collector

Q2

JANUARY–JUNE 2018

Interim report January–June 2018

SECOND QUARTER (COMPARED WITH THE SECOND QUARTER OF 2017)

- Revenue increased by 18 percent, amounting to SEK 556 million (473)
- Earnings after tax (EAT) increased by 15 percent to SEK 147 million (128)
- Earnings per share, 1.43 (1.24)
- Strong development for Factoring and company credits and Real estate credits
- Good growth in the private loan portfolio
- An implemented savings programme has contributed to an improved C/I ratio (0.45) compared with the previous quarter (0.54)
- Martin Nossman has been appointed new CEO as of 1 August 2018
- Magnus Erkander has been appointed acting CFO as of 10 July 2018
- Colligent has acquired a major portfolio of Swedish consumer credits with a total volume of SEK 500 million
- New and additional investments were made in Collector Ventures
- The first digital residential mortgages were disbursed in June

JANUARY–JUNE 2018 (COMPARED WITH JANUARY–JUNE 2017)

- Total revenue increased by 17 percent, amounting to SEK 1,068 million (911)
- Earnings after tax (EAT) increased by 7 percent to SEK 259 million (241)
- Earnings per share, 2.52 (2.35)
- Return on equity (RoE) was 18 percent (19)
- Continued good volume growth in the credit portfolio, SEK 21,535 million, +26 percent
- Stable credit loss level of 1.1 percent (1.1)

REVENUE
January–June 2018
1,068 +17%
SEK MILLION

RETURN ON EQUITY (RoE)
30 June 2018
18%

EARNINGS AFTER TAX
January–June 2018
259 +7%
SEK MILLION

TOTAL CAPITAL RATIO
January–June 2018
16%

NUMBER OF RETAIL CUSTOMERS
1,500,000

NUMBER OF CORPORATE CUSTOMERS
1,000

THIS IS COLLECTOR

Collector is an innovative, digital, niche bank that offers financing solutions to private and corporate customers. 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 real estate credits, factoring and company credits directed mainly at small and medium-sized enterprises, debt collection on behalf of customers (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 Nasdaq Stockholm.

KEY RATIOS

Key ratios of the Group, SEK million*	**Q2 2018**	**Q2 2017**	**Δ**	**Jan–Jun 2018**	**Jan–Jun 2017**	**Δ**	**Full year 2017**
INCOME STATEMENT							
Revenue	556	473	18%	1068	911	17%	1,933
Earnings before interest and taxes (EBIT)	232	191	21%	417	359	16%	784
Earnings before tax (EBT)	190	164	16%	335	309	8%	668
Earnings after tax (EAT)	147	128	15%	259	241	7%	517
Earnings per share before dilution, SEK [1]	1.43	1.24	15%	2.52	2.35	7%	5.03
Earnings per share after dilution, SEK [2]	1.43	1.24	15%	2.52	2.35	8%	5.04
BALANCE SHEET							
Lending to the public	21,535	17,090	26%	21,535	17,090	26%	19,507
Deposits	16,610	13,944	19%	16,610	13,944	19%	15,310
Own funds [3]	3,501	3,088	13%	3,501	3,088	13%	3,338
Investments in intangible assets	33.2	32.7	2%	68.8	62.2	11%	120.8
KEY RATIOS							
Net interest margin (NIM), % [4]	8.7	9.7		8.5	9.9		9.5
Credit losses, net, % [5]	1.1	1.1		1.1	1.1		1.1
C/I ratio [6]	0.45	0.48		0.49	0.49		0.47
Common Equity Tier 1 capital ratio, % [7]	14	15		14	15		14
Total capital ratio, % [8]	16	18		16	18		17
Equity per share, SEK, [9]	30.9	27.3	13%	30.9	27.3	13%	30.0
Return on equity (RoE), %[10]	18	19		18	19		18
Average number of full-time employees [11]	402	373	8%	398	364	9%	376

**Some key ratios have not been prepared in accordance with IFRS but are believed to facilitate the analysis of the Collector Group's development*

1) The period's earnings after tax attributable to the period's average number of ordinary shares outstanding, before and after dilution.
2) Profit for the period after tax, adjusted by the convertible interest rate through the period's average number of shares following dilution.
3) See Note 5 on page 18.
4) Net interest income in relation to the average loan portfolio. Rolling 12 months.
5) Credit losses in relation to lending and other accounts receivable. Rolling 12 months.
6) Total expenses before credit losses, according to the Annual Accounts Act for Credit Institutions.
7) Common Equity Tier 1 capital through total risk exposure amount. Refers to the financial group of companies. See Note 5 on page 18.
8) Own funds divided by total risk exposure amount. Refers to the financial group of companies. See Note 5 on page 18.
9) Equity divided by the number of shares outstanding at end of the period.
10) Earnings after tax in relation to average equity. Rolling 12 months.
11) Including employees on fixed-term contracts, but not on parental leave or a leave of absence.

A comment from our CEO

Since the inception of Collector, we have always indulged our shareholders and ourselves with an exceptionally high growth rate, considering both revenue and earnings. For this reason, there was major disappointment, both internally and externally, when our growth was lower than expected in the fourth quarter of 2017 and in the first quarter of 2018.

After a somewhat sluggish start of the year with reduced growth and costs that were higher than planned, we have noted a gratifying trend in June with higher revenue and lower costs, which has some effect on the second quarter as a whole. The underlying business has grown while costs have been cut, and we now enter the third quarter with great momentum. What we saw was hopefully no more than a dent in the curve, which has now passed.

The Corporate segment continues its excellent performance with stable growth and now accounts for 49 percent of the total credit portfolio. We should bear in mind that factoring credits have short terms, 30–120 days, compared with traditional loans. There is a clear opportunity in the segment for small and medium enterprises. Traditional banks appear to have a reduced appetite for this segment, which has significantly increased the inflow of business to Collector. So far, the effect of new products such as Digital Factoring is marginal, but it will be notable in the long term, as it is aimed at small companies and is a typical volume business that builds up over time.

Real estate credits remain on roughly the same level as in the previous quarter, at approximately 30 percent of the total credit portfolio, as a number of credits have matured and been redeemed, and new ones have been added. Our real estate financing is short term, with maturities ranging from six months to 60. It often has the same characteristics as bridge financing, which means that the volume trend may vary between quarters.

Profitability remains excellent, and no provisions are needed for probable credit losses. Due to our selection of large, professional operators in cities with high demand and low vacancy levels, we believe the trend will remain stable going forward.

The Retail segment has grown by 9 percent and regained momentum in June. But even if the portfolio is growing, revenue growth lags somewhat, as interest is payable periodically during the term. Our Swedish scoring templates were improved in the spring. This resulted in more solvent borrowers and larger loans per individual. To avoid too large an exposure to retail with only personal loans, we have now introduced digital residential mortgages for owner-occupied apartments in major cities and university towns. In June, we went live and paid loans to our first trial group, with highly successful results, considering both loan quality and administration. In September, we will launch digital residential mortgages on a larger scale. The most urgent area of development in retail is the creation of more frequent direct contacts and relations with our retail customers. Mostly through our clever Contact Centre, but also by further developing the bank app and creating interesting content that leads to dialogue. A digital relationship can be personal, as well.

Payment solutions are characterized by long lead times from agreement to implementation. The first krona in revenue is often received more than a year after the agreement was signed. The volume has grown with a substantial number of customers. However, relatively small customers have generated a lot of work but only limited revenue. Going ahead, our focus will be on major e-commerce operators, omnichannel and B2B, the areas where we believe we are the best.

Collector Ventures has invested a total of SEK 173 million in 24 companies since its inception in 2016. The portfolio contains many exciting companies, several of which have performed better than expected.

Colligent performed strongly in the second quarter. The acquisition of a major credit portfolio in Sweden led to increased volumes and had a positive effect on results already in June. In general, the operations became more efficient and generated more revenue in the second quarter.

Much remains to be done if we are to become even better; on the other hand, there is potential for the future. The C/I ratio has already come down but should fall even further. The recipe is more satisfied customers, increased revenue, a high pace and cost control. We will show that our business is truly scalable and digital. And that good digital customer relations are possible.

This return to writing CEO comments is unusual for me, but not wholly unknown. Next time, our new CEO Martin Nossman will be the one to set pen to paper. I am delighted to welcome him in August.

Lena Apler
Founder and acting CEO

The Group's development

Revenue and earnings in the second quarter

Strong growth within Factoring and company credits, Real estate credits and Personal loans contributed to the 18 percent increase in total revenue compared with the corresponding quarter of the previous year; the total revenue was SEK 556 million (473). Earnings before tax (EBT) increased by 16 percent to SEK 190 million (164), corresponding to a return on equity (RoE) of 18 percent (19). Earnings per share increased by 15 percent to SEK 1.43 (1.24) in the quarter.

Revenue and earnings January–June 2018

All things considered, Collector experienced good growth in the first six months of 2018. Total revenue rose by 17 percent compared with the corresponding period in 2017 and amounted to SEK 1,068 million (911).

The revenue growth is chiefly due to the continued positive development in the Corporate segment, where Factoring and company credits have shown strong growth, as have Real estate credits. Growth is also good in Retail, where a previous strategic decision to raise the quality and focus on the premium segment has borne fruit.

Earnings before tax (EBT) increased by 8 percent, amounting to SEK 335 million (309). Earnings after tax (EAT) was SEK 259 million (241), corresponding to a return on equity (RoE) of 18 percent (19). Earnings per share increased by 7 percent to SEK 2.52 (2.35).

Expenses

Total costs in the first six months were SEK 651 million (552), of which SEK 324 million are attributable to the second quarter (282). The increase between years is chiefly due to the greater business volume, where costs primarily related to credit losses, commission and external costs associated with debt collection have risen along with the growth of the operations. The period also includes costs of a non-recurring nature, such as the transfer of IT operations to cloud services, regulatory adaptations (IFRS 9, GDPR), investment in new digital offerings and the relocation to new headquarters in Gothenburg. The cost of salary, social security contributions, holiday pay and pension premiums for the former CEO, Liza Nyberg, totalled SEK 9 million, SEK 6 million of which affected the profit in the second quarter. Liza Nyberg had a notice period of six months and severance pay corresponding to 12 months.

A savings programme has been launched, which is expected to take full effect in the second half of 2018. The cost/income ratio (C/I) improved to 0.45 compared with the previous quarter (0.52).

Credit portfolio

The total credit portfolio was SEK 21,535 million, which is an increase of SEK 4.4 billion, or +26 percent, in a single year. The increase is chiefly due to the product areas Real estate credits, Factoring and company credits and Personal loans. The Corporate segment accounts for 49 percent and the Retail segment accounts for 51 percent of the total credit portfolio.

Credit losses

The credit loss key ratio for the rolling 12 months amounted to 1.1 percent (1.1) at the end of the period. Credit losses remain more or less non-existent within the Corporate segment.

Liquidity and financial investments

As at 30 June, cash and cash equivalents were 969 (1,934). 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 1,035 million (546).

Collector Ventures

In the first six months, Collector Ventures has made new investments in Voxo, Leeroy and Roaring. Additional investments were made in Gimi and Kaching. All in all, a total of SEK 173 million has been invested in 24 companies since the inception two years ago.

Funding

The operations are funded to 77 percent with deposits from the public, which amounted to 16,610 million (13,944) at the end of the period. Under the MTN programme (framework SEK 5,000 million), a three-year bond of SEK 800 million and a Tier 2 bond of 500 SEK million were issued. Commercial paper issued amounted to 2,312 million (1,475) as at end of the period. Collector also has unutilized bank credits of SEK 800 million. The diversified funding structure has resulted in higher interest expenses. Deposit guarantee expenses are now reported under interest expenses.

Capital and total capital ratio

Collector has received permission from the Swedish Financial Supervisory Authority to include profit for the year in own funds. A review has been performed of the profit for the period, which has therefore been taken into consideration in own funds. The own funds for the financial group of companies was SEK 3,501 million (3,088) at the end of the period and the capital requirement was SEK 1,759 million (1,389). The total capital ratio has been affected by IFRS 9 and was 15.9 percent at the end of June (17.8). The Common Equity Tier 1 ratio was 13.9 percent (14.9), and the Tier 1 capital ratio was 13.9 percent (14.9).

The internally assessed capital requirement was SEK 2,096 million as at 30 June 2018. The capital requirement shall be viewed in relation to own funds and reservation for risks according to Pillar I. In addition, reservations are made for the capital conservation buffer, the institution-specific countercyclical buffer and the internally assessed buffer.

DEVELOPMENT IN THE RETAIL SEGMENT

Focus on quality in the personal loan portfolio

Total revenue in the Retail segment rose by 9 percent in the first six months, to SEK 664 million (611). The profit contribution margin was 36 percent.

Personal loans had the highest revenue growth in the segment. The direction towards higher quality and focus on the premium segment continues. The approval rate for new lending dropped from 40 percent in the second quarter of 2017 to 33 percent in the same period in 2018. Investments are also being made in the premium segment in Norway and Finland.

The market has shown considerable interest in Collector's digital residential mortgages. The first loans were paid in June 2018 to a minor test group. A large-scale launch is planned for September. To allow for a fully digital process, residential mortgages are initially only aimed at owner-occupied apartments. This is not yet possible for mortgages in detached houses, but we expect to be there soon. Geographically, we are aiming for major city areas and university towns. The target group will include newly graduated students, first-time buyers who generally find it more difficult to purchase their first owner-occupied home compared with financially established groups.

Payment solutions for e-commerce and retail chains had lower volumes than expected due to the loss of a major customer in parallel with a postponement of the implementation of the customer NA-KD until October. The customer Verkkokauppa, which was implemented in late 2017, has started to build volume. Due to the positive reception of the B2B portal and the fact that several customers are in the pipeline, higher volume growth is expected in the second half of 2018.

The development for cards was slightly weaker during the period. Work on a new card strategy has begun and the new strategy will be launched in the autumn.

Deposits from the public have increased, both due to new customers and due to higher deposits by existing customers. The total deposit balance in the second quarter was SEK 16,610 million (13,944).

PRODUCTS

Personal loans
- Loans of up to SEK 500,000 in Sweden
- Loans of up to EUR 25,000 in Finland
- Loans of up to NOK 250,000 in Norway
- Approximately 82,000 personal loan customers
- An average loan amount of SEK 95,000

Digital residential mortgages
- Loans of up to SEK 10 million
- Owner-occupied apartments in major cities and university towns
- Launch in September 2018

Payment solutions
- Invoice, account and payments by instalments for e-commerce companies and retail chains (B2B+B2C)
- Agreements with approximately 600 merchants

Cards
- Collector Easyliving and Collector Easycard
- 20,000 cards

Savings accounts
- Savings accounts in Sweden and Finland
- A total of 20,300 savings accounts
- Average deposits of SEK 223,000

DEVELOPMENT IN THE CORPORATE SEGMENT

Continued strong development

Growth in earnings and profitability remained strong in the Corporate segment in the first six months. Income rose by 35 percent, totalling SEK 404 million (300). The profit contribution margin was 58 percent.

Growth in the Factoring and company credits product area was high. The existing customer base is building larger volumes than forecast and the influx of new customers continues, chiefly in Sweden, but Norway and Sweden also have a good growth rate.

A new cooperation agreement has been concluded with Mr Shoebox regarding invoice financing and company credits. A fully digital factoring solution is expected to contribute to continued good volume growth in the second half of the year. Digitization and product development have rendered us more scalable and efficient, which is appreciated by our customers along with our speed, creativity and professional administration.

Due to an effective analysis and decision-making process with proper follow-up, we still have no credit losses.

Real estate credits remain strong and perform according to plan. The portfolio is divided into Sweden, Finland, Norway and Denmark, with Sweden accounting for approximately 60 percent. In Denmark and Norway, a couple of major portfolio investments by major international real estate investment funds were financed. Collector's exposure to residential property developers account for approximately 5 percent of the total portfolio and is limited to a few major operators with projects that are in high demand, where a minimum of 70 percent has been sold with binding transfer agreements before the loans are paid.

COLLIGENT

Collector's fully-owned subsidiary, Colligent's, niche in the real estate industry with legal services linked to assignment debt collection and services to Collector's existing and new factoring customers remain at a good earnings level with a significant increase in June.

In the second quarter, Colligent acquired a major credit portfolio with Swedish overdue consumer credits. The total amount receivable is approximately SEK 500 million, and the business has had a positive impact on earnings as of the second quarter 2018.

PRODUCTS

Factoring and company credits

- Focus on the SME segment in Sweden, Norway and Finland
- Digital factoring aimed at minor companies
- Approximately 350 customers
- Accounts for 16 percent of the total credit portfolio

Real estate credits

- Major city areas and university cities in Sweden and Finland
- Accounts for 30 percent of the total credit portfolio
- Property developers account for 5 percent of the total credit portfolio.

COLLIGENT

Assignment debt collection

- Assignment debt collection in Sweden and Norway
- The number of debt collection matters was 55,000 at the end of the period

Acquisition of overdue receivables

- Acquisition of overdue receivables in Sweden, Norway and Finland.

Other

Significant risks and uncertainty factors

Through its operations, Collector is exposed to a number of different risks: primarily credit risk, market risk (currency risk and interest rate risk), liquidity risk and financing risk, operational risk and other business risks.

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 uses derivative instruments for managing risk exposure. Risk management is handled by the Group's management according to policies established by the Board of Directors. 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.

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 1 KB and 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

At the end of the period, the average number of full-time employees (FTE) was 402, an increase of 8 percent compared with the previous year. The number of full-time employees includes employees on fixed-term contracts, but not on parental leave or a leave of absence.

Parent Company

The Parent Company is a holding company. Operating income for the first six months amounted to SEK 41 million (35) and relates to intra-Group administrative services. Earnings before tax (EBT) amounted to a negative SEK 10 million (3) and earnings after tax (EAT) was a negative SEK 8 million (2).

Operating income for the second quarter of 2018 was SEK 12 million (17) and earnings before tax (EBT) was a negative SEK 4 million (1). Earnings after tax (EAT) was a negative SEK 4 million (1) in the first quarter. The Parent Company's cash and cash equivalents totalled SEK 4 million (12), and equity totalled SEK 1,224 million (1,220) as at 30 June 2018.

Ownership structure, 30 June 2018

Shareholders	%
Fastighets AB Balder	44.07
StrategiQ Capital AB	12.72
Ernström Finans AB	5.36
Swedbank Robur fonder	4.83
Helichrysum Gruppen AB	3.82
Andra AP-fonden	3.20
Handelsbanken Fonder	2.56
Handelsbanken Liv	1.64
Vante AB	1.36
Other shareholders	20.44
Total	**100**

The Collector share

As at 30 June 2018, the closing price for the Collector share was SEK 60.60, which corresponds to a market value of SEK 6.7 billion. The number of shareholders at the end of the period was 6,620.

Share capital

As at 30 June 2018, the share capital was 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 growth, which means that dividends may be low or not occur at all in the medium term.

Relationships with related parties

Collector offers debt collection services to Balder and real estate credits to Söderfors Bruk AB, Bronsporten Invest AB and Brinova Fastigheter AB. 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.

Annual General Meeting and Annual Report

The Annual General Meeting was held on Tuesday, 24 April at 15:00 CET at Collector's new headquarters, Lilla Bommen 11 in Gothenburg. The Annual Report was published on 29 March and is available at www.collector.se.

Changes to the management team

Martin Nossman has been appointed as the new CEO of Collector AB (publ) and Collector Bank AB. Martin has worked at Handelsbanken for over 20 years and he has held a number of senior positions within Handelsbanken Capital Markets. The former CEO, Liza Nyberg, left Collector on 31 May 2018, when Lena Apler, Chairman of the Board, took over as acting CEO until 1 August, when Martin Nossman takes up his new position.

Maria Lykken Ljungdahl left the position of CFO on 9 July 2018. Magnus Erkander, who joined from Nordea, has been appointed acting CFO.

Events after the end of the period

There were no significant events after the end of the period.

Presentation to investors, analysts and media

A live conference call will be held on 19 July 2018 at 10:00 (CET) where acting CEO Lena Apler and acting CFO Magnus Erkander will present the report.

The presentation will be held in Swedish and be broadcast live at: https://financialhearings.com/event/11377. To participate in the telephone conference, please call +46 8 506 39549. The switchboard opens at 09:55 (CET). The presentation material will be available afterwards on our website 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 report has not been reviewed by the company's auditors.

Gothenburg, 18 July 2018

Board of Directors and acting CEO

Erik Selin, *Chairman*	Cecilia Lager	Christoffer Lundström
Patrik Reuterskiöld	Anna Settman	Lena Apler, *acting CEO*

Future reporting dates

Interim report January–September 2018	25 October 2018
Year-end report 2018	12 February 2019

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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 19 July 2018 at 08:15 CET.

INCOME STATEMENT

Group

Amounts in SEK million	Note	Q2 2018	Q2 2017	Jan–Jun 2018	Jan–Jun 2017	Full year 2017
Revenue	2	556	473	1,068	911	1,933
		556	**473**	**1,068**	**911**	**1,933**
Operating expenses						
Personnel costs		-78	-65	-148	-126	-246
Depreciation of property, plant and equipment and amortization of intangible assets		-20	-15	-39	-28	-60
Other profit/loss – net		—	—	—	—	—
Other expenses	4	-226	-202	-464	-398	-843
Operating expenses		**-324**	**-282**	**-651**	**-552**	**-1,149**
Operating profit/loss		**232**	**191**	**417**	**359**	**784**
Profit/loss from financial items						
Finance income		4	1	6	1	14
Finance costs		-46	-28	-88	-51	-130
Profit/loss after financial items		**190**	**164**	**335**	**309**	**668**
Income tax		-43	-36	-76	-68	-151
Profit/loss for the year		**147**	**128**	**259**	**241**	**517**
Attributable to:						
The Parent Company's shareholders		147	128	259	241	517
Holdings without controlling influence		—	—	—	—	—
		147	**128**	**259**	**241**	**517**
Earnings per share for profit attributable to the Parent Company's shareholders during the period (expressed in SEK per share)						
– Before dilution		1.43	1.24	2.52	2.35	5.03
– After dilution		1.43	1.24	2.52	2.35	5.04

STATEMENT OF COMPREHENSIVE INCOME

Group

	Q2 2018	Q2 2017	Jan–Jun 2018	Jan–Jun 2017	Full year 2017
Profit/loss for the year	147	128	259	241	517
Other comprehensive income	—	—	—	—	—
Items that later can be reversed in the income statement:					
Exchange rate differences	3	-2	9	-3	-4
Total comprehensive income for the period	**150**	**126**	**268**	**238**	**513**
Attributable to:					
– The Parent Company's shareholders	150	126	268	238	513
– Holdings without controlling influence	—	—	—	—	—
	150	**126**	**268**	**238**	**513**

BALANCE SHEET

Group

Amounts in SEK million	Note	30 June 2018	30 June 2017	Full year 2017
ASSETS				
Non-current assets				
Property, plant and equipment				
Equipment		17	10	10
		17	**10**	**10**
Intangible assets				
Capitalized expenditure for development work		249	188	216
Goodwill		72	71	71
		321	**259**	**287**
Financial assets				
Financial investments	6	1,035	546	939
Lending to the public		10,434	8,771	9,563
		11,469	**9,317**	**10,502**
Total non-current assets		**11,807**	**9,586**	**10,799**
Current assets				
Lending to the public		11,101	8,319	9,944
Derivative instruments		—	82	26
Other receivables		153	88	69
Cash and cash equivalents		969	1,934	1,533
Total current assets		**12,223**	**10,423**	**11,572**
TOTAL ASSETS		**24,030**	**20,009**	**22,371**
EQUITY AND LIABILITIES				
Equity				
Share capital (102,690,502 shares)		10	10	10
Reserves		3	-5	-6
Other contributed capital		1,313	1,313	1,313
Retained earnings, incl. profit for the year		1,848	1,486	1,762
Total equity		**3,174**	**2,804**	**3,079**
Non-current liabilities				
Borrowing		204	212	264
Securities issued		1,335	1,296	1,344
Other non-current liabilities	6	0	—	2
Deferred tax liabilities		122	87	121
		1,661	**1,595**	**1,731**
Current liabilities				
Accounts payable		35	37	34
Accrued expenses and deferred income		140	149	203
Current tax liabilities		24	68	91
Other current liabilities		154	149	152
Borrowing		16,406	13,732	15,046
Securities issued		2,312	1,475	2,035
Derivative instruments	6	124	—	—
		19,195	**15,610**	**17,561**
TOTAL EQUITY AND LIABILITIES		**24,030**	**20,009**	**22,371**

SUMMARY OF CHANGES IN EQUITY

Group

Amounts in SEK million	Attributable to the Parent Company's shareholders						
	Share capital	Other contributed capital	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
Opening balance as at 1 January 2017	**10**	**1,313**	**-2**	**1,245**	**2,566**	**—**	**2,566**
Comprehensive income							
Profit/loss for the year				241	241		241
Other comprehensive income							
Exchange rate differences			-3		-3		-3
Other comprehensive income							
Total comprehensive income	**—**	**—**	**-3**	**241**	**238**	**—**	**238**
Transactions with shareholders	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Closing balance as at 30 June 2017	**10**	**1,313**	**-5**	**1,486**	**2,804**	**—**	**2,804**
Opening balance as at 1 January 2017	**10**	**1,313**	**-2**	**1,245**	**2,566**	**—**	**2,566**
Comprehensive income							
Profit/loss for the year				517	517		517
Other comprehensive income							
Exchange rate differences			-4		-4		-4
Other comprehensive income							
Total comprehensive income	**10**	**1,313**	**-4**	**517**	**513**	**—**	**513**
Transactions with shareholders	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Closing balance as at 31 December 2017	**10**	**1,313**	**-6**	**1,762**	**3,079**	**—**	**3,079**
Opening balance as at 1 January 2018	**10**	**1,313**	**-6**	**1,762**	**3,079**	**—**	**3,079**
Impact of implementation of IFRS 9				-173	-173		-173
Adjusted equity as at 1 January 2018	**10**	**1,313**	**-6**	**1,589**	**2,906**	**—**	**2,906**
Comprehensive income							
Profit/loss for the year				259	259		259
Other comprehensive income							
Exchange rate differences			9		9		9
Other comprehensive income							
Total comprehensive income	**10**	**1,313**	**3**	**1,848**	**3,174**	**—**	**3,174**
Transactions with shareholders	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Closing balance as at 30 June 2018	**10**	**1,313**	**3**	**1,848**	**3,174**	**—**	**3,174**

CASH FLOW STATEMENT

Group

MSEK	Q2 2018	Q2 2017	Jan–Jun 2018	Jan–Jun 2017	Full year 2017
Current operations					
Profit/loss after financial items	190	164	335	309	668
Adjustments for non-cash items, etc.					
– Credit losses	58	42	113	83	189
– Depreciation/amortization	20	15	39	28	60
– Capital gains/losses	1	—	1	—	—
– Unrealized exchange rate differences	-222	-43	-353	-32	-46
– Revaluation bonds	-2	-1	-3	0	4
– Other	-3	-11	-16	-20	-45
– Interest	11	60	18	34	4
	53	**226**	**134**	**402**	**834**
Paid tax	-28	-21	-93	-65	-91
Cash flow from current operations before changes in working capital	**25**	**205**	**41**	**337**	**743**
Cash flow from changes in working capital					
Increase(+)/Decrease(-) in non-current and current operating receivables	-1,096	-2,198	-1,912	-3,761	-6,185
Increase(+)/Decrease(-) in operating liabilities	-39	-11	-101	19	104
Cash flow from operating activities	**-1,110**	**-2,004**	**-1,972**	**-3,405**	**-5,338**
Investing activities					
Acquisitions of intangible assets	-33	-33	-69	-62	-121
Acquisitions of property, plant and equipment	0	-1	-9	-2	-4
Disposals of property, plant and equipment	0	—	0	—	—
Acquisitions of financial assets	-126	-71	-167	-204	-609
Disposals of financial assets	48	—	73	20	36
Cash flows from investing activities	**-111**	**-105**	**-172**	**-248**	**-698**
Financing activities					
New issue of shares	—	—	—	—	—
Change in deposits from the public	1,057	1,470	1,286	3,269	5,203
Securities issued	-45	496	277	1,296	1,344
Dividends paid	—	—	—	—	—
Cash flows from financing activities	**1,012**	**1,966**	**1,563**	**4,565**	**6,547**
Cash flow for the year	-209	-143	-581	912	511
Cash and cash equivalents at the beginning of the year	1,172	2,076	1,533	1,021	1,021
Exchange rate differences in cash and cash equivalents	6	1	17	1	1
Cash and cash equivalents at year-end	**969**	**1,934**	**969**	**1,934**	**1,533**

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.

As of 1 January 2018, the accounting standards IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers are applied.

IFRS 9 Financial Instruments

The standard comprises three areas: classification and measurement, impairment and hedge accounting. Collector does not apply hedge accounting.

Classification and measurement
According to the requirements of IFRS 9, financial assets are classified and measured at amortized cost, fair value via the income statement or fair value through other comprehensive income.

Financial assets
Financial assets are recognized when the Group becomes a party to the contractual terms of the instruments and are measured at the first reporting date at fair value. For financial assets measured at fair value via the income statement, transaction expenses are recognized at the transaction date, while other financial assets are included in fair value. Financial assets are de-recognized when the contractual rights to the cash flows arising from the asset cease or when all risks and rewards associated with the asset are transferred to another.

A financial asset is measured at amortized cost if the financial asset is managed within a business model the purpose of which is to realize the cash flow of the financial asset by receiving contractual cash flows and the contractual cash flows consist solely of repayment of principal and interest on outstanding principal. A financial asset is measured at fair value with the changes in value recognized in other comprehensive income if the financial asset is managed within a business model the purpose of which is to realize the cash flow of the financial asset, both by obtaining contractual cash flows and by selling the asset, and the contractual cash flows consist solely of repayment of principal and interest on outstanding principal. Other financial assets are recognized at fair value via the income statement.

Equity instruments and derivative instruments are classified under the fair value category via the income statement.

Debt instruments are classified based on the business model, i.e. the purpose Collector has in order to own homogeneous groups of assets, partly on the basis of whether the cash flows the asset is expected to generate consist solely of interest and repayment of principal.

To assess the business model, Collector has divided the financial assets into portfolios, which are handled in the same way. On assessment of which category best represents how each portfolio is managed, it is, primarily, assessed whether the purpose is to obtain contractual cash flows during the maturity or by selling assets, how the profitability of the portfolio is monitored internally, what the risk management for the portfolio looks like, and whether it is a portfolio intended for trading. To assess whether contractual cash flows meet the requirement to consist of only interest and principal, the balance sheet debt instruments are analysed. For Collector, the measurement category fair value via income consists of financial investments and derivative instruments, while the measurement category amortized cost consists primarily of lending and other receivables and cash and cash equivalents. Collector currently has no financial assets recognized at fair value through other comprehensive income.

Embedded derivatives
Some composite instruments contain both derivatives and non-derivatives (embedded derivatives). If the host contract is a financial asset that is covered by IFRS 9, the instrument is considered as a whole and the embedded derivative is not to be separated from the host contract. For other composite instruments (where the host contract is not a financial asset covered by IFRS 9), the embedded derivative shall be separated and recognized as an independent derivative if its economic characteristics and risks are not closely linked to the economic characteristics and risks of the host contract. Collector holds embedded derivatives linked to convertible instruments, in which option portions are recognized separately.

Financial liabilities
Financial liabilities are initially recognized at fair value. For financial liabilities recognized at fair value via the income statement, any transaction expenses are recognized in income. For other financial liabilities, transaction expenses are recognized as an adjustment of fair value. Financial liabilities are de-recognized when the commitment is discharged, expired or cancelled.

The measurement category financial liabilities measured at fair value via consists of derivative instruments, while the measurement category other financial liabilities, which are recognized as amortized cost, consists primarily of borrowing and issued securities.

Impairment
Financial assets classified at amortized cost or fair value through other comprehensive income are tested for impairment. Based on whether the credit risk is assessed to have increased or not since initialization, the assets are divided into three stages. Stage 1 includes items for which no significant increase in credit risk has occurred, Stage 2 includes items for which a significant increase in credit risk has occurred, and Stage 3 includes items in default. In assessing whether there has been a significant increase in credit risk, an analysis is made of whether the counterparty is more than 30 days late with a payment, or if there are other indicators that the risk has increased. To categorize if the counterparty is in default, an analysis is made of whether the counterparty is in severe delay with the payment, with over 90 days, or if there are other indications that indicate that repayment is less likely.

The provisions made for items in Stage 1 correspond to the expected credit losses expected within a twelve-month period. In Stages 2 and 3, an amount corresponding to the expected credit losses is reserved over the entire maturity. When calculating the losses in Stages 1 and 2, three main parameters are estimated: probability of default, expected loss given default and expected exposure at default. The parameters are estimated based on historical patterns among the bank's customers and indicate the size of the cash flows the bank expects to not be realized. In calculating expected loss in Stage 3, the counterparty has already defaulted, and an estimate is made of the recovery expected by the bank. The result of this calculation will then be calculated at present value to arrive at the expected credit loss, with the present value calculation based on each asset's effective interest rate. For the provision for doubtful receivables in the Retail segment, model results are analysed by the company's management to ensure that the expected credit losses are reasonable, which may result in the model result being updated. A probability-weighted average of expected losses according to each scenario, together with forward-looking forecasts and macroeconomic information, are also taken into account.

Expected credit losses for loan commitments and financial guarantees are also considered in the impairment testing.

Collector also holds acquired overdue receivables which are recognized at amortized cost using the effective interest rate method. The carrying amount of the acquired overdue receivables corresponds to the present value of all expected future cash flows discounted by the initial effective interest rate determined at acquisition.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers is also applied by Collector as of 1 January 2018. IFRS 15 replaces all previously published standards and interpretations regarding revenue with a combined new revenue recognition model (according to a five-step model). According to IFRS 15, revenue must be recognized when a promised item or service is transferred to a customer, which may occur over time or at a point time. The revenue shall consist of the amount that the company expects to receive in exchange for goods or services transferred. The introduction of IFRS 15 has not had a material impact on the Group's financial reports.

Income Statement according to the Annual Accounts Act for Credit Institutions

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.

Note 1

Amounts in SEK million	Q2 2018	Q2 2017	Jan–Jun 2018	Jan–Jun 2017	Full year 2017
Operating income					
Interest income	499	418	954	795	1,711
Interest expenses	-46	-28	-88	-51	-130
Commission income	4	4	9	7	15
Commission expense	-59	-48	-115	-93	-197
Other operating income	57	52	111	110	221
Total operating income	**455**	**398**	**871**	**768**	**1,620**
Operating expenses					
General administration expenses	-107	-99	-227	-190	-393
Depreciation of property, plant and equipment and amortization of intangible assets	-20	-15	-39	-28	-60
Other operating expenses	-80	-78	-157	-158	-310
Total expenses before credit losses	**-207**	**-192**	**-423**	**-376**	**-763**
Profit before credit losses	**248**	**206**	**448**	**392**	**857**
Credit losses, net	-58	-42	-113	-83	-189
Operating profit according to the Swedish Annual Accounts Act for Credit Institutions and Securities Companies	**190**	**164**	**335**	**309**	**668**
Tax on profit for the year	-43	-36	-76	-68	-151
Profit/loss for the year	**147**	**128**	**259**	**241**	**517**
Expenditure/Income ratio	**0.45**	**0.48**	**0.49**	**0.49**	**0.47**

Income per significant type of income

Note 2

Amounts in SEK million	Q2 2018	Q2 2017	Jan–Jun 2018	Jan–Jun 2017	Full year 2017
Group					
Credit management	28	27	54	56	107
Commission income	4	4	9	7	15
Interest income	495	417	948	794	1,697
Other revenue	29	25	57	54	114
	556	**473**	**1,068**	**911**	**1,933**

Segment reporting

Note 3

Amounts in SEK million (Q2 2018)	Retail	Corporate	Eliminations	Collector Group
Revenue, external customers	340	216	—	556
Revenue, internal	18	12	-30	0
Total revenue	**358**	**228**	**-30**	**556**
Profit contribution	**121**	**135**	—	**256**
Lending and other receivables	11,025	10,510	—	21,535
Net interest margin (NIM), %	11.1	6.1	—	8.7

Amounts in SEK million (Q2 2017)	Retail	Corporate	Eliminations	Collector Group
Revenue, external customers	314	159	—	473
Revenue, internal	21	10	-31	0
Total revenue	**335**	**169**	**-31**	**473**
Profit contribution	**130**	**86**	—	**216**
Lending and other accounts receivables	9,543	7,547	—	17,090
Net interest margin (NIM), %	12.0	6.6	—	9.7

Amounts in SEK million (January–June 2018)	Retail	Corporate	Eliminations	Collector Group
Revenue, external customers	664	404	—	1,068
Revenue, internal	48	29	-77	0
Total revenue	**711**	**433**	-77	**1,068**
Profit contribution	**238**	**236**	—	**474**
Lending and other accounts receivables	11,025	10,510	—	21,535
Net interest margin (NIM), %	10.9	5.8	—	8.5

Amounts in SEK million (January–June 2017)	Retail	Corporate	Eliminations	Collector Group
Revenue, external customers	611	300	—	911
Revenue, internal	43	21	-64	0
Total revenue	**654**	**321**	**-64**	**911**
Profit contribution	**249**	**160**	—	**409**
Lending and other accounts receivables	9,543	7,547	—	17,090
Net interest margin (NIM), %	12.1	6.6	—	9.9

Amounts in SEK million (full year 2017)	Retail	Corporate	Eliminations	Collector Group
Revenue, external customers	1,260	674	—	1,933
Revenue, internal	87	50	-136	0
Total income	**1,346**	**723**	**-136**	**1,933**
Profit contribution	**490**	**368**	—	**858**
Lending and other receivables	10,411	9,096	—	19,507
Net interest margin (NIM), %	11.7	6.6	—	9.5

Other expenses

Note 4

Amounts in SEK million	Q2 2018	Q2 2017	Jan–Jun 2018	Jan–Jun 2017	Full year 2017
Group					
Commission expense	59	48	115	93	197
Credit management costs	20	18	38	36	71
Credit losses, net	58	42	113	83	189
Postage costs	11	12	22	23	44
Administration costs	29	34	79	64	147
Other operating expenses	49	48	97	99	195
	226	**202**	**464**	**398**	**843**

Capital adequacy

Note 5

Own funds	Corporate Group 30 June 2018	30 June 2017	Full year 2017
Common Equity Tier 1 capital before adjustments*	3,327	2,801	3,080
Deduction intangible assets	-274	-211	-240
Common Equity Tier 1 capital	3,053	2,590	2,840
Tier 2 capital**	448	498	498
Expanded own funds	—	—	—
Own funds	**3,501**	**3,088**	**3,338**

* Collector applies transitional rules for IFRS 9 in accordance with (EU) No. 575/2013 Article 473(a) pursuant to the retroactive part and its effect on the Common Equity Tier 1 capital.

** In the light of EBA Q&A 2017_3329, the treatment of own funds for the consolidated situation has been reinterpreted as of 30 June 2018. The new interpretation means that the SEK 500 million Tier 2 bond issued by Collector Bank AB only can be included in the consolidated situation with the part that is required to cover Collector's capital requirement. Accordingly, the Tier 2 capital that can be included in the consolidated situation is SEK 448 million.

Capital requirement	Corporate Group 30 June 2018	30 June 2017	Full year 2017
Credit risk	1,572	1,238	1,400
Market risk	6	9	9
Credit valuation adjustment risk (CVA risk)	1	2	2
Operational risk	180	140	180
Capital requirement, Pillar I	**1,759**	**1,389**	**1,591**
Summary of capital			
Remaining capital after Pillar I	**1,742**	**1,699**	**1,747**
Capital ratio	**1.99**	**2.22**	**2.10**
Total capital ratio	**15.9%**	**17.8%**	**16.8%**

Capital ratios and buffers1	30 June 2018	30 June 2017	Full year 2017
Common Equity Tier 1 capital	13.9%	14.9%	14.3%
Tier 1 capital	13.9%	14.9%	14.3%
Total capital	15.9%	17.8%	16.8%
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 exposure amount	8.5%	8.5%	8.5%
Of which minimum capital requirement	4.5%	4.5%	4.5%
Of which: capital conservation buffer requirement	2.5%	2.5%	2.5%
Of which: countercyclical capital buffer requirement	1.5%	1.5%	1.5%
Common Equity Tier 1 capital available for use as buffer, as a percentage of the risk exposure amount	7.9%	10.4%	9.8%

	30 June 2018			30 June 2017			Full year 2017		
Exposures, Corporate Group (Credit risk)	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	566	—	—	444	—	—	492	—	—
Covered bonds	329	33	3	41	4	0	341	34	3
Institution exposures	988	198	16	2,032	406	33	1,610	322	26
Corporate exposures	9,616	9,523	762	6,862	6,862	549	8,063	7,977	638
Retail exposures	9,473	6,977	558	8,253	6,190	495	9,415	6,909	553
Exposures with mortgage in residential property	3	1	0	—	—	—	—	—	—
Unregulated items	2,206	2,216	177	1,400	1,400	112	1,618	1,627	130
Items associated with particularly high risk	13	19	2	—	—	—	21	33	2
Other items	681	681	54	618	618	49	597	597	48
Total	**23,875**	**19,648**	**1,572**	**19,650**	**15,480**	**1,238**	**22,157**	**17,499**	**1,400**

Collector AB (publ) is the Parent Company in a consolidated situation that includes the subsidiaries Collector Bank AB, Colligent Norge AS and Collector Ventures 1 KB. 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 own funds. A review has been performed of the profit for January-June. This year's profit has therefore been taken into consideration in own funds.

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 different 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 June 2018.

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets measured at fair value via the income statement				
Derivative instruments held for trading (currency derivatives)	—	—	—	—
Financial investments	—	854	181	1,035
Total assets	**—**	**854**	**181**	**1,035**
Liabilities				
Financial liabilities measured at fair value via the income statement				
Derivative instruments – fair value option	—	0	—	0
Derivative instruments held for trading (currency derivatives)	—	124	—	124
Total liabilities	**—**	**124**	**—**	**124**

The following table shows the Group's financial assets and liabilities measured at fair value as at 30 June 2017.

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets measured at fair value via the income statement				
Derivative instruments held for trading (currency derivatives)	—	82	—	82
Financial investments	—	469	77	546
Total assets	**—**	**551**	**77**	**628**
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 at 31 December 2017.

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets measured at fair value via the income statement				
Derivative instruments held for trading (currency derivatives)	—	26	—	26
Financial investments	—	814	125	939
Total assets	**—**	**840**	**125**	**965**
Liabilities				
Financial liabilities measured at fair value via the income statement				
Derivative instruments – fair value option	—	2	—	2
Derivative instruments held for trading (currency derivatives)	—	—	—	—
Total liabilities	**—**	**2**	**—**	**2**

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

Financial instruments

Note 7

Transition effects IFRS 9

As stated in the section on general accounting principles, Collector has applied IFRS 9 since 1 January 2018. Collector has analysed the impact of the standard, and the classification and measurement rules have no significant impact on the financial statements as there have been no re-classifications between fair value and amortized cost. The Group's financial investments are still recognized at fair value via the income statement as these investments are monitored on a fair value basis and the Group's loan and accounts receivable are recognized at amortized cost as the purpose is to obtain contractual cash flows. The new rules for impairment from the beginning of the year entail the introduction of a new model based on expected credit losses. The transition to IFRS 9 resulted in the reserve for doubtful loan receivables increasing by SEK 221 million (SEK 173 million net after tax) as at 1 January 2018, which affected the balance sheet item lending and other receivables (both non-current assets and current assets) and current tax liabilities. The transition effect in equity has been recognized in retained earnings.

Change in credit loss reserve in the first six months of 2018

The table below shows how the recognized credit losses in accordance with IFRS 9 have changed during the period.

Period	**Opening balance as at 1 January 2018**				**Closing balance as at 30 June 2018**				
Stage	**1**	**2**	**3**	**TOTAL (SEK million)**	**1**	**2**	**3**	**TOTAL (SEK million)**	**Change**
Retail segment	109	31	655	795	114	27	760	901	106
Corporate segment	20	3	40	63	17	0	53	70	7
				858				**971**	**113**

In the first six months, the reserve grew by SEK 113 million. The largest items affecting this net amount are credit losses, reversals and currency effects.

INCOME STATEMENT

Parent Company

Income Statement, Parent Company

Amounts in SEK million	Q2 2018	Q2 2017	Jan–Jun 2018	Jan–Jun 2017	Full year 2017
Net sales	12	17	41	35	79
Operating expenses					
Other external costs	-13	-15	-42	-31	-76
Depreciation of property, plant and equipment and amortization of intangible assets	-3	-3	-7	-7	-13
Operating profit/loss	**-4**	**-1**	**-8**	**-3**	**-10**
Profit/loss from financial items					
Interest income and similar items	2	0	2	0	9
Interest expenses and similar profit/loss items	-2	0	-4	0	-4
Profit/loss after financial items	**-4**	**-1**	**-10**	**-3**	**-5**
Appropriations					
Appropriations, other	—	—	—	—	14
Earnings before tax	**-4**	**-1**	**-10**	**-3**	**9**
Income tax	0	0	2	1	0
Profit/loss for the year	**-4**	**-1**	**-8**	**-2**	**9**

BALANCE SHEET

Parent Company

Amounts in SEK million	30 June 2018	30 June 2017	Full year 2017
ASSETS			
Non-current assets			
Intangible assets			
Capitalized expenditure for development work and similar work	20	27	24
	20	**27**	**24**
Property, plant and equipment			
Equipment	15	7	7
	15	**7**	**7**
Financial assets			
Participations in Group companies	1,439	1,336	1,381
Other non-current receivables	5	5	5
Deferred tax assets	2	1	–
	1,446	**1,342**	**1,386**
Total non-current assets	**1,481**	**1,376**	**1,417**
Current assets			
Current receivables			
Receivables from Group companies	26	15	25
Other receivables	16	15	13
Prepaid expenses and accrued income	13	13	11
	55	**43**	**49**
Cash and bank balances	4	12	24
Total current assets	**59**	**55**	**73**
TOTAL ASSETS	**1,540**	**1,431**	**1,490**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (102,690,502 shares)	10	10	10
Statutory reserve	18	18	18
Development expenditure reserve	13	13	13
	41	**41**	**41**
Non-restricted equity			
Share premium reserve	1,274	1,274	1,274
Retained earnings	-83	-93	-92
Profit/loss for the year	-8	-2	9
	1,183	**1,179**	**1,191**
	1,224	**1,220**	**1,232**
Untaxed reserves			
Tax allocation reserves	4	4	4
	4	**4**	**4**
Provisions			
Tax provisions	2	–	2
	2	**–**	**2**
Non-current liabilities			
Other non-current liabilities	87	–	87
	87	**–**	**87**
Current liabilities			
Deposits from the public	–	1	1
Accounts payable	1	11	5
Liabilities to Group companies	211	189	149
Other current liabilities	3	1	0
Accrued expenses and deferred income	8	5	10
	223	**207**	**165**
TOTAL EQUITY AND LIABILITIES	**1,540**	**1,431**	**1,490**