

# Interim report

## January–September 2015

### JANUARY–SEPTEMBER 2015 (COMPARED WITH JANUARY–SEPTEMBER 2014)

- Total income increased by 34 % and amounted to SEK 857 million (641)
- Profit after tax increased by 52 % and amounted to SEK 195 million (128)
- Return on equity (RoE) was 22 % (26)
- Earnings per share increased to SEK 2.20 (1.71)
- Strong performance within the Retail segment, primarily within Personal loans and Payment solutions
- Growth remained strong for Property finance within the Corporate segment
- Total capital ratio (capital ratio) increased to 19 % (15)

### THE THIRD QUARTER (COMPARED WITH THE THIRD QUARTER OF 2014)

- Total income increased by 33 % and amounted to SEK 296 million (223)
- Profit after tax increased by 55 % and amounted to SEK 80 million (51)
- Earnings per share increased to SEK 0.85 (0.68)
- The credit portfolio increased by 45 % to SEK 7,427 million (5,122)

*“From a financial standpoint, the third quarter was the best in the history of Collector”* Stefan Alexandersson, CEO

**TOTAL INCOME** January–September

**857 +34 %**  
SEK MILLION

**RETURN ON EQUITY (ROE)**

**22 %**

**PROFIT AFTER TAX** January–September

**195 +52 %**  
SEK MILLION

**TOTAL CAPITAL RATIO** 30 September 2015

**19 %**

**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 just over 30% and profit growth (EAT) of approximately 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 (the head office), Stockholm, Malmö, Helsinki and Oslo. The Group is comprised of the Parent Company, Collector AB (publ); the wholly-owned subsidiary, Collector Bank AB, in which the main operations are conducted; and Collector Finance & Law AB and Collector Norge AS, which are active in commissioned services and debt collection. Collector is listed on the Nasdaq Stockholm Mid Cap list.

**Key ratios**

<i>SEK million</i>	<b>Q3 2015</b>	<b>Q3 2014</b>	<b>%</b>	<b>Jan-Sep 2015</b>	<b>Jan-Sep 2014</b>	<b>%</b>	<b>2014</b>
Total income	296	223	+33%	857	641	34%	916
Earnings before tax (EBT)	102	66	+55%	250	164	52%	244
Earnings after tax (EAT)	80	51	+55%	195	128	52%	188
Earnings per share, SEK <sup>1)</sup>	0,85	0,68	+26%	2,20	1,71	29%	2,35
Average number of shares <sup>2)</sup>	93 355 505	75 710 595		88 718 730	74 829 798		79 831 081
Capital base <sup>3)</sup>	1 456	786	+85%	1 456	786	85%	906
Equity	1 559	937	+66%	1 559	937	66%	995
Total capital ratio, % <sup>4)</sup>	19,2	14,7		19,2	14,7		14,9
Return on equity (RoE), % <sup>5)</sup>	21,8	25,6		21,8	25,6		23,1
Equity per share, SEK <sup>6)</sup>	16,7	10,9	+53%	16,7	10,9	53%	13,4
Equity-to-assets ratio, % <sup>7)</sup>	18,0	16,0		18,0	16,0		15,2
Credit losses, % <sup>8)</sup>	1,5	1,2		1,5	1,2		1,4
C/I ratio, % <sup>9)</sup>	0,50	0,55		0,56	0,60		0,58
Average number of full-time employees <sup>10)</sup>	271	225	+20%	254	220	15%	229
Investments in intangible fixed assets	9	1		34	22		33

- 1) The period's profit after tax attributable to the period's average number of outstanding ordinary shares, before and after dilution. The period's profit has been adjusted for dividends attributable to preference shares.
- 2) The periods 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.
- 3) See Note 5 on page 18.
- 4) Capital base divided by total capital requirement. Refers to the financial group of companies. See Note 5 on page 18.
- 5) Profit after tax in relation to average equity. Rolling, 12 months.
- 6) 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.
- 7) Equity divided by total capital at the end of the period.
- 8) Credit losses in relation to lending and other accounts receivable. Rolling, 12 months.
- 9) Total expenses before credit losses, according to the Annual Accounts Act for Credit Institutions. See Note 1.
- 10) Including employees on fixed-term contracts, but not on parental leave or a leave of absence.

# A comment from our CEO



From a financial standpoint, the third quarter was the best in the history of Collector. Income, profit after tax, credit portfolio and new lending were all record-breaking in absolute terms. Regarding growth, income growth in the quarter amounted to 33%, the growth in profit after tax was 55% and the credit portfolio increased by 45%.

It is particularly gratifying to note that growth continues to be comparatively even between our two segments, Retail and Corporate. But the most important fact is that all product areas are growing more than the underlying market; in other words, we continue to take market shares in all our markets.

The reason why our strong growth continued this quarter while we were also taking additional market shares is that we use innovation, creativity and structured processes to continuously develop and adapt our customer offering.

In Payment solutions, we launched a completely new service for payments in instalments for companies. This has now started to pay off, and most importantly, existing and potential customers viewed it favourably. Within Retail, we have started to reap the harvest of our increasingly intensive work on data-driven analysis, which has not only resulted in increased new lending but improved the quality of the credit portfolio first and foremost.

Within the Corporate segment, we launched and won new business with a new product category called Export financing. Finally, the third quarter proved the value of the breadth of our customer offering to companies and private individuals. We can now, more clearly than ever before, offer unique combined solutions for our customers on a Nordic basis.

To us, quality will always be more important than growth. The quality of our new lending has never been higher than in the third quarter of this year. Credit losses for the entire credit portfolio remains at 1.5%, even though we have somewhat increased provisions and noted a downward trend in the quarter. Capital adequacy increased to 19%.



Collector is an innovative organization, and in the third quarter, we launched an entirely new digital innovation through our app “Kirra”. With “Kirra”, you can create any group payment that you want. For example, you can pay for trips with your group of friends, stag parties, New Year’s Eve parties or the junior football cup. The person who organizes “a wallet” has access to the money in the collection and participants can choose how and when to pay, independently of each other. The initial response for this product exceeded expectations.

While we have experienced record growth in the third quarter and the current year, it is important to emphasize that Collector is operated,

and will always be operated, with a long-term view. In 2015, we invested in our structural capital, which means that our operating costs increased in absolute terms. We made this investment to strengthen our position for the future. In spite of this, our cost/income ratio continues to diminish as Collector’s business model is highly scalable.

*“All product areas are growing more than the underlying market”*

I am happy and proud that our initial public offering (IPO) in June this year was so favourably received by the market. Investor interest in the Collector share has remained strong, which has been reflected in a positive price trend.

To conclude, I would like to thank those who work at Collector for their amazing commitment and innovative spirit. Over 80% of all employees still own shares in the Company, shares acquired on the same terms that applied to other investors in connection with the IPO. Collector has never had as many industrious and talented employees as we do at present; this bodes very well for our future.

**STEFAN ALEXANDERSSON**  
CEO



# The Group's development



## The Group's income and profit

### January–September 2015

Collector continues its strong growth. Total income increased by 34 % compared with the corresponding period in the previous year and amounted to SEK 857 million (641). The growth primarily stems from expanding volumes within Payment solutions for e-commerce and retail chains, Property finance and Personal loans. Factoring had a calmer period over the summer months but resumed its good growth, chiefly in Sweden, in September. Qliro, which became a customer within the Payment solutions for e-commerce product area in the first quarter, has made a positive contribution to the growth. Qliro's volumes will, as previously communicated, decrease in 2015, and potentially also in 2016. In June this year, Qliro took over its own volumes in Finland. Adjusted for Qliro, income growth should be 24 % instead of 34 %.

Profit before tax (EBT) increased by 52 % and amounted to SEK 250 million (164). The improved result is the result of a combination of higher income, reduced operating expenses and a lower cost of funding. The period's profit after tax (EAT) increased by 52 % to SEK 195 million, corresponding to a return on equity (RoE) of 22 % (26). Earnings per share increased by 29 % to SEK 2.20 (1.71). The new issue in 2014 and the new issue in connection with the listing increased the number of shares, thus diluting dividends and earnings per share in 2015 compared with previous years.

### January–September 2015

In the third quarter, Collector had a total income of SEK 296 million (223), corresponding to a growth of 33 %. Even if Collector is not generally affected by any major seasonal variations, volumes in Debt collection, Factoring and Personal loans are typically somewhat lower. Profit before tax (EBT) increased by 55 % and amounted to SEK 102 million (66). Profit after tax (EAT) for the period grew by 55 % to SEK 80 million (51). Earnings per share increased by 26 % to SEK 0.85 (0.68) in the third quarter.

### Expenses

Personnel costs were lower in the third quarter due to effect of holidays. Adjusted for the effect of the holiday pay liability, personnel costs still benefit from significant economies of scale. There are also economies of scale associated with lower operating expenses, mostly credit information expenses, postage and bank fees. The cost of funding remains relatively low, even considering an increased interest rate on deposits of 10–15 points in the third quarter. The raised interest rate is justified by the strong growth of the Company, which has caused increased liquidity requirements.

### Credit losses

Credit losses remained at a low and stable level in the third quarter, amounting to 1.5 % (1.2). The slight increase in credit losses this year is because of a higher rate of provisions in Denmark and countries

outside the Nordic region for Payment solutions for e-commerce. This higher rate of provisions has been taken into account and is offset by higher margins.

### Financial position

To a great extent, Collector's credit portfolio drives our future growth and profitability. The credit portfolio had increased by 45 % to SEK 7,429 million on 30 September (5,120). In the credit portfolio, Property finance and Personal loans were the product areas with the highest growth. Payment solutions for e-commerce experienced good growth, but with a short duration in the credit portfolio.

Collector's excess liquidity is invested in Swedish municipal and corporate bonds, and deposited in accounts in Nordic banks. The Group's financial investments totalled SEK 173 million (0), and cash and cash equivalents amounted to SEK 722 million (485) at the end of the period.

### Funding

Collector funds its operations through deposits aimed at the general public. There is a SEK 400 million credit facility that remained unutilized at the end of the period. The liability for deposits from the general public amounted to SEK 6,659 million (4,585) at the end of the period. Collector will diversify its funding, even if deposits from the general public will remain key in the future. After the end of the period, the Board of Directors decided on a framework for certificates.

### Capital and total capital ratio

Collector has received permission from the Swedish Financial Supervisory Authority to include profit for the year in the capital base. A review of the profit for January–September has been performed. This year's profit has therefore been taken into consideration in the capital base. The capital base for the financial group of companies amounted to SEK 1,456 million (786) at the end of the period, and the capital requirement totalled SEK 608 million (428), resulting in a capital surplus of SEK 848 million (358). Total capital ratio amounted to 19 % (15).

## Segment performance

### Retail

The Retail segment had excellent total income growth in the first three quarters. Total external income rose by 36%, totalling SEK 586 million (431). The contribution margin improved due to increased volumes from existing customers, but also due to a good inflow of new customers coupled with lower costs. Profit before tax (EBT) for the Retail segment increased by 50% and amounted to SEK 165 million (110). The segment also performed well in the third quarter, with good growth of 35% in income and growth of 49% in profit before tax.

The Personal loans product area continued to have a considerable inflow of new customers, primarily in Sweden. The new credit process, launched in May, resulted in an increased volume of high quality. New cooperation agreements regarding personal loans were concluded with SPP and others, and after the end of the period, also with Qliro.

The Payment solutions for e-commerce and retail chains product area had the highest growth, both with regard to total income and contribution margin for the entire period and for the third quarter. Volumes in Finland were marginally reduced in June as Qliro started handling its own volumes in June. However, the volume for other customers expanded in Finland. In the third quarter, Collector entered into a cooperation agreement with Jetshop for the integration of Collector's Payment solution for e-commerce. The integration and cooperation opportunity is estimated to begin in mid-January 2016.

Growth was good in the Cards product area, even though the inflow of new customers was lower in anticipation of IT platform repackaging and replacement. The work on replacing the existing card system has begun and will be finalized in the first quarter of 2016. The current inflow of new customers chiefly emanates from cross selling with other product areas, such as Personal loans and Payment solutions for e-commerce and retail chains.

Deposits in savings accounts have increased, both due to a number of new customers and due to higher deposits by existing customers. The Company's strong growth has resulted in an increased liquidity requirement, causing the interest rate on deposits to rise by 10–15 points in the third quarter

### Corporate

In the period of January–September, profitability growth in the Corporate segment was excellent, primarily in Sweden. External income amounted to SEK 271 million (211), which is a 28% increase. The return, both in absolute figures and in relation to total capital, improved significantly due to a combination of higher income, low credit losses and reduced operating expenses and costs of funding. Profit before tax (EBT) in the Corporate segment amounted to SEK 86 million (54), an increase of 59%. The excellent performance continued in the third quarter, with an external income of SEK 94 million (74).

The Factoring and Corporate lending products had a calmer period in the summer months, but returned to good growth in September, chiefly in Sweden. This was both due to new customers and due to increased volumes with existing customers. The contribution margin improved more than the total income due to economies of scale and a lower cost of funding.

In the third quarter, the Property finance product showed the highest growth in the segment, both with regard to total income and contribution margin. The number of paid credits was somewhat lower in the months of July and August compared with the second quarter, but the number of amortizations was also lower. The total credit portfolio for properties increased in the period. A tough selection process for new business with a focus on low risk has been maintained.

Acquired receivables continued to perform well with good cash flow, both due to a good current cash flow and a couple of larger non-recurring deals.

Assignment debt collection experienced seasonal variations with low activity in the summer months, which is normal. Nonetheless, this product area continues to grow, primarily in Sweden.

#### THE PRIVATE SEGMENT

##### The business encompasses

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

#### THE CORPORATE SEGMENT

##### The business encompasses

- Factoring and Corporate lending, primarily aimed at small and medium-sized companies
- Property finance focused on Stockholm, Gothenburg, the Öresund region and student cities
- Acquisition of portfolios – acquired receivables
- Assignment debt collection

**Other events**

In Finland, investments were made in new business premises centrally located in Helsinki, and in the recruitment of a new country manager.

**Significant risks and uncertainty factors**

In its operations, Collector is exposed to a variety of financial risks: market risk (currency risk, price risk, fair value interest risk, cash flow interest risk), credit risk and liquidity risk. The Group's comprehensive risk management policy is focused on the unpredictability of the financial markets and strives to minimize potential adverse effects on the Group's financial performance.

The Group uses derivative instruments to counteract certain risk exposures. Risk management is handled by Group management in accordance with policies adopted by the Board of Directors. The Board of Directors adopts written policies for comprehensive risk management, as well as 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 its risk, liquidity and asset management are described in detail in the prospectus "Invitation to acquire shares in Collector AB (publ)" on pages 5–7 and 65–70, which is available at [www.collector.se](http://www.collector.se). After that, there have been no significant changes except as reported in this interim report.

**Financial group of companies**

The Parent Company, Collector AB, is part of a financial group of companies (consolidated situation) that includes the subsidiaries Collector Bank AB, PayPort GmbH and Collector Norge AS. All companies are fully consolidated. Collector Finland Oy was merged into Collector Bank AB on 1 April. The branch in Finland is called Collector Bank AB, Suomen sivuliike. 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. Collector Finance & Law AB is a wholly owned subsidiary of Collector AB (publ), but is not included in the financial group of companies.

**OWNERSHIP STRUCTURE 30/09/2015**

Shareholders	%
Fastighets AB Balder	44,0 %
StrategiQ Capital	12,7 %
Ernström Kapitalpartner	9,5 %
Swedbank Robur Fonder	6,5 %
Skandinaviska Enskilda Banken	4,2 %
Helichrysum Gruppen (Lena Apler)	3,7 %
Muirfield Invest Aktiefbolag	3,2 %
Andra AP-fonden	3,0 %
Other shareholders	13,2 %
<b>Total</b>	<b>100 %</b>

**Parent Company**

The Parent Company is a holding company. Operating income for the period of January–September amounted to SEK 70 million (51) and SEK 42 million (30) for the third quarter, and pertains to intra-Group administrative services. Loss before tax for the period January–September amounted to SEK 11 million (loss: 9) and to SEK 6 million (loss: 5) for the third quarter. Loss before tax for the period January–September amounted to SEK 9 million (loss: 9) and to SEK 5 million (loss: 4) for the third quarter. The Parent Company's cash and cash equivalents totalled SEK 13 million (18), and equity totalled SEK 673 million (302), as at 30 September 2015.

**Shares and share capital**

The Collector share ("COLL") was listed on the Nasdaq Stockholm Mid Cap list on 10 June 2015. At the end of the period, the final price paid for the Collector share was SEK 75,75, corresponding to the listing price of SEK 55 on 10 June. Collector's market value on 30 September rose to SEK 7.1 billion, and the number of shareholders was approximately 3,600.

As at 30 September 2015, the share capital amounted to SEK 9,335,550 divided into 93,355,502 ordinary shares. The Company has one (1) class of shares. Each share confers on the holder the right to one vote in the general meeting.

**Employees**

The average number of full-time employees amounted to 271 (FTE) in the period January–September 2015. The number of full-time employees includes employees on fixed-term contracts, but not on parental leave or a leave of absence. The total number of new recruitments in the third quarter was 28.

**Relationships with related parties**

Collector provides debt collection services to Balder. Collector also provides property finance to Oscar Properties. These transactions are carried out on market terms. Deposits are also made by related parties and in accordance with applicable market terms for Collector's deposit accounts.

**Significant events after the end of the period**

After the end of the period, the Board of Directors resolved on a framework for certificates to diversity funding.

A cooperation agreement was signed with Qliro regarding Personal loans.

**Presentation to investors, analysts and media**

A live webcast/telephone conference will be held on 3 November at 12.00 pm (CET) at Operaterassen in Stockholm, where Stefan Alexandersson, CEO, and Pia-Lena Olofsson, CFO, will present the report and answer questions. The presentation will be given in Swedish and webcast live at [www.collector.se](http://www.collector.se). To participate in the telephone conference, please call +46 8 566 426 63. An interview with the CEO in English regarding the interim report will be available at [www.collector.se/investerare/finansuell-information](http://www.collector.se/investerare/finansuell-information).

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.

Gothenburg, 3 November 2015

#### **The Board of Directors.**

Lena Apler, *Chairman*

Johannes Nyberg

Christoffer Lundström

Vilhelm Schottenius

Erik Selin, *Vice Chairman*

Claes Kinell

Helena Levander

Stefan Alexandersson, *CEO*

## **Audit report**

### **The Auditor's report of a review of the summary interim financial information (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.**

#### **Introduction**

We have reviewed the summary interim financial information (the interim report) of Collector AB (publ) as of 30 September 2015 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and fair presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

#### **The direction and extent of the review**

We have performed this review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making enquiries, primarily to persons responsible for financial and accounting matters, performing an analytical review and undertaking other review measures. A review has another direction and is substantially more limited in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practice otherwise. The measures undertaken in a review do not permit us to be certain that we have become aware of all significant matters that might have been identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

#### **Opinion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group, and in accordance with the Swedish Annual Accounts Act for the Parent Company.

Gothenburg, 03 November 2015

PricewaterhouseCoopers AB

Johan Rippe  
Authorized Public Accountant  
Auditor in charge

Peter Nilsson  
Authorized Public Accountant

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## Future reporting dates

11 February 2016 Year-end report 2015	6 April 2016 2015 Annual Report	28 April 2016 Interim report Jan–Mar Annual General Meeting	20 July 2015 Interim report Jan–Jul	27 October 2016 Interim report Jan–Sep
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## Contact

For further information, please contact:

**CEO Stefan Alexandersson** | Phone: +46 706-07 38 87 | E-mail: stefan.alexandersson@collectorbank.se

**CFO Pia-Lena Olofsson** | Phone: +46 708-58 04 53 | E-mail: pia-lena.olofsson@collectorbank.se

**IR Clara Bolinder-Lundberg** | Phone: +46 707-19 84 43 | E-mail: clara.bolinderlundberg@collectorbank.se

*The information in this report is such that Collector is required to disclose in accordance with the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 8.15 am (CET) on 3 November 2015.*

## INCOME STATEMENT



# Group

Amounts in SEK million	Note	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Total income	2	296	223	857	641	916
		<b>296</b>	<b>223</b>	<b>857</b>	<b>641</b>	<b>916</b>
<b>Operating expenses</b>						
Personnel costs		-38	-35	-124	-116	-160
Depreciation of property, plant and equipment and amortization of intangible fixed assets		-8	-6	-21	-16	-22
Other profit/loss – net		0	0	0	0	0
Other costs	4	-131	-92	-402	-275	-396
<b>Operating expenses</b>		<b>-177</b>	<b>-133</b>	<b>-547</b>	<b>-407</b>	<b>-578</b>
<b>Operating profit/loss</b>		<b>119</b>	<b>90</b>	<b>310</b>	<b>234</b>	<b>338</b>
<i>Profit/loss from financial items</i>						
Profit/loss from sales of subsidiaries		0	0	0	0	-1
Financial income		0	0	0	4	6
Financial expenses		-17	-24	-60	-74	-99
<b>Profit/loss after financial items</b>		<b>102</b>	<b>66</b>	<b>250</b>	<b>164</b>	<b>244</b>
Income tax		-22	-15	-55	-36	-56
<b>Profit/loss for the year</b>		<b>80</b>	<b>51</b>	<b>195</b>	<b>128</b>	<b>188</b>
Attributable to:						
The Parent Company's shareholders		80	51	195	128	188
Holdings without controlling influence		-	-	-	-	-
		<b>80</b>	<b>51</b>	<b>195</b>	<b>128</b>	<b>188</b>
<b>Earnings per share for profit attributable to the Parent Company's shareholders during the period (expressed in SEK per share)</b>						
– Before dilution		0.85	0.68	2.20	1.71	2.35
– After dilution		0.85	0.68	2.20	1.71	2.35

## STATEMENT OF COMPREHENSIVE INCOME

# Group

	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Profit/loss for the year	80	51	195	128	188
Other comprehensive income					
<b>Items that later can be reversed in the income statement:</b>					
Exchange rate differences	-3	1	-3	2	0
<b>Total comprehensive income for the period</b>	<b>77</b>	<b>52</b>	<b>192</b>	<b>130</b>	<b>188</b>
Attributable to:					
– The Parent Company's shareholders	77	52	192	130	188
– Holdings without controlling influence	-	-	-	-	-
	<b>77</b>	<b>52</b>	<b>192</b>	<b>130</b>	<b>188</b>

## BALANCE SHEET



# Group

Amounts in SEK million	30 Sep 2015	30 Sep 2014	Full year 2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Property, plant and equipment</i>			
Investment real estate	–	2	–
Equipment	9	5	7
	<b>9</b>	<b>7</b>	<b>7</b>
<i>Intangible assets</i>			
Capitalized expenditure for development work	78	58	63
Goodwill	71	73	72
	<b>149</b>	<b>131</b>	<b>135</b>
<i>Financial assets</i>			
Financial investments	173	–	–
Other financial receivables	5	–	–
Deferred tax assets	2	2	2
Lending and other receivables	4,070	2,932	3,060
	<b>4,250</b>	<b>2,934</b>	<b>3,062</b>
<b>Total non-current assets</b>	<b>4,408</b>	<b>3,072</b>	<b>3,204</b>
<b>Current assets</b>			
Lending and other receivables	3,357	2,190	2,589
Derivative instruments	5	–	–
Other receivables	148	118	131
Cash and cash equivalents	722	485	637
	<b>4,232</b>	<b>2,793</b>	<b>3,357</b>
<b>TOTAL ASSETS</b>	<b>8,640</b>	<b>5,865</b>	<b>6,561</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital (93,355,502 shares)	9	7	7
Reserves	–6	–1	–3
Other contributed capital	801	401	401
Retained earnings, incl. profit for the year	755	530	590
	<b>1,559</b>	<b>937</b>	<b>995</b>
<i>Long-term liabilities</i>			
Funding	302	482	510
Deferred tax liabilities	53	44	53
	<b>355</b>	<b>526</b>	<b>563</b>
<i>Current liabilities</i>			
Accounts payable	26	13	20
Accrued expenses and prepaid income	156	145	135
Current tax liabilities	26	5	11
Other current liabilities	161	135	139
Funding	6,357	4,103	4,699
Derivative instruments	–	1	1
	<b>6,726</b>	<b>4,402</b>	<b>5,003</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,640</b>	<b>5,865</b>	<b>6,561</b>

## SUMMARY OF CHANGES IN EQUITY

Q3 

# Group

Amounts in SEK million	Attributable to the Parent Company's shareholders					Holdings without controlling influence	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings	Total		
<b>Opening balance as at 1 January 2014</b>	<b>6</b>	<b>200</b>	<b>-3</b>	<b>432</b>	<b>635</b>	<b>0</b>	<b>635</b>
<i>Comprehensive income</i>							
Profit/loss for the year				128	128		128
<i>Other comprehensive income</i>							
Exchange rate differences			2		2		2
Total other comprehensive income			0		0		0
<b>Total comprehensive income</b>			<b>2</b>	<b>128</b>	<b>130</b>		<b>130</b>
<i>Transactions with shareholders</i>							
New issue of preference shares	0	2			2		2
New issue of ordinary shares	1	199			200		200
Dividend on preference shares				0	0		0
Ordinary dividend				-30	-30		-30
<b>Total transactions with shareholders</b>	<b>1</b>	<b>201</b>		<b>-30</b>	<b>172</b>		<b>172</b>
<b>Closing balance as at 30 September 2014</b>	<b>7</b>	<b>401</b>	<b>-1</b>	<b>530</b>	<b>937</b>	<b>0</b>	<b>937</b>
<b>Opening balance as at 1 January 2014</b>	<b>6</b>	<b>200</b>	<b>-3</b>	<b>432</b>	<b>635</b>	<b>0</b>	<b>635</b>
<i>Comprehensive income</i>							
Profit/loss for the year				188	188		188
<i>Other comprehensive income</i>							
Exchange rate differences			0		0		0
Total other comprehensive income			0		0		0
<b>Total comprehensive income</b>			<b>0</b>	<b>188</b>	<b>188</b>		<b>188</b>
<i>Transactions with shareholders</i>							
New issue of preference shares	0	2			2		2
New issue of ordinary shares	1	199			200		200
Dividend on preference shares				0	0		0
Ordinary dividend				-30	-30		-30
<b>Total transactions with shareholders</b>	<b>1</b>	<b>201</b>	<b>0</b>	<b>-30</b>	<b>172</b>		<b>172</b>
<b>Closing balance as at 31 December 2014</b>	<b>7</b>	<b>401</b>	<b>-3</b>	<b>590</b>	<b>995</b>	<b>0</b>	<b>995</b>
<b>Opening balance as at 1 January 2015</b>	<b>7</b>	<b>401</b>	<b>-3</b>	<b>590</b>	<b>995</b>	<b>0</b>	<b>995</b>
<i>Comprehensive income</i>							
Profit/loss for the year				195	195		195
<i>Other comprehensive income</i>							
Exchange rate differences			-3		-3		-3
Total other comprehensive income			0		0		0
<b>Total comprehensive income</b>			<b>-3</b>	<b>195</b>	<b>192</b>		<b>192</b>
<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
<b>Total transactions with shareholders</b>	<b>2</b>	<b>400</b>	<b>-3</b>	<b>-30</b>	<b>372</b>		<b>372</b>
<b>Closing balance as at 30 September 2014</b>	<b>9</b>	<b>801</b>	<b>-6</b>	<b>755</b>	<b>1,559</b>	<b>0</b>	<b>1,559</b>

## CASH FLOW STATEMENT



# Group

Amounts in SEK million	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
<b>Current operations</b>					
Profit/loss after financial items	102	66	250	164	244
Adjustments for non-cash items, etc.	34	-18	94	-15	19
	136	48	344	149	263
Taxes paid	-10	-10	-32	-33	-39
<b>Cash flow from operating activities before changes in working capital</b>	<b>126</b>	<b>38</b>	<b>312</b>	<b>116</b>	<b>224</b>
<b>Cash flow from changes in working capital</b>	<b>-926</b>	<b>-319</b>	<b>-1,827</b>	<b>-1,049</b>	<b>-1,616</b>
<b>Cash flow from operating activities</b>	<b>-800</b>	<b>-281</b>	<b>-1,515</b>	<b>-933</b>	<b>-1,392</b>
<b>Cash flow from investment activities</b>	<b>-34</b>	<b>-2</b>	<b>-216</b>	<b>-22</b>	<b>-35</b>
<b>Cash flow from financing activities</b>	<b>143</b>	<b>31</b>	<b>1,815</b>	<b>919</b>	<b>1,539</b>
<b>Cash flow for the period</b>	<b>-691</b>	<b>-252</b>	<b>84</b>	<b>-37</b>	<b>112</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>1,412</b>	<b>739</b>	<b>637</b>	<b>522</b>	<b>522</b>
<b>Exchange rate differences in cash and cash equivalents</b>	<b>1</b>	<b>-2</b>	<b>1</b>	<b>0</b>	<b>3</b>
<b>Cash and cash equivalents at year-end</b>	<b>722</b>	<b>485</b>	<b>722</b>	<b>485</b>	<b>637</b>

# Parent Company

## Income Statement, Parent Company

Amounts in SEK million	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Operating income	42	30	70	51	39
<b>Operating expenses</b>					
Other external costs	-39	-28	-66	-48	-34
Depreciation of property, plant and equipment and amortization of intangible fixed assets	-9	-7	-15	-12	-10
<b>Operating profit/loss</b>	<b>-6</b>	<b>-5</b>	<b>-11</b>	<b>-9</b>	<b>-5</b>
<b>Profit/loss from financial items</b>					
Profit/loss from holdings in Group companies	-	-	-	-	-1
Interest income and similar items	0	0	0	0	0
Interest expenses and similar profit/loss items	0	0	0	0	0
<b>Profit/loss after financial items</b>	<b>-6</b>	<b>-5</b>	<b>-11</b>	<b>-9</b>	<b>-6</b>
<b>Appropriations</b>					
Appropriations, other	0	0	0	0	7
<b>Profit before tax</b>	<b>-6</b>	<b>-5</b>	<b>-11</b>	<b>-9</b>	<b>1</b>
Income tax	1	1	2	1	-1
<b>Profit/loss for the year</b>	<b>-5</b>	<b>-4</b>	<b>-9</b>	<b>-8</b>	<b>0</b>

## BALANCE SHEET



# Parent Company

Amounts in SEK million	30 Sep 2015	30 Sep 2014	Full year 2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible assets</i>			
Capitalized expenses for development work and similar work	27	23	25
	<b>27</b>	<b>23</b>	<b>25</b>
<i>Property, plant and equipment</i>			
Equipment	6	3	5
	<b>6</b>	<b>3</b>	<b>5</b>
<i>Financial assets</i>			
Holdings in Group companies	742	392	392
Other non-current receivables	5	5	5
Deferred tax assets	3	3	2
	<b>750</b>	<b>400</b>	<b>399</b>
<b>Total non-current assets</b>	<b>783</b>	<b>426</b>	<b>429</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Receivables with Group companies	23	15	15
Other receivables	24	7	13
Prepaid expenses and accrued income	5	3	3
	<b>52</b>	<b>25</b>	<b>31</b>
<i>Cash and bank balances</i>			
	13	18	2
<b>Total current assets</b>	<b>65</b>	<b>43</b>	<b>33</b>
<b>TOTAL ASSETS</b>	<b>848</b>	<b>469</b>	<b>462</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital (93,355,502 shares)	9	7	7
Statutory reserve	18	18	18
	<b>27</b>	<b>25</b>	<b>25</b>
<i>Non-restricted equity</i>			
Share premium reserve	762	362	362
Profit/loss brought forward	-111	-81	-81
Profit/loss for the year	-5	-4	0
	<b>646</b>	<b>277</b>	<b>281</b>
	<b>673</b>	<b>302</b>	<b>306</b>
<b>Untaxed reserves</b>			
Tax allocation reserves	14	14	14
	<b>14</b>	<b>14</b>	<b>14</b>
<b>Current liabilities</b>			
Deposits from the public	1	0	1
Accounts payable	4	5	5
Liabilities to Group companies	151	130	130
Other current liabilities	0	0	0
Accrued expenses and prepaid income	5	18	5
	<b>161</b>	<b>153</b>	<b>141</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>848</b>	<b>469</b>	<b>462</b>

# Accounting principles and notes to the financial statements

## General accounting principles

The interim report is prepared in accordance with IFRS/IAS 34, and the Swedish Financial Supervisory Authority's Regulations and General Guidelines on Annual Accounts for Credit Institutions and Securities Companies (FFFS 2008:25, Chapter 7, Sections 2–3, and Chapter 8), the Annual Accounts Act for Credit Institutions and Securities Companies (Chapter 7, Sections 7–8) 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, profit or disclosures. The accounting principles and bases for assessments in the interim report are consistent with those applied in the 2014 Annual Report.

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

## Income Statement according to the Annual Accounts Act for Credit Institutions

### Note 1

Amounts in SEK million	Q3 2015	Q3 2014	Jan–Sep 2015	Jan–Sep 2014	Full year 2014
<b>Operating income</b>					
Interest income	197	142	552	408	571
Interest expenses	–17	–24	–60	–74	–99
Commission income	22	24	71	70	102
Commission expenses	–24	–17	–76	–49	–74
Other operating income	77	57	234	167	248
<b>Total operating income</b>	<b>255</b>	<b>182</b>	<b>721</b>	<b>522</b>	<b>748</b>
<b>Operating expenses</b>					
General administration costs	–61	–53	–195	–169	–227
Depreciation of property, plant and equipment and amortization of intangible fixed assets	–8	–6	–21	–16	–22
Other operating expenses	–59	–42	–185	–129	–186
<b>Total expenses before credit losses</b>	<b>–128</b>	<b>–101</b>	<b>–401</b>	<b>–314</b>	<b>–435</b>
<b>Profit before credit losses</b>	<b>127</b>	<b>81</b>	<b>320</b>	<b>208</b>	<b>313</b>
Credit losses, net	–25	–15	–70	–44	–69
<b>Operating profit/loss</b>	<b>102</b>	<b>66</b>	<b>250</b>	<b>164</b>	<b>244</b>
Appropriations					
Tax on profit for the year	–22	–15	–55	–36	–56
<b>Profit/loss for the year</b>	<b>80</b>	<b>51</b>	<b>195</b>	<b>128</b>	<b>188</b>
<b>C/I ratio, %</b>	<b>0.50</b>	<b>0.55</b>	<b>0.56</b>	<b>0.60</b>	<b>0.58</b>

## Income per significant type of income

### Note 2

Amounts in SEK million	Q3 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
<b>Group</b>					
Credit management	24	21	72	59	70
Commission income	22	24	71	70	102
Interest income	197	142	552	404	565
Other income	53	36	162	108	179
	<b>296</b>	<b>223</b>	<b>857</b>	<b>641</b>	<b>916</b>

## Segment reporting

## Note 3

Amounts in SEK million (Q3 2015)	Retail	Corporate	Eliminations	Collector Group
Income, external customers	202	94	–	296
Income, internal	14	8	–23	–
<b>Total income</b>	<b>216</b>	<b>103</b>	<b>–23</b>	<b>296</b>
<b>Profit before tax</b>	<b>67</b>	<b>35</b>	<b>–</b>	<b>102</b>
Lending and other accounts receivables	4,808	2,620	–	7,428
Amounts in SEK million (Q3 2014)	Retail	Corporate	Eliminations	Collector Group
Income, external customers	150	74	–	223
Income, internal	11	9	–22	–
<b>Total income</b>	<b>163</b>	<b>82</b>	<b>–22</b>	<b>223</b>
<b>Profit before tax</b>	<b>45</b>	<b>21</b>	<b>–</b>	<b>66</b>
Lending and other accounts receivables	3,518	1,604	–	5,123
Amounts in SEK million (Jan–Sep 2015)	Retail	Corporate	Eliminations	Collector Group
Income, external customers	586	271	–	857
Income, internal	43	29	–72	–
<b>Total income</b>	<b>629</b>	<b>300</b>	<b>–72</b>	<b>857</b>
<b>Profit before tax</b>	<b>165</b>	<b>86</b>	<b>–</b>	<b>250</b>
Lending and other accounts receivables	4,808	2,620	–	7,428
Amounts in SEK million (Jan–Sep 2014)	Retail	Corporate	Eliminations	Collector Group
Income, external customers	431	211	–	641
Income, internal	34	28	–63	–
<b>Total income</b>	<b>465</b>	<b>239</b>	<b>–63</b>	<b>641</b>
<b>Profit before tax</b>	<b>110</b>	<b>54</b>	<b>–</b>	<b>164</b>
Lending and other accounts receivables	3,518	1,604	–	5,123
Amounts in SEK million (full year 2014)	Retail	Corporate	Eliminations	Collector Group
Income, external customers	602	314	–	916
Income, internal	34	47	–82	0
<b>Total income</b>	<b>636</b>	<b>362</b>	<b>–82</b>	<b>916</b>
<b>Profit before tax</b>	<b>150</b>	<b>94</b>	<b>–</b>	<b>244</b>
Lending and other accounts receivables	3,740	1,909	–	5,649

## Other costs

### Note 4

Amounts in SEK million	Q3 2015	Q3 2014	Jan–Sep 2015	Jan–Sep 2014	Full year 2014
<b>Group</b>					
Commission expenses	24	17	76	49	74
Credit management costs	15	11	46	37	52
Costs acquired credit portfolios	12	11	35	29	38
Credit losses, net	25	15	70	44	69
Postage costs	9	8	29	24	34
Administration costs	23	18	71	53	67
Other operating expenses	23	12	75	39	62
	<b>131</b>	<b>92</b>	<b>402</b>	<b>275</b>	<b>396</b>

## Capital adequacy

### Note 5

	Corporate Group				Corporate Group		
	30 Sep 2015	30 Sep 2014	Full year 2014		30 Sep 2015	30 Sep 2014	Full year 2014
<b>Capital base</b>				<b>Capital requirement</b>			
Equity	1,559	871	995	Credit risk	519	354	398
Deduction of unrevised profit	–	–	–	Market risk	2	1	2
Deduction intangible assets	–103	–85	–90	CVA risk	1	–	1
Tier 1 capital	1,456	786	906	Operational risk	86	73	86
Tier 2 capital	–	–	–	<b>Total capital requirement</b>	<b>608</b>	<b>428</b>	<b>487</b>
Deduction from Tier 1 and Tier 2 capital	–	–	–	<b>Summary of capital</b>			
Expanded capital base	–	–	–	<b>Capital surplus</b>	<b>848</b>	<b>358</b>	<b>419</b>
<b>Capital base</b>	<b>1,456</b>	<b>786</b>	<b>906</b>	<b>Capital adequacy ratio</b>	<b>2.40</b>	<b>1.83</b>	<b>1.86</b>
				<b>Total capital ratio</b>	<b>19.2%</b>	<b>14.7%</b>	<b>14.9%</b>

Collector AB (publ) is the Parent Company in a consolidated situation that includes the subsidiaries Collector Credit AB (credit institution), Collector Finland OY, PayPort GmbH and Collector Norge AS. 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 January–September. This year's profit has therefore been taken into consideration in the capital base.

## Fair value measurement

### 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 at 30 September 2015.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Financial liabilities valued at fair value via the income statement</b>				
Derivative instruments	–	5	–	5
Financial investments	–	173	–	173
<b>Total assets</b>	<b>–</b>	<b>178</b>	<b>–</b>	<b>178</b>
<b>Liabilities</b>				
<b>Financial liabilities valued at fair value via the income statement</b>				
Derivative instruments held for trading (currency derivatives)	–	–	–	–
<b>Total liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

The following table shows the Group's financial assets and liabilities measured at fair value as at 30 September 2015.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Financial liabilities valued at fair value via the income statement</b>				
Derivative instruments	–	–	–	–
Financial investments	–	–	–	–
<b>Total assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Liabilities</b>				
<b>Financial liabilities valued at fair value via the income statement</b>				
Derivative instruments held for trading (currency derivatives)	–	1	–	1
<b>Total liabilities</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>1</b>

The following table shows the Group's financial assets and liabilities measured at fair value as at 31 December 2014.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Financial liabilities valued at fair value via the income statement</b>				
Derivative instruments	–	–	–	–
Financial investments	–	–	–	–
<b>Total assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Liabilities</b>				
<b>Financial liabilities valued at fair value via the income statement</b>				
Derivative instruments held for trading (currency derivatives)	–	1	–	1
<b>Total liabilities</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>1</b>

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

*Financial instruments in level 2.*

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates on the balance sheet date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Note that all of the resulting fair value estimates established by using valuation techniques are included in level 2.