

# Interim report

## January-March 2017

### JANUARY-MARCH 2017 (COMPARED WITH JANUARY-MARCH 2016)

- Total income increased by 28%, amounting to SEK 438 million (344)
- Earnings after tax (EAT) increased by 34%, amounting to SEK 113 million (85)
- Return on equity (RoE) was 20% (21)
- Earnings per share increased to SEK 1.11 (0.86)
- Continued strong growth with increased quality in the credit portfolio, SEK 14,973 million (9,618) +56%
- Positive development in credit losses 1.1% (1.3)
- As of January 2, 2017 Collector moved up to Nasdaq Stockholm's Large Cap-segment
- Nomination Committee appointed for AGM. Fabian Hielte appointed as Chairman of Nomination Committee
- Invested in Nordkap – strengthens its position in FinTech
- Established an MTN-program of SEK 5 000 million - published prospectus
- Successfully issued SEK 800 million under MTN program
- Invitation to attend the Annual General Meeting 2017 of Collector AB

### EVENTS AFTER THE END OF THE PERIOD

- Lena Apler – Acting CEO of Collector
- Collector's Annual Report for 2016 published. Listen to podcast episode with Lena Apler and the digital version of the Annual Report at [www.collector.se/arsredovisning2016](http://www.collector.se/arsredovisning2016)

*“Our bank app is intended to work as an assistant, helping to manage your finances in an easy and pleasurable way.”*

Founder & Acting CEO, Lena Apler

#### INCOME

January-March 2017

**438 +28%**  
SEK MILLION

#### RETURN ON EQUITY

31 march 2017

**20%**

#### EARNINGS AFTER TAX

January-March 2017

**113 +34%**  
SEK MILLION

#### TOTAL CAPITAL RATIO

31 march 2017

**16%**

**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 AB (publ) is listed on the Nasdaq Stockholm Large Cap list.

**Key ratios**

SEK MILLION	Q1 2017	Q1 2016	Full year 2016
Organic growth, <sup>1)</sup>	26%	32%	27%
Operating profit	168	128	599
Average number of shares, <sup>2)</sup>	102,690,502	93,355,502	95,421,407
Capital base, <sup>3)</sup>	2,484	1,616	2,390
Equity	2,678	1,734	2,566
Total capital ratio, <sup>4)</sup>	16%	16%	18%
Return on total assets, <sup>5)</sup>	0,6%	0,7%	2,7%
Return on equity (RoE), % <sup>6)</sup>	20%	21%	20%
Equity per share, SEK, <sup>7)</sup>	26,1	18,6	25,0
Equity/assets ratio, % <sup>8)</sup>	15%	15%	17%
Credit losses, % <sup>9)</sup>	1,1%	1,3%	1,1%
C/I ratio, % <sup>10)</sup>	0,50	0,53	0,50
Average number of full-time employees <sup>11)</sup>	355	300	329
Investments in intangible fixed assets	30	16	102
Earnings before tax (EBT)	145	108	521
Earnings after tax (EAT)	113	85	405
<b>SEK MILLION</b>	<b>Q1 2017</b>	<b>Q1 2016</b>	<b>Full year 2016</b>
Income	438	344	1,513
Earnings per share, SEK, <sup>12)</sup>	1,11	0,86	4,09

\* Has been positively impacted by an insurance effect of SEK 6 million, excluding that, it is 1.3%.

- 1) Growth, excluding acquisitions and currency effects.
- 2) 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.
- 3) See Note 5 on page 16.
- 4) Capital base divided by total capital requirement. Refers to the financial group of companies. See Note 5 on page 16.
- 5) Profit after tax divided by total assets at the end of the period.
- 6) Profit 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 Annual Accounts Act for Credit Institutions.
- 11) Including employees on fixed-term contracts, but not on parental leave or a leave of absence.
- 12) The period's earnings 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. Earnings per share have also been restated for prior periods to reflect the bonus issue element in connection with new issues of shares.

# Report from the operating business



The first quarter brought continued growth, according to plan. You might be forgiven for thinking that nothing revolutionary has happened compared with the preceding quarter. However, that is precisely Collector's strength, that we are developing as planned, adding one transaction after another, growing our balance sheet, our income and our profit. No dramatic ups and downs, just stable growth.

Collector needs to strengthen its identity and present a "face" to the customer, mainly in the retail market, which is completely digital, but with widely differing products and partly different customer groups. Becoming clearer, but also more personal. To be relevant and build a deeper relationship with customers, we have begun to develop the market's best bank app, and this will be launched during the year. Our bank app is intended to work as an assistant, helping to manage your finances in an easy and pleasurable way. Information and function, easily accessible, safe and attractively packaged, proprietary and partner products under the same roof. What is given is that there will be a "bot" managing the dialogue, interacting with the customer. Our task now is to give that bot a character that reflects Collector. Maybe we will call her Colla.

Our major corporate transaction with Rossignol started up in March, beginning to build volumes and demonstrating that the processes and systems are working as planned. Our omni-channel transaction with Stadium is also up and running, and we are building volumes, with everything working well and customers being very satisfied.

Some really exciting partnerships with external partners are being negotiated. The intention is for Collector to offer additional services to customers, but sourcing these with external partners specialised in their respective fields. This is an initiative to further strengthen the offering to customers, making use of our large customer database and being ready to win further ground when PSD2 comes into effect from 2018.

Effective from the first quarter, we are applying an agile approach throughout the company, with considerable success to date. This entails bringing together teams for the current needs of a project, with the business side, IT, finance and legal working in parallel to be able to solve tasks and achieve objectives quickly and efficiently without missing essential elements. This also enhances expertise and builds an understanding of the complete transaction and its complexity.

For us, being well-positioned to quickly take advantage of the various opportunities and challenges that come with increased market demands, technological development and the introduction of PSD2, is obvious, although it deserves to be repeated. As we

have introduced completely proprietary business systems, we have paved the way with the most modern technology imaginable, as well as the most rigorous security and safety requirements. This is all made possible by our approximately 140 IT developers. They also act as our insurance policy in establishing and maintaining a leading position as a digital niche bank, or "cool-tech bank" as one customer put it.

It is worth mentioning that our least digital product, real estate credits to commercial players, continues to perform fantastically well. Strong demand from very good customers, who appreciate prompt and professional administration, makes this an asset category providing good returns at low risk.

During the first quarter, we issued Collector's first bond under the new MTN program. The first issue was oversubscribed and we closed it at SEK 800 million, with an attractive pricing. Our intention is to issue bonds in both NOK and EUR during the year.

We are working according to the theme "Believe in the idea". Naturally, this involves what we want to make possible for our customers, but also our attitude internally – we are to make dreams and ideas come true, preferably making the impossible possible, while striving constantly to develop.

The outlook for 2017 and onwards is bright, with growth continuing unabated, coupled with low risk and sound business principles in everything we do. I have been the Acting CEO since 4 April, but we expect to have a replacement in place during the year. The objective is to present a new CEO at the Annual General Meeting on 25 April.

**LENA APLER**  
Founder & Acting CEO



# The Group's development

## Income and earnings Jan–Mar

Collector showed good growth in the first quarter of 2017. Total income increased by 28% compared with the corresponding period in the previous year and amounted to SEK 438 million (344). Organic growth, excluding currency effects, was 26%. This growth was mainly attributable to increased volumes in Personal loans and Real estate credits, although other product areas also had increased growth.

Earnings before tax (EBT) increased by 34%, amounting to SEK 145 million (108). The improved earnings are the result of a combination of higher income and lower operating and funding expenses. Earnings after tax (EAT) increased by 34% to SEK 113 million (85), corresponding to a return on equity (RoE) of 20% (21). Earnings per share increased by 29% to SEK 1.11 (0.86).

## Expenses

Collector has a highly scalable business model. The cost/income ratio (C/I) improved to 0.50 in the first quarter of 2017 (0.53). The quarter was affected by the initial costs for the transaction with Rossignol, example. We have also invested heavily in IT during the period.

## Credit portfolio

The total credit portfolio amounted to SEK 14,973 million (9,618) and in one year has increased by over SEK 5.3 billion, corresponding to a 56% increase. The increase derives primarily from the Personal loans and Real estate credits product areas. Durations/maturities on credits in these two product areas are also long.

Normally, due to seasonal variations, portfolio growth in real estate credits is weak in the first quarter. That has not been the case this year – instead, demand has been favourable, with the real estate credit portfolio increasing, particularly in March.

What is positive is that the quality of the overall credit portfolio continues to improve thanks to further improvements in the credit assessment process. 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. In particular, it is the improved quality of the personal loan portfolio, combined with the strong growth in credit stocks that has caused credit losses to fall. Credit losses remain virtually non-existent in the corporate segment.

## Liquidity and financial investments

On 31 March, cash and cash equivalents amounted to 2,076 million (1,395).

Collector's excess liquidity is invested in Swedish municipal bonds and deposited in accounts in Nordic banks.

At the end of the period, consolidated financial investments amounted to SEK 473 million (449). Of this, SEK 71 million (0) involved investments in Fintech companies through Collector Ventures.

## Funding

Collector's primary source of funding is deposits from the general public. At the end of the period, deposits from the public totalled SEK 12,502 million (9,200). Unutilized bank credits of SEK 800 million have been agreed. Certificates issued amounted to SEK 1,448 million (494) at the end of the period.

During the quarter, Collector set up an MTN program with a framework of SEK 5,000 million. In March, the first issue was implemented with a bond for SEK 800 million, with a maturity of three years.

## 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 has been performed of the profit for the year. 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 2,484 million by the end of the period (1,616), and the capital requirement amounted to SEK 1,217 million (815). The total capital ratio was 16.3% (15.9).

In March, the Swedish Financial Supervisory Authority (Finansinspektionen) granted permission to classify the new share issue for SEK 513 million in Q4 2016 as Core Tier 1 capital for the financial group of companies.

## Segment performance

### Retail

The Retail segment's total external income increased by 28% in the first quarter, totalling SEK 269 million (232). The contribution margin improved due to increased volumes mainly in Personal loans, but also from economies of scale. Earnings before tax (EBT) for the Retail segment increased by 35%, amounting to SEK 89 million (66).

The product area Payment solutions for e-commerce and retail chains has increased its inflow of new customers by about 400% since the first quarter of 2016. We are seeing generally increased interest in Collector's payment solutions. A new version of Collector's Betalkoll (Payment Check) app was launched in the quarter, receiving a good response.

The Personal loans product area experienced heavy growth in the quarter as a result of increased new lending, predominantly in Sweden. A new digital signing process means that about 80% of customers can now sign their promissory notes digitally. Work continues to switch to an IT platform developed in-house, which will be completed in the second quarter of 2017.

During the quarter, the cards product area recruited personnel working with the cross selling of cards, mainly to customers who currently have personal loans with Collector. The results have so far exceeded expectations.

In 12 months, the deposit balance has risen by SEK 3.3 billion to SEK 12,502 million (9,200) 31 March 2017. The savings account partnership with Tink went live during the quarter. The partnership means that Tink users are offered the opportunity to open a savings account at Collector Bank directly through the app. During the quarter, we also noted a strong interest among companies to make larger deposits with Collector.

#### RETAIL SEGMENT

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

### Corporate

During the first quarter, the Corporate segment increased its external income by 27 percent to SEK 142 million (112). Earnings before tax (EBT) in the Corporate segment amounted to SEK 56 million (42), an increase of 33 percent. The profit 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 the first quarter. Real estate credits, which normally experience weak months early in the year due to seasonality, began the year with strong lending, particularly in March. The strong growth was due to larger credit stocks and an increased number of disbursements. We see continued strong demand for real estate credits also in the future.

The Factoring and Company credits product areas experienced growth in the first quarter and achieved "all-time high" income in March. The transaction with Rossignol entered production in mid-March and has developed very well. However, full credit volume for Rossignol is not expected to be achieved until October 2017.

Colligent had good growth in the first quarter, with, for example, services targeting the real estate sector achieving their best quarter to date. An end-user web was launched and the customer web for our clients has also gained numerous new features. The digitization initiative has received a very good response.

Acquired receivables performed well, with good cash flow during the quarter. We also received some major non-recurring payments during the period. No major acquisitions were made during the quarter.

#### CORPORATE SEGMENT

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

## Other

### Material risks and uncertainty factors

Through its operations, Collector is exposed to a variety of risks, particularly credit risk, market risk (currency and interest risk), liquidity and funding risk, operational risk and reputation 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 utilizes 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, operational risk and the use of derivatives and similar financial instruments.

The Group's risk structure and its risk, liquidity and capital management are described in detail in 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 accounting 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 is working to develop models for calculating expected losses in accordance with IFRS 9. Collector has not yet finished analyzing the consequences of IFRS 9 on its own operations, and that process is still ongoing. There is a risk that Collector's capital adequacy, risk management, the scope of the provisions and alternative performance measures will be affected.

### Financial group of companies

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 whole of the financial group of companies is under the supervision of the Swedish Financial Supervisory Authority and is covered by the Swedish Financial Supervisory Authority's rules for 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 355 (FTE) in the period January–March 2017. The number of full-time employees includes employees on fixed-term contracts, but not on parental leave or a leave of absence.

### OWNERSHIP STRUCTURE 31 MARCH 2017

Shareholders	%
Fastighets AB Balder	44,07%
StrategiQ Capital AB	12,72%
Swedbank Robur fonder	6,83%
Ernström Finans AB	5,36%
Handelsbanken fonder	4,26%
Helichrysum Gruppen AB	3,82%
Andra AP-fonden	3,07%
Muirfield Invest Aktiebolag	1,55%
Vante AB	1,36%
Other shareholders	16,96%
<b>Total</b>	<b>100%</b>

### Parent company

The Parent Company is a holding company. Operating income in the first quarter of 2017 amounted to SEK 18 million (15) and pertains to intra-Group administrative services. The loss before tax (EBT) amounted to SEK 3 million (3) in the first quarter. The loss after tax amounted to SEK 2 million (2) in the first quarter. The Parent Company's cash and cash equivalents totalled SEK 0 million (10), and equity totalled SEK 1,221 million (708) on 31 March 2017.

### The Collector share

Collectors share ("COLL") was listed on the Nasdaq Stockholm, Mid Cap list on 10 June 2015 with the listing price of 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 98.70. On March 31, 2017, Collector's market capitalization was slightly more than SEK 10 billion and there were approximately 4,750 shareholders.

### Share capital

As of 31 March 2017, the share capital 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. It is proposed that no dividend be paid for the 2016 financial year.

### 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.

### Significant events after the end of the period

Collector AB's Annual General Meeting will be held in Gothenburg on 25 April 2017, at 3:00 p.m. In accordance with the decision made at Collector's General Meeting on 28 April 2016, the company's major owners have appointed a Nomination Committee. The chairman of the Nomination Committee is Fabian Hielte.

Effective from 5 April 2017, Collector AB's Board of Directors, has appointed Lena Apler as the Acting CEO until a new CEO has been recruited. In connection with her appointment as Acting CEO, Lena Apler's role as Chairman has been taken over by the former Deputy Chairman, Erik Selin.

Collector's Annual Report for 2016 available from 3 April. Listen to podcast episode with Lena Apler and the digital version of the Annual Report at [www.collector.se/arsredovisning2016](http://www.collector.se/arsredovisning2016)

### Presentation to investors, analysts and media

A live conference call will be held on 25 April 2017 at 10:00 a.m. (CET), at which Founder and Acting CEO Lena Apler and CFO Pia-Lena Olofsson will present the report. The presentation will be in Swedish and will be broadcast live at <https://tv.streamfabriken.com/collector-q1-2017>

To participate in the conference, please call +46 8 5664 2663. The switchboard opens at 9:55 a.m. (CET). The presentation material will be available afterwards on our website [www.collector.se](http://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, 25 April 2017

**The Board of Directors,**

Lena Apler, *Acting CEO*

Azita Shariaty

Vilhelm Schottenius

Erik Selin, *Chairman*

Christoffer Lundström

Cecilia Lager

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**Future reporting dates**

20 July 2017

26 October 2017

Interim report

Interim report

January-June

January - September

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**Contact**

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*This information is information that Collector AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08.15 CET on April 25, 2017.*

## INCOME STATEMENT



# Group

Amounts in SEK million	Note	Q1 2017	Q1 2016	Full year 2016
Income	2	438	344	1,513
		<b>438</b>	<b>344</b>	<b>1,513</b>
<b>Operating expenses</b>				
Personnel costs		-61	-52	-211
Depreciation of property, plant and equipment and amortization of intangible fixed assets		-13	-8	-40
Other profit/loss – net		-	-	-0
Other expenses	4	-196	-156	-663
<b>Operating expenses</b>		<b>-270</b>	<b>-216</b>	<b>-914</b>
<b>Operating earnings</b>		<b>168</b>	<b>128</b>	<b>599</b>
<i>Earnings from financial items</i>				
Earnings/loss from sales of subsidiaries		-	0	0
Financial income		0	0	0
Financial expenses		-23	-20	-78
<b>Earnings after interest and tax</b>		<b>145</b>	<b>108</b>	<b>521</b>
Income tax		-32	-23	-116
<b>Earnings for the year</b>		<b>113</b>	<b>85</b>	<b>405</b>
Attributable to:				
The Parent Company's shareholders		113	85	405
Holdings without controlling influence		-	-	-
		<b>113</b>	<b>85</b>	<b>405</b>
<b>Earnings per share for earnings attributable to the Parent Company's shareholders during the period (expressed in SEK per share)</b>				
– Before dilution		1,11	0,86	4,09
– After dilution		1,11	0,86	4,09

## STATEMENT OF COMPREHENSIVE INCOME

# Group

	Q1 2017	Q1 2016	Full year 2016
Earnings for the year	113	85	405
Other comprehensive income	-	-	-
<b>Items that later can be reversed in the income statement:</b>			
Exchange rate differences	-1	1	4
<b>Total comprehensive income for the period</b>	<b>112</b>	<b>86</b>	<b>409</b>
Attributable to:			
– The Parent Company's shareholders	112	86	409
– Non-controlling interests	-	-	-
	<b>112</b>	<b>86</b>	<b>409</b>



## BALANCE SHEET



## Group

Amounts in SEK million	Q1 2017	Q1 2016	Full year 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Property, plant and equipment</i>			
Equipment	10	9	10
	<b>10</b>	<b>9</b>	<b>10</b>
<i>Intangible fixed assets</i>			
Capitalized expenses for development work	169	96	151
Goodwill	72	71	72
	<b>241</b>	<b>167</b>	<b>223</b>
<i>Financial non-current assets</i>			
Financial investments	473	449	362
Deferred tax asset	–	–	1
Lending and other receivables	8,359	5,331	7,408
	<b>8,832</b>	<b>5,780</b>	<b>7,771</b>
<b>Total non-current assets</b>	<b>9,083</b>	<b>5,956</b>	<b>8,004</b>
<b>Current assets</b>			
Lending and other receivables	6,614	4,287	5,834
Derivative instruments	12	1	33
Other receivables	70	203	263
Cash and cash equivalents	2,076	1,395	1,021
<b>Total current assets</b>	<b>8,772</b>	<b>5,886</b>	<b>7,151</b>
<b>TOTAL ASSETS</b>	<b>17,855</b>	<b>11,842</b>	<b>15,155</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital (102,690,502 shares)	10	9	10
Reserves	–3	–6	–2
Other contributed capital	1,313	801	1,313
Retained earnings, incl. earnings for the year	1,358	930	1,245
<b>Total equity</b>	<b>2,678</b>	<b>1,734</b>	<b>2,566</b>
<i>Non-current liabilities</i>			
Borrowing	161	175	119
Securities issued	800	–	–
Deferred tax liabilities	87	66	87
	<b>1,048</b>	<b>241</b>	<b>206</b>
<i>Current liabilities</i>			
Accounts payable	38	30	32
Accrued expenses and deferred income	125	133	112
Current tax liabilities	52	33	66
Other current liabilities	125	152	141
Borrowing	12,341	9,025	11,226
Securities issued	1,448	494	806
	<b>14,129</b>	<b>9,867</b>	<b>12,383</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,855</b>	<b>11,842</b>	<b>15,155</b>

## SUMMARY OF CHANGES IN EQUITY



# 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 2016</b>	<b>9</b>	<b>801</b>	<b>-7</b>	<b>846</b>	<b>1,649</b>	<b>-</b>	<b>1,649</b>
<i>Comprehensive income</i>							
Earnings for the year				85	85		85
<i>Other comprehensive income</i>							
Exchange rate differences			1		1		1
Other comprehensive income			-		-		-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>85</b>	<b>86</b>	<b>-</b>	<b>86</b>
<i>Transactions with shareholders</i>							
New issue of ordinary shares							
Bonus issue of ordinary shares							
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance as at 31 December 2016</b>	<b>9</b>	<b>801</b>	<b>-6</b>	<b>930</b>	<b>1,734</b>	<b>-</b>	<b>1,734</b>
<b>Opening balance as at 1 January 2016</b>	<b>9</b>	<b>801</b>	<b>-7</b>	<b>846</b>	<b>1,649</b>	<b>-</b>	<b>1,649</b>
<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			-		-		-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>405</b>	<b>410</b>	<b>-</b>	<b>410</b>
<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
<b>Total transactions with shareholders</b>	<b>1</b>	<b>512</b>	<b>-</b>	<b>-6</b>	<b>507</b>	<b>-</b>	<b>507</b>
<b>Closing balance as at 31 December 2016</b>	<b>10</b>	<b>1,313</b>	<b>-2</b>	<b>1,245</b>	<b>2,566</b>	<b>-</b>	<b>2,566</b>
<b>Opening balance as at 1 January 2017</b>	<b>10</b>	<b>1,313</b>	<b>-2</b>	<b>1,245</b>	<b>2,566</b>	<b>-</b>	<b>2,566</b>
<i>Comprehensive income</i>							
Earnings for the year				113	113		113
<i>Other comprehensive income</i>							
Exchange rate differences			-1		-1		-1
Other comprehensive income			-		-		-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-1</b>	<b>113</b>	<b>112</b>	<b>-</b>	<b>112</b>
<i>Transactions with shareholders</i>							
New issue of ordinary shares							
Bonus issue of ordinary shares							
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance as at 31 December 2017</b>	<b>10</b>	<b>1,313</b>	<b>-3</b>	<b>1,358</b>	<b>2,678</b>	<b>-</b>	<b>2,678</b>

## CASH FLOW STATEMENT



# Group

Amounts in SEK million	Q1 2017	Q1 2016	Full year 2016
<b>Operating activities</b>			
Earnings after interest and tax	145	108	521
Adjustments for items not included in the cash flow, etc.	31	56	-136
	176	164	385
Taxes paid	-45	-26	-64
<b>Cash flow from operating activities before changes in working capital</b>	<b>131</b>	<b>138</b>	<b>321</b>
<b>Cash flow from changes in working capital</b>	<b>-1,533</b>	<b>-1,089</b>	<b>-4,611</b>
<b>Cash flow from operating activities</b>	<b>-1,402</b>	<b>-951</b>	<b>-4,290</b>
<b>Cash flow from investing activities</b>	<b>-143</b>	<b>-318</b>	<b>-318</b>
<b>Cash flow from financing activities</b>	<b>2,599</b>	<b>1,840</b>	<b>4,802</b>
<b>Cash flow for the period</b>	<b>1,054</b>	<b>571</b>	<b>194</b>
<b>Cash and cash equivalents at the start of the year</b>	<b>1,021</b>	<b>825</b>	<b>825</b>
<b>Exchange rate differences in cash and cash equivalents</b>	<b>1</b>	<b>-1</b>	<b>2</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,076</b>	<b>1,395</b>	<b>1,021</b>

# Notes on 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 2016 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	Q1 2017	Q1 2016	Full year 2016
<b>Operating income</b>			
Income from interest	377	289	1,297
Interest expenses	-23	-20	-78
Commission income	3	4	16
Commission expenses	-45	-30	-142
Other operating income	58	51	200
<b>Total operating income</b>	<b>370</b>	<b>294</b>	<b>1,293</b>
<b>Operating expenses</b>			
General administration costs	-91	-78	-325
Depreciation of property, plant and equipment and amortization of intangible fixed assets	-13	-8	-40
Other operating costs	-80	-71	-287
<b>Total expenses before credit losses</b>	<b>-184</b>	<b>-157</b>	<b>-652</b>
<b>Earnings before credit losses</b>	<b>186</b>	<b>137</b>	<b>641</b>
Credit losses, net	-41	-29	-120
<b>Operating profit according to the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL)</b>	<b>145</b>	<b>108</b>	<b>521</b>
Tax on earnings for the year	-32	-23	-116
<b>Earnings for the year</b>	<b>113</b>	<b>85</b>	<b>405</b>
<b>C/I ratio</b>	<b>0,50</b>	<b>0,53</b>	<b>0,50</b>

## Income per significant type of income

### Note 2

Amounts in SEK million	Q1 2017	Q1 2016	Full year 2016
<b>Group</b>			
Credit management	28	26	103
Commission income	3	4	16
Income from interest	377	289	1,297
Other income	30	25	97
	<b>438</b>	<b>344</b>	<b>1,513</b>

## Segment reporting

### Note 3

Amounts in SEK million (Q1 2017)	Retail	Corporate	Eliminations	Collector Group
Income, external customers	296	142	–	438
Income, internal	23	10	– 33	0
<b>Total income</b>	<b>319</b>	<b>152</b>	<b>–33</b>	<b>438</b>
<b>Earnings before tax</b>	<b>89</b>	<b>56</b>	<b>0</b>	<b>145</b>
Lending and other accounts receivable	9,093	5,880	–	14,973
Amounts in SEK million (Q1 2016)	Retail	Corporate	Eliminations	Collector Group
Income, external customers	232	112	–	344
Income, internal	18	8	– 26	0
<b>Total income</b>	<b>250</b>	<b>120</b>	<b>–26</b>	<b>344</b>
<b>Earnings before tax</b>	<b>66</b>	<b>42</b>	<b>0</b>	<b>108</b>
Lending and other accounts receivable	6,077	3,541	–	9,618
Belopp i MSEK (helår 2016)	Retail	Corporate	Eliminations	Collector Group
Income, external customers	1,036	478	–	1,513
Income, internal	79	36	–116	0
<b>Total income</b>	<b>1,115</b>	<b>514</b>	<b>–116</b>	<b>1,513</b>
<b>Earnings before tax</b>	<b>333</b>	<b>188</b>	<b>–</b>	<b>521</b>
Lending and other accounts receivable	8,244	4,998	–	13,242

## Other expenses

### Note 4

Amounts in SEK million	Q1 2017	Q1 2016	Full year 2016
<b>Group</b>			
Commission expenses	45	30	142
Credit management costs	18	16	68
Credit losses, net	41	29	120
Postage costs	11	14	46
Administration costs	30	26	114
Other operating costs	51	41	173
	<b>196</b>	<b>156</b>	<b>663</b>

## Capital adequacy

### Note 5

Capital base	Corporate group		
	Q1 2017	Q1 2016	Full year 2016
Equity	2,676	1,734	2,565
Deduction of unaudited profit	–	–	–
Deduction intangible assets	–192	–118	–175
Tier 1 capital	2,484	1,616	2,390
Tier 2 capital	–	–	–
Deduction from Tier 1 and Tier 2 capital	–	–	–
Expanded capital base	–	–	–
<b>Capital base</b>	<b>2,484</b>	<b>1,616</b>	<b>2,390</b>

Capital requirement	Corporate group		
	Q1 2017	Q1 2016	Full year 2016
Credit risk	1,074	703	940
Market risk	3	4	6
CVA risk	1	0	1
Operational risk	139	108	140
<b>Total capital requirement</b>	<b>1,217</b>	<b>815</b>	<b>1,087</b>
<b>Summary of capital</b>			
<b>Capital surplus</b>	<b>1,266</b>	<b>801</b>	<b>1,303</b>
<b>Capital adequacy ratio</b>	<b>2,04</b>	<b>1,98</b>	<b>2,20</b>
<b>Total capital ratio</b>	<b>16,3%</b>	<b>15,9%</b>	<b>17,6%</b>

Capital ratios and buffers	Q1 2017	Q1 2016	Full year 2016
Common Equity Tier 1 capital	16,3%	15,9%	13,8%
Tier 1 capital	16,3%	15,9%	17,6%
Total capital	16,3%	15,9%	17,6%
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	8,6%	7,9%	8,2%
Of which: minimum capital requirement	4,5%	4,5%	4,5%
Of which: the capital conservation buffer requirement	2,5%	2,5%	2,5%
Of which: the countercyclical capital buffer requirement	1,6%	0,9%	1,2%
Common Equity Tier 1 capital available for use as buffer, as a percentage of the risk-weighted buffer amount	11,8%	11,4%	9,3%

While awaiting the Swedish Financial Supervisory Authority's ruling regarding the new share issue for SEK 513 million, it is classified as Tier 1 capital. In March 2017, the Swedish Financial Supervisory Authority ruled to classify the new share issue as Core Tier 1 capital.

Exposures Corporate Group (Credit risk)	Q1 2017			Q1 2016			Full year 2016		
	Exposure	Risk-weighted amount	Minimum requirement (8%)	Exposure	Risk-weighted amount	Minimum requirement (8%)	Exposure	Risk-weighted amount	Minimum requirement (8%)
Municipalities and other associations	420	–	–	260	–	–	335	–	–
Institution exposure	2,117	424	34	1,412	282	23	1,070	214	17
Corporate exposure	5,163	5,163	413	2,997	2,997	240	4,207	4,207	336
Household exposure	7,872	5,904	472	5,335	4,002	320	7,352	5,514	441
Unregulated items	1,337	1,337	107	1,037	1,037	83	1,259	1,259	101
Other items	593	593	48	466	466	37	558	558	45
<b>Total</b>	<b>17,502</b>	<b>13,421</b>	<b>1,074</b>	<b>11,507</b>	<b>8,784</b>	<b>703</b>	<b>14,781</b>	<b>11,752</b>	<b>940</b>

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 January-March.

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 at 31 March 2017.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Financial assets measured at fair value via the income statement</b>				
Derivative instruments	–	12	–	12
Financial investments	–	397	71	468
<b>Total assets</b>	<b>–</b>	<b>409</b>	<b>71</b>	<b>480</b>
<b>Liabilities</b>				
<b>Financial liabilities measured 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 31 March 2016.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Financial assets measured at fair value via the income statement</b>				
Derivative instruments	–	1	–	1
Financial investments	–	444	–	444
<b>Total assets</b>	<b>–</b>	<b>445</b>	<b>–</b>	<b>445</b>
<b>Liabilities</b>				
<b>Financial liabilities measured 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 of 31 December 2016.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Financial assets measured at fair value via the income statement</b>				
Derivative instruments	–	33	–	33
Financial investments	–	317	40	357
<b>Total assets</b>	<b>–</b>	<b>350</b>	<b>40</b>	<b>390</b>
<b>Liabilities</b>				
<b>Financial liabilities measured 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>

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

# Parent company

## Income Statement, Parent Company

Amounts in SEK million	Q1 2017	Q1 2016	Full year 2016
Operating income	18	15	65
<b>Operating expenses</b>			
Other external costs	-17	-15	-63
Depreciation of property, plant and equipment and amortization of intangible fixed assets	-4	-3	-13
<b>Operating earnings</b>	<b>-3</b>	<b>-3</b>	<b>-11</b>
<b>Earnings from financial items</b>			
Earnings from holdings in Group companies	-	0	0
Interest income and similar items	0	0	0
Interest expenses and similar items	0	0	0
<b>Earnings after interest and tax</b>	<b>-3</b>	<b>-3</b>	<b>-11</b>
<b>Appropriations</b>			
Appropriations, other	-	-	18
<b>Earnings before tax</b>	<b>-3</b>	<b>-3</b>	<b>7</b>
Income tax	1	1	-2
<b>Earnings for the year</b>	<b>-2</b>	<b>-2</b>	<b>5</b>

# Parent company

Amounts in SEK million	Q1 2017	Q1 2016	Full year 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible fixed assets</i>			
Capitalized expenses for development work and similar work	29	29	31
	<b>29</b>	<b>29</b>	<b>31</b>
<i>Property, plant and equipment</i>			
Equipment	6	5	6
	<b>6</b>	<b>5</b>	<b>6</b>
<i>Financial non-current assets</i>			
Participations in Group companies	1,327	742	1,299
Other non-current receivables	5	5	5
Deferred tax asset	1	1	–
	<b>1,333</b>	<b>748</b>	<b>1,304</b>
<b>Total non-current assets</b>	<b>1,368</b>	<b>782</b>	<b>1,341</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Receivables with Group companies	46	23	29
Other receivables	13	16	12
Prepayments and accrued income	7	5	5
	<b>66</b>	<b>44</b>	<b>46</b>
<i>Current receivables</i>	0	10	5
<b>Total current assets</b>	<b>66</b>	<b>54</b>	<b>51</b>
<b>TOTAL ASSETS</b>	<b>1,434</b>	<b>836</b>	<b>1,392</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital (102,690,502 shares)	10	9	10
Statutory reserve	18	18	18
Development expenditure fund	13	–	12
	<b>41</b>	<b>27</b>	<b>40</b>
<i>Restricted equity</i>			
Share premium reserve	1,274	762	1,274
Retained earnings	–92	–79	–96
Earnings for the year	–2	–2	5
	<b>1,180</b>	<b>681</b>	<b>1,183</b>
	<b>1,221</b>	<b>708</b>	<b>1,223</b>
<b>Untaxed reserves</b>			
Tax allocation reserves	4	4	4
	<b>4</b>	<b>4</b>	<b>4</b>
<b>Current liabilities</b>			
Deposits from the public	1	1	1
Accounts payable	10	5	5
Liabilities to Group companies	192	111	153
Other current liabilities	0	–	0
Accrued expenses and deferred income	6	7	6
	<b>209</b>	<b>124</b>	<b>165</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,434</b>	<b>836</b>	<b>1,392</b>