to the app. Using consumer purchasing data, offers and benefits are tailored to consumers based on their purchasing behaviour.

The deposit rate was increased by 20 points in November 2016, boosting inflow. The deposit balance has increased by SEK 2.7 billion in 12 months and provides a total volume of deposit from the public of SEK 10 billion as of 31 December 2016. Collector offers deposits

with ceilings of SEK10 million, but it makes exceptions for larger deposits from businesses affected by negative interest rates on deposits with other banks. Interest rates are, however, lower than on volume of deposits of SEK 10 million.

Corporate

In 2016, the Corporate segment had good profitability growth, primarily in Sweden. External income amounted to SEK 478 million (383), which is a 25% increase. Earnings before tax (EBT) in the Corporate segment amounted to SEK 188 million (133), an increase of 41%. The excellent earnings growth is the result of a combination of higher income and reduced operating and financial expenses.

Property finance had the highest growth in the quarter, both with regard to total income and contribution margin in 2016. Property finance has normal seasonal variations with large disbursements at mid-year and year-end. The trend is clear with a great finish at the end of the fourth quarter.

In the product areas Factoring and Company credits, major efforts were made in the fourth quarter to complete the deals with Rossignol and Office Depot, both of which are factoring and inventory financing transactions. The transactions are indications that Collector's expertise and customization are appreciated by customers with operations outside of Sweden.

Collector's collection agency Colligent had good growth in 2016 and delivered a very strong fourth quarter with increased growth. The volume of assignments has risen sharply and several new clients were signed in the real estate industry. A new customer website has been launched and contributed to significant customer benefits with a quick response time. A new scoring model designed for real estate clients was also implemented in the fourth quarter.

Acquired receivables, subject to seasonal variation, had a strong fourth quarter because of high cash flow in Finland as a result of tax refunds. During the fourth quarter, Collector acquired assets in Norway for approximately NOK 25 million.

THE RETAIL SEGMENT

- Payment solutions for e-commerce and retail chains
- Personal loans
- Cards – Collector easyliving and Collector easycard
- Savings accounts in Sweden and Finland

THE CORPORATE SEGMENT

- Factoring and company credits
- Property finances
- Assignment debt collection
- Acquisition of portfolios – acquired receivables

Material risks and uncertainty factors

Through its operations, Collector is exposed to a number of different financial risks: market risk (foreign exchange rate risk, price risk, interest risk in fair value, interest risk in cash flow), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets, and strives to minimize potentially unfavourable influences on the Group's financial results.

The Group utilises derivative instruments for some risk exposure. Risk management is taken care of by the Group's management according to policies established by the Board. The Board establishes written policies for overall risk management and for specific areas such as currency risk, interest rate risk, credit risk and the use of derivatives and similar financial instruments. The Group's risk structure and risk, liquidity and capital management are described in detail in the prospectus regarding rights issue "Invitation to subscribe for shares in Collector AB (publ)" on page 15–24, which is available at www.collector.se/globalassets/om-collector/investerare/finansuell-info/emission-2016 or years Collector's annual report. After that, there have been no significant changes except as reported in this interim report.

IFRS 9, which is the new standard for financial instruments, shall enter into force on 1 January 2018 and replaces IAS 39. IFRS 9 provides for the classification and measurement, impairment and general hedge accounting attributable to financial instruments. Collector has not yet finished analyzing what impact IFRS 9 will have its own operations, but the work continues. A risk of impact on the Collector's capital adequacy, risk management, scope on reserves and alternative performance measures.

Financial group

The Parent Company, Collector AB (publ), is part of a financial group of companies (consolidated situation) that includes the subsidiaries Collector Bank AB, Collector Ventures KB och Colligent Norge AS. All companies are fully consolidated. The entire financial group of companies is under the supervision of the Swedish Financial Supervisory Authority, and it is subject to the Swedish Financial Supervisory Authority's regulations regarding capital adequacy and large exposures. Colligent Inkasso AB is a wholly owned subsidiary of Collector AB (publ), but is not included in the financial group of companies.

Employees

The average number of full-time employees amounted to 329 (FTE) in the period January–December 2016. In the fourth quarter, the average number of full-time employees amounted to 349 (FTE). The number of full-time employees includes employees on fixed-term contracts, but not on parental leave or a leave of absence.

The Parent Company

The parent company is a holding company. Operating income in the first quarter of 2016 amounted to SEK 18 million (11) and pertains to intra-Group administrative services. Earnings before tax (EBT) amounted in the fourth quarter to SEK 15 million (48). Earnings after tax (EAT) in the fourth quarter amounted to SEK 11 million (38). The Parent Company's cash and cash equivalents on 31 December 2016 totalled SEK 5 million (17), and equity totalled SEK 1,233 million (711) as of 31 December 2016.

OWNERSHIP STRUCTURE 31/12/2016

Shareholders	%
Fastighets AB Balder	44.1%
StrategiQ Capital AB	12.7%
Swedbank Robur fonder	7.4%
Ernstström Finans AB	5.4%
Helichrysum Gruppen AB (Lena Apler)	3.8%
Andra AP-fonden	3.1%
Handelsbanken fonder	2.8%
Muirfield Invest Aktiefbolag	2.0%
Skandinaviska Enskilda Banken S.A., W8IMY	1.9%
Vante AB	1.4%
Other shareholders	15.4%
Total	100%

Collector share

Collectors share ("COLL") is listed on the Nasdaq Stockholm, Mid Cap list as of 10 June 2015 with the listing price SEK 55. Since 2 January 2017 Collector has been listed on the Nasdaq Stockholm, Large Cap. At the end of the period, the last price paid for the Collector share was SEK 103. Collector's market value on 31 December amounted to just over SEK 10 billion, and the number of shareholders was approximately 4,600.

Share capital

The share capital as of 31 December 2016 amounted to SEK 10,269,050, divided into 102,690,502 ordinary shares. The Company has one (1) class of shares. Every share entitles the owner to one vote at the General Meeting.

Dividend

According to the adopted dividend policy, Collector will focus on medium term growth, which means that dividends may be low or not occur at all in the medium term.

Relationships with related parties

Collector provides debt collection services to Balder. Collector also provides property finance to Oscar Properties. These transactions take place on market terms. Deposits are also made by related parties and in accordance with applicable market terms for Collector's deposit accounts. Balder was a deposits customer of Collector in the fourth quarter of 2016 as per market conditions.

Significant events after the end of the period

On 2 January (first day of trading) 2017 Collector AB (publ) became listed on the Nasdaq Stockholm, segment Large Cap. The change from the Mid Cap is a result of Nasdaq's annual survey of average market values in the Nordic market segments. The Large Cap segment includes companies with a market capitalization of more than EUR 1 billion.

Ventures invests in Nordkap, a cloud-based treasury solution. To date, Nordkap has primarily catered to real estate companies. Collector Bank will use the service and become the leader in adapting the solution for financial companies.

Collector Bank AB (publ) has established an MTN-program of SEK 5 billion for issuance purposes in the Nordic capital market and published prospectus.

Collector Bank AB (publ) contemplates the issuance of SEK bonds. A SEK denominated senior unsecured capital market transaction with a tenor of three years will follow, subject to market conditions and final decision by Collector Bank AB.

2017 Annual General Meeting

The Annual General Meeting will be held on Tuesday, April 25, 3:00 pm CET at Västsvenska Handelskammaren, Parkgatan 49, Gothenburg, Sweden. The notice of the Annual General Meeting will be published no earlier than six and no later than four weeks prior to The Annual General Meeting. The Annual Report 2016 will be available on www.collector.se from 3 April.

In accordance with the decision made at the Collector General Meeting 28 April 2016, the company's major owners appointed a Nomination Committee. Fabian Hielte, Ernstström Finans AB, has been appointed as Chairman of the Nomination Committee. Shareholders who wish to submit proposals to the Nomination Committee should do so in writing, no later than 17 February 2017 to Malin Alevåg, by e-mail to alevag@collectorbank.se (subject "Nomination Committee") or by mail to Collector AB, Attn: The Nomination Committee, Box 119 14, 404 39 Gothenburg.

Presentation for investors, analysts and media

A live conference call will be held on 9 February 2017 at 10:30 a.m. (CET) where Founder and Chairman of the Board Lena Apler and CFO Pia-Lena Olofsson will present the report. The presentation will be held in Swedish and will be broadcast live at www.financialhearings.com. To participate in the telephone conference, please call +46 8 56 64 2 694 or +44 20 3008 9802. The switchboard opens at 10:25 a.m. (CET)

A recording of the telephone conference, including the presentation materials, will be made available on our website after the event, at www.collector.se

The Board of Directors and the CEO affirm that this interim report provides an accurate overview of the operations, financial position and performance of the Group and the Parent Company, and describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

This interim report has not been reviewed by the company's auditors.

Gothenburg, 9 February 2017

The Board of Directors,

Lena Apler, *Chairman*

Azita Shariaty

Vilhelm Schottenius

Cecilia Lager

Erik Selin, *Vice Chairman*

Christoffer Lundström

Stefan Alexandersson, *CEO*

Future reporting dates

3 April 2017

Annual Report 2016

25 April 2017

Interim January – March
2017 Annual General Meeting

20 July 2017

Interim report January – June

26 October 2017

Interim report January – September

Contact

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CCO & IR Åsa Hillsten | Phone: 46 700-81 81 17 | E-mail: asa.hillsten@collectorbank.se

This information is such information that Collector AB is obliged to publish under the EU Market Abuse Regulation and the Securities Market Act. The information was issued for publication by the above contact persons on 9 February 2017 at 08.15 p.m. CET.

INCOME STATEMENT



The Group

Amounts in SEK million	Note	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Income	2	431	330	1,513	1,187
		431	330	1,513	1,187
Operating expenses					
Personnel costs		-57	-49	-211	-173
Depreciation of property, plant and equipment and amortization of intangible fixed assets		-12	-8	-40	-28
Other profit/loss – net		-0	-1	-0	-1
Other expenses	4	-186	-134	-663	-536
Operating expenses		-255	-192	-914	-738
Operating earnings		176	138	599	449
<i>Earnings from financial items</i>					
Earnings/loss from sales of subsidiaries		-	-	0	-
Financial income		0	0	0	0
Financial expenses		-21	-18	-78	-78
Earnings after interest and tax		155	120	521	371
Income tax		-35	-29	-116	-85
Earnings for the year		120	91	405	286
Attributable to:					
The Parent Company's shareholders		120	91	405	286
Holdings without controlling influence		-	-	-	-
		120	91	405	286
Earnings per share for earnings attributable to the Parent Company's shareholders during the period (expressed in SEK per share)					
– Before dilution		1.18	0.98	4.25	3.16
– After dilution		1.18	0.98	4.25	3.16

STATEMENT OF COMPREHENSIVE INCOME

The Group

	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Earnings for the year	120	91	405	286
Other comprehensive income	-	-	0	-
Items that later can be reversed in the income statement:				
Exchange rate differences	-2	-1	4	-4
Total comprehensive income for the period	118	90	409	282
Attributable to:				
– The Parent Company's shareholders	118	90	409	282
– Non-controlling interests	-	-	-	-
	118	90	409	282

BALANCE SHEET



The Group

Amounts in SEK million	Full year 2016	Full year 2015
ASSETS		
Non-current assets		
<i>Property, plant and equipment</i>		
Equipment	10	8
	10	8
<i>Intangible fixed assets</i>		
Capitalized expenses for development work	151	87
Goodwill	72	71
	223	158
<i>Financial non-current assets</i>		
Financial investments	362	149
Deferred tax asset	1	–
Lending and other receivables	7,408	4,633
	7,771	4,782
Total non-current assets	8,004	4,948
Current assets		
Lending and other receivables	5,834	4,064
Derivative instruments	33	45
Other receivables	263	175
Cash and cash equivalents	1,021	825
Total current assets	7,151	5,109
TOTAL ASSETS	15,155	10,057
EQUITY AND LIABILITIES		
<i>Equity</i>		
Share capital (102,690,502 shares)	10	9
Reserves	–2	–7
Other contributed capital	1,313	801
Retained earnings, incl. earnings for the year	1,245	846
Total equity	2,566	1,649
<i>Non-current liabilities</i>		
Borrowing	119	245
Deferred tax liabilities	87	66
	206	311
<i>Current liabilities</i>		
Accounts payable	32	34
Accrued expenses and deferred income	112	258
Current tax liabilities	66	36
Other current liabilities	141	159
Borrowing	11,226	7,610
Certificates issued	806	–
	12,383	8,097
TOTAL EQUITY AND LIABILITIES	15,155	10,057

SUMMARY OF CHANGES IN EQUITY



The Group

Amounts in SEK million	Attributable to the Parent Company's shareholders				Total	Non-control- ling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings			
Opening balance as of 1 January 2015	7	401	-3	590	995	-	995
<i>Comprehensive income</i>							
Earnings for the year				286	286		286
<i>Other comprehensive income</i>							
Exchange rate differences			-4		-4		-4
Other comprehensive income			-		-		-
Total comprehensive income	-	-	-4	286	282	-	282
<i>Transactions with shareholders</i>							
New issue of ordinary shares	0	400			400		400
Bonus issue of ordinary shares	2			-2	0		0
Dividend on preference shares				-2	-2		-2
Costs related to the new issue (net)				-26	-26		-26
Total transactions with shareholders	2	400	-	-30	372	-	372
Closing balance as at 31 december 2015	9	801	-7	846	1,649	-	1,649
Opening balance as at 1 January 2016	9	801	-7	846	1,649	-	1,649
<i>Comprehensive income</i>							
Earnings for the year				405	405		405
<i>Other comprehensive income</i>							
Exchange rate differences			5		5		5
Other comprehensive income			-		-		-
Total comprehensive income	-	-	5	405	410	-	410
<i>Transactions with shareholders</i>							
New issue of ordinary shares	1	512			513		513
Bonus issue of ordinary shares							
Costs related to the new issue (net)				-6	-6		-6
Total transactions with shareholders	1	512	-	-6	507	-	507
Closing balance as at 31 december 2016	10	1,313	-2	1,245	2,566	-	2,566

CASH FLOW STATEMENT



The Group

Amounts in SEK million	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Operating activities				
Earnings after interest and tax	155	120	521	371
Adjustments for items not included in the cash flow, etc.	-42	40	-136	133
	113	160	385	504
Taxes paid	-8	-4	-64	-36
Cash flow from operating activities before changes in working capital	105	156	321	468
Cash flow from changes in working capital	-1,969	-1,257	-4,611	-3,085
Cash flow from operating activities	-1864	-1,101	-4,290	-2,616
Cash flow from investing activities	-110	12	-318	-205
Cash flow from financing activities	2,055	1,195	4,802	3,009
Cash flow for the period	81	106	194	190
Cash and cash equivalents at the start of the year	948	722	825	637
Exchange rate differences in cash and cash equivalents	-8	-3	2	-2
Cash and cash equivalents at the end of the year	1,021	825	1,021	825

Notes on accounting principles and notes to the financial statements

General accounting principles

The interim report is prepared in accordance with IFRS/IAS 34 with regard to the Swedish Financial Supervisory Authority's regulations and general guidelines on annual reports in Credit Institutions and Securities Companies (FFFS 2008:25 Chapter 7 Sections 2-3§ and Chapter 8), the law governing credit institutions and securities companies (Chapter 7, Sections 7-8§ ÅRKL) and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups have been taken into consideration.

No new or revised IFRS or interpretations by IFRIC have had any effect on the Group's financial position, earnings or disclosures. The accounting principles and bases for assessments in the interim report are consistent with those applied in the 2015 Annual Report.

For the Parent Company, the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities have been applied.

Income Statement according to the Swedish Annual Accounts Act for Credit Institutions (ÅRKL)

Note 1

Amounts in SEK million	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Operating income				
Income from interest	373	277	1,297	979
Interest expenses	-21	-18	-78	-78
Commission income	5	5	16	19
Commission expenses	-42	-27	-142	-103
Other operating income	53	48	200	189
Total operating income	368	285	1,293	1,006
Operating expenses				
General administration costs	-89	-77	-325	-272
Depreciation of property, plant and equipment and amortization of intangible fixed assets	-12	-8	-40	-28
Other operating costs	-79	-58	-287	-243
Total expenses before credit losses	-180	-143	-652	-543
Earnings before credit losses	188	142	641	463
Credit losses, net	-33	-22	-120	-92
Operating profit according to the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL)	155	120	521	371
Tax on earnings for the year	-35	-29	-116	-85
Earnings for the year	120	91	405	286
C/I ratio	0.49	0.50	0.50	0.54

Income per significant type of income

Note 2

Amounts in SEK million	Q4 2016	Q4 2015	Full year 2016	Full year 2015
the Group				
Credit management	27	24	103	95
Commission income	5	5	16	19
Income from interest	373	277	1,297	979
Other income	26	24	97	94
	431	330	1,513	1,187

Segment reporting

Note 3

Amounts in SEK million (Q4 2016)	Retail	Corporate	Eliminations	The Collector Group
Income, external customers	290	141	–	431
Income, internal	22	11	–33	0
Total income	312	152	–33	431
Earnings before tax	94	61	–	155
Lending and other accounts receivable	8,244	4,998	–	13,242
Amounts in SEK million (Q4 2015)	Retail	Corporate	Eliminations	The Collector Group
Income, external customers	218	112	–	330
Income, internal	14	9	–23	0
Total income	232	121	–23	330
Earnings before tax	74	47	–	120
Lending and other accounts receivable	5,420	3,277	–	8,697
Amounts in SEK million (full year 2016)	Retail	Corporate	Eliminations	The Collector Group
Income, external customers	1,036	478	–	1 513
Income, internal	79	36	–116	0
Total income	1,115	514	–116	1,513
Earnings before tax	333	188	–	521
Lending and other accounts receivable	8,244	4,998	–	13,242
Amounts in SEK million (full year 2015)	Retail	Corporate	Eliminations	The Collector Group
Income, external customers	804	383	–	1,187
Income, internal	57	38	–95	0
Total income	861	421	–95	1187
Earnings before tax	238	133	–	371
Lending and other accounts receivable	5,420	3,277	–	8,697

Other costs

Note 4

Amounts in SEK million	Q4 2016	Q4 2015	Full year 2016	Full year 2015
the Group				
Commission expenses	42	27	142	103
Credit management costs	20	14	68	61
Credit losses, net	33	22	120	92
Postage costs	11	13	46	42
Administration costs	32	28	114	99
Other operating costs	48	30	173	139
	186	134	663	536

Capital adequacy

Note 5

	Corporate group	
	Full year 2016	Full year 2015
Capital base		
Equity	2,565	1,650
Deduction of unaudited profit	–	–
Deduction intangible assets	–175	–109
Tier 1 capital	2,390	1,541
Tier 2 capital	–	–
Deduction from Tier 1 and Tier 2 capital	–	–
Expanded capital base	–	–
Capital base	2,390	1,541

	Corporate Group	
	Full year 2016	Full year 2015
Capital requirement		
Credit risk	940	616
Market risk	6	3
CVA risk	1	1
Operational risk	140	108
Total capital requirement	1,087	728
Summary of capital		
Capital surplus	1,303	813
Capital adequacy ratio	2.20	2.12
Total capital ratio	17.6%	16.9%

Capital ratios and buffers	Full year 2016	Full year 2015
Common Equity Tier 1 capital	13.8%	16.9%
Tier 1 capital	17.6%	16.9%
Total capital	17.6%	16.9%
Institution-specific buffer requirements (Common Equity Tier 1 capital requirement according to Article 92(1)(a) and buffer requirements) as a percentage of the risk-weighted exposure amount	8.2%	7.8%
Of which: minimum capital requirement	4.5%	4.5%
Of which: the capital conservation buffer requirement	2.5%	2.5%
Of which: the countercyclical capital buffer requirement	1.2%	0.8%
Common Equity Tier 1 capital available for use as buffer, as a percentage of the risk-weighted buffer amount	9.3%	12.4%

Exposures Corporate Group (Credit risk)	Full year 2016			Full year 2015		
	Exposure	Risk-weighted amount	Minimum requirement (8%)	Exposure	Risk-weighted amount	Minimum requirement (8%)
Municipalities and other associations	335	–	–	165	–	–
Institution exposure	1,070	214	17	836	167	13
Corporate exposure	4,207	4,207	336	2,530	2,530	202
Household exposure	7,352	5,514	441	4,732	3,549	284
Unregulated items	1,259	1,259	101	970	970	78
Other items	558	558	45	481	481	39
Total	14,781	11,752	940	9,714	7,697	616

The Parent Company, Collector AB (publ), is part of a financial group of companies (consolidated situation) that includes the subsidiaries Collector Bank AB, Colligent Norge AS and Collector Ventures 1KB.

Collector applies the standardized approach in the calculation of credit risk. For operational risk, the basic indicator approach is used.

Collector has received permission from the Swedish Financial Supervisory Authority to include profit for the year in the capital base. A review has been performed of the profit for the year. This year's profit has therefore been taken into consideration in the capital base.

Calculation of fair value

Note 6

The table below shows financial instruments measured at fair value, based on how the classification in the fair value hierarchy was made. The levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable data) (Level 3)

The following table shows the Group's financial assets and liabilities measured at fair value as of 31 December 2016.

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets measured at fair value via the income statement				
Derivative instruments	–	33	–	33
Financial investments	–	317	40	357
Total assets	–	350	40	390
Liabilities				
Financial liabilities measured at fair value via the income statement				
Derivative instruments held for trading (currency derivatives)	–	–	–	–
Total liabilities	–	–	–	–

The following table shows the Group's financial assets and liabilities measured at fair value as of 31 December 2015.

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets measured at fair value via the income statement				
Derivative instruments	–	45	–	45
Financial investments	–	144	–	144
Total assets	–	189	–	189
Liabilities				
Financial liabilities measured at fair value via the income statement				
Derivative instruments held for trading (currency derivatives)	–	–	–	–
Total liabilities	–	–	–	–

For other financial assets and liabilities, the carrying amount corresponds to the estimated fair value in all material respects.

The Parent Company

Income Statement, Parent Company

Amounts in SEK million	Q4 2016	Q4 2015	Full year 2016	Full year 2015
Operating income	18	11	65	53
Operating expenses				
Other external costs	-18	-10	-63	-49
Depreciation of property, plant and equipment and amortization of intangible fixed assets	-3	-3	-13	-12
Operating earnings	-3	-2	-11	-8
Earnings from financial items				
Earnings from holdings in Group companies	-	-	0	-
Interest income and similar items	0	0	0	0
Interest expenses and similar items	0	0	0	0
Earnings after interest and tax	-3	-2	-11	-8
Appropriations				
Appropriations, other	18	50	18	50
Earnings before tax	15	48	7	42
Income tax	-4	-10	-2	-10
Earnings for the year	11	38	5	32

BALANCE SHEET



The Parent Company

Amounts in SEK million	Full year 2016	Full year 2015
ASSETS		
Non-current assets		
<i>Intangible fixed assets</i>		
Capitalized expenses for development work and similar work	31	28
	31	28
<i>Property, plant and equipment</i>		
Equipment	6	6
	6	6
<i>Financial non-current assets</i>		
Participations in Group companies	1,299	742
Other non-current receivables	5	5
Deferred tax asset	–	0
	1,304	747
Total non-current assets	1,341	781
Current assets		
<i>Current receivables</i>		
Receivables with Group companies	29	20
Other receivables	12	17
Prepayments and accrued income	5	4
	46	41
<i>Cash and bank balances</i>	5	17
Total current assets	51	58
TOTAL ASSETS	1,392	839
EQUITY AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital (102,690,502 shares)	10	9
Statutory reserve	30	18
	40	27
<i>Non-restricted equity</i>		
Share premium reserve	1,274	762
Retained earnings	-96	-111
Earnings for the year	5	32
	1,183	683
	1,223	711
Untaxed reserves		
Tax allocation reserves	4	4
	4	4
Current liabilities		
Deposits from the public	1	1
Accounts payable	5	6
Liabilities to Group companies	153	111
Other current liabilities	0	0
Accrued expenses and deferred income	6	6
	165	124
TOTAL EQUITY AND LIABILITIES	1,392	839