

collector

2015 ANNUAL REPORT



**“A technology company
with a banking licence”**

Stefan Alexandersson, CEO

Banking licence, stock exchange listing and record growth. 2015 was another good year for Collector, but CEO Stefan Alexandersson has even greater expectations of the future: “I’ve worked here for 11 years and have never seen greater opportunities.”

What was the most important achievement in 2015?

The banking licence and especially the stock exchange listing. It’s given us an entirely different level of brand recognition, which makes it easier to reach large customers. We also brought home the largest deal ever and launched several new products.

How did it feel to ring in Collector on the Stockholm Stock Exchange?

We worked extra hard for the listing, so it was kind of like crossing the finish line. Since then, the share price has gone up by more than 130 percent. This was the best listing on the Stockholm Stock Exchange in 2015.

What would you like to emphasize for the new shareholders?

Collector’s long-range thinking, where quality and innovation are our main driving forces.

Has the stock exchange listing changed how you are received in the market?

We were previously a credit market company from Gothenburg. Today, we are a listed bank, which provides an entirely different level of credibility. We reach much larger customers this way.

Collector has grown by more than 30 percent per year on average. How is this possible?

Besides growing by 30 percent on average completely organically, for more than 15 years, our earnings have also grown by 50 percent every year. One explanation for this is internal factors – primarily the corporate culture. We have combined an entrepreneurial culture with order and structure. We also have a very agile IT situation, which is fundamental to being able to continue growing.

You see yourselves as a technology company with a banking licence. What does that mean?

Consumption patterns for financial services are changing quickly, especially among small and medium-sized enterprises and private individuals. There are plenty of fintech companies – technology-oriented companies with interesting products or exciting online solutions. There are also old banks that have liquidity and a capital structure. But Collector is unique in that we have the technology, a grasp of the changing consumption and structure capital.

You are developing all business critical systems on your own.

How does this influence your way of working?

At the end of 2016, most of our business critical systems will have been replaced by proprietary systems. We can then design our products entirely on our own, which is very important to be able to continue being a spearhead in this market.

Today, Collector has 100 employed developers and 40 more will be hired. How can a bank attract skilled developers?

We only use the latest technology – it’s not old systems that are updated. This attracts developers. Combined with an agile approach and a self-designed system, we offer an environment that is important for developers. We also attract recruits with our strong corporate culture.

What do you think the consumers of the future will expect from a bank?

The concept of a bank is disappearing. In days past, you went to the major banks to do business. Today, you go to Collector on your mobile phone. It will also be possible to consume financial services over Spotify, Telia or other distribution channels that have a strong, positive relationship with end customers. This is a trend that suits us excellently. We can rapidly make adjustments and have a technical platform that makes it possible to integrate with other services.

What is the most important thing you want to achieve in 2016?

The most important aspects are product development and growth, and, as always when running a bank, to increase quality in our lending operations. It is also important that our financial key ratios continue to develop positively, but above all, it’s a matter of being innovative to stay at the cutting edge.

collector.se/arsredovisning2015

Collector has a strategy and technical platform that can be compared with the most modern startups or IT companies in Sweden. The digital version of our annual report is also evidence of this.

2015

STOCK EXCHANGE LISTING, BANKING LICENCE AND TECHNICAL FOCUS

2015 was an eventful year for Collector. Besides setting new revenue and profit records, this was a year that the company changed on many points. Not least through the banking licence and the stock market listing, but also through our ever clearer digital focus.

The logo for Collector Bank, featuring the word "collector" in a bold, black, sans-serif font above the word "bank" in a lighter, grey, sans-serif font. The logo is centered within a light grey circular background.

collector
bank

25 MAY

Banking licence granted – Collector Credit becomes Collector Bank.

The banking licence is an important stamp of quality for us as a responsible actor in the banking and financial market. We are incredibly please and proud of having it confirmed that Collector qualifies to conduct banking operations.



10 JUNE

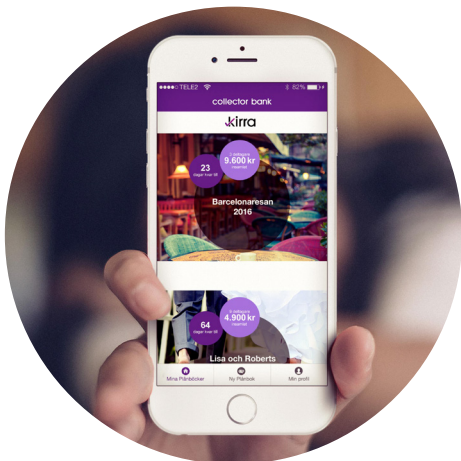
Stock market introduction with positive share price.

When trading began on Nasdaq Stockholm, there was considerable interest in the share, both among institutional investors in Sweden and abroad, and among the public in Sweden. In 2015, the share price rose from SEK 55 to SEK 127.

15 OCTOBER

Kirra – yet another digital innovation

With the new app Kirra, Collector Bank solves problems with group payments. Groups of friends, football teams, hen parties and everyone else has an easier time of realizing their plans with Kirra. The app is a smart combination of Collector's invoice solution and mobile phones.



9 DECEMBER

Factoring agreement with Valora International AG

The single largest factoring deal in Collector's history comprises factoring for Valora's operations in Sweden, Norway, Finland and Denmark. The agreement involves a new credit of approximately SEK 800 million, corresponding to an annual factoring volume of approximately SEK 5,000 million.



31 DECEMBER

One million new private customers

With one million new card, loan, savings and credit customers in 2015, Collector is entering 2016 with a high input speed at every level. Collector will retain its high organic turnover and profit growth, in combination with declining credit losses.



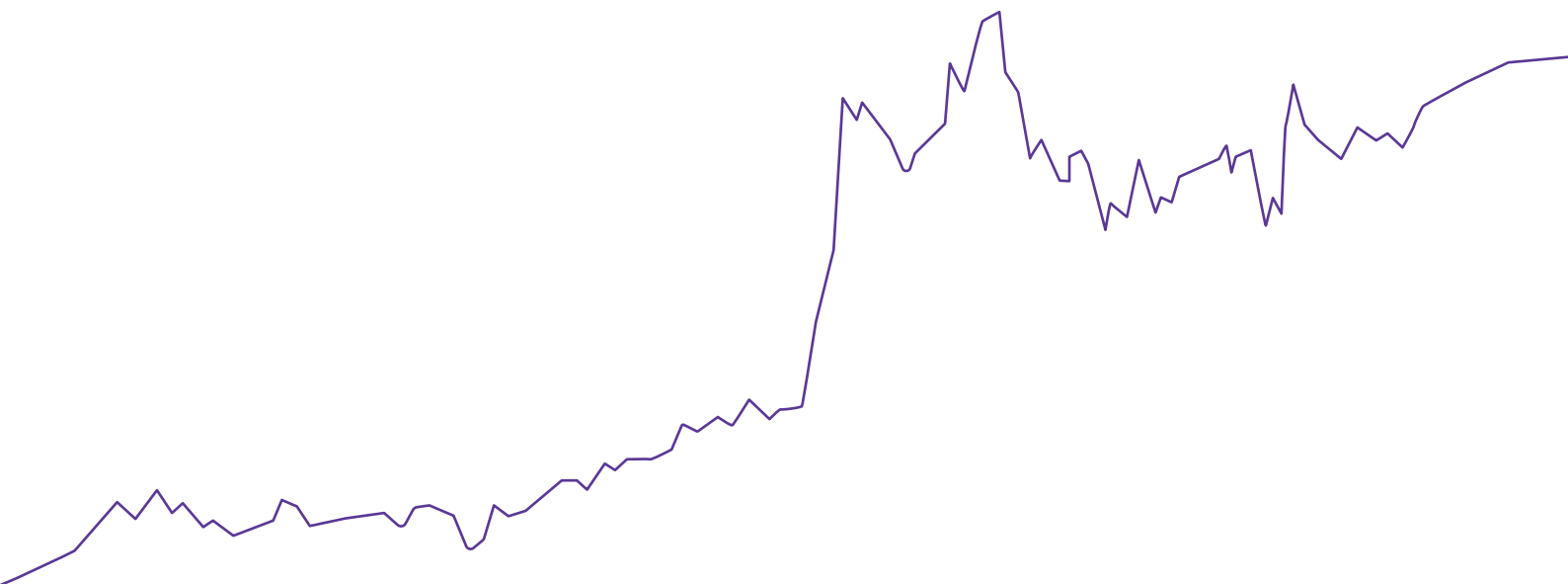
31 DECEMBER

Best growth year ever

2015 was a successful year financially. With a revenue growth of 30 percent, we increased the market shares for all our products. The 52 percent increase in profit after tax also is also a testament to the high scalability of Collector's business model.

Stock market listing and share price trend

Collector ("COLL") was listed on the Nasdaq Stockholm Mid-cap list on 10 June 2015. The listing price was SEK 55. The price trend for the Collector share in 2015 was plus 131 percent compared with minus 25 percent for OMXSPI for the same comparison period.



The highest price for the year was quoted at SEK 154 in December 2015. The last price paid was SEK 127 on 30 December.

Turnover

From the listing date on 10 June 2015 until 30 December, approximately 16 million Collector shares were traded. On average, approximately 116,000 shares per day were traded.

Market capitalization

Collector's total market capitalization amounted to approximately SEK 12 billion at year-end, which corresponds to number 76 in order of magnitude among 287 companies on Nasdaq Stockholm.

Share capital and number of shares

Collector's share capital amounts to SEK 9,335,550 million distributed

over 93,355,502 shares. All shares confer a right of one (1) vote per share to the holder. The quota value per share is SEK 0.10. All shares confer equal rights to the company's profit.

Ownership structure

There were approximately 4,000 shares at year-end. The ten largest shareholders accounted for 89 percent of the capital and votes. The proportion of shares owned by natural persons or legal entities outside of Sweden amounted to 4 percent.

Dividends

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. The Board of Directors proposes that no dividends be paid for the 2015 financial year.

**Read more articles in
our digital version:**

collector.se/arsredovisning2015

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Management Report

The Board of Directors and CEO of Collector AB hereby issue the annual report and consolidated accounts for the financial year 1 January to 31 December 2015.

Business and structure of the Group

The business consists of financial services and is divided into two segments: Corporate and Retail.

Financial services to companies comprise factoring, company credits, real estate credits and debt collection services.

In the private (retail) market, the company offers personal loans, savings accounts, cards, financing to support e-commerce and retail chains, as well as related debt collection services. Legally, all the savings accounts and lending are operated by Collector Bank AB, a wholly owned subsidiary which is under the supervision of the Swedish Financial Supervisory Authority. Collector Bank AB has branches in Norway and Finland. Commissioned business in debt collection services is operated primarily in the wholly owned subsidiary Colligent Inkasso AB. The German subsidiary, Payport GmbH, is now in liquidation. The Norwegian subsidiary, Collector Norge AS, is active in debt collection.

The business is run from the head office in Gothenburg as well as the offices in Stockholm, Malmö, Helsinki and Oslo.

Significant events during the year

2015 was an eventful year in the history of Collector: a banking licence, an initial public offering, the largest factoring transaction ever and a record-breaking number of new customers. Collector continued its strong growth throughout the full year of 2015. Total income increased by 30 percent compared to the corresponding period in the previous year, amounting to SEK 1,187 million (916). The growth primarily stems from expanding volumes within Payment solutions for e-commerce and retail chains, Property finance and Personal loans. Factoring had weaker growth during the year. No income from the previously announced factoring transaction with Valora International AG has affected 2015; it will not have effect until 2016. Qliro, a customer within the Payment solutions for e-commerce product area, made a positive contribution to the growth. As previously communicated, the volumes from Qliro have diminished in 2015.

Earnings before tax (EBT) increased by 52 percent, amounting to SEK 371 million (244). The improved profit is the result of a combination of higher income, reduced operating expenses and a lower cost of funding. Earnings after tax (EAT) increased by 52 percent to SEK 286 million (188), corresponding to a return on equity (RoE) of 21 percent (23). Earnings per share increased by 35 percent to SEK 3.16 (2.35). The new issue in connection with the listing increased the number of shares, thus diluting dividends and earnings per share in 2015 compared with previous years.

Development of Retail

The Retail segment experienced excellent revenue growth over the year. Total external income rose by 34 percent, totalling SEK 804 million (602).

The contribution margin improved due to increased volumes from existing customers, but also due to a good inflow of new customers coupled with lower costs. Earnings before tax (EBT) for the Retail segment increased by 59 percent, amounting to SEK 238 million (150).

The Payment solutions for e-commerce and retail chains product area experienced the highest growth, both with regard to total income and contribution margin for the year. Credit losses within the product area have increased somewhat due to higher volumes in Denmark and countries outside the Nordic region. These countries have a higher rate of reservations, which is offset by higher margins.

The Personal loans product area has experienced heavy growth due to increased new lending, chiefly in Sweden. The contribution margin has improved due to the reduced cost of funding, but also due to scalability, mostly with regard to personnel costs. The move towards a segment with financially stronger customers means that credit losses continue to drop.

Growth has increased in the Cards product area, both with regard to income and contribution margin. The current inflow of new customers chiefly emanates from cross selling with other product areas, such as Personal loans and Payment solutions for e-commerce and retail chains. Over the year, the work on the reprofiling of the cards began and concludes in the first quarter of 2016.

Development of Corporate

In 2015, the Corporate segment had good profitability growth, primarily in Sweden. External income amounted to SEK 383 million (314), which is a 22 percent increase. Earnings before tax (EBT) in the Corporate segment amounted to SEK 133 million (94), an increase of 42 percent. The excellent 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 year, both with regard to total income and contribution margin.

The Factoring and Real Estate Credits products had lower growth than expected over the year. In early December 2015, Collector entered into its largest factoring agreement ever, with the convenience product wholesaler Valora International AG. The agreement involves a new credit of SEK 800 million, corresponding to an annual estimated invoice volume of SEK 5,000 million. No revenue from the transaction is recognized in 2015; it is expected that the invoice volume will be built up gradually in the first quarter of 2016. Assignment debt collection had a great year with increased volumes from existing customers as well as from a number of major new customers. As of 1 December 2015, debt collection is carried out under a separate brand: Colligent. Acquired receivables continued to perform well with good cash flow.

Material risks and uncertainty factors

In its operations, Collector is exposed to a variety of financial risks: market risk (currency risk, price risk, fair value interest risk, cash flow interest risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets, and strives to minimise potentially unfavourable influences on the Group's financial results. The Group utilises derivative instruments for some risk exposure. Risk management is taken care of by the Group's management according to policies established by the Board. The Board of Directors adopts written policies for comprehensive risk management, as well as for specific areas such as currency risk, interest rate risk, credit risk and the use of derivatives and similar financial instruments.

Sustainability

With growing awareness of the importance of sustainability in every dimension and operation, Collector has begun a broad effort where working groups in the company work together on sustainability issues. This can involve everything from the health and well-being of employees to how we can influence the reception and integration of refugees in our countries. The working groups make proposals and can continuously monitor the outcome. From having been occasional projects, we strive to integrate sustainability into everything we do.

Collector's sustainability work is based on the Company's core values – entrepreneurship, commitment and ethics, as well as courage and outlook.

Since it began, Collector has been an energetic company and a positive force in society. Sustainability is about profitability and growth. Collector maintains an ongoing active process focusing on sustainability issues which include ethical and environmental issues and social responsibility at large. Sustainability is a prerequisite for development, as well as profitability and growth on the slightly longer term. In a world that is increasingly complex where demographic conditions are changing dramatically, a sustainable approach from countries, business and individuals is a necessary foundation in order for us to be able to continue living under good conditions. Collector contributes by acting and working at every level, reducing CO₂ emissions and preventing global warming, as well as ensuring that the demographic changes that come with greater mobility over national borders, streams of refugees as well as more permanent relocations, can be handled in order to make education and gainful employment possible in an inclusive society. We have the possibility of acting within the company and by driving the issues as opinion leaders.

Responsibility and policies

Collector's business is regulated in the Swedish Banking and Finance Business Act, legislation that has been expanded and developed significantly within the EU in recent years. We have a systematic approach surrounded by a substantial set of rules with regard to compliance and risk control. Particular emphasis has been placed on rules against money laundering and the financing of terror activities.

Business ethics is the foundation of our business and a natural part of day-to-day work. We respect the tax obligations of the countries in

which we operate, which contributes towards societal benefits in the countries concerned. We take active responsibility in our home markets in the Nordic region. Our policies are in line with the international principles of the UN Global Compact, the International Labour Organisation and the Vienna Declaration. It is natural for us to focus our risk analysis and activities on economic and social impact, product liability and our role in society.

Integration and employment for young people drive Collector's business development

Collector's growth has been steady and organic since the very beginning. In 2015 alone, 100 new employees were hired. We strive for a high level of expertise and diversity with regard to background, ethnicity and culture. Our conviction is that a heterogeneous work group enriches the company and the individuals and thereby our customers. The majority of our employees are young, which is natural, considering our digital emphasis. It feels extra important to take responsibility for young adults being guided into working life in a good way to favourably influence development in the future as well.

The importance of setting a good example and helping people to help themselves

Collector has chosen to use part of its earnings to improve the lives of the less fortunate, both up close and to reduce poverty globally. Our long-term commitments are "Mitt Liv" ("My Life") and HandinHand. Both work with active help to self-help, Mitt Liv at home and HandinHand in developing countries. Here too we base ourselves upon our core values and focus primarily on setting a good example. Through the "Mitt Liv" ("My Life") integration initiative, Collector works on knowledge sharing and mentoring. Mitt Liv creates the conditions for people with immigrant backgrounds to enter the job market. Collector offers networks of contacts, internships and mentors from our own staff. Through the HandinHand organization, we support the population in two selected Indian villages. Our role includes providing microloans to new business owners in order, in the long term, to strengthen the position of the village's women, create job opportunities and make sure that the children receive an education and health.

Our planned new efforts in the scope of sustainability work will be targeted at greater educational efforts through homework help for children and young people in socioeconomically weak areas in Sweden, the possibility to create internships for recent arrivals and social get-togethers for refugees in order to present a society outside the residential units. We are constantly working on what can be carried out and under which forms.

Financial group of companies

The Parent Company, Collector AB, is part of a financial group of companies (consolidated situation) that includes the subsidiaries Collector Bank AB, PayPort GmbH and Collector Norge AS. All companies are fully consolidated. Collector Finland Oy was merged into Collector Bank AB on 1 April 2015. The branch in Finland is called Collector Bank AB, Suomen

siviliike and the one in Norway is called Collector Bank AB, Norway Branch. 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 264 (229) (FTE) in the period January–December 2015. The number of full-time employees includes employees on fixed-term contracts, but not on parental leave or a leave of absence.

Executive management

Collector's Group management comprises Stefan Alexandersson (CEO), Pia-Lena Olofsson (CFO), Åsa Hillsten Eklund (CMO), Clara Bolinder-Lundberg (IR Manager), Alexander Todoric (CCO), Jessica Sparfeldt (Head of Corporate), Mikael Anstrin (Head of Retail) and Camilla Dorvall (CIO).

The Parent Company

The Parent Company is a holding company. Operating income for the period of January to December amounted to SEK 53 million (39) and pertains to intra-Group administrative services. Profit before tax amounted to SEK 42 million (1) for the year. Profit after tax amounted to SEK 32 million (0) for the period. The Parent Company's cash and cash equivalents totalled SEK 17 million (2), and equity totalled SEK 711 million (306), as at 31 December 2015.

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

In January 2016, a SEK 500 million certificate programme was issued.

Share capital and number of shares

Collector's share capital amounted to SEK 9,335,550 distributed over 93,355,502 ordinary shares at 31 December 2015. The Company has one (1) class of shares. All shares confer a right of one (1) vote per share to the holder at the General Meeting. The quota value per share is SEK 0.10. All shares confer equal rights to the company's profit.

The Collector share

Collector ("COLL") was listed on the Nasdaq Stockholm Mid-cap list on 10 June 2015. The listing price was SEK 55. The price trend for the Collector share in 2015 was plus 131 percent compared with minus 25 percent for OMXSPI for the same comparison period. The highest price for the year was quoted at SEK 154 in December. The last price paid was SEK 127 on 30 December.

From the listing date on 10 June 2015 until 30 December, approximately 16 million Collector shares were traded. On average, approximately 116,000 shares per day were traded.

Collector's total market capitalization amounted to approximately SEK 12 billion at year-end, which corresponds to number 76 in order of magnitude among 287 companies on Nasdaq Stockholm.

Ownership structure

There were approximately 4,000 shareholders at year-end. The ten largest shareholders accounted for 89 percent of the capital and votes. The proportion of shares owned by natural persons or legal entities outside of Sweden amounted to 4 percent.

Shareholders 31 Dec. 2015	%
Fastighets AB Balder	44.1%
StrategiQ Capital	12.7%
Ernst&Young Finans	9.5%
Swedbank Robur Fonder	6.5%
Skandinaviska Enskilda Banken	3.8%
Helichrysum Gruppen (Lena Apler)	3.7%
Muirfield Invest Aktiefond	3.2%
Andra AP-fonden	3.0%
Other shareholders	13.5%
Total	100%

Dividends

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. The Board of Directors proposes that no dividends be paid for the 2015 financial year.

Proposal for the disposal of the company's profit

The Board of Directors and CEO propose that the available profits, SEK 682,934,336, be disposed of as follows:

Carried forward	682,934,336
Total	682,934,336

Five-year summary

Income statement, SEK million	1 Jan. 2015 –31 Dec. 2015	1 Jan. 2014 –31 Dec. 2014	1 Jan. 2013 –31 Dec. 2013	1 Jan. 2012 –31 Dec. 2012	1 Jan. 2011 –31 Dec. 2011
Income	1,187	916	697	590	544
Total income	1,187	916	697	590	544
Operating expenses					
Personnel costs	–173	–160	–139	–119	–108
Depreciation of property, plant and equipment and amortization of intangible fixed assets	–28	–22	–19	–23	–22
Other profit/loss – net	–1	0	0	0	0
Other costs	–536	–396	–285	–235	–217
Total costs	–738	–578	–443	–377	–347
Operating profit/loss	449	338	254	213	197
Profit/loss from sales of subsidiaries	–	–1	–	0	0
Financial income	0	6	24	17	6
Financial expenses	–78	–99	–87	–84	–62
Profit/loss after financial items	371	244	191	146	141
Income tax	–85	–56	–43	–32	–39
Profit/loss for the year	286	188	148	114	102
Attributable to:					
The Parent Company's shareholders	286	188	146	112	101
Holdings without controlling influence	–	–	2	2	1
Total	286	188	148	114	102
Earnings per share for profit attributable to the Parent Company's shareholders during the year (expressed in SEK per share)	3.16	2.35	1.99	1.54	1.38

Key ratios, SEK million	1 Jan. 2015 –31 Dec. 2015	1 Jan. 2014 –31 Dec. 2014	1 Jan. 2013 –31 Dec. 2013	1 Jan. 2012 –31 Dec. 2012	1 Jan. 2011 –31 Dec. 2011
Income	1,187	916	697	590	544
Profit before tax (EBT)	371	244	191	146	141
Profit after tax (EAT)	286	188	148	114	102
Earnings per share, SEK ¹⁾	3.16	2.35	1.99	1.54	1.38
Average number of shares ²⁾	89,887,451	79,831,081	74,382,100	74,382,100	74,368,400
Capital base ³⁾	1,541	906	527	441	366
Equity	1,649	995	635	512	429
Total capital ratio, ⁴⁾	17 %	15 %	12 %	13 %	12 %
Return on equity (RoE), ⁵⁾	21 %	23 %	26 %	24 %	26 %
Equity per share, SEK ⁶⁾	17.7	13.4	8.5	6.9	5.8
Equity-to-assets ratio, ⁷⁾	16 %	15 %	13 %	14 %	12 %
Credit losses, ⁸⁾	1.3 %	1.4 %	1.1 %*	1.9 %	2.7 %
C/I ratio, ⁹⁾	0.54	0.58	–	–	–
Average number of full-time employees ¹⁰⁾	264	229	201	183	168
Investments in intangible fixed assets	50	33	25	22	18

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

1) The period's profit after tax attributable to the period's average number of outstanding ordinary shares, before and after dilution. The period's profit has been adjusted by dividends attributable to preferred shares.

2) The periods average number of ordinary shares before and after dilution. The number of shares has been adjusted retroactively according to a resolution by the Annual General Meeting to split shares.

3) See Note 24 on page 29.

4) Capital base divided by total capital requirement. Refers to the financial conglomerate. See Note 24 on page 29.

5) Profit after tax in relation to average equity. Rolling, 12 months.

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

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

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

9) Total expenses before credit losses, according to the Annual Accounts Act for Credit Institutions.

10) Including employees on fixed-term contracts, but not on parental leave or a leave of absence.

GROUP

Income statement

SEK million	Note	1 Jan. 2015–31 Dec. 2015	1 Jan. 2014–31 Dec. 2014
Income	2	1,187	916
		1,187	916
Operating expenses			
Personnel costs	3	–173	–160
Depreciation of property, plant and equipment and amortization of intangible fixed assets	4	–28	–22
Other profit/loss – net	5	–1	0
Other costs	6, 7, 8	–536	–396
Operating expenses		–738	–578
Operating profit/loss		449	338
<i>Profit/loss from financial items</i>			
Profit/loss from sales of subsidiaries		–	–1
Financial income	9	0	6
Financial expenses	9	–78	–99
Profit/loss after financial items		371	244
Income tax	10	–85	–56
Profit/loss for the year		286	188
Attributable to:			
The Parent Company's shareholders		286	188
Holdings without controlling influence		–	–
		286	188
Earnings per share for profit attributable to the Parent Company's shareholders during the year (expressed as SEK per share)			
– Before dilution		3.16	2.35
– After dilution		3.16	2.35

GROUP

Statement of comprehensive income

SEK million	1 Jan. 2015–31 Dec. 2015	1 Jan. 2014–31 Dec. 2014
Profit/loss for the year	286	188
Other comprehensive income	–	–
Items that later can be reversed in the income statement:		
Exchange rate differences	–4	0
Total comprehensive income for the year	282	188
Attributable to:		
– The Parent Company's shareholders	282	188
– Holdings without controlling influence	–	–
	282	188

GROUP

Balance sheet

SEK million	Note	31 Dec. 2015	31 Dec. 2014
ASSETS			
Non-current assets			
<i>Property, plant and equipment</i>			
Equipment	12	8	7
		8	7
<i>Intangible assets</i>			
Capitalized expenditure for development work	13	87	63
Goodwill	13	71	72
		158	135
<i>Financial assets</i>			
Financial investments	23	149	—
Deferred tax assets	20	—	2
Lending and other receivables	15, 23	4,633	3,060
		4,782	3,062
Total non-current assets		4,948	3,204
Current assets			
Lending and other receivables	15, 16, 23	4,064	2,589
Derivative instruments	14	45	—
Other receivables		175	131
Cash and cash equivalents	17	825	637
Total current assets		5,109	3,357
TOTAL ASSETS		10,057	6,561
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital (93,355,502 shares)	18	9	7
Reserves		—7	-3
Other contributed capital		801	401
Retained earnings, incl. profit for the year		846	590
Total equity		1,649	995
<i>Long-term liabilities</i>			
Borrowing	19	245	510
Deferred tax liabilities	20	66	53
		311	563
<i>Current liabilities</i>			
Accounts payable		34	20
Accrued expenses and prepaid income	21	258	135
Current tax liabilities		36	11
Other current liabilities	22	159	139
Borrowing	19	7,610	4,699
Derivative instruments	14	—	1
		8,097	5,003
TOTAL EQUITY AND LIABILITIES		10,057	6,561

GROUP

Pledged assets and contingent liabilities

SEK million	Note	31 Dec. 2015	31 Dec. 2014
Pledge assets	25	700	400
Contingent liabilities		None	None

GROUP

Summary of changes in equity

SEK million	Attributable to the Parent Company's shareholders					Holdings with- out controlling influence	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings	Total		
Opening balance as at 1 January 2014	6	200	-3	432	635	-	635
<i>Comprehensive income</i>							
Profit/loss for the year				188	188		188
<i>Other comprehensive income</i>							
Exchange rate differences			0		0		0
Other comprehensive income			-		-		-
Total comprehensive income	-	-	0	188	188	-	188
<i>Transactions with shareholders</i>							
New issue of preference shares	0	2			2		2
New issue of ordinary shares	1	199			200		200
Dividend on preference shares				0	0		0
Ordinary dividend				-30	-30		-30
Total transactions with shareholders	1	201	-	-30	172	-	172
Closing balance as at 31 December 2014	7	401	-3	590	995	-	995
Opening balance as at 1 January 2015	7	401	-3	590	995	-	995
<i>Comprehensive income</i>							
Profit/loss for the year				286	286		286
<i>Other comprehensive income</i>							
Exchange rate differences			-4		-4		-4
Other comprehensive income			-		-		-
Total comprehensive income	-	-	-4	286	282	-	282
<i>Transactions with shareholders</i>							
New issue of ordinary shares	0	400			400		400
Bonus issue of ordinary shares	2			-2	0		0
Dividend on preference shares				-2	-2		-2
Costs related to the new issue (net)				-26	-26		-26
Total transactions with shareholders	2	400	-	-30	372	-	372
Closing balance as at 31 December 2015	9	801	-7	846	1,649	-	1,649

GROUP

Cash flow statement

SEK million	1 Jan. 2015 –31 Dec. 2015	1 Jan. 2014 –31 Dec. 2014
Current operations		
Profit/loss after financial items	371	244
– of which interest received	960	572
– of which interest paid	–79	–88
Adjustments for non-cash items, etc.		
– Credit losses	92	69
– Depreciation/amortization	28	22
– Capital gains/losses	1	1
– Unrealized exchange rate differences	54	–62
– Revaluation bonds	1	0
– Other	–37	–21
– Interest	–6	10
	504	263
Taxes paid	–36	–39
Cash flow from operating activities before changes in working capital	468	224
<i>Cash flow from changes in working capital</i>		
Increase(–)/Decrease(+) in current receivables	–3,252	–1,630
Increase(+)/Decrease(–) in operating liabilities	168	14
Cash flow from operating activities	–2,616	–1,392
Investing activities		
Divestment of subsidiaries	0	–
Acquisition of intangible assets	–49	–33
Acquisition of property, plant and equipment	–5	–3
Sales of property, plant and equipment	0	1
Acquisition of financial assets	–219	0
Divestment of financial assets	68	0
Cash flow from investment activities	–205	–35
Financing activities		
New issue	366	202
Change in deposits from the public	2,645	1,368
Dividend paid	–2	–31
Cash flow from financing activities	3,009	1,539
Cash flow for the year	190	112
Cash and cash equivalents at beginning of the year	637	522
Exchange rate differences in cash and cash equivalents	–2	3
Cash and cash equivalents at year-end	825	637

Notes on accounting policies and notes to the financial statements

AMOUNTS IN SEK MILLION

Collector AB, company registration number 556560-0797, conducts business in Sweden and in other Nordic countries via its subsidiaries. The head office is located in Gothenburg. The business consists of financial services, credit management and corporate law. The financial services are directed at the corporate market through offering factoring services, as well as the financing of real estate credits, and at the retail market through financing to support sales provided by distance trading and retail chains.

Credit management is mainly directed at the corporate market through the management and acquisition of unpaid invoices and other receivables such as acquired credit portfolios. The Group's other areas of operation include lending and savings accounts via web-based services as well as company credits.

Collector AB is a public company with its registered head office in Gothenburg, Sweden. The address of the head office is Östra Hamngatan 24, SE-411 09 Gothenburg, Sweden.

The Board of Directors approved this Annual Report on 06 April 2016 for adoption by the Annual General Meeting for 2016.

Basis for preparation of report

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. Furthermore, the Swedish Financial

Reporting Board's Supplementary Accounting Rules for Groups (RFR 1) and the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) on annual reports in credit institutions and securities companies have been applied. They have been prepared according to the acquisition value method apart from where it concerns re-evaluations of financial assets and liabilities (including derivative instruments) measured at fair value via the income statement.

Preparing reports in agreement with IFRS requires the use of a number of important estimates for accounting purposes. Furthermore, it requires the management to make certain assumptions during the application of the Group's accounting policies. Those areas that involve a large degree of assumptions, that are complex, or those areas where the assumptions and estimates have significant importance for the Consolidated Financial Statements, are presented later in the text.

New standards and interpretations not yet applied by the Group

None of the IFRS or IFRIC interpretations that entered into effect in 2015 had any material impact on the Group.

New standards and interpretations not yet applied by the Group

A number of new standards and interpretations come into effect for financial years beginning after 1 January 2015 and have not been applied in preparing this financial report. None of these are expected to have a material impact on the Group's financial reports, with the exception of those listed below:

IFRS 9 Financial Instruments deals with classification, measurement and recognition of financial assets and liabilities. The complete version of IFRS 9 was published in July 2014. It replaces those parts of IAS 39 which deal with the classification and measurement of financial instruments. IFRS 9 retains a mixed approach to valuation but simplifies this approach in certain respects. There will be three categories of measurement for financial assets: amortised cost, fair value through other comprehensive income and fair value through the income statement. How an instrument is to be classified depends on the company's business model and the characteristics of the instrument. Investments in own capital instruments have to be recognized at fair value through the income

statement, but there is also an option for recognising the instrument at fair value through other comprehensive income on the first reporting occasion. No reclassification to the income statement will take place on disposal of the instrument. IFRS 9 also introduces a new model for calculating credit loss reserves based on expected credit losses. Classification and measurement are not changed for financial liabilities, except in the case where a liability is recognized at fair value through the income statement based on the fair value alternative. Changes in value attributable to changes in own credit risk are then recognized in other comprehensive income. The standard is to be applied for financial years beginning on 1 January 2018. Earlier application is permitted. The Group has begun work, but not yet estimated the effects.

IFRS 15 Revenue from Contracts with Customers regulates how revenue is to be recognized. The principles on which IFRS 15 is based provide users of financial reports with more usable information about the company's revenue. The expanded disclosure obligation means that information about revenue types, time of settlement, uncertainties linked to revenue recognition and cash flow attributable to the company's customer contracts has to be supplied. Revenue has to be recognized under IFRS 15 when the customer obtains control over the sold product or service and can use and benefit from the product or service. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts, as well as associated SICs and IFRICs. IFRS 15 enters into force on 1 January 2017. Early application is permitted. The Group has not yet evaluated the effects of introducing the standard.

None of the other IFRS or IFRIC interpretations, which have yet to enter into force, are expected to have any substantial effect on the Group.

Consolidated Financial Statements

Subsidiaries

Subsidiaries are all of the companies (incl. companies for special purposes) where the Group has the right to shape financial and operative strategies in a way that normally follows with a shareholding that amounts to more than half of the voting rights. The presence and the effect of any potential voting rights which it is currently possible to use or convert are to be taken into consideration when assessing whether the Group exercises a controlling interest in another company. Subsidiaries are included in the consolidated financial statements from the date when the controlling interest is transferred to the Group. They are excluded from the consolidated financial statements from the date when the controlling interest ceases.

The acquisition method is used for reporting the Group's business acquisitions. The purchase price for the acquisition of a subsidiary consists of the fair value of the transferred assets, liabilities and the shares issued of the Group.

The purchase price also includes the fair value for all assets or liabilities that follow from an agreement on a conditional purchase price. Costs associated with acquisitions are recognized when they are incurred. Identifiable acquired assets and liabilities assumed in a business combination are initially measured at fair value on the acquisition date. For each acquisition, the Group decides whether all holdings without controlling interest in the acquired company are to be reported at the fair value or the holding's proportionate share of the acquired company's net assets.

The amount by which the purchase price, the holding without controlling interest, if any, and the fair value on the acquisition date of earlier shareholdings exceeds the fair value of the Group's share of identifiable acquired net assets, is recognized as goodwill. If the amount is less than the fair value of the acquired subsidiary's assets, in the event of what is known as a "bargain purchase", the difference is recognized directly in the statement of the year's earnings.

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If the business acquisition is carried out in several steps, then the previously held equity interest in the acquired company is revalued to its actual value at the acquisition date. Any resulting gain or loss is recognized in profit or loss. Each contingent consideration that is transferred by the Group has to be recognized at fair value at the acquisition date. Subsequent changes in the fair value of a contingent consideration, which is classified as an asset or liability, are recognized in accordance with IAS 39, either in the income statement or in other comprehensive income. Contingent consideration classified as equity is not revalued and its subsequent settlement is recognized within equity.

Intra-group transactions and balance sheet items, as well as unrealised profit and loss on transactions between Group companies, are eliminated. The accounting policies for subsidiaries, where appropriate, have been amended to guarantee a consistent application of the Group's policies.

Translation of foreign currency

Reporting currency

Items that are included in the financial statements for the different entities in the Group are measured in the respective company's domestic currency that constitutes the functional currency. In the consolidated financial statements, the Swedish currency (SEK) is used as the parent company's functional currency and reporting currency.

Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency according to the exchange rate that applied on the transaction date. Exchange rate profits and losses that arise during the payment of such transactions and on the translation of monetary assets and liabilities in foreign currency to the rate on the balance sheet date are recognized in the income statement as other income. The Group does not use hedge accounting.

Group Companies

Profit or loss and financial position for all group companies that use another functional currency than the presentation currency are translated into the Group's presentation currency as follows:

- (a) assets and liabilities in each of the individual balance sheets are translated to the rate on the balance sheet date;
- (b) income and expenses in each of the income statements are translated at the average exchange rate and
- (c) all resulting exchange differences are recognized in other comprehensive income. Goodwill and adjustments in fair value that result from the acquisition of a foreign operation are treated as assets and liabilities in this operation and are translated to the rate on the balance sheet date.

Property, plant and equipment

All property, plant and equipment is recognized at acquisition value with deduction for depreciation. Included in the acquisition value are charges that can be directly attributed to the acquisition of the asset.

Investment real estate consists of land and is recognized at the acquisition value without deduction for depreciation.

In order to allocate their acquisition value or revalued amount down to the estimated residual value over the estimated economic lifetime, depreciations for other assets are done using the straight-line method as follows: equipment and installations 3–5 years.

The assets' residual values and economic lifetimes are reviewed at each balance

sheet date and are adjusted if necessary.

An asset's carrying value is immediately written down to its recoverable value if the asset's carrying value exceeds its estimated recoverable value.

Profits and losses on divestment are established by a comparison between the sales income and the carrying values and are recognized in *Other profits/losses – net* in the income statement.

Intangible assets

Goodwill

Goodwill represents the amount by which the cost of acquisition exceeds the fair value of the Group's share of the acquired subsidiary/associate's identifiable net assets at the time of acquisition. Goodwill on the acquisition of subsidiaries is recognized as intangible assets. Goodwill that is recognized separately is tested annually to identify possible needs for impairment and is recognized at the acquisition value reduced by accumulated impairments. Impairments of goodwill are not reversed. Profit or loss on the divestment of an entity includes the remaining carrying value of the goodwill relating to the divested entity.

Goodwill is allocated to cash generating entities for testing the impairment requirements, if any. The allocation is made to cash generating entities or groups of cash generating entities that are expected to benefit from the business combination that gave rise to the goodwill item. The Collector AB Group allocates goodwill to the companies Collector Bank AB, Colligent Inkasso AB and Collector Norge AS.

Capitalised expenses

Acquired software licences are activated based on the charges that were incurred when the relevant software was acquired and put into use. These activated charges are amortised over the assessed economic lifetime, 5 years.

Costs that are directly linked with the development of identifiable and unique software products that are controlled by the Group, which have probable financial benefits over more than one year and which exceed the costs, are recognized as intangible assets. Included in the costs are costs of employees that were incurred through the development of software products and reasonable share of the indirect costs. Other costs are recognized when they are incurred.

Development costs for software that are recognized as assets are amortised over their estimated economic lifetime, 5 years.

Impairment of non-financial assets

The assets that are amortised are assessed with respect to loss of value whenever events or changes in circumstances indicate that the carrying value is not recoverable. An impairment is made according to the amount by which the asset's carrying value exceeds its recoverable value. The recoverable value is the higher of an asset's fair value less selling expenses and its value in use. In assessing the impairment requirement, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash generating units). For assets, other than financial assets and goodwill, which have been previously impaired, a test is made on every balance sheet date to see if reversal should take place.

Financial assets

The Group classifies its financial assets according to the following categories: financial assets measured at fair value via the income statement as well as loans receivable and accounts receivable. The classification depends on the purpose for which the financial asset was acquired. The management establishes the

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classification of the financial assets at the first recognition and tests this decision at the time for each statement.

Financial liabilities valued at fair value via the income statement

Financial assets measured at fair value via the income statement are financial assets that are held for trading. A financial asset is classified as belonging to this category if it was primarily acquired with the aim of selling it in the short term.

Financial assets valued to the fair value via the income statement are initially recognized at the fair value, while attributable transaction costs are recognized in the income statement. Financial assets measured at fair value via the income sheet are recognized after the acquisition date at fair value.

Profits and losses as a consequence of changes in fair value respecting the category financial assets measured at fair value via the income statement. They are recognized in the period when they arose and are included in the item of other costs in the income statement. Dividend income from securities in the category financial assets measured at fair value via the income statement is recognized in the income statement as part of other income when the Group's right to obtain payment has been established.

Fair value for quoted securities is based on the actual buying rates.

Derivative instruments and hedge measures

Derivatives are classified as holdings for trade when the company does not apply hedge accounting. Derivative instruments are recognized in the balance sheet on the contract date and are measured at fair value via the income statement in the item Other expenses – net, both initially and in subsequent translations.

Disclosure of fair value for different derivative instruments can be found in note 14.

Loan receivables and accounts receivable

Loan receivables and accounts receivable are financial assets that are not derivatives that have fixed or determinable payments and are not quoted in an active market. They are included in current assets with the exception of items with due dates more than 12 months after the balance sheet date, which are classified as non-current assets. Loan receivables and accounts receivable are classified as Accounts receivable and other receivables on the balance sheet. Loan receivables and accounts receivable are recognized at amortised cost applying the A.P.R. Method.

Loans and receivables are recognized initially at fair value and are subsequently measured at amortised cost using the A.P.R. Method, less any provisions for depreciation. A provision for depreciation of accounts receivable is established when there is objective evidence that the Group will not be able to receive all the amount due under the receivables' original terms. Significant financial difficulties of the debtor, the probability that the debtor will enter into bankruptcy or be subject to financial reconstruction and unpaid or overdue payment are to be considered as indicators that there may be a need for impairment of an account receivable. The size of the reservation for individually measured receivables comprises the difference between the asset's carrying amount and the present value of future cash flows. Group-based reservations are made for assets that are not individually significant. The size of group-based reservations is based on historical outcomes and assessed recoverable amount. The assets' carrying amount is reduced by the use of an impairment allowance account and the loss is recognized in the income statement in the item Other expenses. When an account receivable cannot be collected, it is written off against the impairment allowance account for accounts receivable. Recovery of amounts previously written off is credited to Other

expenses in the income statement. The principles for the accounting of acquired credit portfolios are described below on page 13.

The Group has receivables with an agreed right of recourse in some cases. This means that if the opposite party cannot pay, the receivable can be recovered in its entirety and thus the risk of credit losses is reduced.

Cash and cash equivalents

Included in cash and cash equivalents are cash, bank balances and other investments regarded as highly liquid, as well as overdraft facilities. On the balance sheet, overdraft facilities are recognized as borrowing among Current liabilities.

Financial liabilities

Financial liabilities valued at fair value via the income statement

Derivative instruments with negative market value are recognized in this category. Changes in fair value and realized profits and losses for these liabilities are recognized directly in the income statement under the heading Other expenses – net.

Borrowing

Financial liabilities that are not classified as Liabilities measured at fair value through the income statement are initially recognized at fair value with deduction for transaction costs and subsequently at amortised cost applying the A.P.R. Method. This category includes liabilities to the public and liabilities to credit institutions etc.

Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired from suppliers as part of operating activities. Accounts payable are classified as current liabilities if they fall due within one year or earlier, or during the normal business cycle if this is longer. If not, they are classed as non-current liabilities.

Accounts payable are initially recognized at fair value and are subsequently measured at amortised cost using the A.P.R. Method.

Current and deferred income tax

The tax costs for the period covers current and deferred tax. Tax is recognized in the income statement, apart from when the tax concerns items that are recognized in other comprehensive income or directly in equity. In such cases, the tax is also recognized in other comprehensive income and equity respectively.

The current tax cost is calculated on the basis of the tax rules that are decreed on the balance sheet date or decreed in practice in the countries where the parent company's subsidiaries are active and generate taxable income. The management regularly evaluates the claims made in income tax returns concerning situations where the applicable tax rules are subject to interpretation and makes, when judged appropriate, provisions for amounts that will probably be paid to the tax agency.

Deferred tax is recognized in its entirety, according to the balance sheet method, for all temporary differences that arise between the fiscal value for assets and liabilities and their carrying values in the consolidated financial statements. Deferred income tax is estimated using tax rates (and tax laws) that have been decided or announced as per the closing date and that can be expected to be valid when the deferred tax receivable is realized or the deferred tax liability is settled. Deferred tax assets are recognized to the extent that it is probable that future fiscal surpluses will be available, against which the temporary differences can be utilised. Deferred tax is calculated on temporary differences that arise in

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participations in subsidiaries, apart from where the date for reversing the temporary difference can be controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Payments to employees*Pension obligations*

All the Group's pension plans are of defined contribution type. A defined contribution pension plan is a pension plan according to which the Group pays fixed contributions to a separate legal entity. The Group does not have any legal or constructive obligations to pay further contributions if the legal entity does not have sufficient assets to pay all compensations to employees associated with the employees' service during the current or previous periods. For defined contribution pension plans, the Group pays contributions to publicly or privately administered pension insurance schemes on a compulsory, contractual or voluntary basis. The Group does not have any other payment obligations once the contributions are paid. The contributions are recognized as personnel costs when they fall due for payment. Prepaid contributions are reported as an asset to the extent that a cash refund or reduction of future payments can be credited to the Group.

Provisions

Provisions are reported when the Group has a legal or informal obligation as a consequence of past events, it is likely that an outflow of resources will be required to settle the obligation and the amount has been estimated in a reliable manner.

Provisions for restructuring include costs for cancellation of leasing agreements and for redundancy payments. No provisions are made for future operating losses.

Revenue recognition

Revenues include the fair value of that which is obtained or will be obtained for the Group's current operation. Revenues are recognized excluding Value Added Tax and after eliminating intra-group sales.

The Group recognizes revenue when its amount can be measured reliably, it is probable that future financial benefits will fall to the company and specific criteria have been fulfilled by each one of the Group's operations.

If any circumstances arise that can change the original estimation of revenue or costs, the estimates are reassessed. These reassessments may result in increases or reductions in estimated income or costs and affect revenue during the period when the circumstances that gave rise to the change came to the attention of the senior management.

Interest income

Interest income is recognized as revenue allocated over the term applying the A.P.R. Method. When the value of a receivable has gone down, Collector reduces the carrying value to the recoverable value, which comprises the assessed future cash flow, discounted by the original effective interest for the instrument and continues to dissolve the discount effect as income from interest. Interest income on impaired loans is recognized at the original effective interest.

Commission income and Commission expenses

Income from commission is recognized as revenue in the period during which it is earned and refers to income from private loans and retail financing. Income mainly comprises service charges and payments for services sold. Under commission costs, costs are recognized for services received to the extent they are

not to be counted as interest, e.g. bank charges, custodial fees and payments to external intermediaries concerning managed volumes.

Credit management income

Income from credit management mainly comprises fees in connection with collection of receivables. Credit management income is recognized in the period in which it is earned.

The Group applies the percentage of completion method when recognising accrued commission income for credit management, which is based on estimates of how large a share of the ongoing assignment is complete on the balance sheet date.

Income from acquired credit portfolios

Income from acquired credit portfolios is recognized according to the A.P.R. Method. The Group recognizes the income after a current value estimate for the expected future cash flows. The Group bases its assessments on historic outcomes and expected cash flows.

Estimates and follow up of the cash flow are performed regularly during the year to guarantee that the estimates are correct. The dissolution of the discount effect is recognized as interest income, and changes in value due to changed estimates of the current value of the future cash flows are recognized in the income statement as other income (note 2).

Lease costs

Leases in which a substantial part of the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments that are made during the leasing period are taken up as costs in the income statement linearly over the period of the lease.

Dividends

Dividends for the parent company's shareholders are recognized as liabilities in the Group's financial reports in the period in which the dividends are approved by the parent company's shareholders.

Financial risk management*Financial risk factors*

Through its operations, the Group is exposed to a number of different kinds of risks of a material nature, mainly credit risk, market risks (currency risk and interest rate risk), liquidity and financing risk, reputational risk and operational risk. The ability to assess, manage and control risks is central in light of the business conducted. Collector has formulated a business structure to ensure sound risk management. The overall risk policy comprises the Board's and management's basic steering documents regarding risk management and aims to minimize potential unfavourable effects on the financial performance of corporate groups. The Board of Directors establishes written policies regarding both overall risk management and for specific areas such as granting credit, currency risk, interest rate risk and liquidity management.

Market risk*Foreign currency risk*

The Group's foreign currency risk arises because there are recognized assets and liabilities in a currency other than the functional currency; this primarily concerns EUR and NOK. Currency risk refers to the risk that the value of assets and liabilities,

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including derivatives, is negatively impacted in a change in the exchange rates. The net carrying amount of assets and liabilities in foreign currency is recognized in SEK million in the following table:

2015	EUR	NOK	DKK	USD	GBP
Cash and cash equivalents	185.3	246.3	123.6	4.5	6.1
Lending and other receivables	1,341.9	1,187.1	103.2	54.8	4.4
Other liabilities	-69.4	-67.3	-0.8	—	—
Accrued expenses and prepaid income	-13.2	-24.0	-0.0	-0.1	-0.2
Liabilities to credit institutions	-121.6	-114.8	-128.5	-58.0	-8.9
Net	1,323.0	1,227.4	97.5	1.1	1.4
2014	EUR	NOK	DKK	USD	GBP
Cash and cash equivalents	128.4	102.6	14.8	1.6	6.7
Lending and other receivables	1,314.0	914.1	50.3	3.4	2.3
Other liabilities	-61.8	-42.4	-0.7	—	—
Accrued expenses and prepaid income	-15.8	-28.4	-0.2	-0.0	-0.0
Liabilities to credit institutions	-200.8	-203.5	-34.8	-5.0	-8.0
Net	1,164.0	742.4	29.4	-0.0	1.0

According to the Group's risk management policy, foreign currency exposure should be minimal. Follow-up of Collector's currency risk is done continuously by the Treasury function and senior management. Currency risk is minimized by striving to refinance the assets in foreign currencies in the same currency. For the component of the assets for which this is not possible or, for some other reason, it is not desirable to refinance in the corresponding currency, currency swaps and/or forward exchange contracts are used to minimize the currency risk. Hedge accounting is not applied to these financial hedges. Outstanding forward exchange contracts and currency swaps as at 31 December 2015 are recognized at fair value in the following table:

2015	EUR	NOK	DKK	USD	GBP
Derivatives	1,334.6	1,250.7	99.0	—	1.4
Total	1,334.6	1,250.7	99.0	—	1.4
2014	EUR	NOK	DKK	USD	GBP
Derivatives	1,180.4	751.2	28.8	—	0.8
Total	1,180.4	751.2	28.8	—	0.8

The above tables regarding net assets and outstanding derivatives indicate that the Group is primarily exposed to changes in the SEK/EUR and SEK/NOK exchange rates. If the SEK were to weaken by 10 percent against the EUR, the impact on earnings before tax would amount to SEK -1.2 million and a corresponding weakening of SEK against NOK would entail an earnings impact of SEK -2.3 million. Unfavourable exchange rate fluctuations against the SEK of 10 percent regarding all of the exchange rates the Group is exposed to would entail a combined negative earnings impact before tax of SEK 3.8 million.

Interest rate risk

Interest rate risk refers to the risk that the market value of Collector's assets and liabilities should change as a result of changes in the general interest rate situation. Collector calculates and reports to the Swedish Financial Supervisory Authority what impact a sudden change in the general interest rate situation would have on the company's financial worth. Collector mainly has variable rates regarding both loans and deposits, as well as borrowing. In accordance with industry practice, mainly lending and deposit interest rates are adjusted in the event of major changes in market rates. Collector has a relatively good matching between assets and liabilities regarding the fixed-interest terms and the interest rate risk is thereby also limited. By striving for variable lending and deposit interest to the public, there is considerable flexibility to adapt the rates based on the prevailing market situation. The adopted financial and liquidity policy states that Collector shall, insofar as possible, match the fixed-interest terms with regard to lending, deposits and borrowing. Collector's treasury function is responsible for continuous management and follow-up of the interest rate risks and reporting takes place regularly to senior management. A sudden change in the general interest rate situation of 200 percentage points indicates an interest sensitivity in equity at 31 December 2015 of SEK 11 million.

Credit risk

Credit risk relates to the risk that Collector will not receive payment as agreed and/or will make a loss due to the inability of the counterparty to fulfil its obligations. Credit risk mainly arises through outstanding receivables and agreed transactions, and is managed at the Group level through an established credit policy and instructions. The steering documents comprise all of Collector's credit exposures, which are attributable to the Retail and Corporate segments and can essentially be divided into the following credit portfolios.

Retail

Personal loans
Credit cards
Payment solutions

Corporate

Factoring loans
Company credits
Real estate credits
Past due acquired loans

Personal loans and credit cards

Personal loans are unsecured credits to private individuals in Sweden, Norway and Finland of up to SEK 250,000 with loan periods that are mainly between 3 and 15 years. The card business consists of credit cards for private individuals in Sweden with a credit limit up to SEK 100,000.

Collector carries out ordinary checks prior to all granting of credit and applies scoring templates designed specifically for each customer. Credit is granted to end customers after an automated credit rating process has been conducted. The automated credit rating is based in part on internal information in the form of e.g. care and existing involvement with Collector, and in part on external information in the form of a credit report and information provided by the customer. The scoring obtained by the borrower affects what credit offering is presented in terms of both amount and interest rate. In the case of unpaid statements, internal credit management takes place, which among other things means monthly follow-up

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and analysis of due receivables, resulting in good ongoing risk management. The credit department continuously follows up, analyses and recommends necessary changes in the credit rating process. To limit credit losses, internal efforts are continuously made to improve scoring models and collection processes. Collector judges the credit risks linked to private loans and card business generally to be somewhat higher than for other company consumer credit but nevertheless acceptable in view of the good ongoing yield.

Payment solutions

Receivables attributable to payment solutions relate to the credit portfolio built up through Collector's cooperation regarding retail financing solutions with players in retail and distance trading (e-commerce and mail order). The credit facilities can comprise, for example, payment by instalments, current account credit or invoices of 30–45 days and pertains to financing of purchases of goods. The credits are unsecured loans, which mainly target private individuals in Sweden, Finland and Norway, but also to some extent Denmark, Germany and the Netherlands. The average amount of credit for these receivables is low, around SEK 800, and the average term is short, just over two months. Credit management in the form of reminders and collection demands is handled internally, which provides good insight and knowledge of the matters. Continuous risk management takes place through monthly analysis and follow-up of statistics and key ratios of overdue receivables and credit management cases at the customer level. Regular checks are made on all transactions to identify suspected fraud.

Collector does a credit check before any credit is granted and applies specifically structured scoring templates, depending on the product, credit amount and country. The credit rating process is automated and based in part on internal information such as care and existing involvement with Collector, and in part on external information in the form of a credit report and information provided by the customer. Collector assesses that the credit risks for this business are generally limited mainly due to the portfolio consisting of a large number of small credits with short durations.

Factoring loans

Factoring loans originate in the factoring business that involves Collector either buying or pledging the customer company's issued invoices. In invoice purchasing, Collector assumes the credit risk, while invoice financing and purchase with right of recourse mean that Collector primarily has a credit risk on the invoice issuer and not on the final customer, who is the invoice recipient.

Lending regarding factoring limits is always preceded by adequate credit analyses, which are collated in credit memoranda that provide the basis for decisions by the Credit Committee or Board, depending on the decision-making body. Both the lender and the specific credit proposal are analysed, focusing on repayment ability and sensitivity analysis.

Credit monitoring of customers and invoice recipients takes place on a continuous basis, and there is always a set total limit per customer up to which Collector may purchase or factor invoices. In addition to this, follow-up is also done of the client's financial standing, which directly affects the size of granted limits. The credit manager for the factoring product area arranges the continuous follow-up. Collector has deliberately chosen a low level of risk for the factoring business relative to the general level of risk in the factoring industry. Based on customer selection and the fact that credit periods are short, credit testing is extensive and continuous follow-up takes place, the credit risks pertaining to the factoring business are deemed to be limited.

Company and real estate credits

Company credits consist of shorter operating credits and what is known as bridge financing where the credit is usually linked to one of Collector's other operations, such as the factoring business. Real estate credits are larger credits that are targeted at commercial actors and comprise junior loans with security in multi-dwelling properties and commercial properties in metropolitan areas, such as Stockholm, Gothenburg, the Öresund region, Oslo and Helsinki, as well as other growth areas. The loan-to-value ratio is normally a maximum of 80 percent of the properties' appraised market value. Both company and real estate credits are normally secured with adequate collateral and have relatively short terms.

Lending in the form of company and real estate credit is preceded by adequate credit analyses, which are collated in credit memoranda that provide the basis for decisions by the Credit Committee or Board, depending on the decision-making body. Both the lender and the specific credit proposal are analysed, focusing on repayment ability and sensitivity analysis. The basic premise is that the risk of credit losses for Collector is to be very unlikely, and there are routines that work well for continuous follow-up and control of credits and borrowers. Credit monitoring of outstanding credits takes place continuously through external credit rating agencies. In addition to this, continuous follow-up also takes place of the customer's financial standing by collection of interim reports and other relevant information. The credit managers for the product areas of company and real estate credits arrange continuous follow-up.

Company and real estate credits are normally secured through mortgages in property, shares, guarantees, surety, floating charges or other forms of security. Company credits generally have a relatively short term of 3–36 months, while real estate credits normally have terms of 12–60 months. In exceptional cases company and real estate credits are granted with longer terms. The credit risk relating to company and real estate credits is therefore deemed to be controlled.

Past due acquired loans

Past due acquired loans refers to credit portfolios with overdue receivables against private individuals that were acquired from other creditors in Sweden, Norway and Finland. The portfolios can contain receivables that have been past due from a few months up to several years. The acquisition price is determined in part by the age of the receivable and historical cash flow. Acquisitions of past due loan portfolios are preceded by an extensive analysis of the current portfolio with a focus on future anticipated cash flows to determine a suitable purchase consideration. In addition to this, what is known as due diligence is also done of all or part of the loan portfolio to ensure that the information received regarding the credit matters agrees with reality. Normally, Collector also demands guarantees from the seller in the acquisition agreement regarding disputed claims, deceased creditors, statute-barred claims or other errors. These guarantees normally run for 12–24 months, which means that there is time to identify potential deficiencies in the acquired loan portfolio.

Risk management takes place with regard to all acquired loan portfolios by the cash flows being monitored and continuously analysed and valuations being regularly updated.

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Receivables by segment

The table below presents receivables by segment as at 31 December 2015.

Loans and receivables	Amount	Within agreed time	Overdue	Provision for bad debts
Retail segment	5,773.5	4,385.0	1,388.5	—353.2
Corporate segment	3,321.2	2,896.6	424.6	—44.1
Total	9,094.7	7,281.6	1,813.1	—397.3

The table below presents receivables by segment as at 31 December 2014.

Loans and receivables	Amount	Within agreed time	Overdue	Provision for bad debts
Retail segment	4,036.6	2,820.5	1,216.1	—296.8
Corporate segment	1,952.2	1,598.2	354.0	—43.1
Total	5,988.8	4,418.7	1,570.1	—339.9

All receivables under the heading Overdue in the table are overdue by one day or more. The receivables in the Retail segment are reserved collectively based on the applicable reserves policy. The value of the overdue receivables is adjusted to the value of the discounted future cash flows. In the Corporate segment, reservations are made individually based on assessed credit risk.

Liquidity and funding risk

Liquidity and funding risk refers to the risk that Collector may be unable to borrow the required funds at a reasonable cost or sell assets at a reasonable price to meet its payment obligations. Liquidity and funding risk can also be expressed as a lack of funding on reasonable terms and conditions. The handling of liquidity and funding issues in Collector is based on a prepared finance and liquidity policy which states that Collector in this respect shall have a risk profile that is risk averse. To maintain a good supply of liquidity and ensure stable financing, three requirements have also been set. In summary, these mean that Collector shall have credit agreements with several different commercial banks, have a good equity/assets ratio and that current terms on deposits shall be considered to be attractive, considering profitability and liquidity risk. Collector manages the liquidity risk by ensuring that liquidity is satisfactory in terms of amount and composition to ensure future liquidity needs. At any time, adequate cash and cash equivalents, current investments with a liquid market and access to financing through credit facilities shall be available to be able to meet both normal fluctuations in liquidity and a stressed scenario with unexpected outflows beyond the normal. The composition of the balance sheet means that Collector's conditions for avoiding liquidity problems are deemed to be good. A liquid asset portfolio with short durations on the loan receivables and a liquidity reserve with good margins combined with a practically, relatively stable and secure financing mean that Collector views the liquidity and funding risk as manageable.

The treasury function is responsible for the continuous follow-up of the liquidity and funding situation. Reporting on liquidity and funding risk occurs regularly to senior management, and the Board is informed in connection with Board reports. To evaluate the liquidity and funding risk, Collector also conducts stress tests.

The table below analyses the Group's financial liabilities that will be settled net, split up based on the time remaining on the balance sheet date to the contractual due date. The amounts in the table are stated at fair value. All amounts are attributable to credits cancellable for the customers, and the estimate of future interest payments is therefore uncertain. The liquidity flow concerning interest payments is thus not included in the following table.

	Payable on demand	Due date no longer than 3 months from balance sheet date	Due date longer than 3 months but no longer than 1 year from the balance sheet date	Due date longer than 1 year but no longer than 5 years from the balance sheet date
--	-------------------	--	---	--

As at 31 December 2015

Bank loans	—	—	—	—
Deposits from the public	—6,574.5	—456.5	—578.5	—244.9
Derivative instruments	—	—	—	—
Accounts payable and other liabilities	—13.7	—448.0	—25.7	—

As at 31 December 2014

Bank loans	—	—	—	—
Deposits from the public	—4,122.3	—148.7	—451.7	—486.4
Derivative instruments	—	—0.8	—	—
Accounts payable and other liabilities	—10.0	—283.3	—10.6	—

The table below analyses the Group's financial derivative instruments that will be settled gross, split up based on the time remaining on the balance sheet date to the contractual due date.

The amounts given in the table are the contractual, undiscounted cash flows.

The amounts that fall due within 12 months agree with the carrying values, since the discount effect is insignificant.

	Less than 1 year
As at 31 December 2015	
Forward exchange contract and currency swaps:	
— outflow	2,841.0
— inflow	2,731.1
As at 31 December 2014	
Forward exchange contract and currency swaps:	
— outflow	1,999.4
— inflow	1,960.4

All of the Group's forward exchange contracts and currency swaps mature within six months.

Management of capital risk

The goal of Collector's capital management is to secure the ability to continue its operation so it can continue to generate returns for shareholders and benefit for other stakeholders as well as establishing an optimal capital structure to keep the costs of capital down. The Board produces overall five year plans by means of annual reviews of strategy during which Collector's vision and goals according to the business plan are discussed and fixed. These plans also include a plan for

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how an optimal capital structure is to be achieved.

The capital risk in the Group is connected to the needs and requirements set by owners, financiers and regulatory bodies for the company. The capital ratio and the equity-to-assets ratio are two important key ratios for assessing the capital risk in the Group. The internal capital evaluation is an important process to evaluate Collector's collective capital requirements based on the risks that the business is exposed to. The aim is to evaluate whether or not the capital base is adequate in terms of amount and composition to ensure long-term development. The internal capital evaluation is drafted in cooperation between the function for risk control, the Board and senior management and also involves other relevant functions. The internal capital evaluation is updated when necessary and at least once a year and is approved by Collector's Board of Directors.

	2015	2014
Total assets	10,057.0	6,561.0
Total equity	1,649.0	994.6
Equity-to-assets ratio	16.4 %	15.2 %

The equity-to-assets ratio as at December 2015 is above the requirements set for the Group (Note 24).

Reputational risk

Reputational risk refers to the risk that the market's and/or public's faith and trust in Collector decreases as a result of the spread of negative publicity or harmful rumours. If Collector's reputation is damaged, it can impact both business opportunities and terms of financing.

Collector works actively to inform its customers and other stakeholders about the business to minimise the risk of false rumours spreading in the market. In the past year, the Group worked intensively to strengthen Collector's brand. The approved information and communication policy presents Collector's strategy for minimizing the risk of possible rumours spreading and how potential rumours should be handled. All communication, both internal and external, shall be of a high level of quality and be characterized by availability, clarity and objectivity. Furthermore, it is of the utmost importance that the communication be provided at the right time to the right recipients, through the right channels and structured in a professional and attractive manner. Correct and adequate information about Collector is communicated through the following channels, to name a few: the website collector.se, a lavish and extensive annual report, active contact with periodicals and other media and to employees over the intranet.

Based on Collector's circumstances, it is assessed that reputational risk is mainly closely linked to liquidity and funding risk. A rumour that harms confidence in banks in general and Collector in particular would in all likelihood first have a negative impact on deposit from the public and possibly also bank financing. Of course, the business operations can also be negatively impacted. However, Collector has a diversified business and does not stand or fall with an individual business operation.

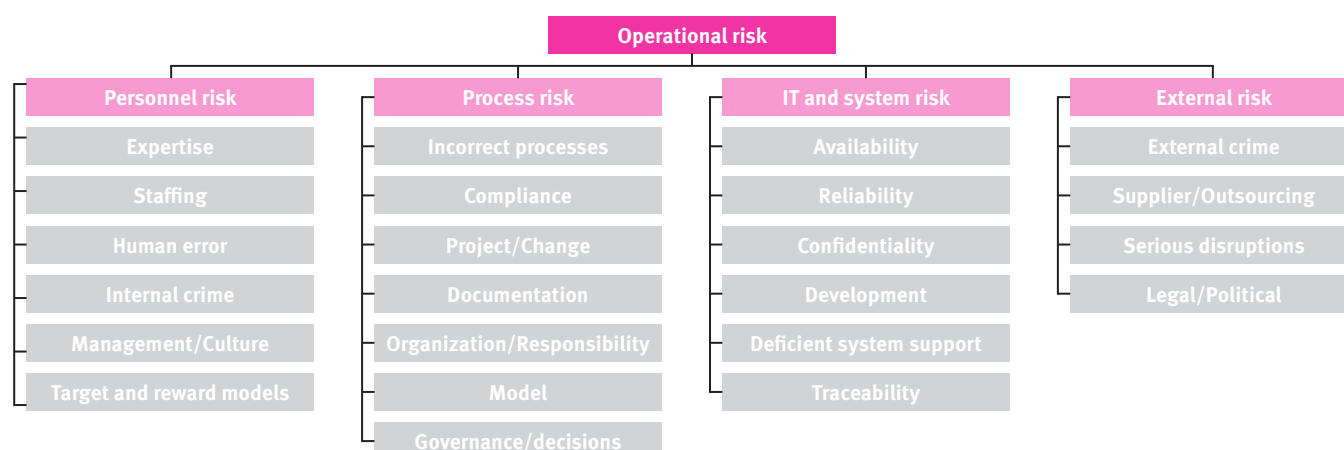
Operational risk

Operational risk relates to the risk of losses resulting from errors or inadequacies in internal procedures and processes. In addition to pure errors in administrative procedures, operational risk also includes human error, erroneous systems, IT technical problems and legal risks, as well as internal and external fraud.

To facilitate the work of identifying, evaluating and assessing the operational risks, Collector has chosen to structure the operational risks based on four main areas: personnel risk, process risk, IT and system risk and external risk. A number of potential risk areas have then been identified under each main area; see the schematic diagram below.

Collector strives for a structured approach to facilitate identification and handling of the operational risks in the business and has established a number of different steering documents in the form of policies, guidelines and instructions to minimize the operational risk in the business. Systematic self-evaluations are carried out in the business annually. Besides identifying operational risks in the business, they also contribute to spreading knowledge of operational risk in the organization. Good knowledge and understanding of operational risks and how they can be handled hopefully further contributes to a sound risk culture in Collector. A structured incident reporting, process mapping and the approval process applied for new products and services, or material changes, are examples of other central elements of Collector's risk framework with regard to managing the operational risks.

The department heads take extensive responsibility for the respective business area and continuously follow up the operational risks that may exist in the part of the operation that they are responsible for. Collector's risk control function and compliance organization have well developed cooperation on operational risks. Information about customer complaints and other incidents is continuously gathered and analysed to ensure a well-functioning handling of the operational risks in the business.



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Calculation of fair value

The Group applies IFRS 13 for financial instruments that are measured at fair value on the balance sheet. Thereby, disclosure is required about measuring at fair value per level in the following fair value hierarchy:

- Quoted prices (unadjusted) on active markets for identical assets or liabilities (level 1)
- Observable data for assets or liabilities other than quoted prices included in level 1, either directly (i.e. as price quotes) or indirectly (i.e. deduced from price quotes) (level 2)
- Data for the asset or liability that is not based on observable market data (i.e. unobservable data) (level 3)

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

	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial liabilities valued at fair value via the income statement					
– Derivative instruments	14	—	45.3	—	45.3
– Financial investments	23	—	144.0	—	144.0
Total assets			189.3		189.3
Liabilities					
Financial liabilities valued at fair value via the income statement					
– Derivative instruments		—		—	
Total liabilities		—		—	

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

	Note	Level 1	Level 2	Level 3	Total
Assets					
Financial assets valued at fair value via the income statement					
– Derivative instruments	—	—	—	—	—
– Financial investments	23	—	—	—	—
Total assets		—	—	—	—
Liabilities					
Financial liabilities valued at fair value via the income statement					
– Derivative instruments	14	—	0.8	—	0.8
Total liabilities		—	0.8	—	0.8

Financial instruments level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. Market information is used to as great an extent as possible when this is available,

while company-specific information is used to as small an extent as possible. If all material input data required for measurement of the fair value of an instrument is observable, the instrument is at level 2. In cases where one or more items of material input data are not based on observable market information, the instrument concerned is classified at level 3. Specific valuation techniques used to measure financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Calculating the fair value of interest-rate swaps as the current value of estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates on the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as calculation of discounted cash flows, are used to establish the fair value of remaining financial instruments.
- Bonds issued by municipalities are measured at fair value.

Note that all fair values established using valuation techniques are at level 2.

Important estimates and assumptions for accounting purposes

Estimates and assumptions are evaluated regularly and are based on historical experience and other factors, including expectations for future events that are to be considered reasonable under prevailing conditions.

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result will, by definition, rarely correspond to the actual results. The estimates and assumptions that involve a significant risk of significant adjustment in the carrying values for assets and liabilities during the next financial year are stated in their essential features below.

Testing the need for impairment for goodwill

The Group investigates every year whether there is any need to impair goodwill. The recovery value for cash generating entities has been established by calculating the value of use. For these calculations, certain estimates must be made (note 13).

Acquired credit portfolios

The Group recognises the income from acquired credit portfolios after a current value estimate for the expected future cash flow. Estimates and follow up of the cash flow are performed regularly during the year to guarantee that the estimates are correct. The income is adjusted over the income statement to the extent that cash flows differ from forecast (note 2). Additional information is available under the section on credit risk.

Testing the need to impair financial assets

The Group tests regularly whether there is a need to impair financial assets. A provision for depreciation of accounts receivable is established when there is objective evidence that the Group will not be able to receive all the amount due under the receivables' original terms. Significant financial difficulties of the debtor, the probability that the debtor will enter into bankruptcy or be subject to financial reconstruction and unpaid or overdue payment are to be considered as indicators that there may be a need for impairment of an account receivable. Additional information is available under the section on credit risk.

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Note 1 Segment reporting

The senior management has established the business segments based on the information used as a basis for distributing resources and evaluating results. The senior management assesses the business on an aggregated level distributed on the basis of a customer perspective: Retail and Corporate. The Retail and Corporate business areas presented in the monthly report are deemed to be operating segments under the IFRS 8 definition.

The Private/Retail segment pertains to the revenue streams of interest income and commission revenue, which are generated from the Commerce, Private Loans, Cards and Credit Management Consumer product areas. The Corporate segment comprises the product areas of Factoring, Company Credits, Purchased Portfolios, Credit Management Corporate as well as Real Estate Credits and pertains to the revenue streams of Credit Management, Lease Income and Interest Income.

The income measure followed up at segment level is profit before tax. This means that costs of personnel, production, purchased services and interest attributable to the segment are included in the segment result. On the assets and liabilities side it is the measure of outstanding credit portfolio which is presented in the monthly report per segment, which in the annual financial statements is

referred to as lending and other receivables. No other measures on the balance sheet are followed up at segment level.

Intra-Group sale between segments takes place on market terms. Internal transactions between the business areas pertain to remuneration for work carried out in Credit Management on management and collection of the Group's purchased receivables. The remuneration is paid in the form of a commission recognised as a cost, but which is eliminated in the consolidated statement of comprehensive income.

No single customer accounts for more than 10 per cent of the Group's aggregate income.

Under IFRS 8, presentation by geographic region has to take place with regard to revenue and non-current assets and on the basis of where the Group companies are located.

2015	Retail	Corporate	Eliminations	Collector Group
Income, external customers	803.7	383.3	–	1,187.0
Income, internal	57.1	37.8	–94.9	–
Total income	860.8	421.1	–94.9	1,187.0
Interest expenses	–50.4	–27.8	–	–78.2
Credit losses	–88.9	–2.8	–	–91.7
Other costs	–483.2	–258.1	94.8	–646.4
Profit before tax	238.3	132.4	–	370.7
Lending and other accounts receivables	5,420.2	3,277.2		8,697.4

Reporting by geographic area	Income, external customers	Intangible assets
	2015	2015
Sweden	1,105.7	153.5
Other countries	81.3	4.0
	1,187.0	157.5

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Continuation of Note 1

2014	Retail	Corporate	Eliminations	Collector Group
Income, external customers	601.9	314.3	—	916.2
Income, internal	34.3	47.3	-81.6	—
Total income	636.2	361.6	-81.6	916.2
Interest expenses	-65.5	-33.4	—	-98.9
Credit losses	-68.1	-0.7	—	-68.9
Other costs	-352.5	-233.8	81.6	-504.7
Profit before tax	150.1	93.7	—	243.7
Lending and other accounts receivables	3,739.8	1,909.1	—	5,648.9

Reporting by geographic area	Income, external customers	Intangible assets
	2014	2014
Sweden	849.2	130.4
Other countries	67.0	4.6
	916.2	135.0

Note 2 Income

Income per significant type of income	Sweden	Norway	Finland	Total Group
Group income per 2015				
Credit management	56.1	39.3	—	95.4
Commission income	17.3	—	1.3	18.6
Interest income	962.3	0.8	—	963.1
Other income	109.8	—	0.1	109.9
	1,145.5	40.1	1.4	1,187.0
Group income per 2014				
Credit management	51.4	19.1	—	70.5
Commission income	94.7	6.0	1.1	101.8
Interest income	564.5	0.7	—	565.2
Other income	178.5	0.2	—	178.7
	889.1	26.0	1.1	916.2

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Note 3 Employees and personnel costs

Average number of employees	1 Jan. 2015 –31 Dec. 2015	of which men, %	1 Jan. 2014 –31 Dec. 2014	of which men, %
Group				
Sweden	211	41	175	40
Finland	34	47	35	49
Norway	19	54	19	43
Group total	264	43	229	42

	31 Dec. 2015 Proportion of women, %	31 Dec. 2014 Proportion of women, %
Group total		
The Board of Directors	29	29
Other senior executives	50	43

	31 Dec. 2015		31 Dec. 2014	
Salaries, other benefits and social security expenses	Salaries and benefits	Social security expenses	Salaries and benefits	Social security expenses
Group	126.5	48.7	106.3	39.8
(of which pension costs)		(12.3) ¹⁾		(10.9) ¹⁾

1) Of the Group's pension expenses, 1.6 (1.2) pertains to the group of the Board and CEO.

	31 Dec. 2015		31 Dec. 2014	
Salaries and other benefits by country and between Board members, etc. and other employees	Board of Directors and CEO ²⁾	Other employees	Board of Directors and CEO ²⁾	Other employees
Group in Sweden	6.7	92.0	5.5	76.7
Group in Norway	—	12.0	—	9.0
Group in Finland	—	15.7	—	15.1
Group total	6.7	119.7	5.5	100.8

2) Pertains to salaries and other benefits to Board members, deputy Board members, CEO and Deputy CEO.

Remuneration and other benefits 2015		Basic salary/remu- neration	Variable remun- eration	Other benefits	Pension costs	Other remunera- tion	Total
The Chairman of the Board	Lena Apler	2.6		0.1	0.7	0	3.4
Deputy Chairman	Erik Selin	0.2					0.2
Board member	Johannes Nyberg	0.2					0.2
Board member	Helena Levander	0.2					0.2
Board member	Vilhelm Schottenius	0.2					0.2
Board member	Claes Kinell	0.2					0.2
Board member	Christoffer Lundström	0.2					0.2
CEO	Stefan Alexandersson	3.0	—	0.1	0.9	0	4.0
Other senior executives (seven people)		8.0	0.1	0.3	1.2	0.1	9.7
Total		14.8	0.1	0.5	2.8	0.1	18.3

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Continuation of Note 3

Remuneration and other benefits 2014		Basic salary/ remuneration	Variable remuneration	Other benefits	Pension costs	Other remuneration	Total
The Chairman of the Board	Lena Apler	2.5		0.1	0.6	0	3.2
Deputy Chairman	Erik Selin	0.1					0.1
Board member	Johannes Nyberg	0.2					0.2
Board member	Helena Levander	0.2					0.2
Board member	Vilhelm Schottenius	0.1					0.1
Board member	Claes Kinell	0.1					0.1
Board member	Christoffer Lundström	0.1					0.1
Managing Director	Stefan Alexandersson	2.3		0.1	0.6	0	3.0
Other senior executives (seven people)		6.1	0.3	0.2	0.9	0	7.5
Total		11.7	0.3	0.4	2.1	0	14.5

Remuneration of CEO and senior executives

Remuneration paid to the CEO is decided by the Board of Directors. The CEO received no variable remuneration in 2015. The retirement age in the contract of employment is 65. In the case of termination of employment of the company's CEO, from the company's side, remuneration is paid for 24 months. If the CEO resigns, there is a six-month notice period. There is no agreement on severance pay for the Board of Directors. Fixed remuneration to senior executives is determined by the CEO and the variable part of the remuneration is based on goal fulfilment. In the case of termination of employment of senior executives, from the company's side, remuneration is paid for 3–12 months.

Remuneration policy

Collector has adopted a remuneration policy that has been prepared with the aim of fulfilling the requirements that are set in the Swedish Financial Supervisory Authority's regulations (FFFS 2011:1) on remuneration policy in credit institutions. The starting point for the remuneration policy is that it is prepared based on the risks to be found in the Group. It states the grounds and principles for how remuneration shall be established, applied and followed up as well as how the company defines the employees who could affect the company's risk level. The remuneration policy shall promote healthy and effective risk management and should militate against excessive risk-taking. The policy will promote the Group's long-term interests. No employee who is defined in the remuneration policy as specially regulated staff has variable pay.

Note 4 Depreciation of property, plant and equipment and amortisation of intangible fixed assets

	1 Jan. 2015 –31 Dec. 2015	1 Jan. 2014 –31 Dec. 2014
Group		
Capitalized expenses for development work and similar work	–26.1	–19.9
Leasing objects	–0.2	–0.4
Equipment	–2.3	–1.6
	–28.6	–21.9

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Note 5 Other profits/losses – net

	1 Jan. 2015–31 Dec. 2015	1 Jan. 2014–31 Dec. 2014
Group		
Profit/loss from sales of equipment	–0.3	0
Profit/loss from sales of leasing objects	–0.4	–0.1
	–0.7	–0.1

Note 6 Remuneration and expense reimbursement to the auditors

	1 Jan. 2015 –31 Dec. 2015	1 Jan. 2014 –31 Dec. 2014
Group		
<i>PwC</i>		
Auditing assignments	1.1	0.9
Audit activities in addition to audit assignment	0.6	0.2
Tax advice	0.5	0.6
Other services	1.3	0.4
<i>BDO</i>		
Other services	—	0.0

Note 7 Lease costs

31 Dec. 2015	Less than 1 year	Between 1–5 years	Between 6–10 years
Premises rent, etc.	15.0	41.4	8.0
Car rent	2.1	2.7	—
31 Dec. 2014	Less than 1 year	Between 1–5 years	Between 6–10 years
Premises rent, etc.	10.7	37.3	5.8
Car rent	2.0	1.8	—

Pertains to future minimum lease payments regarding non-cancellable operating leases.

Note 8 Other expenses

	1 Jan. 2015–31 Dec. 2015	1 Jan. 2014–31 Dec. 2014
Group		
Commission expenses	102.7	74.6
Credit management costs	60.8	51.6
Costs acquired credit portfolios	45.8	38.0
Credit losses, net	91.7	68.8
Postage costs	42.0	34.1
Administration costs	99.1	66.8
Other operating expenses	93.5	62.6
	536.6	396.5

Note 9 Financial income and expenses

	1 Jan. 2015–31 Dec. 2015	1 Jan. 2014–31 Dec. 2014
Group		
Loss from the divestment of Group companies	—	–1.1
Loans to credit institutions – interest income	1.8	7.4
Deposits, credit institutions – interest expenses	–4.2	–3.6
Deposits, the public – interest expenses	–72.4	–93.9
Revaluation bonds	–0.9	–1.7
Promissory note and other interest expenses	–1.7	–1.6
Profit/loss from sales of current investment	–0.7	—
Other interest income	0.1	0.2
Net financial items	–78.0	–94.3

Note 10 Income tax

	1 Jan. 2015 –31 Dec. 2015	1 Jan. 2014 –31 Dec. 2014
Group		
Income tax for the period	–69.0	–46.6
Tax on the previous year's profit/loss	–0.3	–0.6
Total current tax	–69.3	–47.2
Deferred tax	–15.3	–8.4
	–84.6	–55.6

	1 Jan. 2015 –31 Dec. 2015	1 Jan. 2014 –31 Dec. 2014
Reconciliation of effective tax		
	% Amount	% Amount
Profit before tax		370.7 243.7
Tax according to current tax rate for the Parent Company	22	–81.5 –53.6
Non-deductible expenses		–2.6 –3.1
Non-taxable income		0.0 1.7
Standard interest attributable to tax allocation reserve		–0.2 –0.6
Current tax attributable to previous years		–0.3 –0.6
Temporary differences		0.3 1.6
Effect of foreign tax rates		–0.3 –1.0
	–84.6	–55.6

Note 11 Dividend

The dividend paid in 2015 only pertains to preference shares and amounted to 1.8 (SEK 3.09 per preferred share). Dividends paid in 2015 amounted to 30.5 (SEK 2.24 per ordinary share and SEK 2.00 per preferred share).

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Note 12 Property, plant and equipment

Investment real estate	31 Dec. 2015	31 Dec. 2014
Group		
<i>Accumulated cost</i>		
At the beginning of the year	—	2.0
Sales of property	—	-2.0
Carrying amount at the end of the period	—	—

Investment real estate refers to undeveloped land and its book value is assessed to correspond to market value.

Equipment	31 Dec. 2015	31 Dec. 2014
Group		
<i>Accumulated cost</i>		
At the beginning of the year	23.3	20.8
New purchases	4.7	3.0
Divestment and disposals	-1.5	-0.5
Translation difference, cost	-0.3	0
	26.2	23.3
<i>Accumulated depreciation</i>		
At the beginning of the year	-16.8	-15.4
Divestment and disposals	1.2	0.2
Translation differences, depreciation	—	0
Depreciation for the year of cost	-2.3	-1.6
	-17.9	-16.8
Carrying amount at the end of the period	8.3	6.5

Leasing	31 Dec. 2015	31 Dec. 2014
Group		
<i>Accumulated cost</i>		
At the beginning of the year	11.4	12.2
New purchases	—	0.1
Divestment and disposals	-0.6	-0.9
Translation difference, cost	—	—
	10.8	11.4
<i>Accumulated depreciation</i>		
At the beginning of the year	-10.8	-11
Divestment and disposals	0.3	0.5
Translation differences, depreciation	—	—
Depreciation for the year of cost	-0.2	-0.3
	-10.7	-10.8
Carrying amount at the end of the period	0.1	0.6

Note 13 Intangible assets

Capitalised expenses	31 Dec. 2015	31 Dec. 2014
Group		
<i>Accumulated cost</i>		
At the beginning of the year	131.1	98.4
Divestment	—	-0.1
New purchases	49.5	32.6
Translation differences	—	0.2
	180.6	131.1
<i>Accumulated amortization</i>		
At the beginning of the year	-67.8	-47.9
Divestment	—	—
Translation differences	—	0
Amortization and impairment for the year	-26.2	-19.9
	-94.0	-67.8
Carrying amount at the end of the period	86.6	63.3
Goodwill		31 Dec. 2014
Group		
<i>Accumulated cost</i>		
At the beginning of the year	71.7	71.9
Acquisitions	—	—
Translation differences	-0.8	-0.2
	70.9	71.7

The senior management assesses business on the basis of a customer perspective: Retail and Corporate, which have been identified as operating segments in accordance with IFRS 8. The Retail and Corporate segments are assessed on the basis of geography and product area. Group goodwill is attributable to the following cash generating entities:

- (1) A group of cash-generating units that jointly refers to the operations in Colligent Inkasso AB 42.6 (42.6)
- (2) A group of cash-generating units that jointly refers to the Swedish operations in Collector Bank AB. 24.3 (24.8)
- (3) Operations in Collector Norge AS 4.0 (4.3)

Impairment testing of goodwill for the respective cash-generating unit/group of cash-generating units has been done for the annual financial statements. Calculations are based on the estimated future cash flow after tax, based on financial forecasts that are approved by the senior management and cover a three-year period. Important assumptions pertaining to forecasts made comprise average credit portfolio, new contracting and margins. The cash flow beyond the three-year period is extrapolated using an estimated growth rate of 2.0 per cent and a discount rate before tax of 10.8 per cent (8.4 per cent after tax). The average growth rate used is based on the company's own plans and assessments for future developments. The calculation of the recovery value is based on the value in use.

In the event of a change in assumptions made regarding rate of growth and discount rate of +/- 1 percentage point, no need for impairment would arise. Collector therefore deems there to be scope for a reasonable change in both the assumption on rate of growth and the discounting factor.

NOTES

Note 14 Derivative instruments

	31 Dec. 2015		31 Dec. 2014	
	Assets	Liabilities	Assets	Liabilities
Group				
Currency future contracts	45.3	—	—	-0.8
Total	45.3	—	—	-0.8
Minus long-term component:				
Currency future contracts	45.3	—	—	-0.8
Current component	45.3	—	—	-0.8

Note 15 Lending and other receivables

	31 Dec. 2015	31 Dec. 2014
Group		
Loans and receivables ¹⁾	9,094.7	5,988.8
Provision for bad debts	-397.3	-339.9
Accounts receivable – net	8,697.4	5,648.9
Other receivables	11.7	8.2
Prepaid expenses and accrued income	162.8	123.1
	8,871.9	5,780.2
Minus long-term component	-4,633.0	-3,060.2
Current component	4,238.8	2,720.0

The fair value of loans and receivables and other receivables is as follows:

	31 Dec. 2015	31 Dec. 2014
Loan receivables and accounts receivable	8,697.4	5,648.9
Other receivables	11.7	8.2
Prepaid expenses and accrued income	162.8	123.1
	8,871.9	5,780.2

1) Loans and receivables consist of both own and acquired loans and receivables. The distribution of receivables by segment is presented by the table on page 16.

The reserve for bad debts amounted to 397.3 (339.9). The company has made calculations for the expected cash flow and made the judgement that there is no further need for impairment.

As at 31 December 2015, loans and receivables totalling 1,323.8 (1,036.0) were overdue collection receivables. Impairment has been carried out according to the Group's reserves policy and it is deemed that there is no further need for impairment, beyond 397.3. The company makes regular assessments of receivables during the year based on the solution rate and recovery rate.

An age analysis of these loans and receivables is given below:

	31 Dec. 2015	31 Dec. 2014
Less than 3 months	64.1	75.4
3 to 6 months	91.1	72.2
More than 6 months	1,168.6	888.4
Total	1,323.8	1,036.0

Currency future contracts

The nominal amount for the outstanding forward exchange contracts at 31 December 2015 amounted to 2,731.1 (1,960.4). The futures fall due within six months of the balance sheet date.

Carrying amounts in SEK million, by currency, for the Group's loans and receivables are as follows:

	31 Dec. 2015	31 Dec. 2014
SEK	5,985.0	3,364.9
EUR	1,335.9	1,311.9
NOK	1,214.4	916.5
USD	54.8	3.3
GBP	4.4	2.4
DKK	102.9	49.9
	8,697.4	5,648.9

Changes in the reserve for doubtful loans and receivables are as follows:

	31 Dec. 2015	31 Dec. 2014
As at 1 January	-339.9	-283.2
Provision for bad debts	-46.2	-57.7
Receivables written off during the year that are not collectable	-19.8	-10.9
Unused amounts reversed	—	—
Foreign currency effect	8.6	11.9
As per 31 December	-397.3	-339.9

Provisions for respective reversal of provisions for bad debts are included in the item Other costs in the income statement. Amounts that are recognised on the value reduction account are normally written off when the Group does not expect to recover further liquid funds.

Other categories within loans and receivables do not include any assets for which there is a need for impairment.

NOTES

Note 16 Prepaid expenses and accrued income

	31 Dec. 2015	31 Dec. 2014
Group		
Prepaid loan brokering expenses	122.7	73.2
Prepaid supplier invoices	7.8	12.9
Accrued commission income	10.4	8.7
Accrued interest income	9.1	3.8
Other accrued income	0.9	—
Other prepaid expenses	11.9	24.5
	162.8	123.1

Note 17 Cash and cash equivalents

	31 Dec. 2015	31 Dec. 2014
Group		
Cash and bank balances	825.0	487.9
Current investments	—	149.0
	825.0	636.9

Of the total amount, 9.1 (7.4) refers to funds held on behalf of a third party.

Note 18 Share capital

Specification of changes in equity can be found in the consolidated statement of changes in equity, which is immediately after the balance sheet.

	Share capital
As at 1 January 2014	6.0
Preference share issue	0
Ordinary share issue	0.9
As at 31 December 2014	6.9
New issue of ordinary shares	0.4
Bonus issue of ordinary shares	2.0
As at 31 December 2015	9.3

The distribution of issued shares consists of 93,355,502 (17,098,630) ordinary shares and 0 (117,925) preference shares. In total, there are 93,355,502 shares (17,216,555) with a quota value of SEK 0.10 per share (SEK 0.40 per share). All shares issued are fully paid.

Note 19 Borrowing

	31 Dec. 2015	31 Dec. 2014
Group		
Long-term		
Deposits from the public	244.9	510.5
	244.9	510.5
Current		
Deposits from the public	7,609.5	4,698.6
	7,609.5	4,698.6
Total borrowing	7,854.4	5,209.1

Bank loans

Total borrowing includes bank loans and other secured loans of 0 (0). The security for bank loans consists of floating charges in Collector Credit AB. Of the deposits from the public, 6,728.5 (4,631.8) is guaranteed by the Swedish National Debt Office.

The Group's exposure, with respect to borrowing, to changes in interest and the contractual timing of interest rate renegotiation on the balance sheet date is as follows:

	31 Dec. 2015	31 Dec. 2014
Payable on demand	6,574.5	4,122.3
Due date no longer than 3 months from balance sheet date	456.5	148.7
Due date longer than 3 months but no longer than 1 year from the balance sheet date	578.5	451.7
Due date more than 1 year but no longer than 5 years from the balance sheet date	244.9	486.4
Due date more than 5 years from balance sheet date	—	—
	7,854.4	5,209.1

Effective interest rates on the balance sheet date were as follows:

	31 Dec. 2015	31 Dec. 2014
Borrowing with pledged assets, %		
SEK	1.35	1.35
EUR	1.36	1.50
NOK	2.30	2.80
USD	1.62	1.62
GBP	1.83	1.35
DKK	1.65	1.50
Deposits from the public, %		
SEK, direct account	0.87	1.77
SEK, one-year account	1.11	2.16
SEK, two-year account	1.26	2.54

NOTES

Continuation of Note 19

Carrying amounts and fair value for long-term borrowing are as follows:

	Carrying amount		Fair value	
	2015	2014	2015	2014
Deposits from the public	244.9	510.5	244.9	510.5

The fair value of borrowing corresponds to its carrying amount since the majority is comprised of short-term borrowing. The discount effect is thereby not material.

Carrying amounts in SEK million, by currency, for the Group's total borrowing are as follows:

	31 Dec. 2015	31 Dec. 2014
SEK	7,854.4	5,209.1
	7,854.4	5,209.1

The Group has the following unutilized credit facilities:

Variable interest	31 Dec. 2015	31 Dec. 2014
Expire within one year	700.0	400.0

The loan possibilities that expire within one year are one-year credit facilities that were reviewed at various times in 2015.

Note 20 Deferred tax

	31 Dec. 2015	31 Dec. 2014
Group		
Deferred tax assets:		
Deferred tax attributable to tax loss carry forwards	—	1.8
	—	1.8
Deferred tax liabilities:		
Provision for deferred tax in untaxed reserves	63.1	49.3
Provision for deferred tax attributable to other temporary differences	3.1	3.4
	66.2	52.6
Deferred tax liabilities:		
– deferred tax liabilities to be paid after more than 12 months	66.2	52.6
The gross change regarding deferred taxes is as follows:		
Opening balance	50.8	42.4
Utilization of tax loss carry forwards	1.8	—
Change in deferred tax regarding untaxed reserves	13.8	10.0
Change in deferred tax for other temporary differences	–0.2	–1.6
Closing balance	66.2	50.8

Note 21 Accrued expenses and prepaid income

	31 Dec. 2015	31 Dec. 2014
Group		
Interest expenses	28.1	28.6
Accrued personnel costs	13.0	6.7
Other accrued expenses	216.9	99.5
	258.0	134.8

Note 22 Other current liabilities

	31 Dec. 2015	31 Dec. 2014
Group		
Deposits	111.2	96.4
Client funds	33.9	30.5
Liability to dealers	0.6	3.4
Other liabilities	13.9	8.3
	159.6	138.6

NOTES

Note 23 Financial assets and liabilities

	Financial assets valued at fair value via the income statement		Financial liabilities valued at fair value via the income statement				
As at 31 December 2015	Held for trade	Loans and receivables	Held for trade		Other liabilities	Total carrying amount	Fair value
Assets							
Accounts receivable and other receivables	—	8,709.2	—		—	8,709.2	8,709.2
Other financial assets valued at fair value via the income statement	144.0	4.9	—		—	148.9	148.9
Derivative instruments	45.3	—	—		—	45.3	45.3
Cash and cash equivalents	—	825.0	—		—	825.0	825.0
Total	189.3	9,539.1	—		—	9,728.4	9,728.4
Liabilities							
Borrowing	—	—	—		7,854.4	7,854.4	7,854.4
Derivative instruments	—	—	—		—	—	—
Accounts payable and other liabilities	—	—	—		193.3	193.3	193.3
Total	—	—	—		8,047.7	8,047.7	8,047.7
	Financial assets valued at fair value via the income statement		Financial liabilities valued at fair value via the income statement				
As at 31 December 2014	Held for trade	Loans and receivables	Held for trade		Other liabilities	Total carrying amount	Fair value
Assets							
Accounts receivable and other receivables	—	5,780.2	—		—	5,780.2	5,780.2
Other financial assets valued at fair value via the income statement	—	—	—		—	—	—
Derivative instruments	—	—	—		—	—	—
Cash and cash equivalents	—	636.9	—		—	636.9	636.9
Total	—	6,417.1	—		—	6,417.1	6,417.1
Liabilities							
Borrowing	—	—	—		5,209.1	5,209.1	5,209.1
Derivative instruments	—	—	0.8		—	0.8	0.8
Accounts payable and other liabilities	—	—	—		158.5	158.5	158.5
Total	—	—	0.8		5,367.6	5,368.4	5,368.4

Note 24 Capital adequacy analysis

Collector AB is the parent holding company in a financial group of companies (consolidated situation) that includes the subsidiaries Collector Bank AB and Collector Norge AS.

The information on the company's capital adequacy in this document pertains to information that must be disclosed according to Chapter 6, Sections 3–4 of the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) on the annual reports of credit institutions and securities companies and which relates to information indicated by Articles 92(3)(d) and (f), 436(b) and 438 of Regulation (EU) No. 575/2013 and Chapter 8 Section 23 of the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2014:12) on supervisory requirements and capital buffers, as well as column a in Annex 6 to Commission Implementing Regulation (EU) No. 1423/2013. Other disclosures required according to FFFS 2014:12 and Regulation (EU) No 575/2013 are set out on the company's website, www.collector.se.

Information on capital base and capital requirements

The establishment of the company's statutory capital requirement is governed by the Act (2014:968) on Prudential Supervision of Credit Institutions and Securities

Companies, the Capital Adequacy Regulation (EU No 575/2013), the Capital Buffers Act (2014:966) and the Swedish Financial Supervisory Authority's regulations and general guidelines regarding prudential requirements and capital buffers (FFFS 2014:12).

The purpose of the rules is to ensure that the company manages its risks and protects its customers. The rules state that the company's capital base must cover the need for capital including the minimum capital requirement (the capital requirement for credit risk, market risk and operational risk).

Collector applies the standardised method when calculating credit risk. The capital base must amount to at least 8 per cent of the risk weighted exposure. The exposure is calculated by allocating the company's items on and off the balance sheet to different risk classes. For each risk class, there is a number of risk weights. How the allocation is made between risk classes and the underlying risk weights depends on the type of exposure and the opposite party.

For operational risk, the base method (15 per cent of the last three years' average operating income adjusted for dividends from Group companies) is used.

The company's capital situation can be summarised as follows:

Capital base	Corporate Group	
	31 Dec. 2015	31 Dec. 2014
Equity	1,649.6	995.2
Deduction intangible assets	–109.0	–89.6
Tier 1 capital	1,540.6	905.6
Tier 2 capital	–	–
Deduction from Tier 1 and Tier 2 capital	–	–
Expanded capital base	–	–
Capital base	1,540.6	905.6

Capital requirement	Corporate Group	
	31 Dec. 2015	31 Dec. 2014
Credit risk	615.8	398.4
Market risk	3.0	2.1
CVA risk	1.2	0.5
Operational risk	108.0	85.8
Total capital requirement	728.0	486.8
Summary of capital		
Capital surplus	812.6	418.7
Capital adequacy ratio	2.12	1.86
Total capital ratio	16.9 %	14.9 %

Exposures Corporate Group (Credit risk)	31 Dec. 2015			31 Dec. 2014		
	Exposure	Risk-weighted amount	Minimum requirement (8 %)	Exposure	Risk-weighted amount	Minimum requirement (8 %)
Municipalities and other associations	164.8	–	–	111.4	–	–
Institutional exposures	836.0	167.2	13.4	494.0	98.8	7.9
Corporate exposure	2,530.1	2,530.1	202.4	1,308.8	1,308.8	104.7
Household exposures	4,731.2	3,548.4	283.9	3,133.6	2,350.2	188.0
Unregulated items	970.4	970.4	77.6	827.5	827.5	66.2
Other items	480.8	480.9	38.5	394.4	394.4	31.6
Total	9,713.3	7,697.0	615.8	6,269.7	4,979.7	398.4

NOTES

Continuation of Note 24

Amounts in SEK thousand	Corporate Group	
	31 Dec. 2015	31 Dec. 2014
Common equity tier 1 capital after possible deductions	1,540.6	905.6
Other tier 1 capital after possible deductions	—	—
Tier 2 capital after possible deductions	—	—
Capital base	1,540.6	905.6
Risk exposure amount	9,099.5	6,085.6
Capital base requirement for		
– credit risk	615.8	398.4
– market risk	3.0	2.1
– credit rating adjustment risk	1.2	0.5
– operating risk	108.0	85.8
Total capital requirements	728.0	486.8
Common equity tier 1 capital ratio	16.9 %	14.9 %
Tier 1 capital ratio	16.9 %	14.9 %
Total capital ratio	16.9 %	14.9 %
Total common equity tier 1 capital requirement including buffer requirement	7.8 %	7.0 %
<i>of which capital conservation buffer</i>	2.5 %	2.5 %
<i>of which counter-cyclical buffer</i>	0.8 %	0.0 %
<i>of which system risk buffer</i>	0.0 %	0.0 %
Common equity tier 1 capital available for use as buffer	12.4 %	10.4 %
Specification of capital base		
<i>Common Equity Tier 1 capital</i>		
Share capital	9.3	6.9
Other contributed capital	800.7	401.3
Profits not paid as dividends	553.3	399.3
Revised net profit less foreseeable dividends and expenses	286.3	187.7
	1,649.5	995.2
Less:		
– Intangible assets	109.0	87.8
– Deferred tax assets	—	1.8
Total common equity tier 1 capital	1,540.6	905.6
<i>Other tier 1 capital</i>		
Perpetual debentures	—	—
Deductions	—	—
Total other tier 1 capital	—	—
<i>Tier 2 capital</i>		
Fixed-term debentures	—	—
Deductions	—	—
Total tier 2 capital	—	—
Total capital base	1,540.6	905.6

NOTES

Note 25 Pledged assets and contingent liabilities

	31 Dec. 2015	31 Dec. 2014
Pledge assets		
<i>For own liabilities and provisions</i>		
Chattel mortgages	700.0	400.0
Total pledged assets	700.0	400.0
Contingent liabilities	None	None

In addition to pledged assets, the Group/Company uses covenants/loan terms.

Note 26 Transactions with related parties

Fastighets AB Balder owns 44 % of Collector AB as at 31 December 2015.

	31 Dec. 2015	31 Dec. 2014
Sales of services		
Collection services	5.5	4.9
Real estate credits	8.8	2.2
Deposits	86.2	11.0
Total	100.5	18.1

Collector provides services within collections to Balder and real estate credits to Oscar Properties. These take place on market terms. Deposits are made at current terms for Collector's respective savings account.

For information on the remuneration of the Board and senior executives, please see Note 3.

Note 27 Events after the balance sheet date

In the fourth quarter of 2015, Collector's Board of Directors adopted a SEK 3,000 million certificate programme. Collector issued SEK 500 million within this programme in January 2016.

PARENT COMPANY

Income statement

SEK million	Note	1 Jan. 2015 –31 Dec. 2015	1 Jan. 2014 –31 Dec. 2014
Other operating income	28	53	39
Operating expenses		53	39
Other external costs	29.30	–49	–34
Depreciation of property, plant and equipment and amortization of intangible fixed assets	31	–12	–10
Operating profit/loss		–8	–5
Profit/loss from financial items			
Profit/loss from holdings in Group companies		–	–1
Interest income and similar items		0	0
Interest expenses and similar profit/loss items		0	0
Profit/loss after financial items		–8	–6
Appropriations			
Appropriations, other	32	50	7
Profit before tax		42	1
Income tax	33	–10	–1
Profit/loss for the year		32	0

PARENT COMPANY

Statement of comprehensive income

SEK million	1 Jan. 2015 –31 Dec. 2015	1 Jan. 2014 –31 Dec. 2014
Profit/loss for the year	32	0
Other comprehensive income	–	–
Total comprehensive income for the year	32	0

PARENT COMPANY

Balance sheet

SEK million	Note	31 Dec. 2015	31 Dec. 2014
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Capitalized expenses for development work and similar work	34	28	25
		28	25
<i>Property, plant and equipment</i>			
Equipment	35	6	5
		6	5
<i>Financial assets</i>			
Holdings in Group companies	36	742	392
Other non-current receivables	37	5	5
Deferred tax assets	38	0	2
		747	399
Total non-current assets		781	429
Current assets			
<i>Current receivables</i>			
Receivables with Group companies		20	15
Other receivables		17	13
Prepaid expenses and accrued income	39	4	3
		41	31
<i>Cash and bank balances</i>			
		17	2
Total current assets		58	33
TOTAL ASSETS		839	462

SEK million	Note	31 Dec. 2015	31 Dec. 2014
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital (93,355,502 shares)		9	7
Statutory reserve		18	18
		27	25
<i>Non-restricted equity</i>			
Share premium reserve		762	362
Profit/loss brought forward		-111	-81
Profit/loss for the year		32	0
		683	281
		711	306
Untaxed reserves			
Tax allocation reserves	40	4	14
		4	14
Current liabilities			
Deposits from the public		1	1
Accounts payable		6	5
Liabilities to Group companies		111	130
Other current liabilities		0	0
Accrued expenses and prepaid income		6	5
		124	141
TOTAL EQUITY AND LIABILITIES		839	462

PARENT COMPANY

Pledged assets and contingent liabilities

SEK million	Note	31 Dec. 2015	31 Dec. 2014
Pledge assets	41	—	—
Contingent liabilities		321	321

PARENT COMPANY

Equity

2015	Restricted equity		Non-restricted equity	
SEK million	Share capital	Statutory reserve	Share premium reserve	Non-restricted equity
Parent Company				
At the beginning of the year	7	19	362	-81
Profit/loss for the year				32
New issue of ordinary shares	0		399	
Bonus issue	2			-2
Dividend on preference shares				-2
Costs and tax effect in stock exchange listing				-26
At year-end	9	19	762	-78

2014	Restricted equity		Non-restricted equity	
SEK million	Share capital	Statutory reserve	Share premium reserve	Non-restricted equity
Parent Company				
At the beginning of the year	6	19	162	-51
Profit/loss for the year				0
New issue of preference shares	0		2	
New issue of ordinary shares	1		199	
Dividend on preference shares				0
Dividend, ordinary shares				-30
At year-end	7	19	362	-81

PARENT COMPANY

Cash flow statement

SEK million	1 Jan. 2015 –31 Dec. 2015	1 Jan. 2014 –31 Dec. 2014
Current operations		
Profit/loss after financial items	–8	–6
Adjustments for non-cash items, etc.		
– Depreciation/amortization	12	10
– Other non-cash items	–	1
	4	5
Taxes paid	–0	–6
Cash flow from operating activities before changes in working capital	4	–1
<i>Cash flow from changes in working capital</i>		
Increase(–)/Decrease(+) in current receivables	–10	–18
Increase(+)/Decrease(–) in operating liabilities	16	56
Cash flow from operating activities	10	37
Investing activities		
Acquisition of intangible assets	–14	–11
Acquisition of property, plant and equipment	–3	–2
Investments in subsidiaries	–350	–200
Divestment of subsidiaries	0	–
Divestment/reduction of financial assets	–	–
Cash flow from investment activities	–367	–213
Financing activities		
Group contributions paid/received	77	–
New issue of preference shares	–	2
New issue of ordinary shares	366	200
Dividend paid	–2	–31
Cash flow from financing activities	371	171
Cash flow for the year	14	–5
Cash and cash equivalents at beginning of the year	3	7
Cash and cash equivalents at year-end	17	2

NOTES

Accounting policies, parent company

The Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The policies are the same for the parent company as for the Group apart from the following exceptions.

Group contributions

Group contributions are reported in the income statement in accordance with RFR2.

Group information

Of the parent company's total purchases and sales measured in SEK, 2.1 % (0.6 %) of the purchases and 100 % (100 %) of the sales pertain to other companies within the whole group of companies to which the company belongs.

Note 28 Other operating income

	1 Jan. 2015 – 31 Dec. 2015	1 Jan. 2014 – 31 Dec. 2014
Parent Company		
Other	53.0	39.1
	53.0	39.1

The Parent Company's income largely consists of management fees from subsidiaries.

Note 29 Remuneration and expense reimbursement to the auditors

	1 Jan. 2015 – 31 Dec. 2015	1 Jan. 2014 – 31 Dec. 2014
Parent Company		
<i>PwC</i>		
Auditing assignments	1.0	0.7
Auditing activities in addition to the audit assignment	0.5	0.2
Tax advice	0.1	0.4
Other services	1.3	0.3

Note 30 Employees and personnel costs

	31 Dec. 2015 Proportion of women, %	31 Dec. 2014 Proportion of women, %
Parent Company		
The Board of Directors	29	29
Other senior executives	50	43

	31 Dec. 2015		31 Dec. 2014	
Salaries, other benefits and social security expenses	Salaries and benefits	Social security expenses	Salaries and benefits	Social security expenses
Parent Company	1.1	0.4	0.7	0.2

	31 Dec. 2015		31 Dec. 2014	
Salaries and other benefits by country and between Board members, etc. and other employees	Board, CEO	Other employees	Board, CEO	Other employees
Parent Company				
Sweden	1.1	—	0.7	—
Parent Company total	1.1	—	0.7	—

1) Refers solely to remuneration of the Board.

There is no agreement on severance pay for the Board of Directors or CEO.

NOTES

Note 31 Depreciation of property, plant and equipment and amortization of intangible fixed assets

	1 Jan. 2015 –31 Dec. 2015	1 Jan. 2014 –31 Dec. 2014
Parent Company		
Capitalized expenses for development work and similar work	–10.8	–9.1
Equipment	–1.6	–0.8
	–12.4	–9.9

Note 32 Appropriations, other

	1 Jan. 2015 –31 Dec. 2015	1 Jan. 2014 –31 Dec. 2014
Parent Company		
Group contributions paid/received	40.0	7.0
Reversal from tax allocation reserve	10.9	—
Allocation to tax allocation reserve	—	–0.1
Excess depreciation	–0.9	—
	50.0	6.9

Group contributions at the Parent Company go over the income statement according to RFR2.

Note 33 Income tax

	1 Jan. 2015 –31 Dec. 2015	1 Jan. 2014 –31 Dec. 2014
Parent Company		
Income tax for the period	–7.4	–0.5
Tax from previous years	0	—
Deferred tax	–1.8	—
	–9.2	–0.5
Reconciliation of effective tax		
		% Amount
Profit before tax	41.6	0.5
Tax according to current tax rate for the Parent Company	22.0	–9.1 22.0
Non-deductible expenses	–0.1	–0.4
Non-taxable income	0	0
Standard interest attributable to tax allocation reserve	0	0
Tax from previous years	0	—
	–9.2	–0.5

NOTES

Note 34 Capitalized expenses for development work and similar work

	31 Dec. 2015	31 Dec. 2014
Parent Company		
<i>Accumulated cost</i>		
At the beginning of the year	50.9	40.2
New purchases	14.6	10.7
Divestment and disposals	—	—
	65.5	50.9
<i>Accumulated depreciation/amortization according to plan</i>		
At the beginning of the year	—26.2	—17.0
Depreciation/amortization according to plan for the year	—10.8	—9.1
Reversal of depreciation/amortization on divestments	—	—
	—37.0	—26.1
Carrying amount at the end of the period	28.5	24.8

Note 35 Equipment

	31 Dec. 2015	31 Dec. 2014
Parent Company		
<i>Accumulated cost</i>		
At the beginning of the year	8.4	6.1
New purchases	2.5	2.3
Divestment and disposals	—	—
	10.9	8.4
<i>Accumulated depreciation/amortization according to plan</i>		
At the beginning of the year	—3.8	—3.0
Divestment and disposals	—	—
Depreciation for the year of cost	—1.6	—0.8
	—5.4	—3.8
Carrying amount at the end of the period	5.5	4.6

Note 36 Participations in Group companies

	31 Dec. 2015	31 Dec. 2014
Accumulated cost		
At the beginning of the year	392.4	192.7
Acquisitions for the year	—	—
Shareholder contribution	350.0	200.0
Divestment for the year	—	—0.3
	742.4	392.4

Specification of the Parent Company and Group holdings of participations in Group companies:

Subsidiary / Corp. ID. no. / Domicile	Number of participations	Share in %	Carrying amount
Collector Bank AB, 556597-0513, Gothenburg	1,494,220	100.00	685.2
Colligent Inkasso AB, 556527-5418, Gothenburg	1,000	100.00	57.0
PayPort GmbH, HRB191904, Munich	250	100.00	0.2
			742.4

Application of IFRS 10 Consolidated Financial Statements does not have any material impact on the financial statements.

NOTES

Note 37 Other non-current receivables

	31 Dec. 2015	31 Dec. 2014
Parent Company		
<i>Accumulated cost</i>		
At the beginning of the year	4.9	4.9
Acquisitions for the year	—	—
	4.9	4.9

Note 38 Deferred tax assets

	31 Dec. 2015	31 Dec. 2014
Parent Company		
Deferred tax regarding tax loss carry forwards	—	1.8
	—	1.8

Note 39 Prepaid expenses and accrued income

	31 Dec. 2015	31 Dec. 2014
Parent Company		
Prepaid supplier invoices	3.2	3.1
Other prepaid expenses	1.1	0.2
	4.3	3.3

Note 40 Untaxed reserves

	31 Dec. 2015	31 Dec. 2014
Parent Company		
Tax allocation reserve 2009	—	4.4
Tax allocation reserve 2010	—	2.0
Tax allocation reserve 2012	1.1	5.6
Tax allocation reserve 2013	1.7	1.7
Tax allocation reserve 2014	0.1	0.1
Excess depreciation	0.9	—
	3.8	13.8

Note 41 Pledged assets for liabilities to credit institutions

	31 Dec. 2014	31 Dec. 2014
Parent Company		
Pledge assets		
<i>For own liabilities and provisions</i>	—	—
Total pledged assets	—	—
Contingent liabilities		
Guarantees for the benefit of Collector Bank AB	300.0	300.0
Guarantees for the benefit of Colligent Inkasso AB	20.5	20.5
	320.5	320.5

The consolidated income statement and balance sheet will be submitted to the Annual General Meeting on 28 April 2016 for adoption.

The Board of Directors and CEO certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and provide a true and fair view of the Group's position and performance. The Annual Report has been prepared in accordance with generally accepted accounting principles and provides a true and fair view of the Parent Company's position and performance. The Directors' Report for the Group and the Parent Company provides a true and fair overview of the development of the Group's and Parent Company's operations, position and performance and describes significant risks and uncertainty factors faced by the Parent Company and the companies included in the Group.

Gothenburg, 06 April 2016

Lena Apler
Chairman of the Board

Stefan Alexandersson
Managing Director

Erik Selin
Deputy Chairman

Johannes Nyberg

Claes Kinell

Christoffer Lundström

Helena Levander

Vilhelm Schottenius

Our audit report was submitted on 06 April 2016
PricewaterhouseCoopers AB

Johan Rippe
*Authorized Public Accountant
Auditor in charge*

Peter Nilsson
Authorized Public Accountant

Audit Report

To the Annual General Meeting of Collector AB (publ), Org. no. 556560-0797

Report on the Annual Report and the Consolidated Financial Statements

We have conducted an audit of the Annual Accounts and Consolidated Financial Statements of Collector AB for 2015. The company's Annual Report and Consolidated Financial Statements are included in the printed version of this document on pages 1–42.

The Board of Directors and the CEO are responsible for the Annual Report and the Consolidated Financial Statements.

The Board of Directors and the CEO are responsible for preparing an Annual Report that gives a true and fair view in accordance with the Annual Accounts Act, and Consolidated Financial Statements that give a true and fair view in accordance with the International Financial Reporting Standards international accounting standards, as they have been adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies, and the internal controls that the Board of Directors and the CEO deem necessary to prepare an Annual Report and Consolidated Financial Statements that are free of material misstatement, whether caused by error or fraud.

The auditors' responsibility

Our responsibility is to express an opinion on the Annual Accounts and the Consolidated Financial Statements based on our audit. We have conducted the audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we follow professional ethics as well as plan and conduct the audit so as to obtain reasonable assurance that the Annual Accounts and Consolidated Financial Statements are free of material misstatement.

An audit includes, by means of various measures, procuring audit evidence on amounts and other information in the Annual Report and the Consolidated Financial Statements. The auditor chooses the measures to be performed, including assessing the risks for material misstatements in the Annual report and the Consolidated Financial Statements, whether these are caused by error or fraud. In this risk assessment, the auditor takes into account those parts of the internal control that are relevant for the manner in which the company prepares the Annual Report and the Consolidated Financial Statements in order to give a true and fair view with the purpose of designing auditing measures that are suited to the purpose taking into consideration the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. An audit also involves an evaluation of the suitability of the accounting policies that have been used and the reasonableness of the Board of Directors and the CEO's estimations in the accounts, as well as an evaluation of the general presentation in the Annual Report and the Consolidated Financial Statements.

We believe that the audit evidence we have procured is sufficient and suitable as a basis for our opinion.

Opinion

In our opinion, the Annual Report has been prepared in accordance with the Annual Accounts Act and in all material respects gives a true and fair view of the parent company's financial position as at 31 December 2015 and of its financial results and cash flow for the year in accordance with the Annual Accounts Act. The Consolidated Financial Statements have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and in all material respects give a true and fair view of the Group's financial position as at 31 December 2015 and of its financial results and cash flow in accordance with International Financial Reporting Standards, as adopted by the EU, and the

Annual Accounts Act for Credit Institutions and Securities Companies. The Directors' Report is consistent with other parts of the Annual Report and the Consolidated Financial Statements.

For this reason, we recommend to the Annual General Meeting that the income statement and balance sheet of the parent company and the Group be adopted.

Report on other statutory requirements and other statutes

In addition to our audit of the Annual Report and the Consolidated Financial Statements, we have also audited the proposal for dispositions concerning the company's profit or loss as well as the Board of Directors and the CEO's administration of Collector AB for 2015.

The Board of Directors and the CEO's responsibility

The Board of Directors has the responsibility for the proposal for dispositions concerning the company's profit or loss, and it is the Board of Directors and the CEO who are responsible for the administration in accordance with the Companies Act.

The auditors' responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposal for dispositions concerning the company's profit or loss and on the administration based on our audit. We have conducted the audit in accordance with the generally accepted auditing standards in Sweden.

As a basis for our opinion concerning the Board of Directors' proposal for dispositions concerning the company's profit or loss, we have examined the Board's reasoned opinion and a selection of the evidence for this in order to be able to assess whether the proposal is consistent with the Companies Act.

As the basis for our pronouncement on discharge from liability, we have, in addition to our audit of the Annual Report and the Consolidated Financial Statements, examined significant decisions, actions taken and circumstances at the company in order to be able to determine the liability to the company, if any, of any Board Member or the CEO. We have also examined whether any Board Member or the CEO has otherwise acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have procured is sufficient and suitable as a basis for our opinion.

Opinion

We recommend that the Annual General Meeting disposes of the profit according to the proposal in the Directors' Report and that the Board Members and CEO be discharged from liability for the financial year.

Gothenburg, 06 April 2016
PricewaterhouseCoopers AB

Johan Rippe
Authorized Public Accountant
Auditor in charge

Peter Nilsson
Authorized Public Accountant

Corporate Governance report

Collector AB is a Swedish public company domiciled in Gothenburg, Sweden. The company's shares were listed on the Nasdaq Stockholm, Mid-Cap list on 10 June 2015. This corporate governance report has been prepared in accordance with the Swedish Code of Corporate Governance (the Code) and the Annual Accounts Act and provides a summary description of Collector's governance during the 2015 financial year. The Code, which is available at www.bolagsstyrning.se, is based on the "follow or explain" principle, which means that deviations from one or more provisions can be made. Any deviations shall be indicated and descriptions provided of the reason for them and what solution was chosen instead.

In 2015, no deviations were made from the Code. Collector has also not had any violations of Nasdaq Stockholm's Rule Book for Issuers or generally accepted practice on the stock market.

The corporate governance report has been reviewed by Collector's auditor; see page 49.

Shares, ownership and dividend policy

At the end of 2015, Collector had about 4,000 shareholders according to the shareholder register kept by Euroclear Sweden. Collector's main shareholder is Fastighets AB Balder with holding of approximately 44 percent of the share capital and votes. The ten largest shareholders accounted for the equivalent of approximately 89 percent of the capital. See page 3 for Collector's largest shareholders and page 3 for Collector's share capital.

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. The Board of Directors proposes that no dividends be paid for the 2015 financial year.

General Meeting of Shareholders

The shareholders' right to decide on Collector affairs is exercised by the General Meeting of Shareholders, which is the highest decision-making body in Collector. In accordance with the Articles of Association, the General Meeting elects the company's Board and also appoints auditors for the company. An Extraordinary General Meeting can be held if the Board considers there to be a need or if Collector's auditors or owners of at least 10 percent of all shares in the company so request. The Annual General Meeting (AGM) is held in Gothenburg in the spring. At the General Meeting, resolutions are made regarding decisions on changes to the Articles of Association, changes in share capital, adoption of the income statement and balance sheet and consolidated income statement and consolidated balance sheet, potential dividends and other appropriations of the company's profit/loss, discharge from liability for the Board members and CEO, remuneration of the Board members and auditors, election of Board members and auditors, establishment of nomination procedures, guidelines for the remuneration of senior management, as well as other important matters. The notice convening the Annual General Meeting will be published no earlier than six and no later than two weeks prior to the Annual General Meeting. The formalities concerning the Annual General meeting are governed by

both the Companies Act and the Articles of Association.

To be able to participate, the shareholder must be present at the Meeting, in person or by proxy. In addition, the shareholder must be entered in his/her own name in the shareholder register at a certain date before the Meeting and must also have registered participation with the company according to a certain procedure. All shares confer a right of one (1) vote per share to the holder.

Resolutions at the General Meeting shall normally be made by simple majority, meaning more than half of the total number of votes, unless otherwise specifically stated for a certain issue in the Swedish Companies Act. Shareholders who want to have a matter addressed at the AGM can submit a proposal to the company until the date that is stated on the website where contact information is also provided.

Collector's 2016 AGM will be held on 28 April at the West Sweden Chamber of Commerce in Gothenburg, Sweden. All documents required before the AGM are available on the website.

Nomination Committee

At the 2015 Annual General Meeting, the Annual General Meeting resolved to adopt principles for the appointment of the Nomination Committee. According to these principles, the Nomination Committee shall be formed no later than the last banking day of September, after the Chairman of the Board has identified the three shareholders with the largest number of votes, which shareholders will then be entitled to appoint a member each to the Nomination Committee. If either of the shareholders with the largest number of votes waives their right to appoint a member of the Nomination Committee, the shareholder with the next largest shareholding shall be offered the opportunity to appoint a member. Together with the Chairman of the Board, these three owner representatives shall constitute the Company's Nomination Committee. Information is provided on the website regarding instructions for the Nomination Committee.

The Nomination Committee's members for the 2016 AGM:

Member	Independent in relation to the company and company management	Independent in relation to the company's major shareholders	at 30 December 2015, % of votes
Erik Selin (Chairman), Fastighets AB Balder	Yes	No	44.1
Rolf Lundström, StrategiQ Capital and Provobis	Yes	No	12.7
Fabian Hielte, Ernström Finans AB	Yes	Yes	9.5
Lena Apler, Helichrysum gruppen AB	No	Yes	3.7

Until 1 March 2016, the Nomination Committee held two meetings and contact in between them. All documents from the Nomination Committee for the 2016 AGM are available on the website.

Auditor

According to the Articles of Association, Collector shall have at least one and at most two auditors, whose mandate period runs until the end of the AGM held after the year that the auditor was appointed. At the 2015 AGM, the audit firm PricewaterhouseCoopers AB was elected as Collector's auditor for the period until the end of the AGM held in 2016. The Auditor-in-Charge was Johan Rippe, Authorized Public Accountant. The auditor examines and submits an auditor report over his/her audit of Collector's annual report and consolidated accounts, over the company's appropriation of its profits, and over the management by the Board of Directors and CEO.

At the 2015 Annual General Meeting, it was resolved that the auditor's fee was to be paid according to the approved invoice. For a specification of remuneration of the auditor, please see Note 6.

Board of Directors

The Board bears the ultimate responsibility for Collector's organization and management and, according to the Articles of Association, shall consist of at least three and at most ten members without deputies. The Members are elected for one year. There is no limitation on how long a Member can sit on the Board of Directors. Since the 2015 AGM, the Board of Directors has consisted of seven members of which women have comprised 29 percent.

The Board composition in Collector meets the requirements regarding independent members. None of the Board's current members are members of company management.

Board's work 2015

During the year, 15 Board meetings were held, of which 11 were ordinary meetings, one was the statutory Board meeting and three were extraordinary Board meetings. The Board member's attendance is presented in the table below.

The tasks of the Board of Directors are governed by the Companies Act and the Articles of Association. The work follows annually established

rules of procedure covering the matters to be discussed by the Board of Directors during each ordinary meeting and the distribution of work within the Board of Directors, with specific undertakings for the Chairman. The rules of procedure also state rules for financial reporting to the Board of Directors as well as more detailed rules for the CEO's responsibility and powers. The Chairman of the Board is appointed by the Board of Directors. The Board's action plan for 2015 addressed the following areas:

January–March: The 2014 Annual Report as well as external and internal audits for 2014.

April–June: Statutory Board meeting, internal processes and IT issues.

July–August: Strategy, compliance, HR and organization.

September–December: Budget and financial three-year plan and remuneration issues.

Evaluation of the Board's work

To improve the Board's effectiveness and develop how it works, a Board evaluation is conducted every year. The Chairman of the Board is responsible for this evaluation and presents the results to the Nomination Committee. The objective of the evaluation is to obtain the Board members' views of how the Board work is conducted and what steps could be taken to improve the effectiveness of the Board work and whether the Board is well balanced in terms of expertise. The basis for the evaluation constitutes an important foundation for the Nomination Committee prior to the Annual General Meeting. In 2015, the Chairman conducted a survey of all Board members. The results of the evaluation have been reported to both the Board and the Nomination Committee.

The Board's work is essentially deemed to function very well. A summary comment from the evaluation was that banking operations have become more complex and regulated. The Board expertise in this area should therefore be raised further on the long term. In addition, growth, development and digitization demand cutting-edge expertise, which in terms of digitization is not fully met.

Board of Directors elected by the 2015 AGM:

Member	Position	Elected	Born	Board meetings	Meeting attendance 2015		Company and company management	Independent of:	Company's major shareholders
					Remuneration Committee	Audit Committee			
Lena Apler	Working Chairman of the Board	1999	1951	16/16	1/1	4/4	No		Yes
Erik Selin	Deputy Chairman	2011	1967	14/16	1/1	4/4	Yes		No
Vilhelm Schottenius	Member	2008	1956	16/16			Yes		Yes
Claes Kinell	Member	2007	1952	14/16			Yes		Yes
Johannes Nyberg	Member	2012	1971	15/16		4/4	Yes		Yes
Helena Levander	Member	2012	1957	14/16		4/4	Yes		Yes
Christoffer Lundström	Member	2007	1973	16/16	1/1		Yes		Yes

Board committees

The Board of Directors has established three Board committees to improve efficiency, and prepare and address certain defined issues.

Credit Advisory Board

The Credit Advisory Board is appointed by the Board with the Chairman of the Board and the company's CEO with the Chief Credit Officer of the Group as presenters and two Board members. The Credit Advisory Board meets between the board meetings and makes decisions regarding credit commitments that exceed the amounts defined in the credit instruction adopted by the Board of Directors. The current Credit Advisory Board consists of Lena Apler (chairman), Erik Selin, Johannes Nyberg and Helena Levander (until April 2015).

Audit Committee

The main task of the Audit Committee is to monitor the company's financial reporting and ensure that the adopted principles for financial reporting, internal auditing and risk assessment are applicable and complied with. The Audit Committee is also tasked with supporting the Nomination Committee with proposals for the appointment of external auditors and audit fees. The Audit Committee meets at least three times a year. In the period 1 January–1 November, the Audit Committee consisted of Chairman of the Board Lena Apler, Deputy Chairman Erik Selin and members Helena Levander and Johannes Nyberg. As of 2 November, the entire Board constitutes the Audit Committee.

Remuneration Committee

The Board of Directors has appointed a Remuneration Committee. The Remuneration Committee's main area of responsibility is to prepare certain matters for adoption by the Board of Directors, including remuneration principles, salaries and other remuneration to the CEO and other members of the Group management, and to monitor and evaluate targets and principles for variable remuneration and long-term incentive programmes.

The Remuneration Committee is also tasked with proposing guidelines for remuneration to members of the Group's senior management. The Remuneration Committee shall comprise at least two Board members appointed by the General Meeting. The current Remuneration Committee consists of Chairman of the Board Lena Apler, Deputy Chairman Erik Selin and Board member Christoffer Lundström.

CEO and Group management

The CEO is responsible for the continuous management of the company in accordance with the Swedish Companies Act and the Board's instructions. The CEO is responsible for keeping the Board of Directors informed about the company's operations and for ensuring that the

Board has as true and correct a basis on which to make decisions as possible. The CEO conducts a continuous dialogue with the Chairman of the Board to provide information on the Group's development.

Collector's Group management consists of Stefan Alexandersson (CEO), Pia-Lena Olofsson (CFO), Åsa Hillsten Eklund (CMO), Clara Bolinder-Lundberg (IR Manager), Alexander Todoric (CCO), Jessica Sparrfeldt (Head of Corporate), Mikael Anstrin (Head of Retail) and Camilla Dorvall (CIO).

Remuneration

Remuneration of the Board of Directors

Fees and other remuneration to the Board of Directors are determined at the Annual General Meeting. At the 2015 Annual General Meeting, it was resolved that fees to the Board of Directors for the period until the end of next Annual General Meeting shall be payable with a total of SEK 1,125,000, of which the Board members that are not employed by Collector shall receive SEK 150,000 each, with an additional SEK 75,000 to be payable to members who are members of Collector's Audit Committee and Credit Advisory Board who are not employed by Collector. Remuneration of the working Chairman of the Board is payable as salary in accordance with agreement with Collector and amounted to SEK 3,392,000.

In 2015, Board fees totalling SEK 1,125,000 were paid to the six regular Board members who were not employed by the Company, divided into 150,000 per Board member who was not employed by Collector, with an additional 75,000 paid to Erik Selin, Johannes Nyberg and Helena Levander for their positions in committees of the Board of Directors.

Guidelines for remuneration of senior officers

At the 2015 Annual General Meeting, guidelines for the remuneration and other terms of employment for senior officers were adopted. According to the guidelines, the remuneration shall consist of a fixed salary, variable remuneration, a pension and other benefits.

Each senior officer shall be offered salary and other terms of employment that are of a nature that allows the Group to attract and retain skilled senior executives at a reasonable expense to Collector. The fixed salary shall be at market level and be based on the difficulty of the work and the senior officer's experience, responsibility, skills and workload. In addition to the fixed salary, a senior officer may be offered variable remuneration in the form of a bonus. In addition to fixed salaries, senior officers may receive severance pay during notice periods. For each person covered by the guidelines, salary and severance pay shall not together exceed 24 months' fixed salary. Other benefits shall correspond to what can be considered reasonable considering market practices.

Each senior officer shall be offered a pension on market terms in the country where the senior officer has his or her permanent residence.

Remuneration of the Board of Directors and senior executives

The total gross remuneration paid to the CEO and members of the management team, including fixed salary, variable replacement, pension payments and other benefits and remuneration amounted to SEK 13,671,000 in 2015. Of the total remuneration, SEK 4,014,000 comprised remuneration of the CEO and SEK 9,657,000 remuneration of senior executives which 100 000 SEK in variable replacement.

Compliance and risk control (Chief Risk Officer)

Collector has founded a Compliance function and a Risk Control function. The compliance function is directly subordinate to the CEO, but also reports directly to the Board of Directors. The purpose of the Compliance function is to constitute a support for the business and ensure that operations are conducted in accordance with the rules and regulations that apply to the operations subject to licence, through investigations and controls follow up rule compliance and through proactive work minimize operational risks. The Compliance function also includes Collector's Security Manager, who is also the IT and information security manager. The compliance function constitutes an independent function in relation to the operations under review.

The risk control function's work is based on Collector's overarching risk policy and includes risk control, which refers to the monitoring and review of Collector's risk management. The risk control function shall strive to identify and visualize all risks in the business and to ensure that all identified risks are evaluated and reported through suitable controls and appropriate analyses. Also refer to the section on financial risk management on page 13.

Internal control regarding financial reporting

Internal audit is an independent audit function whose work is based on a risk analysis and the audit plan established by the bank's Board of Directors. KPMG is appointed by the Board as the internal auditor of Collector. Internal audit helps the organization achieve its goals by systematically and in a structured manner evaluating risk management, governance and control and management processes and proposing changes where this can contribute to higher efficiency. The focus and scope of the internal audit work is based on generally accepted internal audit practices.

The utmost responsibility for risk management and internal governance and control always rests with the company's Board, which has internal audit as its controlling body. The role of internal audit is sometimes described as the "third line of defence". From this perspective, the operating activities is seen as the "first line of defence" and the independent control functions for compliance and risk control as the "second line of defence". The Board of Directors receives regular feedback directly from the internal auditor regarding the company's internal control and can, if so desired, expand the control when necessary.

Board of Directors and CEO



Lena Apler

Working Chairman of the Board since 2014, Board member since 1999. CEO of Collector 1999–2014
Born in 1951, Swedish

Dependent in relation to the company.
Independent in relation to major shareholders.

Courses in economics and marketing, University of Gothenburg, SEB IHU (Internal Higher Banking Education).

Other Board assignments

Board member of Platzer Fastigheter Holding (publ), Västsvenska Handelskammaren Service, Hand in Hand, Skistar AB (publ), Exceed AB, Connect Väst och Finanskompetenscentrum. Chairman of the board Mitt Liv AB (svd).

Professional experience

CEO and founder of the Collector Group. Background from SEB, The Norwegian Creditbank (DnC) and Société Générale and CEO of Securum Finans.

Shareholdings in Collector:
3,465,617 shares through companies



Erik Selin

Deputy Chairman of the Board since 2014, Board member since 2011.
Born in 1967, Swedish

Independent Board member.

Upper-secondary Economist.

Other Board assignments

Board member of Fastighets B Balder (publ), Hexatronic and Västsvenska Handelskammaren.

Professional experience

CEO of Fastighets AB Balder (publ).

Shareholdings in Collector:
500,000 shares (own)
and 41,136,900 through
Fastighets AB Balder



Christoffer Lundström

Board member since 2007.
Born in 1973, Swedish

Independent Board member.

Bachelor of Arts from Webster University and Hotel Management Diploma from HOSTA.

Other Board assignments

Board assignments in the Katjing Group, Provobis Holding AB Group, Provobis Investkoncernen, RCL Holding Group and KL Capital Group. Board member in Tableflip Entertainment AB, Feelgood Svenska AB, Collector Bank AB and Rasta Group AB. Board member and Chairman of AM Brands AB.

Professional experience

CEO of RCL Holding AB and Business Developer in Provobis sphere's investments.

Shareholdings in Collector:
150,000 shares



Vilhelm Schottenius

Board member since 2008.
Born in 1956, Swedish

Independent Board member.

M.Sc. Economics from the School of Business, Economics and Law at the University of Gothenburg

Other Board assignments

Board member in companies within the RCL Holding Group, Saddler Intressenter Group and Schottenius & Partners AB Group. Board member of Handelsbankens Regionstyrelse Västra Sverige, Ernströmgruppen AB, C Jahn AB, Nilörngruppen AB, Collector Bank AB, Procurator AB, Partner Fondkommission AB, Vertiseit AB, S V Visual Communication AB and Svea Medica Sport AB.

Professional experience

Cofounder of Björn Borg and Lunarworks (Lunarstorm) and experience of business development with special areas in drafting and implementing new business models and strategies.

Shareholdings in Collector:
18,200 shares



Claes Kinell

Board member since 2007.
Born in 1952, Swedish

Independent Board member.

Business Course, London School of Foreign Trade.

Other Board assignments

Board member of Muirfield Invest Group, IES Internet Express Scandinavia AB, COT-Clean Oil Technology AB, PGA of Sweden National AB, Green Office AB, Dreamwork Scandinavia AB and StayAt HotelApart AB.

Professional experience

CEO of Muirfield Invest AB and private entrepreneur with many years' experience of various kinds of business activities.

Shareholdings in Collector:
2,967,632 shares through companies



Johannes Nyberg

Board member since 2012.
Born in 1971, Swedish

Independent Board member.

MSc. Economics from Uppsala University, Commerce Programme, School of Business at Queen's University, Betriebswirtschaftswissenschaftsfakultät at Humboldt Universität.

Other Board assignments

Board member and CEO of companies in the Skandrenting Group, Oscar Properties Group and Snellman Properties Group. Board member of Aktiebolaget Epistropheus, Collector Bank AB and RL-Nordic AB.

Professional experience

CEO of Skandrenting AB and experience from financing and credit granting operations.

Shareholdings in Collector:
No holding of shares



Helena Levander

Board member since 2012.
Born in 1957, Swedish

Independent Board member.

MSc. Economics from Stockholm School of Economics.

Other Board assignments

Board member of Hans Andersson Recycling AB, Concordia Maritime AB, Stampen AB, NeuroVive Pharmaceutical AB, Pensare Grande AB and Medivir AB. Board member and Chairman of Nordic Investor Services Aktiebolag.

Professional experience

Background from SEB, senior mutual fund manager at Nordea Asset Management, CEO of Odin Fonder, founder and CEO of Nordic Investor Services Aktiebolag and CEO of Neonet Securities AB.

Shareholdings in Collector:
No holding of shares



Stefan Alexandersson

Not a member of the Board.
Hired since 2005. CEO since 2014.
Born in 1963, Swedish

MSc. Economics from Umeå University.

Other Board assignments

Board member of Colligent Inkasso AB. Board member and CEO of ALEXAB Consulting AB.

Professional experience

Deputy CEO, CFO and Information Manager of Collector AB, senior positions from Simonsen, Yves Rocher Norden and Dockers div of Levi Strauss, among others.

Shareholdings in Collector:
291,545 shares

Auditor's statement on the Corporate Governance Report

**To the Annual General Meeting of Collector AB (publ), Org. no.
556560-0797**

The Board of Directors has the responsibility for the Corporate Governance Report for 2015 on pages 43–48 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and based on this reading and our knowledge of the company and Group, we believe that we have adequate grounds for our statement. This means that our statutory review of the Corporate Governance Report has another direction and is substantially more limited in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden.

We believe that a Corporate Governance Report has been prepared, and that its statutory information is in agreement with the annual report and consolidated financial statements.

Gothenburg, 06 April 2016
PricewaterhouseCoopers AB

Johan Rippe
Authorized Public Accountant
Auditor in charge

Peter Nilsson
Authorized Public Accountant