

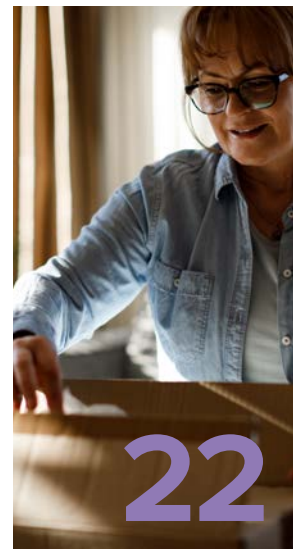


# 2021

ANNUAL REPORT

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collector



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► Collector's formal annual report is on pages 33 to 92.

# The year in brief

Collector's focus on increasing its profitability paid off in 2021. Growth driven by the Corporate and Real estate segments combined with sound cost control drove a strong rise in profitability in every quarter of the year.

Loan portfolio

**36,214** +14%

SEK million

Adjusted total income <sup>1), 2)</sup>

**2,629** +22%

SEK million

Adjusted C/I ratio <sup>1), 3)</sup>

**30.3%** -9.1

percentage points

Adjusted net profit <sup>1), 4)</sup>

**747** +94%

SEK million

Adjusted return on equity <sup>1), 5)</sup>

**13.8%** +5.4

percentage points

CET1 ratio

**13.9%** +0.2

percentage points

<sup>1)</sup> Adjusted for non-recurring items. See pages 34 and 118 and [collector.se/en/about-collector/investors/financial-information/](https://collector.se/en/about-collector/investors/financial-information/) for more information.

<sup>2)</sup> Total income amounted to SEK 2,649 million for the full-year 2021.

<sup>3)</sup> The C/I ratio amounted to 30.0% for the full-year 2021.

<sup>4)</sup> Net profit amounted to SEK 766 million for the full-year 2021.

<sup>5)</sup> Return on equity amounted to 14.1% for the full-year 2021.

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## Focus on growth in the Corporate and Real estate segments



Growth in the Corporate and Real estate segments is a strategic focus area for Collector. During the year, the Corporate segment loan book increased by 21% compared with the previous year, and the segment now accounts for 22% of Collector's total loan book, compared with 21% for the previous year. The Real estate segment loan book increased by 29% compared with the previous year, and the segment now accounts for 37% of Collector's total loan book, compared with 33% for the previous year. The Corporate and Real estate segments were therefore the main contributors to Collector's growth over the year.

Collector is positioned as a bank specializing in financing solutions for small and medium-sized companies. Collector acts as a complement to the larger banks and is one of only a few niche players offering corporate and real estate loans of a size that is requested by small and medium-sized companies.

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## Walley – launch of a new Payments brand and focus on continued product development



September 2021 saw the launch of Walley, the new brand for Collector's Payments business. Collector is also investing in further product development as part of the rebranding. Walley's offering is particularly suited to merchants who are active in several Nordic markets or have expansion plans in the Nordics. With a new brand and continued product development, Collector aims to further strengthen its leading position on the Nordic payment solutions market.

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## New segment reporting



With the purpose of increasing transparency, ensuring a greater financial understanding of the company's different business areas and better reflect internal reporting, Collector published a new segment reporting during the year. Collector now has four main operating segments: Corporate, Real estate, Consumer and Payments. The number of reported segments has therefore been increased from two to four and more financial items and key ratios have been published for each segment.

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## Increased profitability



Collector reported solid loan book growth and a higher net interest margin during the year, combined with continued sound cost control. Collector has in this way demonstrated the scalability of its business model, which has resulted in a strong rise in profitability. Its adjusted return on equity amounted to 13.8% during the year, compared with 8.3% in 2020. Collector will continue to focus on profitability going forward.

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## BBB- rating from Nordic Credit Rating and continued diversification of funding



The continued diversification of funding is another strategic focus area for Collector. As part of this process, Collector Bank was given an investment grade rating by the Nordic Credit Rating (NCR) rating agency in March 2021. Collector is rated BBB- with a stable outlook.

Collector Bank issued its inaugural SEK 400 million senior unsecured bond issue in the second quarter of 2021, marking Collector's first step on its journey towards establishing itself as a frequent issuer on the Nordic debt market. In 2021, Collector Bank issued senior unsecured bonds totaling SEK 2,865 million in both SEK and NOK.

The year also saw the launching of a partnership with the Norwegian financing platform Fixrate, which offers Norwegian companies the opportunity to open savings accounts with Collector. Collector's funding was in this way further diversified by deposits in NOK.

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## COVID-19



Collector is continuing to closely monitor the development of COVID-19 and its impact on its operations. Since it began, the pandemic has affected both companies and individuals in many different ways, but Collector has coped well. Collector has not experienced any major credit losses in the Corporate and Real estate segments. In the Consumer and Payments segments, Collector has not seen any significant changes in payment patterns. Vaccination rates are increasing, but uncertainty regarding the ultimate effects of the pandemic remains. The credit loss level of 2.6% for the year reflects the uncertainty that has prevailed due to COVID-19.

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## Potential merger between Collector AB and Collector Bank AB



The Board of Collector AB has announced an intention to initiate a process to merge Collector AB with its wholly-owned subsidiary Collector Bank AB. The purpose of the merger is to further simplify the corporate structure, achieve a more efficient use of internal resources and to optimize the capital position. Subject to the shareholders' approval at the 2022 Annual General Meeting, the merger will result in Collector AB being absorbed by Collector Bank AB, which will be the remaining entity after the merger. The Group's operations will remain unchanged. See the separate press release published on February 7, 2022 for more information.



# Strong and clear positioning with a positive outlook

The Nordic SME market is large and important for economic growth and a sustainable and well-functioning financial ecosystem. As a bank, Collector has a great responsibility to contribute to a more sustainable economy for our customers and the society in which we operate. Demand for various financing solutions is high and we see a financing gap in the SME market.

Apart from the major banks, the number of players specializing in the financing needs of SMEs is limited. This gives Collector a unique market position. Collector offers corporate and real estate loans of a size that is requested by small and medium-sized companies are looking for. We want to bridge the apparent financing gap to enable these companies' continued growth and development.

Collector is therefore increasingly positioning itself as a corporate bank whose ambition is to become the preferred business partner for small and medium-sized companies in the Nordic region. In his role as CEO, Martin has highlighted our positioning and we want to further clarify that position going forward. Collector offers efficient financing solutions to small and medium-sized companies, seeing itself as a complement to the larger traditional banks. We receive positive feedback from our customers in a number of areas. We apply effective yet in-depth credit and decision-making processes to control our risks. Collector is also seen as a responsive partner that values its relationship with its customers. Through dialogue with our customers, we are able to find financing structures that suit both them and Collector. Flexibility and tailor-made solutions are therefore areas where we create added value for our customers.

The business's focus on lending to corporates has paid off. There was strong activity in the Corporate and Real estate segments during the year, as Collector's lending to corporates reached approximately 60% of the total loan book at the end of 2021. Back in 2016, corporate lending accounted for around 40%. This represents an increase of around 20 percentage points, which should also be viewed against the backdrop of the increase in the loan book over the same period from SEK 13.2 million to SEK 36.2 million. In order to further expand our corporate business, Collector also entered into a partnership with Cordet in 2021. Cordet is a specialized credit fund focused on mid-cap companies in the Nordic region, offering direct lending in the form of senior secured loans.

Although Collector's primary focus is to grow our corporate lending, I remain positive about our diversification. I believe this is one of the strengths of the company, as we are multi-faceted and therefore able to concentrate on growth in the products that are generating the highest returns at any one time. It is currently in our Corporate and Real estate segments that we see many attractive opportunities with good risk-adjusted returns. I would also like to highlight the positive impact of our Payments business, which launched a new brand during the year and now operates under the name Walley. It is an interesting business that we also plan to continue growing. We are focused on partnerships with our merchants, who are mainly larger players within e-commerce. While we wish to act as a partner to the companies we work with, we also care to be an attractive choice for end customers. Walley is one of the leading players on the Nordic payment solutions market and the business developed well over the year. Last but not least, we are continuing to operate a personal loans business, which saw a stable development in 2021. Focus remains on increasing profitability and we attach great importance to sustainable lending.

Finally, I would like to highlight that Collector's profitability developed strongly over the year, trending positively in every quarter of 2021. The growth in corporate lending has contributed to this development and continues to be an important strategic focus area for Collector. I look forward to continuing to develop Collector, together with Martin and the rest of the organization, and further highlighting our strong market position.

**Erik Selin**  
Chairman  
Collector



# This is Collector

Collector specializes in financing solutions for corporates and private individuals, with a particular focus on small and medium-sized companies. We are a complement to larger traditional banks for corporate customers.

The Corporate offering includes real estate lending, corporate lending and factoring as well as payment solutions. Our services for private individuals include personal loans, invoice and payment by instalment services, credit cards and savings accounts. Collector AB (publ) is listed on Nasdaq Stockholm.



## Corporate

Collector offers corporate loans and factoring, with a particular focus on small and medium-sized companies in a wide range of industries in Sweden, Norway and Finland. Corporate loans are issued to companies against collateral, with an average loan of approximately SEK 35 million in the loan portfolio. Factoring solutions primarily comprise purchasing of invoices both with and without right of recourse.



## Real estate

Collector offers real estate loans, focusing on metropolitan areas and university cities in the Nordic region. Real estate loans are issued to companies against collateral, with an average loan of approximately SEK 89 million in the loan portfolio. Collector offers both junior and senior lending. Financing is provided mainly for residential properties, but also for offices and industrial properties.



## Consumer

Collector offers unsecured loans to private individuals of up to SEK 500,000 in Sweden and up to EUR 25,000 in Finland, with an average loan of approximately SEK 135,000 in the loan portfolio. Sales are mainly made through loan intermediaries, but also through the bank's own channels. Collector also offers credit cards, with a maximum credit limit of SEK 100,000, and has approximately 26,000 cards outstanding.



## Payments

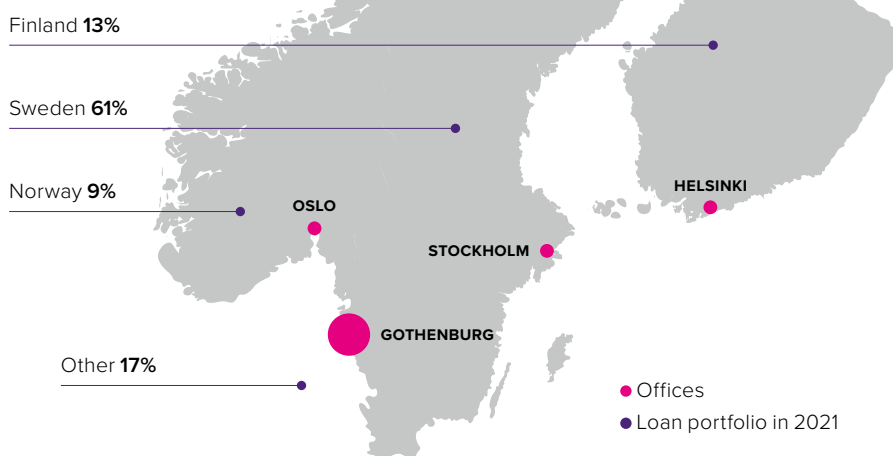
Collector offers payment and checkout solutions for e-commerce and retail chains, primarily in Sweden, Finland and Norway, as well as invoice and payment by instalment services for private individuals. Collector offers specialized solutions focused on the merchant's strategy and brand, mainly targeting larger merchants. Collector operates its Payments business under the Walley brand.



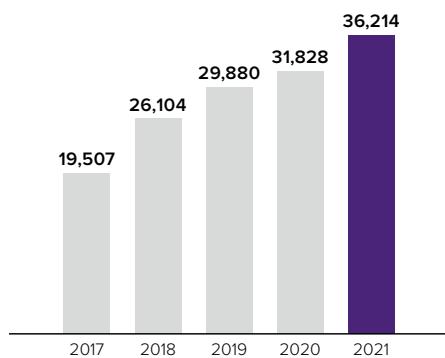
**Loan portfolio in 2021**  
By segment



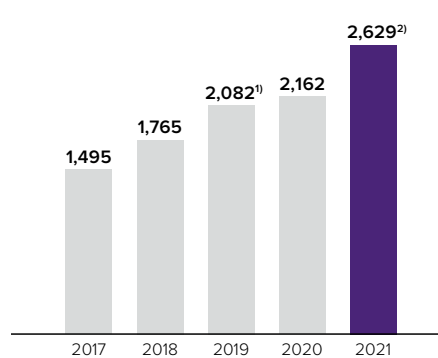
- Real estate, 37%
- Consumer, 31%
- Corporate, 22%
- Payments, 7%
- Other, 2%



**Loan portfolio (SEK million)**



**Total income (SEK million)**



<sup>1</sup> Total income adjusted for non-recurring items. Reported total income amounted to SEK 2,224 million for the full-year 2019.

<sup>2</sup> Total income adjusted for non-recurring items. Reported total income amounted to SEK 2,649m for the full-year 2021.

# Continued growth and strong profitability improvement

## A financially strong year

Collector's focus on increasing its profitability paid off in 2021. The loan book amounted to SEK 36,214 million at the end of the year, representing an increase of 14% compared with the previous year. Growth was driven mainly by the Corporate and Real estate segments, where our profitability is the highest. Collector has a clear focus on growth within the Corporate and Real estate segments. As a result, these segments' combined share of the total loan book increased from 54% in 2020 to 59% in 2021. We are pleased to see the results of our strategic focus and continue to see more opportunities ahead.

The adjusted C/I ratio amounted to 30.3% in 2021, which is a strong improvement compared with 2020, when the adjusted C/I ratio amounted to 39.4%. We have seen a gradual improvement over the year and it is encouraging that we are on the right track. We are in this way continuing to demonstrate the scalability of our business model, even though during the year we continued to invest in our organization and to further develop and improve our procedures and processes.

Collector is still holding up well against the COVID-19 pandemic and we have maintained a close dialogue with our customers. Vaccination rates are increasing, but uncertainty regarding the ultimate effects of the pandemic remains. The credit loss level of 2.6% for the year reflects the prevailing uncertainty and our decision to remain conservative with our provisions.

In short, growth combined with effective cost control resulted in an adjusted return on equity of 13.8%, compared with 8.3% last year. We are pleased with the improvements that we have seen in 2021 and I would like to give my greatest thanks to all my amazing co-workers at Collector for their dedicated commitment and valuable efforts during the year. 2021 was a financially strong year and we will continue to focus on profitability going forward.

During the year, we also made progress in our work to increase transparency. We published a new segment reporting in our second quarter report. We now have four main operating segments: Corporate, Real estate, Consumer and Payments. We have consequently increased the number of reported segments from two to four and we now share more key figures for each segment.

## A more stable long-term funding base due to increased diversification

Collector has experienced strong growth in all its products and markets in recent years. The loan book has increased from SEK 13 billion at the end of 2016 to SEK 36 billion at the end of 2021. Growth has largely

been financed by retail deposits. Collector has consequently grown as a company and has reached the next stage of maturity. Diversified funding is therefore also one of our strategic focus areas and it is gratifying that, in 2021, Collector took major steps towards establishing itself as a frequent issuer on the Nordic debt market. We issued bonds in both SEK and NOK totaling SEK 2,865 million during the year. We also issued more certificates than before. The investment grade rating given by the Nordic Credit Rating (NCR) rating agency to Collector Bank AB in March 2021 strengthened our position with investors. Collector is rated BBB- with a stable outlook.

In early 2019, we diversified our currency mix by partnering with Raisin to offer EUR deposits. At the end of 2021, nearly 25% of Collector's retail deposits were in EUR. In 2021, we also launched a partnership with the Norwegian funding platform Fixrate, offering Norwegian companies the opportunity to open savings accounts with Collector. Collector's funding was in this way further diversified by deposits in NOK during the year.

I am pleased that we took major steps in this journey in 2021, and we will continue to work towards the further diversification of our funding in order to create a more stable long-term funding base. Going forward, this means that we plan to continue drawing on multiple sources of financing, focusing on a balanced mix of currencies and longer maturities for more matched financing.

## Continued development of our sustainability work

We have continued to develop our sustainability work and reached a number of important milestones during the year. In April, we became signatories to both the Global Compact and the UN Principles for Responsible Banking (PRB). These principles set the framework for a sustainable banking system and help the industry to contribute strategically to societal development in line with the Sustainable Development Goals. Collector aims to be climate neutral by 2025 and, as part of this effort, in 2021 we adopted a new environmental policy based on the principles of the UN Global Compact. The environmental policy guides our work on how we can reduce our impact through informed decisions that take climate and environmental issues into account. Going forward, we will continue on our journey towards becoming a company with an increased focus on sustainability.

## Potential merger

On February 7, 2022 we published a press release with information about our intention to merge Collector AB with the wholly-owned subsidiary Collector Bank AB. The merger has several objectives. Firstly, it will simplify the corporate structure. Since the divestments of Colligent Inkasso and Collector Ventures, all operations



“Collector embarked on a transformational journey in 2019 and I am proud of the steps that we have taken so far.”

uncertain at this stage. The effects on Collector are therefore also uncertain. What we can say is that we do not have any activities or lending that might be linked to Russia. Collector has donated to Ukraine through the UNHCR to support the country and its people.

#### Focus going forward

Collector aims to create long-term shareholder value. We are therefore working to achieve both sound risk control and profitability for the company. To this end, we are also working towards becoming a self-financing company that is also able to generate long-term surpluses for our shareholders. As a listed bank, we operate in a regulated market, which also means that we have a responsibility to contribute towards a more sustainable society. Sound lending and regulatory compliance are therefore important aspects for Collector and we are constantly working to develop and ensure well-functioning internal procedures and processes.

Looking at our segments, going forward we are primarily focused on growth in the Corporate and Real estate segments. The Nordic SME market is large and is a driver of continued economic growth. We see many attractive opportunities for high risk-adjusted returns and we are in a unique position, which Erik describes in greater detail in the Chairman's comments.

We also plan to continue growing our Payments business, which has seen strong growth over the past two years. During the third quarter, we launched the new Walley brand, which has been very well received by merchants. Walley is a leading player on the Nordic payment solutions market and our aim through the rebranding is to both highlight our position and to clarify our attractive offering further.

There has long been strong competition in the Consumer segment and the profitability is low. Volumes have been slightly declining as we continue to be restrictive given our focus on increasing our returns within the segment. Our focus on prioritizing increased profitability started to produce clear results during the year. We will continue to work on increasing our returns and will prioritize this over volume growth. See pages 14 to 15 for more information about Collector's focus areas.

Collector embarked on a transformational journey in 2019 and I am proud of the steps that we have taken so far. Through hard work and dedication, we have developed Collector together into the company it is today. With the same foundation and focus going forward, I see good opportunities for Collector to achieve its full potential.

**Martin Nossman**  
CEO  
Collector

are carried out within Collector Bank AB, and the rationale for Collector AB to remain as parent company of the Collector Group has consequently ceased. The operations of the Group will remain unchanged for employees as well as for our customers. The merger also entails operational benefits and efficiency gains, since the Collector Group will only need to publish financial information for one company, instead of two. Last but not least, capital adequacy will be strengthened as we do not need to make deductions for the outstanding AT1 and T2 hybrid instruments. The deductions amounted to SEK 288 million at the end of the year, which means that the total capital ratio would have amounted to approximately 16.5%, instead of 15.7%, if the merger had been completed. This corresponds to an increase of 0.7 percentage points.

Should the merger be approved, Collector Bank AB will become the listed company. This process is automatic, which means that our shareholders do not need to take any action in order to remain shareholders. The merger is intended to be completed during the second half of 2022 and is conditional upon approval by regulatory bodies and by the shareholders at the 2022 Annual General Meeting.

#### The ongoing conflict in Ukraine

At the end of February 2022, Russia invaded several regions of Ukraine. The situation is unstable and we send our sympathy to the people of Ukraine. The war in Ukraine creates a risk of significant volatility in both global and local markets. The conflict has led to a deterioration in the overall security situation, including in Europe, and there is a risk that the conflict may escalate further. The longer-term impact of the war in Ukraine on the global economy and the financial markets is

# Collector's key focus areas

Collector has been a high growth company with a strong entrepreneurial spirit since it was established in 1999. New services and products have been gradually introduced into the company's portfolio, and volumes have increased significantly. Since 2019, Collector has made a number of significant changes to the company's focus. Below is a summary of the most significant changes and Collector's key focus areas for the future.

## STREAMLINING OF OPERATIONS

In order to streamline and focus on the core business, a number of changes have been implemented.

The changes have made Collector a more streamlined company with a clearer focus that supports the company's future strategy. Even after these changes, Collector remains a well-diversified company with good breadth in its product range.

- ▶ The divestment of the Swedish third-party debt collection business Colligent Inkasso AB was completed during the fourth quarter of 2019
- ▶ The divestment of Collector Ventures, Collector's investment business focused on fintech, was completed during the first quarter of 2021
- ▶ No new acquisitions of purchased debt portfolios
- ▶ The residential mortgage business has been discontinued
- ▶ Unprofitable apps have been discontinued

## FOCUS ON PROFITABILITY

Collector has transformed from a high growth company to a company focused on profitability, creating long-term shareholder value by doing so.

- ▶ In 2021, the C/I ratio and return on equity rose strongly
- ▶ Profitability prioritized over volume growth
- ▶ Clear focus on maintaining and/or improving margins
- ▶ Continued cost efficiency and focus on economies of scale
- ▶ Clear focus on achieving high risk-adjusted returns

## GROWTH WITHIN THE CORPORATE AND REAL ESTATE SEGMENTS

Collector sees attractive opportunities and is well-positioned in the Corporate and Real estate segments. Collector is focused particularly on small and medium-sized companies, which is a large market with good growth potential. Collector acts as a complement to the larger banks and is one of only a few niche players offering corporate and real estate loans of a size that is requested by small and medium-sized companies.

- ▶ Collector is strategically well-positioned and has higher profitability in the Corporate and Real estate segments. Collector therefore aims to keep all corporate products within the segments
- ▶ Payments is a strategically interesting business that Collector aims to keep growing, while closely monitoring the market's development
- ▶ Competition in the personal loans business is high and profitability is low. Collector will continue its efforts to increase profitability, but the loan book is expected to keep declining

## TRANSPARENCY

Collector strives to operate a business that is sustainable over the long term and is transparent in its dealings with all stakeholders.

- ▶ More detailed and transparent information about Collector's business areas was published in 2020 and 2021
- ▶ New segment reporting published in 2021
- ▶ Updated financial targets to come

## PRUDENT BALANCE SHEET MANAGEMENT

Collector is focused on prudent balance sheet management with the aim of generating additional capital surplus over the long term.

- ▶ Balanced growth with a focus on risk-adjusted returns. Collector's long-term capital commitment should not exceed its return on equity over time
- ▶ Long-term capital generation
- ▶ Sound risk control
- ▶ A self-financing company whose objective is to generate shareholder value

## FUNDING

Deposits and borrowings from the public is currently Collector's main source of funding. In order to create a more stable long-term funding base with lower risk and maintained cost efficiency, Collector needs to further diversify its funding.

- ▶ Collector issued senior unsecured bonds totaling SEK 2,865 million in 2021
- ▶ Continued work on having a variety of funding sources, including market funding such as bonds
- ▶ More balanced currency mix
- ▶ Longer durations and matched funding

## COMPLIANCE

Collector as a bank is active in an industry that is heavily regulated with high demands. Well-functioning internal procedures and processes are essential to ensure good regulatory compliance and that new regulations and guidelines can be followed in an adequate manner.

- ▶ Collector is constantly working to develop and ensure sound internal procedures and processes
- ▶ Continued focus and continuous work on maintaining sound internal controls and regulatory compliance



# Corporate

Strong development and positioning

## Summary of the year

The Corporate segment loan portfolio amounted to SEK 7,981 million (6,599) at the end of the year, representing an increase of 21% on the previous year. The Corporate segment therefore accounted for 22% (21) of Collector's loan portfolio at year-end. Total income for the year amounted to SEK 508 million (367). The net interest margin (NIM) amounted to 6.6% (5.3) and the total income margin amounted to 7.0% (5.3). Total income during 2021 was positively affected, by around SEK 24 million, by a positive revaluation of the investment in the credit fund Cordet.

Corporate lending transaction activity was high during the year, for both Collector and the market as a whole. Activity was highest in the Swedish market. Demand was driven by both new and existing customers with whom Collector is continuing to develop relationships. Factoring volumes have recovered and are now in line with pre-COVID-19 levels. This segment remains well-diversified given its exposure to different countries and industries.

During the year, Collector entered into a partnership with Cordet, a specialized credit fund focused on mid-size companies in the Nordic region, the UK, Germany and BeNeLux. Cordet offers direct lending in the form of senior secured loans and is run by a team with extensive experience and expertise in this field. Collector has invested in the fund and also aims to make co-investments in loans alongside Cordet. The partnership with Cordet is another step taken towards Collector's goal of continued growth in the Corporate segment.

## Positioning and focus going forward

The factoring and corporate loan market is large and Collector acts as a complement to larger banks within this market. Collector is uniquely positioned as one of only a few niche players offering loans of a size that is requested by small and medium-sized companies. Profitability is high, but the work to ensure profitable growth continues. Collector's ambition is therefore to keep growing the segment in all countries and the demand outlook is good.

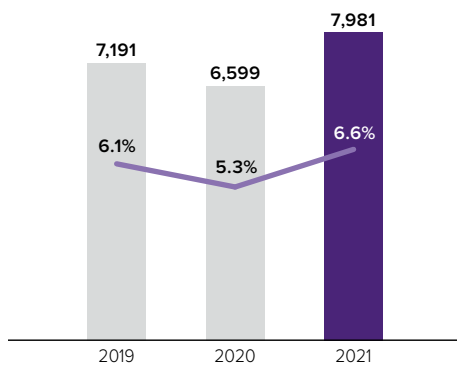
Loan portfolio



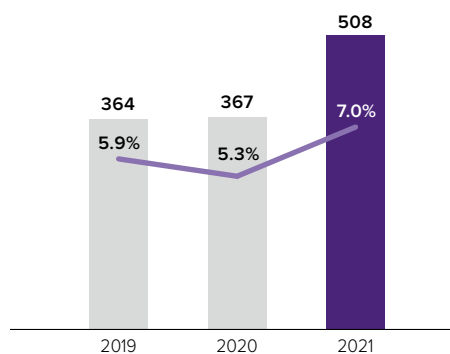
## Corporate

Collector offers corporate loans and factoring, with a particular focus on small and medium-sized companies in a wide range of industries in Sweden, Norway and Finland. Corporate loans are issued to companies against collateral. Factoring solutions primarily comprise purchasing of invoices both with and without right of recourse.

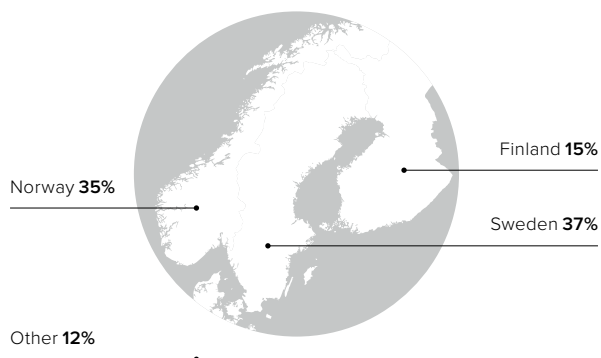
**Loan portfolio (SEK million) and NIM (%)**



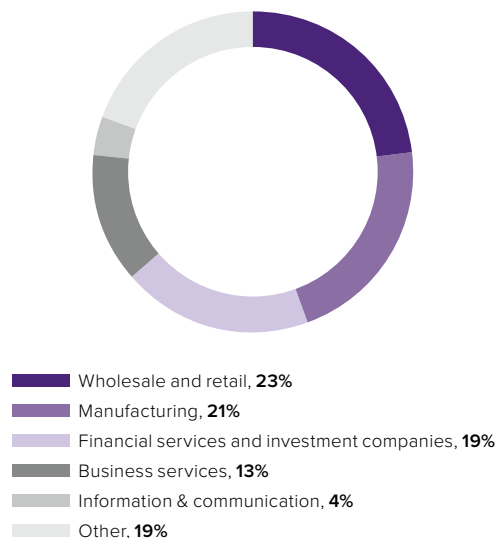
**Total income (SEK million) and margin (%)**



**Geographic split<sup>1</sup>**



**Industry split<sup>1</sup>**



**SEK 35 million<sup>2</sup>**  
Average loan in the portfolio

**15 months<sup>2</sup>**  
Average remaining maturity

<sup>1</sup> Based on the loan portfolio for the Corporate segment as of December 31, 2021

<sup>2</sup> Corporate lending



# Real estate

Continued high demand and strong growth in the segment and the market as a whole

## Summary of the year

The Real estate segment loan portfolio amounted to SEK 13,557 million (10,534) at the end of the year, representing an increase of 29% on the previous year.

The Real estate segment therefore accounted for 37% (33) of Collector's loan portfolio at year-end. Total income for the year amounted to SEK 773 million (519). The net interest margin (NIM) amounted to 6.3% (5.5) and the total income margin amounted to 6.4% (5.9).

There was continued high transaction activity in the real estate market in 2021, which is also reflected in the Real estate segment's growth. The Real estate portfolio is mainly made up of senior loans, which accounted for 70% (65) of the total at year-end. The share of senior

loans increased significantly in 2020 and 2021, driven by market demand, and is expected to fluctuate over time.

## Positioning and focus going forward

The real estate lending market is large and Collector acts as a complement to larger banks within this market. Collector has a unique position as one of only a few niche players offering loans of a size that is requested by small and medium-sized companies, and has a complete offering including both junior and senior lending. Profitability is high, but the work to ensure profitable growth continues. Collector's ambition is therefore to keep growing the segment in all countries and the demand outlook is good from both existing and new customers.

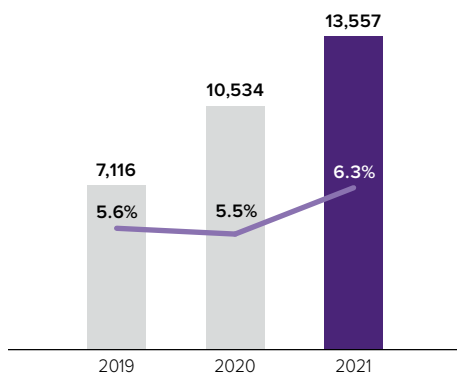
## Loan portfolio



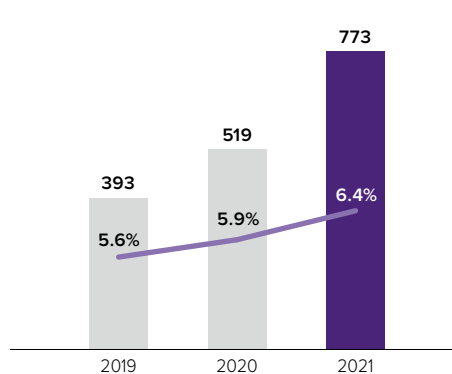
## Real estate

Collector offers real estate loans, with a focus on metropolitan areas and university cities in the Nordic region. Real estate loans are issued to companies against collateral. Collector offers both junior and senior lending. Financing is provided mainly for residential properties, but also for offices and industrial properties.

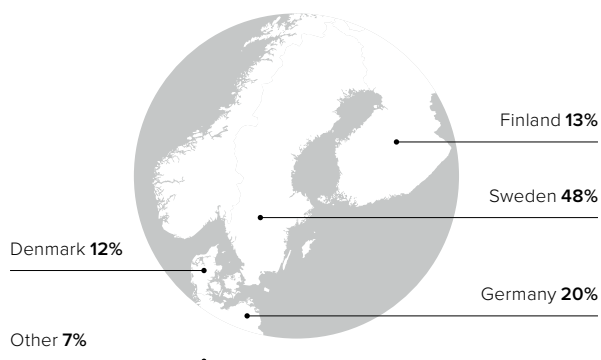
**Loan portfolio (SEK million) and NIM (%)**



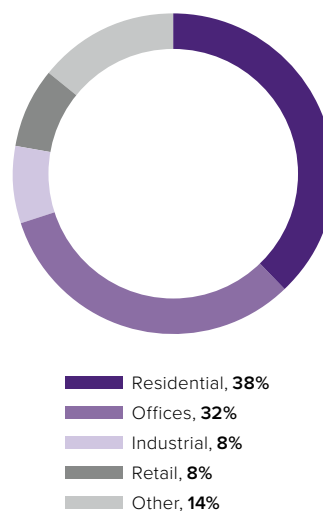
**Total income (SEK million) and margin (%)**



**Geographic split<sup>1</sup>**



**Industry split<sup>1</sup>**



**SEK 89 million**  
Average loan in the portfolio

**17 months**  
Average remaining maturity

**70%/30%**  
Senior/junior loans

<sup>1</sup> Based on the Real estate loan portfolio as of December 31, 2021



# Consumer

Stable development and focus on increased profitability over volume growth

## Summary of the year

The Consumer segment loan portfolio amounted to SEK 11,372 million (11,471) at the end of the year, representing an increase of 1% on the previous year. The Consumer segment therefore accounted for 31% (36) of Collector's loan portfolio at year-end. Total income for the year amounted to SEK 856 million (816). The net interest margin (NIM) amounted to 7.0% (6.4) and the total income margin amounted to 7.5% (6.9).

Volumes have been slightly declining during the year, given Collector's focus on increasing our returns within the segment. Our efforts in recent years to increase the share of lending through our own channels have paid off. Approximately 20% of new lending came through our own channels in 2021. Card issuance is stable, with around 26,000 credit cards outstanding, but card use was

lower during parts of the year due to reduced travel during the pandemic.

## Positioning and focus going forward

The consumer loan market has experienced high growth in recent years and competition is strong, driven by a high number of active players combined with increased regulation. Collector's focus has mainly been on the Swedish market, as Norway introduced new regulations in 2019 and Finland introduced some temporary restrictions due to the pandemic.

Competition in the personal loans business is high and profitability is low. Our efforts to increase our returns in the segment are ongoing and will continue over time. Going forward, Collector will carry on prioritizing higher profitability over volume growth. Collector therefore expects similar volume development in the future as last year.

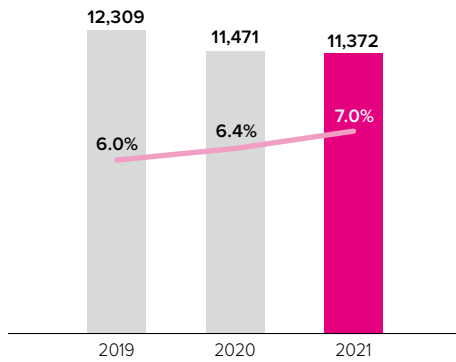
Loan portfolio



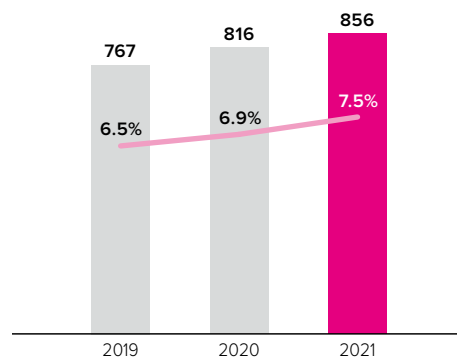
## Consumer

Collector offers unsecured consumer loans of up to SEK 500,000 in Sweden and up to EUR 25,000 in Finland. Sales are mainly made through loan intermediaries, but also through the bank's own channels. Collector also offers credit cards, with a maximum credit limit of SEK 100,000.

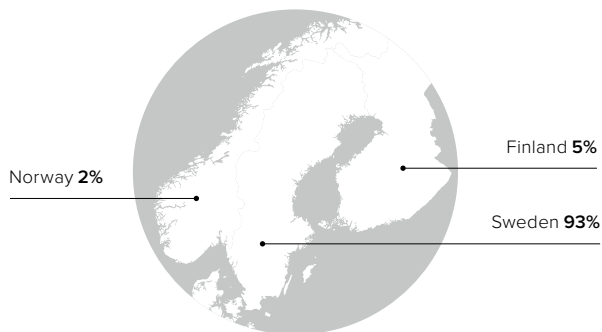
**Loan portfolio (SEK million) and NIM (%)**



**Total income (SEK million) and margin (%)**



**Geographic split<sup>1</sup>**



**Average customer – Personal loans**



**SEK 135,000**  
Average loan in the portfolio

**~20%**  
Sales through own channels

**26,000**  
Number of cards outstanding

<sup>1</sup> Based on the Consumer loan portfolio as of December 31, 2021



# Payments

Continued strong growth and launch of a new brand

## Summary of the year

The Payments segment loan portfolio amounted to SEK 2,457 million (2,221) at the end of the year, representing an increase of 11% on the previous year. The Payments segment therefore accounted for 7% (7) of Collector's loan portfolio at year-end. Transaction volumes amounted to SEK 13.9 billion (10.7), representing an increase of 31% compared with the previous year. Total income for the year amounted to SEK 445 million (401). The net interest margin (NIM) amounted to 9.3% (8.1) and the total income margin amounted to 19.0% (19.1).

The continued strong volume growth during the year was driven by both new and existing merchants. The strong organic growth in 2021, driven by a combination of new merchants and the strengthening of e-commerce by COVID-19, lays a further foundation for more challenging comparative figures going forward. The focus during 2021 was, among other things, on streamlining the cost base, which, together with higher volumes, has led to increased profitability within the segment.

In 2021, partnerships were initiated with Vipps and MobilePay, as integrated checkout payment methods, in addition to the existing partnership with Swish. Collector's Payments business is therefore now partnered with all the established mobile payment solutions in the Nordic region, strengthening its position on the Nordic market.

Partnerships were launched during the year with operators including Power, one of Norway's leading consumer electronics chains, and K-Rauta. The partnership with K-Rauta further consolidates Collector's Payments business in the construction and DIY sectors. The Payments business has previously partnered with companies such as Bygghmax, HYMA Group and Toolab.

September saw the launch of the new Walley brand, which has been well received by merchants, who see Collector further clarifying its position on the payment solutions market. The rebranding also means an investment in more product development. Collector sees the rebranding and continued product development as part of the strengthening of its position as one of the leading payment solution providers on the Nordic market. Walley's focus is on offering services that are attractive to both merchants and end customers.

## Positioning and focus going forward

E-commerce is a high growth market driven by the higher share of shopping taking place online. E-commerce was also positively impacted by COVID-19 in both 2020 and 2021. Collector has therefore benefited from its positioning as a player focused on e-merchants, but that also offers good physical retail solutions. The development of new technological solutions and regulations makes this a constantly changing market. More demanding user requirements from both merchants and consumers also mean that it is important to be a comprehensive provider of payment solutions. Collector aims to be a full-service provider and is positioning itself as a partner focused on larger merchants. Collector helps merchants develop their relationships with their customers, thereby increasing sales for both the merchants and Collector.

The Payments business is operating in a high growth market that is constantly changing. Payments is a strategically interesting business, which Collector aims to keep growing, focusing on profitability, and closely monitoring the development of the market.

## Loan portfolio



## Payments

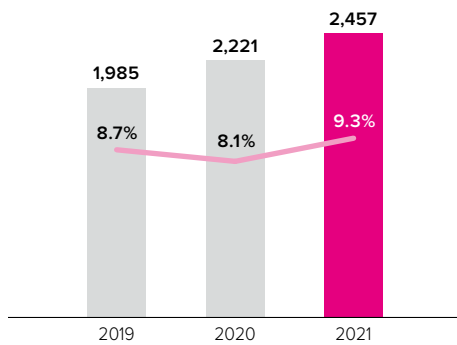
Collector offers payment and checkout solutions for e-commerce and retail chains, primarily in Sweden, Finland and Norway, as well as invoicing and payment by instalment services for private individuals. Collector offers specialized solutions focused on the merchant's strategy and brand, mainly targeting larger merchants.

Since Q3 2021, the business has been operated under the Walley brand.

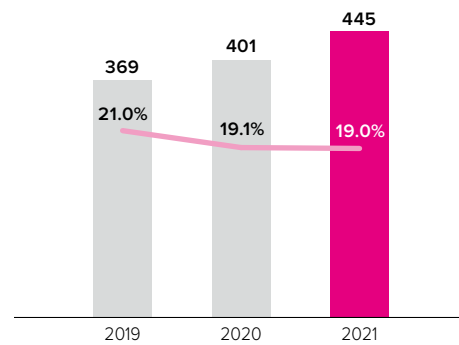
**walley**



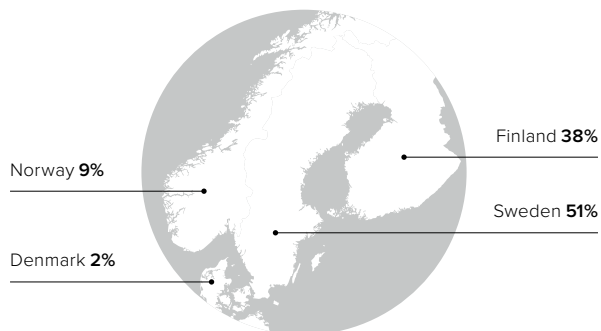
Loan portfolio (SEK million) and NIM (%)



Total income (SEK million) and margin (%)



Geographic split<sup>1</sup>



Transaction volumes

**SEK 13,948 million**

**+31%**  
Change

**4.0 MILLION**

Active customers (last 12 months)

**SEK 1,200**

Average ticket size

<sup>1</sup> Based on the Payments loan portfolio as of December 31, 2021

When Denmark's leading DIY retailer Silvan was acquired by Aurelius Group four years ago, a major transformational journey began – a journey that has brought both success and challenges. With the support of a new strategy and a flexible financing partner, Silvan managed to continue posting positive results even during the coronavirus pandemic, which initially became one of the company's biggest challenges. Today, the figures look better than ever.



The transformational journey had already begun when the pandemic hit in early 2020. The world suddenly stopped, and restrictions and lockdowns to reduce the spread of infection forced everyone to reevaluate things they had previously taken for granted. Virtually all sectors and industries were affected in some way. Old behaviors and practices were challenged, and as a result digitalization accelerated at a pace few could have imagined.

Silvan, one of Denmark's oldest and best-known retailers of building and DIY materials, is a good example of when a challenge becomes an opportunity. The pandemic gave a boost to the DIY sector, as more people had time for home repairs and improvements. At the same time, Denmark's strict restrictions meant that Silvan needed to offer new ways to reach customers, and find alternatives to traditional retail.

– We had already begun a transformation program and the pandemic brought a hundred new problems to solve. We needed to ensure safe and secure commerce, so we redesigned the stores while increasing the focus on e-commerce, which in turn increased the need for IT development. This was partly to make sure that the stock balance was continuously updated throughout the day, and partly to develop the way we marketed products online, explains Jan Becker, CEO of Silvan and Operating Partner at Aurelius.

Silvan's growth and profits for the 2020 and 2021 fiscal years were impressive. This was due in large part to the transformational journey that had already begun a few years earlier with the company's acquisition by the European investment company Aurelius Group. Silvan had previously been through a tougher period with less successful investments and lost its strategic focus.

– We saw Silvan's potential and wanted to realize it by further developing their reputable brand and updating its store concept, product ranges, services and operations. At the same time, we addressed

the profitability challenges that it faced, which were an obstacle for many banks. Even though we always had money in the bank, the big banks couldn't see past our current operating loss, says Jan Becker.

Collector has extensive experience of working closely with its customers. After completing a thorough lending process and analysis, Collector was also able to see the potential and opportunities that existed within the company. Cooperation and continuous dialogue between the company's management, owners and Collector were crucial to Silvan's transformational journey.

– Collector has always supported Silvan. They looked closely at what we were doing at Silvan, our business and what we needed. The main advantage of having Collector as a partner is that they are close to the business. They make decisions quickly and transparently in a way that the big banks can't even come close to. Their engagement with, and understanding of, Silvan gave us additional reassurance at the beginning of the coronavirus pandemic when the uncertainty was at its height, says Jan Becker. In short, we were able to overcome a number of challenges thanks to this consistent support.

After a pandemic that has lasted longer than anyone expected, Silvan is continuing its transformational journey together with Aurelius and Collector, and financially Silvan is still reporting a positive trend in its figures. The pandemic accelerated Silvan's transformation, and the business has been digitalized to a greater extent than previously expected, which has been fortunate as it mitigated the impact of Denmark's widespread lockdowns.

– We are now making quick progress, and our figures look better than ever. We are not yet at the finishing line, and we are looking forward to continuing to develop Silvan so that it reaches its full potential, concludes Jan Becker.

◀ From left to right: Erik Krondahl, General Manager, Corporate (Collector), Jan Becker, CEO of Silvan and Operating Partner at Aurelius and Johan Frykholm, Senior Advisor, Corporate (Collector)

# Collector's sustainability work

Collector wishes to be a long-term partner to both companies and private individuals by operating in a way that is in keeping with business ethics and social and environmental responsibility in every respect.



As a bank, Collector has a great responsibility to contribute to a more sustainable economy for our customers and the society in which we operate. By offering financial services that are sustainable both now and over the long term we benefit both customers and the business.

In 2021, we took another important step when we signed up to both the UN Principles for Responsible Banking (PRB) and the UN Global Compact. This includes commitments that make clear our ambition to contribute to responsible growth and long-term value creation for all our stakeholders. One of our key ambitions is also to pursue sustainability work that helps enable a climate transition in line with the Paris Agreement and achieve the 2030 Agenda and the Sustainable Development Goals.

**Business ethics and responsibility**

Collector's three core values of ethics, engagement and entrepreneurship are integrated in our policies and policy documents and are fundamental to the way in which we conduct our daily business. These core values put into words how we want to be and be perceived, and how we ought to act towards others, including customers, partners and colleagues.

**Ethics** are about being responsible and showing respect for one another, for example in our dealings with our customers and our partners. We must do business sustainably and responsibly. **Engagement** for

us means being involved and doing our utmost to find the best solution for all parties. **Entrepreneurship** means promoting change, being goal-oriented and daring to challenge accepted ways of doing things.

Our ambition is to always take each client's needs as a starting point and to meet them by offering financial services that are sustainable both now and over the long term, while drawing on our core values.

**The development of Collector's sustainability strategy**

In 2021, we continued our screening work to enhance Collector's activities in terms of sustainability and the current regulations under the EU Action Plan for Sustainable Finance. In 2022, work on formulating our strategic sustainability goals will continue and we will present our new sustainability framework with milestones up to 2030. In the new few years, this work will be carried out through both the continued integration of sustainability aspects in our operations and specific goals, such as reducing the impact of our operations on the environment, and improving the financial literacy of the general public.

**Our three strategic focus areas**

Collector wants to make a difference where the greatest difference can be made. This is why we've grouped our key sustainability aspects together into three strategic focus areas.



**CREATING SUSTAINABLE FINANCES**

As a bank, we have a great responsibility to contribute to a more sustainable economy for our customers and the society in which we operate. By providing access to financing solutions, business support and smart savings options, we are able to help companies and people grow. We want to ensure, by following robust processes, that we make the right lending decisions and that loans can be repaid, to contribute positively to the development of society.



**REDUCING ENVIRONMENTAL AND CLIMATE IMPACTS**

We wish to help keep global warming below 1.5 degrees in accordance with the Paris Agreement, and therefore reduce our climate and environmental impacts where we have an opportunity to do so. Our goal is to be climate neutral by 2025. Our first step is to reduce emissions from our own operations, and then to look at how we can help our customers make the transition.



**OFFERING A REWARDING WORKPLACE**

We want to be an attractive industry employer. We endeavor to ensure that our current and future employees are able to develop, be challenged and evolve in a friendly, diverse and inclusive work environment. We work systematically on work environment and health issues and see this as an investment in the achievement of a high level of satisfaction, motivation and well-being.

## Long-term value creation

Collector specializes in financing solutions for corporates and private individuals, with a particular focus on small and medium-sized companies. We are a complement to larger traditional banks for corporate customers. The Corporate offering includes real estate lending, corporate lending and factoring as well as payment solutions. Our services for private individuals include personal loans, invoicing and payment by instalment services, credit cards and savings accounts. Long-term financial value creation must be based on a sustainable business model, and we want our activities and operations to contribute to creating long-term value for our stakeholders, namely our customers, investors, employees and society. We strive to create long-term value from an economic, social and environmental perspective.

## Collector's stakeholders and value creation

- ▶ **Customers:** Companies and private individuals have access to sustainable financing and payment solutions as well as savings products.
- ▶ **Investors:** Long-term return on invested capital that over time contributes to the ability to make new investments.
- ▶ **Employees:** A rewarding and stimulating workplace rich in skill development opportunities and challenges.
- ▶ **Society:** Responsible lending to corporates, payment solutions and consumer lending that contribute to socio-economic growth.

## Basic governance of Collector's sustainability work

Collector is licensed by the Swedish Financial Supervisory Authority and is governed by laws and regulations at both national and EU levels. Our internal instructions, code of conduct and policies are reviewed on an ongoing basis. Collector adopted a new Code of Conduct in the course of the year that covers all employees, including directors and contractors. This summarizes the rules, values, guidelines and commitments that we must all work in line with and be guided by in our business relations. Employees are responsible for making sure that they are aware of the Code's contents, and every employee is expected to act and carry out their work accordingly. In 2021, 86% of the company's employees completed training in the new Code of Conduct.

At Collector, there is zero tolerance for any form of corruption or bribery. We also have a comprehensive control system designed to monitor transactions and detect non-compliant behavior in order to combat and prevent the business from being used for money laundering or terrorist financing. There were no incidents of corruption in our business operations in 2021.

Employees who wish to anonymously report inappropriate behavior or threats can use Collector's whistleblowing mechanism.

See page 110 for more information about the governance of Collector's sustainability work.





# Creating sustainable finances

As a bank, we want to be a natural part of our customers' finances. This ambition comes with a responsibility towards both our customers and society at large. A customer who experiences payment difficulties is a loss for Collector, our customers, and also society. Adopting a responsible lending approach is how we lay the foundations for a sustainable business for all parties. This is achieved through a rigorous lending process that ensures the customer's future repayment capacity and that our calculations are based on their actual financial circumstances.

## A healthy lending culture and efficient processes

Through our lending, we help to make sure that companies and private individuals have access to financial capital when they need it. We ensure responsible lending through efficient decision-making processes, flexibility and a healthy lending culture. We adopt a different lending process for the Consumer and Corporate segments, but a common factor in both is that we use internal models and processes to determine each customer's repayment capacity. If the customer might be reasonably expected to fulfil their obligations, the loan is granted.

We work proactively to minimize credit risk and contact customers facing potential payment difficulties to help them manage their loans. Additional measures have been taken during the COVID-19 pandemic, resulting in customers being offered mortgage forbearance for a certain period if necessary.

## 200,000+

USERS HAVE VISITED OUR  
EDUCATIONAL PAGES ON COLLECTOR.SE

Many more users have been reached through our social media channels.

## Marketing focused on increasing knowledge

In 2021, we continued our work on actively disseminating financial knowledge and information with the goal of contributing to sustainable lending in society. Among other things, we have produced informative and educational articles about personal finances, which we have promoted and informed our clients about. Through the Banksmart communication concept, we aim to explain complicated banking terms to make it easier to make informed financial decisions. Our website also includes a knowledge quiz with the same objective, of contributing to sustainable lending in society.





# Reducing environmental and climate impacts

Climate change is a major societal challenge and affects every company, albeit to differing degrees. As part of our contribution to the achievement of the Paris Agreement, we have set ourselves a target of becoming a climate-neutral business by 2025. Using 2021 as the base year, our scope 1, 2 and 3 CO<sub>2</sub> emissions were calculated over the year.

The financial sector has a major responsibility to allocate capital flows in a way that helps companies adapt and make the necessary climate adjustments. Collector's environmental policy was updated and adopted by the Board of Directors in 2021. This guides our work on how we can reduce our impact through informed decisions that take climate and environmental issues into account. The company is able to make a direct impact in its own operations, where the energy consumed by servers, the heating of premises, and business travel, makes up the largest share. Indirectly, our impact can be channeled through the products and services that we offer our customers. We will also work to limit carbon emissions in our value chain by setting environmental requirements for our suppliers.

### A carbon-neutral bank by 2025

By 2025, Collector will be climate neutral in terms of its own operations. This means that we should have net zero greenhouse gas emissions from energy consumption, company cars and business travel, as well as other related own emissions. Work focused on an emissions reduction roadmap for 2025 is ongoing, taking the measurement of our CO<sub>2</sub> emissions as a starting point.

### Continued analysis of risks and opportunities

We support the TCFD's<sup>1</sup> recommendations. Work to take these into account, based on the risks and opportunities of climate change, will continue in 2022. This will include conducting scenario testing of the climate-intensive corporate clients in the bank's loan portfolio. We see increased transparency in climate-related information as important, as it creates a greater understanding of the efforts needed in terms of governance, risk management and business models to manage the required transition.



Collector welcomes the harmonization and clarification sought by the EU Commission, and we are closely monitoring the development of new regulations. Collector is not, however, currently subject to the Disclosure Regulation or the EU taxonomy's Green Asset Ratio (GAR) requirements.

### Emissions from our own operations (tons of CO<sub>2</sub>e)

SCOPE 1	SCOPE 2	SCOPE 3
0.2	32.2	97.9

See page 114 for more information about our emissions and calculations.

<sup>1</sup> Task Force on Climate-related Financial Disclosures



# Offering a rewarding workplace

Collector's greatest strength is its employees, who together shape our corporate culture. Economists, IT developers, lawyers and analysts work side by side here, in a dynamic environment with a strong forward-thinking spirit. With our combined expertise and our products and services, we work to create the best possible conditions for companies to develop their operations and individuals to make wise decisions regarding their personal finances. It is our employees who build our customers' trust through good business ethics and compliance.

## EMPLOYEE INDEX

80%

## EMPLOYEES

301

The results of the 2021 annual employee survey were very good, with high scores in several categories. According to its employees, Collector has a culture of high expectations, good leadership and an inclusive work environment. As in previous years' surveys, Collector's strength is shown to be all its committed, helpful and skilled employees.

### Focus on well-being as employees work from home

2021 was largely notable for employees working from home as a result of the current pandemic. Our internal coordination team has continued to monitor the situation closely and work on preventive measures to limit the spread of infection in our offices and in the community. In 2021, guidelines on working from home were defined, following the lifting of restrictions by the authorities, at the request of our employees.

Through physical activity and simple behavioral changes, we want to create conditions that ensure that employees feel good, in everyday life and over the long term. Collector therefore introduced health initiatives during the year, in collaboration with the Institutet för Människor i Rörelse or IMR (Institute for People in Motion).

### Focus on a good work environment

Occupational health and safety is a strategic issue that we are working on systematically and proactively. Our work environment management measures are an investment in achieving high levels of well-being, motivation and satisfaction. We apply systematic work environment management, which aims to control, investigate, deal with and follow-up on operations in order to prevent accidents and ill-health in the workplace.

At Collector, we also run an internal self-leadership program through which our employees study tools and methods for developing self-leadership within their teams.

All employees have the right to unionize. Collector also offers a developed package of conditions and

benefits as an alternative to the relevant collective agreements.

### Greater inclusion and diversity contribute to a better workplace

Collector takes active steps to be a diverse and inclusive workplace. Our operations are best run when all employees contribute fully, drawing on their different experiences, backgrounds and skills.

All our employees are treated in accordance with our Inclusion and Human Rights Policy. The policy, revised in 2021, is based on the UN Universal Declaration of Human Rights and aims to set out how Collector will promote inclusion, diversity and equality, counter discrimination and foster an open and inclusive workplace.

Collector has zero tolerance for direct or indirect discrimination or harassment in the workplace. We have a responsibility to ensure that we take proactive measures as a natural part of our day-to-day operations. Each manager is responsible for ensuring that such work is undertaken and documented.

### Training and continuous skills development

Collector dispensed several mandatory internal training programs for all employees in 2021. These included annual compliance training, e-learning training in our updated Code of Conduct and IT security-related nano learning. In-house training was offered to managers in the Work Environment and Rehabilitation, Recruitment, Difficult Conversations and Being a New Leader. All new Collector employees take part in an induction session covering the bank's operations.

Collector conducts annual employee reviews with subsequent follow-up interviews. These address issues such as well-being, conditions, development, goals, performance and how the employee lives up to Collector's values of Ethics, Engagement and Entrepreneurship.

# Financial information

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Pages 33–92 constitute Collector's formal annual report. Collector's work on sustainability is described in the sustainability report on pages 110–115.

# Directors' report

The Board of Directors and CEO of Collector AB (publ), corp. reg. no. 556560-0797, hereby present the Group and Parent Company annual report for the fiscal year 2021.

## Group operations

Collector's operations are divided into four primary operating segments: Corporate, Real estate, Consumer and Payments. The Corporate segment includes corporate lending and factoring products. The Real estate segment consists of real estate loans. The Corporate and Real estate segments specialize in financing solutions, with a particular focus on small and medium-sized companies. The Consumer segment offers personal loans and credit cards. The Payments segment offers payment solutions to e-merchants and retailers, as well as invoicing and payment by instalment services to e-commerce and retail customers. Other activities include the run-off products purchased debt portfolios, residential mortgages and over-heads and eliminations.

Legally, the lending and deposit business is operated through Collector Bank AB, which has branches in Norway and Finland.

Operations are conducted from the headquarters in Gothenburg and from the offices in Stockholm, Helsinki and Oslo.

## Changed accounting treatment of Additional Tier 1 Capital instrument

During the fourth quarter of 2021, the accounting treatment of the SEK 500 million of Additional Tier 1 Capital instrument, which was issued during the first quarter of 2019, was changed. The instrument is perpetual, with a first call date after five years, and carries an interest of 3m Stibor + 8.00%. The Additional Tier 1 Capital instrument is deemed to fulfill the conditions of an equity instrument since the instrument, according to the terms and conditions, is perpetual and the issuer has full discretion regarding interest payments. The interest expense for the Additional Tier 1 Capital instrument has previously been reported as interest expense under net interest income and is not tax deductible. From the fourth quarter of 2021, the Additional Tier 1 Capital instrument is classified as equity, and payments to holders of these instruments, such as interest, is recognized through equity. From an accounting perspective, the changed accounting treatment of interest expense has been classified as correction of incorrect reporting, which means that comparable periods have been adjusted. The change enhances comparability with other banks. Quarterly historical information since the first quarter of 2020, according to the updated accounting treatment, is available on Collector's website at [collector.se/en/about-collector/investors/financial-information/](https://collector.se/en/about-collector/investors/financial-information/).

## Group earnings

Total income increased by 23% during the year and amounted to SEK 2,649 million (2,162). Total income adjusted for non-recurring items amounted to SEK 2,629 million (2,162). Net interest income increased by 26% compared with the previous year and totaled SEK 2,323 million (1,848). Net interest income adjusted for non-recurring items totaled SEK 2,314 million (1,848). The net interest margin amounted to 6.8% (6.0) and the net interest margin adjusted for non-recurring items amounted to 6.8% (6.0). Net commission income was unchanged compared with the previous year and came to

SEK 293 million (293). Net gains and losses on financial items came to SEK 18 million (-4). Other income amounted to SEK 16 million (25).

The Corporate and Real estate segments saw strong loan book and revenue growth during the year, which contributed to the Group's financial performance. The Payments business also saw good growth and contributed positively over the year. Volumes declined slightly in the Consumer segment as Collector continues to be restrictive given its focus on increasing returns within the segment.

Total expenses amounted to SEK 796 million (866) for the year. The C/I ratio amounted to 30.0% (40.1). The C/I ratio adjusted for non-recurring items amounted to 30.3% (39.4). Growth combined with effective cost control has supported the strong improvement in the C/I ratio. Collector has in this way demonstrated the scalability of its business model.

Operating profit amounted to SEK 970 million (437), and the operating profit adjusted for non-recurring items amounted to SEK 949 million (502). Profit for the year totaled SEK 766 million (333). Profit for the year adjusted for non-recurring items totaled SEK 747 million (384). Earnings per share amounted to SEK 3.53 (1.47). Return on equity amounted to 14.1% (7.1), and return on equity adjusted for non-recurring items amounted to 13.8% (8.3). Collector's profitability improved considerably over the year. See the section Non-recurring items for more information about non-recurring items.

## Loan portfolio

The loan portfolio amounted to SEK 36,214 million (31,828) at the end of the year, representing an increase of 14% on the previous year. The largest increase is attributable to the Corporate and Real estate segments: the Corporate loan portfolio increased by 21%, Real estate increased by 29%, Consumer decreased by 1%, Payments increased by 11% and Other decreased by 16% compared with the previous year. Out of the total loan portfolio, Corporate accounted for 22% (21), Real estate accounted for 37% (33), Consumer accounted for 31% (36), Payments accounted for 7% (7) and Other accounted for 2% (3) of the total loan portfolio at year-end.

## Credit losses

The credit loss level amounted to 2.6% (2.8) for the full-year 2021. The credit loss level has not been adjusted for non-recurring items (2.6). The credit loss level for 2021 reflects the uncertainty that has prevailed as a result of COVID-19. Also see the section on COVID-19.

The credit loss level for the underlying banking operations is presented in the table below. See the section Non-recurring items for more information about non-recurring items.

	Jan-Dec 2021	Jan-Dec 2020
Credit loss level (%)		
Reported	2.6%	2.8%
Reported, adjusted for non-recurring items	2.6%	2.6%
Reported, excl. PD portfolios	2.6%	2.5%
Reported, excl. PD portfolios, adjusted for non-recurring items	2.6%	2.4%

### Non-recurring items

Non-recurring items are defined as income and expenses that are not expected to occur on a regular basis.

#### 2021

Non-recurring items totaling SEK 21 million affected total income for the full-year 2021. SEK 9 million relate to interest income attributable to previously doubtful loans, and approximately SEK 12 million relate to other income following divestments of subsidiaries (primarily the divestment of Collector Ventures).

#### 2020

Non-recurring items consisting of consultancy costs of SEK 15 million and an extra credit loss provisioning of SEK 50 million, making SEK 65 million in total, were recorded for the full-year 2020. Some of the consultancy costs relate to the Swedish Financial Supervisory Authority's audit of Collector and the extra credit loss provisioning that was made on the back of the uncertain macroeconomic environment amid COVID-19.

### Development - Corporate segment

The Corporate segment's loan book amounted to SEK 7,981 million (6,599) at the end of the year, representing an increase of 21% on the previous year. Corporate lending transaction activity was high over the year and Collector took advantage of attractive opportunities at good risk-adjusted returns. Factoring volumes were low at the beginning of the year due to COVID-19, but recovered in the second half of 2021, and the loan portfolio reached a historic high at year-end. The Corporate segment accounted for 22% (21) of the total loan portfolio at the end of the year. Total income amounted to SEK 508 million (367) The net interest margin (NIM) amounted to 6.6% (5.3) and the total income margin to 7.0% (5.3).

### Development - Real estate segment

The Real estate segment's loan book amounted to SEK 13,557 million (10,534) at the end of the year, representing an increase of 29% on the previous year. Transaction activity was high for both Collector and the wider market, which led to strong loan book growth. The Real estate segment accounted for 37% (33) of the total loan portfolio at the end of the year. Total income amounted to SEK 773 million (519) The net interest margin (NIM) amounted to 6.3% (5.5) and the total income margin to 6.4% (5.9).

### Development - Consumer segment

The Consumer segment loan book amounted to SEK 11,372 million (11,471) at the end of the year, representing a decrease of 1% on the previous year. Volumes declined slightly as Collector continues to be restrictive given its focus on increasing returns within the segment. The Consumer segment accounted for 31% (36) of the total loan portfolio at the end of the year. Total income amounted to SEK 856 million (816) The net interest margin (NIM) amounted to 7.0% (6.4) and the total income margin to 7.5% (6.9).

### Development - Payments segment

Transaction volumes totaled SEK 13,948 million (10,662) for the year, representing 31% growth. The growth in transaction volumes remained strong during the year, driven by new and existing merchants combined with the continued contribution of COVID-19 to the growth of e-commerce. This led to good growth in both the loan book and operating income. The

Payments segment's loan book amounted to SEK 2,457 million (2,221) at the end of the year, representing an increase of 11% on the previous year. The Payments segment accounted for 7% (7) of the total loan portfolio at the end of the year. Total income amounted to SEK 445 million (401). The net interest margin (NIM) amounted to 9.3% (8.1) and the total income margin to 19.0% (19.1).

### Liquidity and financial investments

At December 31, 2021, cash and cash equivalents amounted to SEK 5,247 million (3,916). Collector's excess liquidity is invested in Swedish municipal bonds, covered bonds, government issued securities and deposit accounts mainly held with Nordic banks. At the end of the period, the Group's financial investments amounted to SEK 2,626 million (1,672).

### Funding

Deposits and borrowings from the public accounted for approximately 71% (81) of Collector's balance sheet, which by the end of the period amounted to SEK 31,351 million (30,855). This is the primary source of funding for the Group. In 2021, Collector started to establish itself on the Nordic bond market by issuing senior unsecured bonds in both SEK and NOK. Senior unsecured bonds issued amounted to SEK 2,865 million (0) at year-end. Commercial papers issued amounted to SEK 2,364 million (219) at period-end.

### Capital adequacy

Collector has previously issued two hybrid capital instruments consisting of an Additional Tier 1 bond of SEK 500 million and a Tier 2 bond of SEK 500 million. Consolidated own funds may only include issued Tier 1 capital instruments in the proportion required to cover Collector Bank AB's capital requirement. Tier 1 capital contributions eligible for inclusion amounted to SEK 313 million. The Tier 2 capital instrument is subject to corresponding rules regarding inclusion in consolidated own funds. Tier 2 capital included amounted to SEK 398 million. At the end of the year, the risk-weighted exposure amount totaled SEK 39,315 million (34,730). At December 31, 2021, the CET1 ratio amounted to 13.9% (13.7), the Tier 1 ratio amounted to 14.7% (14.6) and the total capital ratio amounted to 15.7% (15.8).

### Significant risks and uncertainty factors

Through its operations, Collector is exposed to various risks, above all credit risk, market risk (currency risk and interest rate risk), liquidity and financing risks, and operational and other business risks.

The Group's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimize potential unfavorable impacts on the Group's financial results. Risk management is handled by the Group's management team in accordance with policies established by the Board of Directors. The Board establishes written policies for overall risk management and for specific areas such as currency risk, interest rate risk, credit risk, operational risk and the use of derivatives and similar financial instruments. Also see the section on COVID-19 below and Note K3 Risk and risk management.

### COVID-19

Collector is continuing to closely monitor the development of COVID-19 and its impact on its operations. Vaccination rates are increasing, but uncertainty regarding the ultimate effects

of the pandemic remains. Even though the company has not experienced any significant negative consequences to date, there is a risk of the behavior of both private and corporate customers changing, which may in turn affect demand for the company's products and lead to lower repayment capacities.

### Sustainability

For Collector, sustainability is crucial to its long-term success, to enable value creation for customers, shareholders and employees, and to contribute to the positive development of society. The sustainability report describes how Collector aims to be a long-term partner to both companies and private individuals by running its business in a way that is in keeping with business ethics and social and environmental responsibility in every respect. The sustainability report also describes the risks that Collector must manage based on the industry in which it operates. Collector has chosen to prepare its sustainability report separately from the formal financial statements in accordance with Chapter 6, section 11 of the Swedish Annual Accounts Act. The sustainability report was submitted to the auditors at the same time as the annual report, and the sustainability report also relates to the fiscal year 2021. Information about sustainability can be found on pages 26 to 31 and 110 to 116.

### Employees and the work environment

The average number of full-time employees (FTEs) amounted to 301 (321) in 2021, a decrease of 6% on the previous year. The number of full-time employees includes employees on fixed-term contracts, but not on parental leave or leave of absence or in intermittent employment. Of those employed at the end of the year, 44% (43) were women and 56% (57) were men. Of the senior executives, 33% (38) were women. The rate of short-term sick leave during the year was 2.5% (2.5), and the total rate of sick leave, including long term, was 4.3% (3.8). The staff turnover during the year was 19% (17)<sup>1</sup>.

Employee surveys show that Collector is a workplace characterized by respect, an open culture, job satisfaction and commitment. Collector systematically works on the work environment and health issues as a natural part of the business. Its starting point is to ensure an attractive and equal workplace, with a motivated and sustainable workforce, where everyone is treated with dignity and respect.

### Executive management

Patrik Schöldström assumed the position of Chief Credit Officer in October 2021, succeeding Erik Berfenhag, who resigned in August 2021. Kajsa Lernestål stepped down as Chief Marketing Officer in December 2021.

Senior management at December 31, 2021:

- Martin Nossman, CEO
- Peter Olsson, Chief Financial Officer
- Susanne Bruce, Deputy CEO & Chief Operating Officer
- Patrik Schöldström, Chief Credit Officer
- Jan-Erik Setterberg, General Manager, Consumer
- Mikael Anstrin, General Manager, Payments
- Erik Krondahl, General Manager, Corporate
- Jonas Björkman, Chief Information Officer
- Madeleine Mörch, Head of IR & Communications
- Martin Nilsson, Chief Risk Officer
- Josefin Eriksson, Chief Legal Officer
- Karin Bucko, Head of Compliance

More information about the senior executives can be found on pages 107 and 108.

### Guidelines on the remuneration of senior executives *Applicable regulations*

The remuneration of senior executives must be determined in accordance with these guidelines and Collector's remuneration policy, which are based on Swedish and European legislation and other regulations on remuneration systems for the banking sector, the Swedish Corporate Governance Code and best practice for a sound remuneration structure.

### Scope

These guidelines cover the senior management and Board members, insofar as remuneration other than that decided by the Annual General Meeting is paid to Board members. The senior management is understood to mean the CEO, Deputy CEO and other individuals in the senior management. Other individuals in the senior management is understood to mean individuals included in the management team and managers who are directly subordinate to the CEO. In the company's case, the managers directly subordinate to the CEO are the Head of Compliance, the Chief Risk Officer and the Chief Legal Officer.

The guidelines must be applied to the remuneration agreed, and changes made to already agreed remuneration, with effect from the 2020 Annual General Meeting, will apply until no later than the 2024 Annual General Meeting. The guidelines do not cover remuneration decided on by the Annual General Meeting.

Regarding employment conditions that are governed by rules other than Swedish regulations, appropriate adjustments may be made in order to comply with such rules if they are mandatory or in line with established local practice, in which case the general purpose of these guidelines must be adhered to as far as possible.

### *The guidelines' promotion of the company's business strategy, long-term interests and sustainability*

The Collector Group's business is mainly conducted through Collector Bank, a challenger bank that offers financing solutions for private and corporate customers. We develop solutions based on our customers' needs while focusing on efficient decision-making processes and flexibility. Our business covers consumer loans, credit cards, savings accounts, payment solutions for e-commerce and retail, factoring, corporate lending, real estate lending and the management of purchased debt portfolios. Our corporate culture, characterized by entrepreneurship, engagement and ethics, has contributed greatly to the company's development journey.

To successfully implement its business strategy, and safeguard its long-term interests, including its sustainability, the company must be able to recruit and retain qualified staff. It must be able to offer competitive remuneration to achieve this aim. These guidelines enable the offering of a competitive remuneration package to the senior management.

### *The different forms of remuneration, and so on.*

Remuneration must be in line with the market and consist of the following components: a fixed salary, pension provisions, and other non-monetary benefits.

<sup>1</sup> Calculated on the basis of the number of terminated employments divided by the average number of employees. The calculation takes into account only probationary and permanent employees. Staff turnover was 17%, excluding outsourcing of Colligent Inkasso AS.

To avoid encouraging the senior management to take unhealthy risks, no variable remuneration is paid, except as below. The employee's fixed remuneration, combined with pension provisions and non-monetary benefits, therefore makes up their total remuneration.

The Annual General Meeting may also decide to offer long-term incentive programs, such as share-based or share price-based payments or incentive schemes. Such long-term incentive programs are decided on by the Annual General Meeting and are therefore not covered by these guidelines.

Variable cash remuneration may be paid in exceptional circumstances, provided that such exceptional arrangements are time-limited and are only made at individual level, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary efforts beyond the person's normal duties. Variable remuneration must not be linked to the company's financial targets or similar, however, as this could motivate the employees concerned to take unhealthy risks. Such remuneration may not exceed an amount equal to 20% of the employee's fixed annual salary and must not be paid more than once per year and per individual. The Board must decide on such remuneration, as proposed by the Remuneration Committee.

#### **Fixed salaries**

Each member of the senior management must be offered a fixed salary in line with the market, based on the complexity of their position, and the executive's experience, responsibilities, skills and workload. Fixed salaries are revised annually.

#### **Pensions**

Each member of the senior management must be offered a pension in line with the market in the country where the executive has their permanent residence.

For the CEO and other senior executives, pension benefits, including health insurance, must be defined-contribution based. Pension premiums for defined-contribution pensions must amount to a maximum of 30% of the executive's fixed annual salary.

#### **Non-monetary benefits**

Non-monetary benefits should facilitate the executive's work and be what might be considered reasonable in view of market practice.

Non-monetary benefits may include life insurance, health insurance and car allowances. Premiums and other expenses arising from such benefits may amount to a maximum of 15% of the executive's fixed annual salary.

Regarding employment conditions that are governed by rules other than Swedish regulations, appropriate adjustments may be made to pension and other benefits in order to comply with such rules if they are mandatory or in line with established local practice, in which case the general purpose of these guidelines must be adhered to as far as possible.

#### **Termination of employment**

The notice period following the termination of employment may not exceed twelve months. The executive's fixed salary during the notice period and severance pay may not exceed a total amount equal to two years' fixed salary for the CEO and 18 months for the other senior executives. If the executive resigns, the notice period may be no more than six months, with no entitlement to severance pay.

In addition, remuneration may be paid to the CEO and the Deputy CEO in exchange for a non-compete commitment, on the termination of their employment, in order to compensate them for any loss of income. For the CEO, such remuneration in exchange for a non-compete commitment must be paid only if the former executive is not entitled to severance pay. The remuneration for the CEO should be the difference between their fixed salary on the date of termination less any lower income amount that the CEO may earn from new activities, and for the Deputy CEO should be the difference between their fixed salary on the date of termination less any lower income amount that the Deputy CEO may earn from new activities, but should be no more than 60% of their fixed salary on the date of termination. The remuneration must be paid during the period covered by the non-compete commitment, which should be no more than 12 months after the termination of employment.

#### **Salaries and terms of employment for employees**

When the Board's proposal for these remuneration guidelines was prepared, the salaries and terms of employment of the company's employees were taken into account through information about employees' total remuneration, the components of the remuneration, the increase in remuneration and the rate of increase over time having been part of the basis for the decisions by the Remuneration Committee and the Board in their evaluation of the reasonableness of the guidelines and the limitations resulting from them.

#### **The decision-making process for the establishing, reviewing and implementation of the guidelines**

The Board has set up a Remuneration Committee. The committee's tasks include preparing the Board's decisions on proposals for guidelines on the remuneration of senior executives. The Board of Directors must draw up proposals for new guidelines at least every four years, and submit them to the Annual General Meeting for approval. The guidelines must apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee must also monitor and evaluate, where applicable, the variable remuneration programs for the senior management, the application of the guidelines on the remuneration of senior executives and the current remuneration structures and remuneration levels within the company. The Chairman of the Board chairs the Remuneration Committee. The other members of the Remuneration Committee are independent of the company and the senior management. The CEO and other members of the senior management do not attend the Board's discussions and decisions on remuneration-related matters, insofar as they are affected by the matters concerned.

#### **Remuneration of Board members**

In exceptional cases, Board members elected by the Annual General Meeting may be tasked with work that goes beyond the work of the Board and should then be able to receive fees for such work. Tasks for which the company lacks internal expertise or resources may be eligible for the payment of fees. Furthermore, only operational, non-strategic work is eligible, and it must also not encroach on the senior management's activities or otherwise contravene the Swedish Companies Act or the Swedish Corporate Governance Code. The remuneration must be in line with the market and be approved by the Board without the Board member concerned participating in the preparation of proposals or decisions.

### Departures from the guidelines

The Board of Directors may decide to temporarily depart from the guidelines, in whole or in part, if in a specific case there are special reasons for doing so, and such a departure is necessary in the company's long-term interests, including to ensure its sustainability or financial viability. As stated above, one of the Remuneration Committee's tasks is to prepare the Board's decisions on remuneration issues, which includes decisions on departures from the guidelines.

### Parent Company

The Parent Company is a holding company. Net sales amounted to SEK 67 million (76) in 2021 and took the form of intra-group administrative services. Net profit for the year amounted to SEK 33 million (52). At December 31, 2021, the Parent Company's cash and cash equivalents amounted to SEK 19 million (117), and equity amounted to SEK 2,524 million (2,491).

### Relationships with related parties

Collector provides real estate loans to Söderfors Bruk AB (an associate of Balder), RE IV Limited (a related party of Balder and Erik Selin) and Secits Holding AB (a related party of Erik Selin). These transactions are carried out at arm's length. Deposits are made by related parties, in accordance with the applicable market terms for Collector's deposit accounts.

### Share capital

At December 31, 2021, the company's share capital totaled SEK 20,538,100, divided into 205,381,004 ordinary shares. The company has one (1) class of shares. Each share entitles the shareholder to one vote at the General Meeting.

### Dividends

In accordance with the dividend policy adopted, Collector will focus on growth, which means that dividends will be low or not be paid at all in the medium term. The Board proposes that no dividend be paid for the fiscal year 2021.

### The Collector share

Collector's share ("COLL") is listed on Nasdaq Stockholm. On December 30, 2021, the closing price of the Collector share was SEK 37.98, amounting to a market capitalization of SEK 7.8 billion. There were approximately 11,700 shareholders at period-end.

### Ownership structure

The largest shareholders are presented in the table below. At December 31, 2021, approximately 80% of the share capital and voting rights were held by the ten largest shareholders.

Shareholder	%
Fastighets AB Balder	44.1%
Erik Selin	10.7%
StrategiQ Capital AB	10.3%
Lena Apler	4.6%
SEB Life International	3.7%
Avanza Pension	2.2%
SEB AB	1.5%
Vante AB	1.4%
State Street Bank and Trust Company	1.2%
JP Morgan Chase Bank	0.9%
Other shareholders	19.5%
<b>Total</b>	<b>100.0%</b>

### Events after the end of the fiscal year

The Board of Collector AB announced an intention to initiate a process to merge Collector AB with its wholly-owned subsidiary Collector Bank AB. The purpose of the merger is to further simplify the corporate structure, achieve a more efficient use of internal resources and to optimize the capital position. Subject to the shareholders' approval at the 2022 Annual General Meeting, Collector AB will through the merger be absorbed by Collector Bank AB, which will be the remaining entity after the merger. The Group's operations will remain unchanged. See the separate press release published on February 7, 2022 for more information.

On January 29, 2020, the Swedish Financial Supervisory Authority ("SFSA") initiated an open investigation regarding credit evaluation processes for consumer credits, including Collector and a number of other players on the Swedish consumer lending market. The investigation is described as a thematic investigation covering a number of players on the Swedish consumer lending market, and is based on credit applications received between June 1, 2019 and September 30, 2019. The SFSA sent a reconciliation letter as part of the investigation, in response to which Collector replied to the SFSA's questions.

On February 9, 2022, Collector Bank received a reconciliation letter from the SFSA, which concludes a preliminary assessment that the bank does not base its credit assessments on adequate data and hence is considered non-compliant with the Swedish Consumer Credit Act (Sections 6 and 12 of the Swedish Consumer Credit Act (2010:1846) and the SFSA's general guidelines regarding consumer credits (FFFS 2014:11)). The SFSA's preliminary assessment is therefore that the bank has not carried out adequately sound lending practices and has not complied with the Swedish Consumer Credit Act. As a result, the SFSA is considering taking action against Collector pursuant to 15:1 of the Swedish Banking and Finance Act.

Collector has been given the opportunity to comment on the Swedish Financial Supervisory Authority's observations.

At the end of February 2022, Russia invaded several regions of Ukraine. The war in Ukraine creates a risk of significant volatility in both global and local markets. The conflict has led to a deterioration in the overall security situation, including in Europe, and there is a risk that the conflict may escalate further. It is currently uncertain what impact the war in Ukraine will have over the longer term on the global economy and the Swedish capital and credit markets, but the war could have negative consequences for Collector Bank's business, financial position and result. As of today, Collector does not have any significant direct or indirect exposure to these countries.

### Proposal for the appropriation of the company's profits

The Board of Directors and the CEO propose that the available profits of SEK 2,485,443,716 be appropriated as follows:

Amount carried forward	2,485,443,716
<b>Total</b>	<b>2,485,443,716</b>

# Five-year summary Group

Income statement, SEKm	2021	2020 <sup>1)</sup>	2019 <sup>2)</sup>	2018	2017
Interest income	2,684	2,193	2,033	1,679	1,400
Interest expense	-361	-345	-324	-204	-142
<b>Net interest income</b>	<b>2,323</b>	<b>1,848</b>	<b>1,709</b>	<b>1,475</b>	<b>1,258</b>
Commission income	347	336	397	312	277
Commission expense	-54	-44	-57	-47	-43
<b>Net commission income</b>	<b>293</b>	<b>293</b>	<b>340</b>	<b>265</b>	<b>234</b>
Net gains and losses on financial items	18	-4	-12	-32	-27
Other income	16	25	187	57	30
<b>Total income</b>	<b>2,649</b>	<b>2,162</b>	<b>2,224</b>	<b>1,765</b>	<b>1,495</b>
Personnel expenses	-285	-294	-317	-285	-246
Other expenses	-420	-478	-438	-379	-338
Depreciation/amortisation of tangible and intangible assets	-91	-94	-284	-83	-60
<b>Total expenses</b>	<b>-796</b>	<b>-866</b>	<b>-1,039</b>	<b>-746</b>	<b>-645</b>
<b>Profit before credit losses</b>	<b>1,854</b>	<b>1,296</b>	<b>1,185</b>	<b>1,019</b>	<b>850</b>
Credit losses, net	-884	-859	-1,206	-298	-183
<b>Operating profit</b>	<b>970</b>	<b>437</b>	<b>-21</b>	<b>721</b>	<b>668</b>
Tax expense	-204	-104	44	-155	-151
<b>Net profit for the year</b>	<b>766</b>	<b>333</b>	<b>24</b>	<b>566</b>	<b>517</b>
<b>Earnings per share, SEK</b>					
before dilution	3.53	1.47	-0.07	5.51	5.03
after dilution	3.53	1.47	-0.07	5.51	5.03

<sup>1)</sup> IFRS 16 Leases started to be applied at January 1, 2020.

<sup>2)</sup> IFRS 9 Financial Instruments started to be applied at January 1, 2019.

# Key ratios Group

Key ratios, SEKm	2021	2020	2019	2018	2017
<b>Income statement</b>					
Net interest income	2,323	1,848	1,709	1,475	1,258
Total income	2,649	2,162	2,224	1,765	1,495
Net profit	766	333	24	566	517
Basic earnings per share, SEK	3.53	1.47	-0.07	5.51	5.03
Diluted earnings per share, SEK	3.53	1.47	-0.07	5.51	5.03
<b>Balance sheet</b>					
Loans to the public	36,214	31,828	29,880	26,104	19,507
Deposits and borrowings from the public	31,351	30,855	29,454	22,391	15,310
Debt securities in issue	5,229	219	2,599	2,799	2,799
Subordinated liabilities	500	500	500	499	499
Equity attributable to collector AB shareholders	5,490	4,766	3,464	3,475	3,079
<b>Key ratios <sup>1)</sup></b>					
Net interest margin (NIM) <sup>2)</sup>	6.8%	6.0%	6.1%	6.5%	7.7%
Credit loss ratio <sup>2)</sup>	2.6%	2.8%	4.3%	1.3%	1.1%
C/I ratio <sup>2)</sup>	30.0%	40.1%	46.7%	42.3%	43.1%
Return on equity (RoE) <sup>2)</sup>	14.1%	7.1%	Neg.	17.3%	18.3%
CET1 ratio <sup>3)</sup>	13.9%	13.7%	10.3%	11.9%	14.3%
Tier 1 ratio <sup>3)</sup>	14.7%	14.6%	11.8%	11.9%	14.3%
Total capital ratio <sup>3)</sup>	15.7%	15.8%	13.3%	13.7%	16.8%
Average number of full-time employees	301	321	373	390	376
<b>Adjusted key ratios <sup>1)</sup></b>					
Net interest margin (NIM) <sup>2)</sup>	6.8%	6.0%	6.1%	6.5%	7.7%
Credit loss ratio <sup>2)</sup>	2.6%	2.6%	1.4%	1.3%	1.1%
C/I ratio <sup>2)</sup>	30.3%	39.4%	42.4%	42.3%	43.1%
Return on equity (RoE) <sup>2)</sup>	13.8%	8.3%	17.1%	17.3%	18.3%

<sup>1)</sup> See Definitions, page 118, and [collector.se/en/about-collector/investors/financial-information/](https://collector.se/en/about-collector/investors/financial-information/) for more information about key ratios.

<sup>2)</sup> Key ratios that have not been prepared in accordance with IFRS but are deemed to facilitate the analysis of the Collector Group's development. See Definitions, page 118.

<sup>3)</sup> Key ratios defined according to the Capital Requirements Regulation (CRR). Refers to the consolidated situation. See Note K4, pages 59-61.

# Income statement Group

The consolidated income statement has been restated for the comparative period. See Notes K2 and K36 for further information.

SEKm	Note	2021	2020
Interest income <sup>1)</sup>		2,684	2,193
Interest expense <sup>2)</sup>		-361	-345
<b>Net interest income</b>	K6	<b>2,323</b>	<b>1,848</b>
Commission income		347	336
Commission expense		-54	-44
<b>Net commission income</b>	K7	<b>293</b>	<b>293</b>
Net gains and losses on financial items	K8	18	-4
Other income	K9	16	25
<b>Total income</b>		<b>2,649</b>	<b>2,162</b>
Personnel expenses	K10	-285	-294
Other operating expenses	K11	-420	-478
Depreciation/amortization and impairment of tangible and intangible assets	K12	-91	-94
<b>Total operating expenses</b>		<b>-796</b>	<b>-866</b>
<b>Profit before credit losses</b>		<b>1,854</b>	<b>1,296</b>
Credit losses, net	K13	-884	-859
<b>Operating profit</b>		<b>970</b>	<b>437</b>
Tax expense	K14	-204	-104
<b>Net profit for the year</b>		<b>766</b>	<b>333</b>
<b>Portion attributable to;</b>			
Shareholders of Collector AB		725	292
Additional Tier 1 capital holders		40	41
<b>Earnings per share, SEK</b>	K15		
Basic earnings per share		3.53	1.47
Diluted earnings per share		3.53	1.47

<sup>1)</sup> Consists primarily of interest income calculated according to the effective interest rate method.

<sup>2)</sup> Interest expenses for issued tier 1 capital instruments are reported in equity. Comparison periods 2020 are recalculated. See note K36 for further information.

# Statement of comprehensive income Group

SEKm	2021	2020
<b>Net profit for the year</b>	<b>766</b>	<b>333</b>
<b>Items that have been or may be reclassified to the income statement</b>		
Exchange rate differences on translation of foreign currency	-1	-3
<b>Total other comprehensive income</b>	<b>-1</b>	<b>-3</b>
<b>Comprehensive income for the year</b>	<b>765</b>	<b>330</b>
<b>Portion attributable to;</b>		
Shareholders of Collector AB	725	289
Additional Tier 1 capital holders	40	41

# Balance sheet Group

The consolidated balance sheet has been restated for the comparative period. See Notes K2 and K36 for further information.

SEKm	Note	Dec 31, 2021	Dec 31, 2020
<b>ASSETS</b>			
Cash and balances with central banks		-	-
Treasury bills and other bills eligible for refinancing with central banks, etc.	K16	137	116
Loans to credit institutions	K17	5,247	3,916
Loans to the public	K18	36,214	31,828
Bonds and other interest-bearing securities	K16	2,088	1,116
Shares and participating interests	K19	401	321
Intangible assets	K20	89	116
Tangible assets	K21	137	164
Derivatives	K22	-	119
Other assets	K23	94	236
Prepaid expenses and accrued income	K24	58	44
<b>Total assets</b>		<b>44,465</b>	<b>37,977</b>
<b>LIABILITIES AND EQUITY</b>			
Amounts owed to credit institutions	K25	-	-
Deposits and borrowings from the public	K26	31,351	30,855
Debt securities in issue	K27	5,229	219
Derivatives	K22	77	-
Tax provisions	K28	162	123
Other liabilities	K29	385	501
Accrued expenses and prepaid income	K30	770	513
Subordinated liabilities	K27	500	500
<b>Total liabilities</b>		<b>38,475</b>	<b>32,711</b>
Additional Tier 1 instruments <sup>1)</sup>		500	500
Share capital		21	21
Other reserves		2,323	2,324
Retained earnings incl. net profit for the year		3,147	2,421
<b>Total equity</b>		<b>5,990</b>	<b>5,266</b>
<b>Total liabilities and equity</b>		<b>44,465</b>	<b>37,977</b>

<sup>1)</sup>Changed accounting treatment of Additional Tier 1 Capital instrument. Comparative period has been recalculated see note K36 for further information.

# Statement of changes in equity Group

## 2021

SEKm	Additional Tier 1 instruments <sup>1)</sup>	Share capital	Other contributed capital <sup>2)</sup>	Translation reserve	Retained earnings, including profit for the year	Total equity
<b>Opening balance at January 1, 2021</b>	<b>500</b>	<b>21</b>	<b>2,330</b>	<b>-6</b>	<b>2,421</b>	<b>5,266</b>
Cost additional Tier 1 instruments					-40	-40
Profit for the year					766	766
Other comprehensive income				-1		-1
<b>Closing balance at December 31, 2021</b>	<b>500</b>	<b>21</b>	<b>2,330</b>	<b>-7</b>	<b>3,147</b>	<b>5,990</b>

## 2020

SEKm	Additional Tier 1 instruments <sup>1)</sup>	Share capital	Other contributed capital <sup>2)</sup>	Translation reserve	Retained earnings, including profit for the year	Total equity
<b>Opening balance at January 1, 2020</b>	<b>-</b>	<b>10</b>	<b>1,313</b>	<b>-3</b>	<b>2,147</b>	<b>3,467</b>
Issued additional Tier 1 instruments	500					500
Cost additional Tier 1 instruments					-6	-6
Tax effect on items reported directly in equity					1	1
<b>Restated balance at January 1, 2020</b>	<b>500</b>	<b>10</b>	<b>1,313</b>	<b>-3</b>	<b>2,143</b>	<b>3,963</b>
Equity issuance		10	1,017			1,027
Equity issuance costs incl. tax effect					-13	-13
Cost Additional Tier 1 instruments					-41	-41
Profit for the year					333	333
Other comprehensive income				-3		-3
<b>Closing balance at December 31, 2020</b>	<b>500</b>	<b>21</b>	<b>2,330</b>	<b>-6</b>	<b>2,421</b>	<b>5,266</b>

<sup>1)</sup> The issued Tier 1 instrument is deemed to fulfil the conditions of an equity instrument since the instrument, according to the conditions, does not have a set time to maturity, meaning that the issuer has an unconditional right to refrain from making repayments and the issuer of the instrument has full discretion regarding interest payments.

<sup>2)</sup> Other contributed capital essentially consists of paid premiums.

# Cash flow statement Group

SEKm	2021	2020
<b>Operating activities</b>		
Operating profit	970	437
Adjustments for non-cash items in operating activities <sup>9)</sup>	751	1,268
Income taxes paid	-69	-9
<b>Cash flow from operating activities after adjustment items and taxes paid</b>	<b>1,652</b>	<b>1,696</b>
<b>Changes in the assets and liabilities of operating activities</b>		
Increase/decrease in loans to the public	-4,459	-1,948
Increase/decrease in holdings of securities	-953	26
Increase/decrease in deposits and borrowings from the public	493	1,401
Increase/decrease in liabilities to credit institutions	-	-82
Increase/decrease in other assets	-360	-1,343
Increase/decrease in other liabilities	-28	422
<b>Cash flow from operating activities</b>	<b>-3,655</b>	<b>172</b>
<b>Investing activities</b>		
Acquisitions of intangible assets	-35	-38
Acquisitions of tangible assets	-1	-1
Disposals of tangible assets	-	-
Divestments of subsidiaries	52	-
Acquisition of subsidiaries	-	-
<b>Cash flow from investing activities</b>	<b>16</b>	<b>-39</b>
<b>Financing activities</b>		
Repayment of debt	-25	-29
Equity issuance	-	1,014
Additional Tier 1 instruments	-40	-42
Repayment of interest-bearing securities	-505	-2,380
Issuance of interest-bearing securities	5,511	2
<b>Cash flow from financing activities</b>	<b>4,941</b>	<b>-1,435</b>
<b>Cash flow for the year</b>	<b>1,302</b>	<b>-1,302</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>3,916</b>	<b>5,265</b>
Cash flow for the year	1,302	-1,302
Exchange rate differences in cash and cash equivalents	29	-47
<b>Cash and cash equivalents at end of year</b>	<b>5,247</b>	<b>3,916</b>
<b>Paid and received interest of which is included in the cash flow from operating activities</b>		
Interest paid	345	329
Interest received	2,676	2,187

# Cash flow statement Group, cont.

## Comments

The cash flow statement shows receipts and payments during the year as well as cash and cash equivalents at the beginning and end of the year. The cash flow statement is presented according to the indirect method and is divided into payments from operating activities, investing activities and financing activities.

## Operating activities

Cash flow includes interest receipts of SEK 2,676 million (2,187) and interest payments of SEK 345 million (329). Capitalised interest is included.

Adjustments for items not included in cash flow, SEKm	2021	2020
Credit provisions	884	861
Unrealized changes in value	-199	301
Depreciation, amortisation and impairments	66	81
Other	0	25
<b>Total</b>	<b>751</b>	<b>1,268</b>

Issued interest-bearing securities, SEKm	2021	2020
<b>Opening balance</b>	<b>719</b>	<b>3,593</b>
Restatement for additional Tier 1 instruments	-	-496
<b>Restated balance</b>	<b>719</b>	<b>3,097</b>
Accrued acquisition costs and exchange rate differences	4	-
Issuance of interest-bearing securities	5,511	2
Repayment of interest-bearing securities	-505	-2,380
<b>Closing balance</b>	<b>5,729</b>	<b>719</b>

# Notes

All amounts are in millions of Swedish kronor (SEKm) and at book value unless otherwise indicated. Figures in parentheses refer to the previous year; rounding differences may occur.

## K1. General information

Collector AB (publ), company registration number 556560-0797, conducts business in Sweden and in other Nordic countries through its subsidiaries. The head office is located in Gothenburg. The business consists of financial services and credit management. Collector AB is a limited liability company with registered office in Gothenburg. The address of the head office is Lilla Bommens Torg 11, 411 09 Gothenburg.

The Parent Company Collector AB (publ) is part of the consolidated situation that includes the subsidiaries Collector Bank AB, Collector Payments AB (voluntary liquidation in December 2021) and Collector Payments Finland Oy. All companies are fully consolidated. The entire consolidated situation is under the supervision of the Swedish Financial Supervisory Authority and it is covered by its rules for capital adequacy and large exposures.

## K2. Accounting policies

### 1. STATEMENT OF COMPLIANCE

#### 1.1 Basis of preparation of the reports

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the EU. The additions following the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulations and general guidelines issued by the Swedish Financial Supervisory Authority regarding annual accounts for credit institutions and securities companies (FFFS 2008:25) are also applied. RFR 1 Supplementary Accounting Rules for Groups, and statements from the Swedish Financial Reporting Board, are also applied in the consolidated accounts. The Parent Company's accounting policies are set out in Note M2.

#### 1.2 Issuing and adoption of annual report

The annual accounts and consolidated financial statements were approved for issuance by the Board and CEO on April 1, 2021 and will be subject to approval at the Annual General Meeting on May 4, 2022.

#### 1.3 Presentation of financial statements (IAS 1)

Financial statements provide a structured representation of a company's financial position and financial results. The purpose is to provide information on the company's financial position, financial results and cash flows useful in connection with financial decisions. The financial statements also indicate the results of the senior management's administration of the resources entrusted to them. Complete financial statements consist of a balance sheet, income statement,

statement of comprehensive income, statement of changes in equity, statement of cash flows and notes.

### 1.4 Changed accounting treatment of Additional Tier 1 Capital instrument

During the fourth quarter of 2021 the accounting treatment of the SEK 500 million Additional Tier 1 Capital instrument, which was issued during the first quarter of 2019, was changed. The instrument is perpetual, with a first call date after five years and carries an interest rate of 3m Stibor+8.00%. The Additional Tier 1 Capital instrument is deemed to fulfil the conditions of an equity instrument since the instrument, according to the terms and conditions, is perpetual and the issuer has full discretion regarding interest payments. The interest expense for the Additional Tier 1 Capital instrument has previously been reported as interest expense under net interest income and is not tax deductible. From the fourth quarter of 2021, the Additional Tier 1 Capital instrument is classified as equity and payment to holders of these instruments, such as interest, is recognised through equity. From an accounting perspective, the changed accounting treatment of interest expense has been classified as correction of incorrect reporting, which means that comparable periods have been adjusted. The change enhances comparability with other banks. Historical financial information has been adjusted and is presented on a comparable basis in this report. Quarterly historical information since the first quarter of 2020, according to the updated accounting treatment, is available on Collector's website [collector.se/en/aboutcollector/investors/financial-information/](http://collector.se/en/aboutcollector/investors/financial-information/).

## 2. CHANGES IN ACCOUNTING POLICIES

### 2.1 New standards and interpretations applied by the Group

The Group's and Parent Company's accounting policies as well as calculations and reporting have changed as follows for 2021.

### 2.2 New standards, amendments and interpretations that have not yet started to be applied

There are no new IFRS that have been endorsed for application from 2021 and forward. A few amendments have been made to standards endorsed for application from 2021 and forward; these have not been judged to have any material effect on the consolidated financial statements.

### 2.3 Other amendments to IFRS and Swedish regulations

None of the other new or amended IFRS standards or interpretations or amendments to Swedish regulations that have been issued for application are deemed to have any significant impact on Collector's financial position, earnings, cash flow, disclosures, capital adequacy, large exposures or other matters according to applicable operating rules.

## K2. Accounting policies, cont.

### 3. BASIS OF CONSOLIDATION (IFRS 3, IFRS 10)

#### 3.1 Subsidiaries

In the consolidated financial statements, all companies where the Parent Company directly or indirectly holds a controlling influence (subsidiaries) have been fully consolidated. The existence and effect of potential voting rights that are possible to utilize or convert at present are taken into account when assessing whether the Group exercises control over another company. The Group is considered to have a controlling influence over a company when it is exposed to or is entitled to a variable return from its holding in the company and has the opportunity to influence the return through its influence in the company. As a rule, controlling influence is achieved if the Group has more than 50% of the votes at the AGM or equivalent. Financial reports of subsidiaries are included in the consolidated financial statements from the date of acquisition until the date when the controlling interest ceases. Intra-Group transactions and balances are eliminated when preparing consolidated financial statements.

The acquisition method is applied when consolidating subsidiaries and the Group's business acquisitions. Subsidiaries are consolidated using the acquisition method. This means that the acquisition of a subsidiary is regarded as a transaction where the Group acquires the company's identifiable assets and takes over its liabilities and obligations.

The purchase price also includes the fair value of all assets or liabilities that result from an agreement on conditional purchase price. In business acquisitions, an acquisition balance is established in which identifiable assets and liabilities are measured at fair value at the time of acquisition.

The cost consists of the fair value of all assets, liabilities and issued equity instruments provided as consideration for the net assets of the subsidiary. Any surplus as a result of the acquisition value exceeding the identifiable net assets of the acquisition balance is recognized as goodwill in the consolidated balance sheet. In cases where the purchase price is less than the fair value of the acquired subsidiary's assets, the difference is recognized directly through profit or loss for the year. Acquisition-related expenses are recognized as incurred.

Insofar as the accounting policies applied in an individual subsidiary do not agree with the policies applied by the Group, an adjustment is made to the consolidated financial statements in the consolidation of subsidiaries.

#### 4. EQUITY INSTRUMENTS (IAS 32)

Instruments in which the Group does not have a contractual obligation to make payment are recognised as equity instruments. Payment to holders of these instruments is recognised in equity. Accordingly, issued shares and Tier 1 instruments are recognised as equity instruments in the balance sheet.

#### 5. SEGMENT REPORTING (IFRS 8)

The segment reporting presents income and expenses and assets and liabilities from the management's perspective and relates to the parts of the Group that are defined as operating segments. The operating segments are identified on the basis of the internal reporting to the company's highest executive decision-maker. The Group has identified the Group's CEO as its highest executive decision-maker, and

the internal reporting used by the CEO to follow up the business and make decisions on resource allocation forms the basis for the information presented. The accounting policies for the segment information comply with IFRS. See Note K5 Operating segment for a further description of the classification and presentation of the operating segments.

### 6. EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES (IAS 21)

#### 6.1 Functional currency and presentation currency

The consolidated accounts are presented in Swedish kronor (SEK), which is the Group's presentation currency, and also the accounting currency for the Parent Company. As a rule, the functional currency of the Group's operations abroad differs from the Group's presentation currency. Functional currency is considered to be the currency used in the financial environment in which the business is primarily conducted.

#### 6.2 Transactions and balance sheet items

Transactions in currencies other than the functional currency, foreign currency, are initially translated into the functional currency at the transaction date rate. Monetary items in foreign currency and non-monetary items in foreign currency that are measured at fair value are remeasured on the closing day at the prevailing closing rate. Gains and losses due to currency translation of monetary items that are measured at fair value are recognized in the income statement as exchange rate effects under the item Net gains and losses on financial items. The Group does not use hedge accounting.

#### 6.3 Translation of foreign operations to the Group's presentation currency

Profit or loss and financial position for all Group companies that have a functional currency other than the reporting currency are translated into the Group's reporting currency as follows:

- i) assets and liabilities for each of the balance sheets are translated at the closing day rate,
- ii) revenue and expenses for each of the income statements are translated at the average exchange rate,
- iii) all exchange rate differences arising are recognized in other comprehensive income and accumulated as a separate part of equity,
- iv) Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of this operation and are translated at the closing day rate.

#### 6.4 Exchange rates

Exchange rates used for converting main currencies in the consolidated financial statements are presented in the table below.

	Income statement		Balance sheet	
	2021	2020	2021	2020
<b>NOK</b>	1,000	0,973	1,026	0,958
<b>EUR</b>	10,156	10,482	10,250	10,034

## K2. Accounting policies, cont.

## 7. FINANCIAL ASSETS AND LIABILITIES (IAS 32, IFRS9)

### 7.1 General

Financial instruments make up the majority of the Group's balance sheet items. A financial instrument is any form of agreement that gives rise to a financial asset for a party and a financial liability or equity instrument for a counterparty. Cash or agreements to obtain cash are examples of financial assets, while fulfilling an obligation to pay cash or another financial asset are examples of a financial liability.

A derivative is a financial instrument characterized by its value changing as a result of the change in an underlying variable such as a foreign exchange rate, interest rate or share price, while no or little initial net investment is required. Instead, the agreement is settled at a future date. Financial instruments are classified in the balance sheet on relevant lines depending on type of financial instrument and who is the counterparty. If the financial instrument has no specific counterparty or when it is listed on a market, these financial instruments are classified in the balance sheet as securities. Financial liabilities where creditors are prioritized lower than others are classified in the balance sheet as subordinated liabilities.

### 7.2 Recognition and derecognition in the balance sheet

A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the contractual terms of the instrument. A receivable is recognized when the company has performed and a contractual obligation exists for the counterparty to pay, even if an invoice has not yet been sent. Loan receivables, deposits and securities issued as well as subordinated debt are reported in the balance sheet on the settlement date. A spot purchase or spot sale of financial assets is recognized and derecognized in the statement of financial position on the business day. A financial asset is derecognized in the balance sheet when the contractual rights to the cash flows from the financial asset cease or when a transfer of the financial asset and the entity in connection therewith essentially transfers all the risks and benefits associated with owning the financial asset. A financial liability is removed from the balance sheet when the obligation in the contract is fulfilled, terminated, cancelled or otherwise extinguished. The same applies to part of the financial debt. An exchange between the company and an existing lender, or between the company and an existing borrower of debt instruments with conditions that are materially different, is recognized as the extinguishing of the old financial liability or asset, respectively, and the recognition of a new financial instrument. A financial asset and a financial liability are offset and recognized with a net amount in the balance sheet only when there is a legal right to offset the amounts and there is an intention to settle the items with a net amount or to realize the asset and settle the debt at the same time.

### 7.3 Embedded derivatives

An embedded derivative is a component of a hybrid (combined) financial instrument that also includes a non-derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to the cash flows of an independent derivative. If the host contract is a financial asset covered by IFRS 9, the instrument is deemed to be classified in its entirety and the embedded derivative is not to be separated from the host contract. For other composite instruments, where the host contract is not a financial asset covered by IFRS 9, the embedded derivative

is to be separately disclosed and recognized as an independent derivative if its financial characteristics and risks are not closely related to the financial contract's financial characteristics and risks. Collector holds embedded derivatives linked to convertible instruments (debt instruments) where the option component is disclosed separately.

### 7.4 Classification and measurement

The classification and valuation of financial assets is based on an assessment of both the Group's business model for the management of financial assets, and whether the instruments' contractual cash flows contain only payments of principal and interest. As a general rule, financial liabilities are recognized at amortized cost. The exception is financial liabilities, which are mandatorily to be measured at fair value through the income statement.

Financial assets are classified in accordance with IFRS 9 into one of the following measurement categories:

1. amortized cost
2. fair value through other comprehensive income
3. fair value through the income statement

Financial liabilities are classified in accordance with IFRS 9 into one of the following measurement categories:

1. amortized cost
2. fair value through the income statement

On initial recognition, all financial assets and liabilities are recognized at fair value. For assets and liabilities measured at fair value through the income statement, transaction costs are recognized directly in the income statement at the time of acquisition. For other financial instruments, transaction costs are included in the acquisition cost.

#### 7.4.1 Assessment of business model

The business model for the management of financial assets forms the basis for the division into measurement categories. The business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular purpose. For Collector, the business model is established at portfolio level as this best reflects how the business is managed and how information is reported to and evaluated by management. The business model for a portfolio includes specified guidelines and goals for a portfolio and how these are implemented in the business, the risks that affect the portfolio's results and how these risks are managed, as well as the frequency, volume, reason for and time of sales.

#### 7.4.2 Financial assets recognized at amortized cost

Of the Group's financial assets the following are measured at amortized cost because the assets are held within the framework of a business model whose objective is to hold financial assets in order to collect contractual cash flows and the agreed terms for those assets give rise to cash flows at specific times which are only payments of principal and interest on the outstanding amount of capital:

- Loans to credit institutions
- Loans to the public

## K2. Accounting policies, cont.

### 7.4.3 Financial assets at fair value through profit or loss

The Group's holdings of shares, derivatives, bonds and other interest-bearing securities are recognized at fair value through the income statement as these are considered to be held for trading when they are included in a portfolio of identified financial instruments that are managed together and for which there is a recently proven actual pattern of short-term realizations.

### 7.4.4 Offsetting of financial instruments

Financial assets and liabilities are offset and recognized with a net amount in the balance sheet, only when there is a legal right to offset the recognized amounts and an intention to settle them with a net amount or to simultaneously realize the asset and settle the debt.

### 7.5 Impairments of financial assets

For financial assets classified at amortized cost or fair value through other comprehensive income, an impairment requirement is calculated. At each reporting occasion, it is assessed whether there is objective evidence that a financial asset or group of assets has lost value. The size of the loan loss reserve, in accordance with IFRS 9, must be the amount expected to result in loan losses in the future and is based on the risk of loan loss that each counterparty represents. The method for assessing the size of the reserve contains three steps for loss provisioning.

- Stage 1, comprises financial instruments where no significant increase in credit risk has occurred since initial recognition and the counterparties that are covered by the Group's low credit risk policy at the time of reporting, a risk assessment that corresponds to investment grade.
- Stage 2, comprises financial instruments where a significant increase in credit risk has occurred since initial recognition but where there is no objective evidence on recognition that the receivable is doubtful.
- Stage 3, comprises financial instruments that are credit impaired and for which objective evidence has been identified for the receivable being doubtful.

When assessing whether there has been a significant increase in credit risk, it is analyzed whether the counterparty is in arrears with payment, by more than 30 days, or whether there are other indicators that the risk has increased. To categorize whether the counterparty is in default, an analysis is done to determine whether the counterparty is greatly in arrears with payment, by more than 90 days, or if there are other indications that lead to an assessment that repayment is less likely. The provisions made for items in Stage 1 correspond to the expected loan losses expected within a 12-month period. In Stages 2 and 3, provisions are made for an amount corresponding to the expected loan losses over the entire life. In calculating the losses in Stages 1 and 2, three main parameters are estimated: probability of default, expected loss in default and expected exposure in default. The parameters are estimated based on historical patterns among the bank's customers and indicate how large the cash flows are that the bank expects will not be realized.

When calculating the expected loss in Stage 3, the counterparty has already defaulted and an estimate is made of what recovery the bank expects to be able to make. The result of this calculation will then be calculated at present value to

arrive at the expected loan loss, the present value calculation being based on the effective interest rate of each asset.

Default is defined as the risk that a counterparty cannot fulfil its obligations to the bank under the loan agreement or is 15 days in arrears for factoring and 90 days in arrears for other loans. The expected loan loss is calculated through models developed by the bank, where a data-driven model is used for personal loans, payments, credit cards and factoring, while an expert model is used for corporate and real estate loans. As a rule, the latter are secured, which reduces the factor of loss in default and therefore have lower expected loan losses than personal loans, payments and credit cards, which have no underlying collateral. Financial assets that can be found to have no expected cash flow are written off.

In some cases, the Group has factoring claims with an agreed right of recourse. This means that if the counterparty is unable to pay, the claim can be recovered in its entirety from the factoring customer, thereby reducing the risk of loan losses. For provisions for doubtful receivables in the Private segment, modelling results are analyzed by management to ensure that the estimate of expected loan losses is reasonable, which may lead to model results being updated. Forward-looking information such as macroeconomic scenarios are also taken into account.

Expected loan losses for loan pledges and financial guarantees are also taken into account in impairment testing. Collector also holds acquired non-performing loans, which are recognized at amortized cost using the effective interest method. The carrying amount of the acquired non-performing loans corresponds to the present value of all expected future cash flows discounted with the initial effective interest rate determined on acquisition. Any positive or negative effects of remeasurements are recognized in the income statement as part of the item Credit losses, net.

### 7.6 Seized assets

Seized assets are assets taken over to protect a claim. Seized assets may consist of financial assets, properties and other tangible assets.

Seized assets are measured at fair value on initial recognition. Fair value on initial recognition becomes the acquisition value. The subsequent measurement is made in accordance with the principle applicable to each asset class, with the exception of impairment of tangible seized assets which is recognized as gains and losses from divestment of tangible and intangible assets, instead of as depreciation, amortisation and impairment of tangible and intangible assets.

Seized assets are reported within the same balance sheet item as assets of the same asset class that have been acquired in another way. Income and expenses relating to seized assets shall correspondingly be accounted for as other income and other expenses in the income statement. Property seized to protect a claim is accounted for as rental income, within the item other income, and operating expenses, within the item other expenses.

## 8. CASH AND CASH EQUIVALENTS (IAS 7)

Cash and cash equivalents include cash, bank balances, which corresponds to the balance sheet item Loans to credit institutions. Balances refer to funds that are available at any time. This means that all cash and cash equivalents are immediately available.

## K2. Accounting policies, cont.

**9. TANGIBLE ASSETS (IAS 2, IAS 16)**

All tangible assets are reported at cost less depreciation and amortisation. The cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation on other assets, in order to distribute their cost or revalued amount down to the estimated residual value over the estimated useful life, is made on a linear basis as follows: – equipment, fixtures and fittings 5 years. The residual values and useful life of the assets are tested each balance sheet date and adjusted if necessary. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying value exceeds its estimated recoverable amount. Gains and losses on disposals are determined through a comparison between the sales revenue and the carrying amount and are reported within the item Other income in the income statement.

**10. LEASES (IFRS 16)****10.1 Lessees, in accordance with IFRS 16 Leases with effect from January 1, 2019**

For lessees, the standard IFRS 16 requires that right-of-use assets and lease liabilities arising from most leases to be recognized on the balance sheet.

At the commencement of a lease, the lessee recognizes a lease liability and a right-of-use asset. The lease liability is initially measured at the present value of the unsettled lease payments on the date of introduction. The lease payments are discounted by the incremental borrowing rate. In subsequent measurement of the lease liability, the carrying amount increases with interest and decreases with lease payments made. In addition, the lease liability may increase or decrease on reviews of or changes to the lease. In subsequent valuations of the right-of-use asset, the asset is measured at cost less accumulated depreciation and any accumulated impairments, taking into account any remeasurements of the lease liability.

Collector applies the exceptions permitted in the standard regarding short-term leases and leases for which the underlying asset is of low value. These leases are recognized instead as other expenses.

**11. INTANGIBLE ASSETS (IAS 38)****11.1 Goodwill**

Goodwill consists of the amount by which the cost exceeds the fair value of the Group's share of the acquired subsidiary's identifiable net assets at the time of acquisition. Goodwill on acquisition of subsidiary (business) is recognized as intangible assets. Goodwill, which is recognized separately, is tested annually, and more often when there is an indication of an impairment requirement, to identify any impairment requirement and is recognized at cost less accumulated impairment losses. Impairment of goodwill is not reversed. Gains or losses on the disposal of an entity include the remaining carrying amount of the goodwill relating to the divested entity.

Goodwill is allocated to cash-generating units when considering any need for impairment. The distribution is made on the cash-generating units or groups of cash-generating units that are expected to benefit from the business acquisition that gave rise to the goodwill item. The Collector AB Group distributes goodwill to the company Collector Bank AB.

**11.2 Other intangible assets**

Acquired software licenses are capitalized on the basis of the expenses incurred when the software in question was acquired and put into operation. These capitalized expenses are amortised over the estimated useful life, 5 years. Costs that are directly related to the development of identifiable and unique software products controlled by the Group and which have probable financial benefits for more than one year and that exceed expenses are recognized as intangible assets. The costs include the costs of employees that have arisen through the development of software products and a reasonable share of indirect expenses. Other expenditure is recognized as incurred. Development costs for software recognized as an asset are amortised over estimated useful life, 5 years.

**12. IMPAIRMENT OF NON-FINANCIAL ASSETS (IAS 36)**

Assets that are depreciated are assessed for decline in value whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is made by the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. When assessing impairment requirements, 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 previously been impaired, an assessment is made on each balance sheet date of whether reversal should take place.

**13. PROVISIONS (IAS 37)**

Provisions are reported when the Group has a legal or informal obligation as a result of past events, it is likely that an outflow of resources will be required to settle the commitment and the amount can be calculated reliably.

**14. EQUITY**

In addition to share capital, equity consists of the components described below.

**14.1 Tier 1 capital**

Additional Tier 1 Capital is subordinated debt that meets some of the requirements to be eligible as Tier 1 capital when calculating the amount of the capital base. The accounting principle means that the Additional Tier 1 Capital is to be classified as equity and payment to holders of these instruments, such as interest, is recognised in equity.

**14.2 Other contributed capital**

Other contributed capital essentially consists of paid premiums. The premium is the difference between the subscription price and the quotient value of Collector's shares in the event of a new issue. Deductions are made for transaction expenses in connection with a new share issue.

**14.3 Translation reserve**

The translation reserve consists of unrealized exchange rate effects that arise as a result of the translation of foreign entities into the Group's presentation currency.

## K2. Accounting policies, cont.

### 14.4 Retained earnings including net profit for the year

Retained earnings consist of profit earned from the current and previous financial years. Dividend is recognized as a deduction from retained earnings. The amount of dividend proposed to be distributed is recognized as a liability after it has been approved by the Annual General Meeting.

### 14.5 Accounting for own shares

Repurchased own shares are not recognised as assets but are offset against retained earnings in equity.

## 15. RELATED PARTIES (IAS 24)

Collector defines related parties as:

- shareholders with significant influence
- associated companies and joint ventures
- key individuals in senior positions
- other related parties

All transactions with related parties are made on market terms.

## 16. STATEMENT OF CASH FLOWS (IAS 7)

The cash flow statement for the Group is prepared according to the indirect method. The recognized cash flow only covers transactions that involve payments received or made. Cash and cash equivalents refers to the item Loans to credit institutions. Cash and cash equivalents in the cash flow statement are defined in accordance with IAS 7 and are not in line with what the Group considers liquidity.

## 17. REVENUE

Revenue includes the fair value of what has been or will be received for the Group's ongoing operations. Income is recognized exclusive of value added tax and after elimination of intra-Group sales. The Group recognizes income when its amount can be measured reliably, it is likely that future financial benefits will accrue to the company and specific criteria have been met for each of the Group's operations. If any circumstances arise that may change the original estimate of income or expense, the estimates are reconsidered. These re-examinations may result in increases or decreases in estimated income or expense and affect income during the period when the circumstances that caused the change came to the management's knowledge.

### 17.1 Net interest income

Net interest income is a key income item for banking operations and consists mainly of interest income from loans to the public and credit institutions, acquired non-performing loan portfolios and investments in mortgage-backed government debt and bonds and other securities minus interest expenses for the Group's financing via deposits from customers and issued debt instruments.

Interest income and interest expense are calculated and recognized using the effective interest method in the income statement on financial assets and financial liabilities measured at amortised cost. The effective interest method is a method for calculating the accrued acquisition value of a financial asset or financial liability and for distribution over time of interest income and interest expense. The effective interest rate is the interest rate that discounts the estimated future cash flows during the expected life of the financial instrument to the recognized net asset value of the financial

instrument. When estimating future payments, all payments that are covered by the contract terms are taken into account. However, the risk of future loan losses is not taken into account. The calculation of the effective interest rate includes the received and paid fees which are an integral part of the effective interest rate. Transaction expenses associated with raising loans and issuing loans are thus recognized as part of the loan. Transaction costs relates to brokerage commissions. Transaction costs and arrangement fees are distributed over the expected term of the loan. Invoicing and notification fees are also included in interest income according to the effective interest method.

In addition to interest income and interest expense, net interest income includes fees for government guarantees, such as the deposit guarantee and the resolution fee.

### 17.2 Net commission income

Income and expenses from various types of services are recognized in the income statement under the items commission income and commission expense. Income from contracts with customers consists mainly of remuneration for performed service engagements, which are recognized as commission income or other income. The service engagements include, for example, factoring, sales finance, cards and payment mediation. Income is recognized at the time when the performance commitment is considered fulfilled, which is when the control of the product or service is transferred to the customer. Income usually reflects the remuneration expected to be exchanged for these goods or services. Commission expenses are transaction-dependent and are directly related to transactions that are recognized as income with commission income. Costs of services received are recognized under commission expense to the extent that they are not to be considered interest.

### 17.3 Other income

The item other income mainly recognizes rental income and capital gains and losses on the sale of ownership interests in subsidiaries and associated companies. Other income thus essentially does not refer to income from contracts with customers.

### 17.4 Net gains and losses on financial items

Net gains and losses on financial items recognizes continuously gains and losses arising as a consequence of changes in value of and capitalization of financial assets and liabilities measured at fair value in profit or loss.

### 17.5 Dividends

Dividends are recognized when the right to receive the payment is established.

## 18. TAXES (IAS 12)

Tax expense for the year comprises current and deferred tax. Tax is recognized in the income statement, except when the tax relates to 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.

Current tax expense is calculated on the basis of the tax rules that are decided on the balance sheet date or in practice decided in the countries where the Parent Company's subsidiaries operate and generate taxable income. Management regularly evaluates the claims made in tax returns regarding situations where applicable tax rules are subject to

## K2. Accounting policies, cont.

interpretation and, when deemed appropriate, makes provisions for amounts that are likely to be paid to the tax authority.

Deferred tax is recognized in its entirety, according to the balance sheet method, on all temporary differences that arise between the tax value of assets and liabilities and their recognized values in the consolidated financial statements. Deferred income tax is calculated using tax rates and laws that have been decided or announced on the balance sheet date and are expected to apply when the deferred tax asset concerned is realized or the deferred tax liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is calculated on temporary differences that arise on shares in subsidiaries, except where the time of reversal of 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.

### 19. EMPLOYEE BENEFITS (IAS 19)

All forms of employee benefits and compensation for services rendered constitute employee benefits.

#### 19.1 Pensions

All of the Group's pension plans are defined-contribution plans. 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 informal obligations to pay additional contributions if this legal entity does not have sufficient assets to pay all remuneration to employees related to employee service during the current or prior periods.

For defined contribution pension plans, the Group pays contributions to public or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as personnel costs when they fall due for payment. Prepaid fees are reported as an asset to the extent that cash repayment or reduction in future payments may benefit the Group. For the CEO there is a pension solution in the form of endowment insurance pledged for pension commitments.

The asset is a financial instrument that is measured at fair value through the income statement. The liability, i.e. the pension obligation, has the same value as the asset. In the consolidated financial statements, the commitment is recognized net.

### 20. ACCOUNTING ESTIMATES

Accounting estimates are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing conditions.

#### 20.1 Critical accounting estimates and judgments

The Group makes estimates and assumptions about the future. The estimates for accounting purposes resulting from these will, by definition, rarely correspond to the actual outcome. The estimates and assumptions that pose a significant risk of material adjustments in the carrying amounts of assets and liabilities during the next financial year are outlined below.

#### 20.2 Measurement of acquired non-performing loan portfolios

Recognition of acquired non-performing loan portfolios is based on a measurement model based on the Group's forecast of future cash flows from the acquired receivables. The effective interest rate for acquired non-performing loan portfolios is based on the initial cash flow forecast defined at the time of acquisition. Although recalculated cash flow forecasts have historically been reasonably accurate, future deviations cannot be ruled out. The Group applies internal rules and a formalized decision process when adjusting previously established cash flow forecasts.

Deviations in actual cash flow against projected cash flow result in a revaluation or impairment requirement depending on whether the cash flow has exceeded or been below the forecast, which is then the basis for the book value. Each portfolio consists of a larger number of receivables, which spreads the risk in the portfolio and reduces the variance in cash flow. The spread of risk on many contracts in a portfolio means that cash flow consists of many smaller payments that come via the enforcement service or directly from the debtor.

#### 20.3 Provision for expected credit losses

The calculation of the expected credit loss reserve for receivables valued at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior such as the probability of default among customers and the resulting losses.

The Group has developed a method for calculating and estimating expected credit losses. This type of estimation can be done with a variety of models, and the choice of these models will have an impact on the loss reserve and changes in the loss reserve recognized in these financial statements. The model is characterized by a high level of assumptions about the future, partly based on how historical patterns are repeated, but also on the macro assumptions that are made. The Group has also made assumptions and estimates on how to define a significant increase in credit risk and impaired loans. Detailed information on these estimates is included in Note K18.

## K3. Risks and risk management

### 1. RISK DISCLOSURES

Credit risk mainly arises in the Group's operations. Other risks are market risk, liquidity risk, operational risks and business risk. The ability to assess, manage and control risks is of key importance in view of the business conducted. Collector has formulated a business structure to ensure sound risk management.

Collector defines risk as a potential negative impact on the Group's value which may arise due to ongoing internal processes or future internal or external events. The concept of risk includes both the probability of an event occurring and the impact that an event could have on the Group's earnings, equity or value.

The Board has established and adopted a risk policy that describes the risk framework, the risk management process and roles and responsibilities with regard to risk

## K3. Risks and risk management, cont.

management and risk control. Collector continuously identifies the risks that its operations entail and has designed a process for follow-up and management of risks.

## 2. CREDIT RISK

### Definition

Credit risk refers to the risk of a borrower not fulfilling their obligations to Collector, creating a risk of a loss as a result of pledged assets not covering Collector's claim. Credit risk also includes counterparty risk, country risk, concentration risk and settlement risk.

### Counterparty risk

Counterparty risk in liquidity management and financing refers to the risk that Collector's assets will decrease in value if a counterparty's credit quality is impaired. In liquidity management, counterparty risk arises when Collector invests liquidity with financial counterparties or invests in financial securities to meet requirements for liquidity reserve and LCR indicators.

In order to limit counterparty risk, bank balances are to be deposited in Nordic banks with a credit rating of at least A-/A3 from Standard & Poor's or Moody's. The exception to the above is the placement of liquid funds at Avanza Bank in connection with deposit partnership. Collector follows the policies established by the Board of Directors regulating the type of investment and limit per individual counterparty.

Collector trades in currency derivatives in the form of swaps and futures to minimize currency risk arising from lending in currencies other than SEK. Counterparty risks constitute the credit risk in relation to other banks arising as a consequence of Collector trading with OTC derivatives to minimize the currency risks. The value of exposure is determined by the 'market valuation method', as the sum of the current replacement expense and the possible future credit exposure, and is

then attributed to the relevant exposure class. The risk is reduced through the exchange of collateral in accordance with CSA agreements.

### Risk management

Collector's lending is to take place after the required credit assessment and is characterized by a good credit culture where the borrower's ability to repay is tested. Collector has to understand the purpose of the credit and have good knowledge of the borrower. The process of granting credit is dependent on type of customer and the size of the loan. Personal loans, real estate loans and corporate loans are granted after an analysis based on the borrower's total credit commitment with Collector, as well as other credit commitments. Credit is granted by Collector's Board, credit committee or smaller delegated mandate with the exception of loans to consumers and invoice purchases, which are normally based on credit scoring models and internal policy rules.

Collector offers unsecured loans to consumers and uses risk reduction methods for real estate and corporate loans. As a rule, Collector pledges assets for real estate and corporate loans and uses special terms in the loan agreements. Assets pledged normally consist of corporate mortgages, security in real estate and security in shares.

### Risk measurement

Collector classifies loans on a scale between 1–10, where the highest risk class represents the highest risk of default. Each risk class consists of a range of PD (Probability of Default) and these estimates are made for the expected life of the loan. Internal scoring is used for consumer loans to estimate PD, and external credit information is weighed together with internal data to assess PD for corporate loans. External credit information and scoring are used to estimate PD for invoice receivables.

## CREDIT EXPOSURE PER RISK ASSESSMENT

### Loans to the public - Corporate

	2021			
	Stage 1	Stage 2	Stage 3	Total
Low risk	13,052	101	-	13,153
Normal risk	5,150	740	-	5,890
High risk	2,015	659	-	2,675
Default	-	-	541	541
<b>Total</b>	<b>20,218</b>	<b>1,500</b>	<b>541</b>	<b>22,259</b>

### Loans to the public - Private individuals

	2021			
	Stage 1	Stage 2	Stage 3	Total
Low risk	5,616	-	-	5,616
Normal risk	4,120	10	-	4,130
High risk	1,167	556	-	1,723
Default	-	-	5,456	5,456
Acquired loans	-	-	770	770
<b>Total</b>	<b>10,903</b>	<b>566</b>	<b>6,226</b>	<b>17,694</b>

### Loans to the public - Corporate

	2020			
	Stage 1	Stage 2	Stage 3	Total
Low risk	11,566	0	0	11,566
Normal risk	3,748	0	0	3,748
High risk	638	918	0	1,556
Default	-	-	727	727
<b>Total</b>	<b>15,952</b>	<b>918</b>	<b>727</b>	<b>17,596</b>

### Loans to the public - Private individuals

	2020			
	Stage 1	Stage 2	Stage 3	Total
Low risk	4,993	0	-	4,993
Normal risk	4,296	9	-	4,304
High risk	1,575	606	0	2,181
Default	-	-	4,846	4,846
Acquired loans	-	-	891	891
<b>Total</b>	<b>10,864</b>	<b>615</b>	<b>5,737</b>	<b>17,216</b>

## K3. Risks and risk management, cont.

## CREDIT EXPOSURE BROKEN DOWN BY SECTOR AND SECURITY

Group	2021				
	Lending	Real estate mortgages	Other collateral <sup>1</sup>	Total collateral	Net exposure
Banks	5,247	-	-	-	5,247
Property management	13,557	9,657	2,410	12,067	1,491
Other corporate loans	8,013	1,008	2,848	3,857	4,156
Household mortgages	68	68	-	68	0
Other loans to households	14,576	-	-	-	14,576
<b>Total</b>	<b>41,461</b>	<b>10,733</b>	<b>5,258</b>	<b>15,992</b>	<b>25,469</b>

<sup>1</sup> Refers mainly to collateral in the form of chattel mortgages and pledges of shares.

## CREDIT EXPOSURE BROKEN DOWN BY SECTOR AND SECURITY

Credit risk exposure for financial assets	2020				
	Lending	Real estate mortgages	Other collateral <sup>1</sup>	Total collateral	Net exposure
Banks	3,916	-	-	-	3,916
Property management	10,534	6,064	3,928	9,993	541
Other corporate loans	6,614	1,197	3,538	4,735	1,879
Household mortgages	100	100	-	100	0
Other loans to households	14,580	-	-	-	14,580
<b>Total</b>	<b>35,744</b>	<b>7,361</b>	<b>7,466</b>	<b>14,828</b>	<b>20,916</b>

<sup>1</sup> Refers mainly to collateral in the form of chattel mortgages and pledges of shares.

### 3. MARKET RISK

#### Definition

Market risk refers to the risk of earnings, balances, equity or value decreasing due to negative changes in risk factors in financial markets. Market risk includes interest rate risk, currency risk, and risks from changes in volatilities or correlations.

#### Currency risk

Currency risk refers to the risk of changes in exchange rates leading to a decrease in earnings, balances, equity or value. In Collector, a currency risk arises in connection with there being recognized assets and liabilities in a currency other than the functional currency. In all material respects, currency risks are neutralized through derivatives in the foreign exchange market.

#### Interest rate risk

Interest rate risk entails the risk of the value of assets and liabilities being negatively affected by changes in interest rates in financial markets. The interest rate risk in Collector's operations arises as a result of the difference in lending and the average fixed interest period of the borrowing.

#### Risk management

Collector should generally have a balanced risk profile with a diversified credit portfolio and at the same time limit its exposure to the currency and interest rate risks that arise as a result of the business.

The Board determines how much market risk is acceptable through the frameworks that regulate the company's risk management of strategies, processes, procedures, internal rules, limits, controls and reporting procedures.

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.

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 interest rates for 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 match between assets and liabilities regarding the fixed-interest terms, and the interest rate risk is therefore also limited.

By striving for a variable lending and deposit rate for the public, there is considerable flexibility to adapt rates based on the prevailing market situation. In order to minimize interest rate risk as far as possible, the fixed interest periods must match with regard to lending and deposits as well as borrowing.

#### Risk measurement

To measure market risk exposure, both indicators aimed at estimating losses under normal market conditions and indicators focusing on extreme market conditions are used. The Treasury function is responsible for ongoing management and follow-up of market risks. Market risks are regularly reported to senior management.

## K3. Risks and risk management, cont.

The net book values of financial assets and liabilities in foreign currency in SEKm are shown in the tables below.

2021	EUR	NOK	DKK	USD	GBP	CHF	2020	EUR	NOK	DKK	USD	GBP	CHF
Treasury bills and other bills eligible for refinancing with central banks, etc.	137	-	-	-	-	-	Treasury bills and other bills eligible for refinancing with central banks, etc.	116	-	-	-	-	-
Loans to credit institutions	832	201	42	31	2	50	Loans to credit institutions	368	154	43	44	11	57
Loans to the general public	8,433	2,972	1,942	299	0	40	Loans to the general public	6,498	2,410	2,186	234	0	16
Bonds and other interest-bearing securities	72	-	-	-	-	-	Bonds and other interest-bearing securities	-	-	-	-	-	-
Other	29	14	5	-2	0	0	Other	6	9	2	-2	0	0
Liabilities to credit institutions	-	-	-	-	-	-	Liabilities to credit institutions	-	-	-	-	-	-
Deposits and borrowings from the public	-7,517	-22	-	-	-	-	Deposits and borrowings from the public	-4,672	-	-	-	-	-
Issued securities	-1,086	-667	-	-	-	-	Issued securities	-	-	-	-	-	-
Other liabilities	-399	-134	-17	-32	-2	-17	Other liabilities	-297	-83	-15	-29	-4	-44
<b>Net</b>	<b>501</b>	<b>2,365</b>	<b>1,972</b>	<b>297</b>	<b>0</b>	<b>74</b>	<b>Net</b>	<b>2,019</b>	<b>2,490</b>	<b>2,216</b>	<b>247</b>	<b>7</b>	<b>29</b>

Outstanding currency futures and currency swaps at nominal value in SEKm are shown in the tables below.

2021	EUR	NOK	DKK	USD	GBP	CHF	2020	EUR	NOK	DKK	USD	GBP	CHF
Derivatives	902	2,372	1,978	306	-	74	Derivatives	2,052	2,461	2,206	248	8	36
<b>Total</b>	<b>902</b>	<b>2,372</b>	<b>1,978</b>	<b>306</b>	<b>-</b>	<b>74</b>	<b>Total</b>	<b>2,052</b>	<b>2,461</b>	<b>2,206</b>	<b>248</b>	<b>8</b>	<b>36</b>

#### 4. LIQUIDITY RISK

##### Definition

Liquidity risk refers to the risk of not being able to meet agreed payment obligations at the maturity date without the cost of obtaining means of payment increasing significantly due to high borrowing costs, or unfavorable prices when disposing of assets.

##### Risk management

The Board of Collector has established an extensive framework for risk management of liquidity requirements and risks in the short and long terms. The objective of liquidity risk management is to ensure that the Group has control over its liquidity risk situation. Liquidity can be predicted because maturities and interest payments are known for both lending and borrowing. Liquidity risk is reduced with the aid of accurate forecasts and diversified borrowing in different geographical markets, as well as a liquidity reserve with sufficient liquid assets in all relevant currencies to meet on time Collector's payment commitments, in all predictable situations.

In a long-term plan for its financing, Collector should strive to ensure that there is a sufficient degree of diversification in sources of financing with regard to counterparties, financial

instruments, maturities, fixed interest rates and currencies.

The financing strategy should also ensure that the market and liquidity risk that arises is limited through risk strategies to the risk appetites decided upon by the Board.

Scenario analyses and stress tests are an important part of risk management. At any time, adequate cash and cash equivalents, current investments with a liquid market and access to financing through credit facilities should be available to be able to respond to fluctuations in liquidity.

The composition of the balance sheet means that Collector's conditions for avoiding liquidity problems are assessed as good. A liquid asset portfolio with short durations on the loan receivables and a liquidity reserve with good margins combined with, in practice, relatively stable and secure financing mean that Collector views the liquidity and funding risk as manageable.

##### Risk measurement

The treasury function is responsible for the continuous follow-up of the liquidity and financing situation. Reporting on liquidity and funding risk takes place regularly to senior management, and the Board is informed in connection with Board reporting.

## K3. Risks and risk management, cont.

## MATURITY STRUCTURE REGARDING FUTURE CASH FLOWS

Group	2021		2020	
	Maturity not more than 3 months from the balance sheet date	Maturity longer than 3 months but not more than 1 year from the balance sheet date	Maturity not more than 3 months from the balance sheet date	Maturity longer than 3 months but not more than 1 year from the balance sheet date
<b>Outstanding nominal, SEKm</b>				
Currency-related derivatives	3,625	2,007	3,484	3,648

## MATURITY ANALYSIS FOR FINANCIAL ASSETS AND LIABILITIES

Group	2021					
	Payable on request	Maturity not more than 3 months from the balance sheet date	Maturity longer than 3 months but not more than 1 year from the balance sheet date	Maturity longer than 1 year but not more than 5 years from the balance sheet date	Maturity longer than 5 years from the balance sheet date	Without maturity
<b>Remaining maturity, SEKm</b>						
<b>Financial assets</b>						
Treasury bills and other bills eligible for refinancing with central banks, etc.	-	31	51	54	0	-
Bonds and other interest-bearing securities	-	139	571	1,378	0	-
Loans to credit institutions	5,247	-	-	-	-	-
Loans to the public	-	10,451	6,583	14,543	4,638	-
Derivatives	-	-	-	-	-	-
Other	81	6	5	10	2	674
<b>Total</b>	<b>5,328</b>	<b>10,628</b>	<b>7,210</b>	<b>15,985</b>	<b>4,641</b>	<b>674</b>
of which accrued interest	-	6	5	10	2	-

Group	2021					
	Payable on request	Maturity not more than 3 months from the balance sheet date	Maturity longer than 3 months but not more than 1 year from the balance sheet date	Maturity longer than 1 year but not more than 5 years from the balance sheet date	Maturity longer than 5 years from the balance sheet date	Without maturity
<b>Remaining maturity, SEKm</b>						
<b>Financial liabilities</b>						
Liabilities to credit institutions	-	-	-	-	-	-
Deposits and borrowings from the public	20,168	3,937	5,411	1,834	-	-
Debt securities in issue	-	1,142	1,222	2,865	-	-
Derivatives	-	63	14	-	-	-
Subordinated liabilities	-	-	-	-	500	-
Other	-	385	-	-	-	932
<b>Total</b>	<b>20,168</b>	<b>5,528</b>	<b>6,647</b>	<b>4,699</b>	<b>500</b>	<b>932</b>
of which accrued interest	-	18	4	1	0	-
of which lease liability	-	-	-	-	108	-

## K3. Risks and risk management, cont.

## MATURITY ANALYSIS FOR FINANCIAL ASSETS AND LIABILITIES

Group	2020					
	Payable on request	Maturity not more than 3 months from the balance sheet date	Maturity longer than 3 months but not more than 1 year from the balance sheet date	Maturity longer than 1 year but not more than 5 years from the balance sheet date	Maturity longer than 5 years from the balance sheet date	Without maturity
<b>Remaining maturity, SEKm</b>						
<b>Financial assets</b>						
Treasury bills and other bills eligible for refinancing with central banks, etc.	-	-	31	86	-	-
Bonds and other interest-bearing securities	-	30	214	820	52	-
Loans to credit institutions	3,916	-	-	-	-	-
Loans to the public	-	7,717	5,807	14,018	4,286	-
Derivatives	-	60	59	-	-	-
Other	-	7	-	-	-	874
<b>Total assets</b>	<b>3,916</b>	<b>7,814</b>	<b>6,111</b>	<b>14,924</b>	<b>4,338</b>	<b>874</b>
of which accrued interest	-	12	1	3	0	-

Group	2020					
	Payable on request	Maturity not more than 3 months from the balance sheet date	Maturity longer than 3 months but not more than 1 year from the balance sheet date	Maturity longer than 1 year but not more than 5 years from the balance sheet date	Maturity longer than 5 years from the balance sheet date	Without maturity
<b>Remaining maturity, SEKm</b>						
<b>Financial liabilities</b>						
Liabilities to credit institutions	-	-	-	-	-	-
Deposits and borrowings from the public	19,864	3,938	5,027	2,026	-	-
Debt securities in issue	-	120	99	-	-	-
Derivatives	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	500	-
Other	129	652	-	-	-	355
<b>Total liabilities</b>	<b>19,993</b>	<b>4,710</b>	<b>5,126</b>	<b>2,026</b>	<b>500</b>	<b>355</b>
of which accrued interest	-	47	10	4	0	-
of which lease liability	-	-	-	-	156	-

## K3. Risks and risk management, cont.

**5. OPERATIONAL RISK****Definition**

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, faulty systems, IT problems and internal and external fraud. The term also includes legal risks and regulatory compliance risks. The definition does not cover business, strategic or reputational risk.

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
- external risk

**Risk management**

Operational risks arise in all types of operations, and responsibility for managing these risks lies with all managers in the organization.

Collector strives to maintain a healthy risk culture with low operational risk and a low level of loss due to operational incidents, through an effective internal control environment and a structured approach to facilitate the identification and management of operational risks in all types of operations. Risk analyses are based on the principle of self-evaluation. Operational risks are identified, assessed and reported on a regular basis through various processes such as risk self-assessments, structured incident reporting and a joint approval process for new product approval process (NPAP). This prevents Collector from taking on risks that are not immediately manageable within the organization.

Collector manages operational risk by constantly improving its internal routines and daily checks as well as by training employees in risk management and the use of risk-reducing tools and processes. It is mandatory for all employees to escalate and register risk-related events or incidents in order to be able to identify, assess, monitor, reduce and report risks.

Employees are regularly trained in important areas such as information security, anti-fraud, money laundering, KYC (know your customer), GDPR and Collector's code of conduct. Collector has a formal external process for whistle-blowing that encourages employees, contractors, or others who similarly play a part in the business to report irregularities and any unethical or illegal activities.

Cyber and other security threats are managed by prioritizing technical protection, increasing awareness and continuously working with a good cyber risk culture among employees and customers. Security updates, system upgrades and implementation of new features and security measures are performed with the necessary regularity. Collector's Risk Control function and Regulatory Compliance function have a well-developed collaboration around the management of operational risks. Information about customer complaints and other incidents is continuously gathered and analyzed to ensure functioning management of the operational risks in the business.

The Risk Control function is an independent control function that is mandatory for all institutions under the supervision of the Swedish Financial Supervisory Authority. The function is independent of the other activity in Collector and

is organizationally separate from the functions and areas it is to review and control. The Risk Control function is directly subordinate to the CEO and reports to senior management and the Board. In addition to reviewing and controlling risk management in the business, the Risk Control function is a supportive and advisory function on risk-related issues and works continuously with knowledge transfer and training to increase risk awareness in the organization.

**6. BUSINESS RISK****Definition**

Business risk refers to the risk of unexpected changes in earnings that can be attributed to changed conditions in the business environment as a result of unexpected changes in demand or competition, technological development with reduced volumes and squeezed margins as a result of business-inhibiting laws, regulations or other external factors unfavorably affecting Collector's business model.

Related risks are strategic risk and reputational risk. Strategic risk is focused on structural risk factors and is the risk of Collector making inappropriate strategic choices or not successfully implementing selected strategies. Reputational risk refers to risks associated with negative publicity and confidence-damaging events and thus a negative perception of the Group's brand or the industry in general.

The macroeconomic development in the world in which Collector operates is affected by various events and scenarios. A deterioration in the economy can arise, for example, through a deepened economic crisis or during a pandemic. The macroeconomic risk factors that have an impact include factors such as GDP, inflation, unemployment, key and central bank interest rates and property prices.

**Risk management**

Business risks, strategic risks and reputational risks are inevitable in all business operations. The extensive regulations that apply to banking and finance operations have a major impact on the financial industry. The risk that new regulations may have a negative impact on Collector's business model or otherwise affect earnings negatively means that new regulations are continuously monitored and risk analysis of the function for regulatory compliance is conducted.

The strategic risk is affected by the ability of the Board and management to develop, organize and control the business. Rapid adaptation to new technologies, strong positioning vis-à-vis competitors and otherwise good adaptation to new market conditions are required in order to retain existing and attract new customers.

Collector works continuously to limit and reduce business, strategic and reputational risk through regular strategic review of the business. Collector strives for good stability in revenue generation, proactive cost control, flexible IT development, an active dialogue regarding supervisory issues and sound sustainability strategy.

Collector's Board and senior management work continuously to assess the Group's positioning and competitiveness. The business is characterized by short decision paths and a senior management that has good insight into the day-to-day operations and thus can make both quick and well-founded decisions. Collector also controls its business risk in ongoing business planning by analyzing discrepancies to identify underlying difficulties in the capability of the business.

## K4. Capital adequacy consolidated situation

Collector AB (publ) is the parent holding company in a consolidated situation that includes the subsidiaries Collector Bank AB, Collector Payments AB and Collector Payments Finland Oy. The information on the company's capital adequacy in this document pertains to information that must be disclosed under Chapter 6, sections 3–4 of the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) regarding annual accounts at credit institutions and securities companies and which relates to information set out in 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 2015:12) on prudential requirements and capital buffers, as well as column (a) in Annex 6 to Commission Implementing Regulation (EU) No 1423/2013. Other disclosures required under FFFS 2015:12 and Regulation (EU) No 575/2013 are set out on the company's website, [www.collector.se](http://www.collector.se).

The establishment of the company's statutory capital requirement is governed by the Act (2015:968) on Special Supervision of Credit Institutions and Securities Companies, the Capital Requirements Regulation (EU No 575/2013), the Capital Buffers Act (2015:966) and the Swedish Financial Supervisory Authority's regulations and general guidelines on prudential requirements and capital buffers (FFFS 2015:12). 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 standardized method when calculating credit risk. The capital base must be at least 8 percent 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 distribution is made between risk classes and the underlying risk weights depends on the type of exposure and the counterparty. The base method is applied for operational risk (15% of average operating income for the last three years adjusted for dividends from Group companies). In addition to the minimum capital requirement calculated in accordance with the Capital Adequacy Regulation, all institutions covered by the capital adequacy rules need to make their own internal assessments of their capital requirements at least annually, in the form of an internal capital adequacy assessment. The internally assessed capital requirement in Collector's consolidated situation, including provisions for capital conservation buffer and institution-specific countercyclical buffer, at December 31, 2021 amounted to SEK 4,598 million (4,108). The company's capital situation can be summarized as follows:

### Consolidated situation

	Dec 31, 2021		Dec 31, 2020	
	Amount	Percentage of risk-weighted exposure amount	Amount	Percentage of risk-weighted exposure amount
<b>Own funds, SEKm</b>				
Common Equity Tier 1 capital requirement under Article 92 CRR (Pillar 1)	1,769	4,5%	1,563	4,5%
Other Common Equity Tier 1 capital requirement (Pillar 2)	239	0,6%	288	0,8%
Combined buffer requirement	1,029	2,6%	898	2,6%
<b>Total Common Equity Tier 1 capital requirement</b>	<b>3,037</b>	<b>7,7%</b>	<b>2,749</b>	<b>7,9%</b>
<b>Common Equity Tier 1 capital</b>	<b>5,476</b>	<b>13,9%</b>	<b>4,769</b>	<b>13,7%</b>
Tier 1 capital requirement under Article 92 CRR (Pillar 1)	2,359	6,0%	2,084	6,0%
Other Tier 1 capital requirement (Pillar 2)	318	0,8%	350	1,0%
Combined buffer requirement	1,029	2,6%	898	2,6%
<b>Total Tier 1 capital requirement</b>	<b>3,706</b>	<b>9,4%</b>	<b>3,331</b>	<b>9,6%</b>
<b>Tier 1 capital</b>	<b>5,789</b>	<b>14,7%</b>	<b>5,082</b>	<b>14,6%</b>
Own funds requirement under Article 92 CRR (Pillar 1)	3,145	8,0%	2,778	8,0%
Other capital requirement (Pillar 2)	425	1,1%	432	1,2%
Combined buffer requirement	1,029	2,6%	898	2,6%
<b>Total own funds requirement</b>	<b>4,598</b>	<b>11,7%</b>	<b>4,108</b>	<b>11,8%</b>
<b>Total own funds</b>	<b>6,187</b>	<b>15,7%</b>	<b>5,474</b>	<b>15,8%</b>

## K4. Capital adequacy consolidated situation, cont.

## Consolidated situation

Own funds, SEKm	Dec 31, 2021	Dec 31, 2020
Capital instruments and associated share premium accounts	21	21
Retained earnings	4,704	4,458
Net profit after deductions for foreseeable expenses and dividends	766	291
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>5,490</b>	<b>4,770</b>
Less:		
Additional value adjustments	-8	-2
Intangible assets	-89	-116
Deferred tax assets	-4	-4
Application of the transitional rules IFRS9	86	121
<b>Total regulatory adjustments to Common Equity Tier 1 capital</b>	<b>-14</b>	<b>-1</b>
<b>Common Equity Tier 1 capital</b>	<b>5,476</b>	<b>4,769</b>
Capital instruments and relate share premium reserves: Perpetual subordinated loan	313	313
<b>Tier 1 capital contribution</b>	<b>313</b>	<b>313</b>
<b>Total tier 1 capital</b>	<b>5,789</b>	<b>5,082</b>
Capital instruments and relate share premium reserves: Supplementary capital	398	392
<b>Tier 2 capital</b>	<b>398</b>	<b>392</b>
<b>Total own funds</b>	<b>6,187</b>	<b>5,474</b>

## Capital requirement

The tables below show the risk-weighted exposure amount and capital requirements per risk category for Collector's consolidated situation.

## Consolidated situation

Risk-weighted exposure amount, SEKm	Dec 31, 2021	Dec 31, 2020
<b>Credit risk according to the standardized approach</b>		
Central government or central bank exposures	-	-
Municipalities and public sector entities	-	-
Institutional exposures	1,073	794
Funds units exposures	543	-
Corporate exposures	19,528	15,395
Retail exposures	8,816	8,723
Exposures with mortgage in residential property	24	35
Exposures in default	3,940	4,302
Items associated with particularly high risk	537	999
Exposures in the form of covered bonds	123	41
Equity exposures	-	-
Other items	336	612
<b>Total risk-weighted exposure amount to credit risk</b>	<b>34,920</b>	<b>30,902</b>
Risk-weighted exposure amount for credit valuation adjustment risk (CVA)	22	11
Risk-weighted exposure amount for market risk (currency risk)	15	48
Risk-weighted exposure amount for operational risk (base method)	4,358	3,769
<b>Total risk-weighted exposure amount</b>	<b>39,315</b>	<b>34,730</b>

## K4. Capital adequacy consolidated situation, cont.

Consolidated situation		
Capital requirement, SEKm	Dec 31, 2021	Dec 31, 2020
<b>Capital requirement for credit risks, according to the standardized approach</b>		
Central government or central bank exposures	-	-
Municipalities and public sector entities	-	-
Institutional exposures	86	64
Funds units exposures	43	-
Corporate exposures	1,562	1,232
Retail exposures	705	698
Exposures with mortgage in residential property	2	3
Exposures in default	315	344
Items associated with particularly high risk	43	80
Exposures in the form of covered bonds	10	3
Equity exposures	-	-
Other items	27	49
<b>Total capital requirement for credit risk</b>	<b>2,794</b>	<b>2,472</b>
Capital requirement for credit valuation adjustment (CVA)	2	1
Capital requirement for market risk (currency risk)	1	4
Capital requirement for operational risk (base method)	349	302
<b>Total capital requirement - Pillar 1</b>	<b>3,145</b>	<b>2,778</b>
Concentration risk	236	242
Interest rate risk in the banking book	189	190
<b>Total capital requirement - Pillar 2</b>	<b>425</b>	<b>432</b>
<b>Capital buffers</b>		
Capital conservation buffer	983	868
Countercyclical buffer	46	30
<b>Total capital requirement - Capital buffers</b>	<b>1,029</b>	<b>898</b>
<b>Total capital requirement</b>	<b>4,598</b>	<b>4,108</b>
<b>CAPITAL RATIOS AND BUFFERS</b>		
	Dec 31, 2021	Dec 31, 2020
CET1 ratio	13.9%	13.7%
Tier 1 ratio	14.7%	14.6%
Total capital ratio	15.7%	15.8%
Institution-specific buffer requirement	2.6%	2.6%
of which: capital conservation buffer requirement	2.5%	2.5%
of which: countercyclical buffer requirement	0.1%	0.1%
CET1 available to be used as a buffer	7.7%	7.8%

## K5. Operating segments

The operating segments are reported in accordance with IFRS 8 Operating Segments, which means that the segment information is presented based on the internal reporting. The information is continuously used for management purposes by Collector's highest executive decision-makers to evaluate the result and to be able to allocate resources to the operating segment.

The segment reporting presents income, expenses, assets and liabilities broken down by operating segments. An operating segment is one such part of the Group that conducts operations that generate external or internal revenues and expenses and whose results for governance purposes are regularly reviewed and followed up by senior management.

Collector's operations are presented divided into the segments Corporate, Real estate, Consumer, Payments and Other.

The separate segments include products and services for diverse customer groups. The Corporate segment includes factoring and corporate loans. The Real estate segment offers real estate loans. In the Consumer segment, consumers are offered unsecured loans and credit cards. The Payments segment consists of payment and checkout solutions. Under Other, items in relation to the products (POC) Purchased credit-impaired assets (run-off), Mortgages (run-off) and items that do not belong to a specific segment or are eliminated at Group level are displayed.

### Group

SEKm	2021					
	Corporate	Real estate	Consumer	Payments	Other <sup>1)</sup>	Group
Net interest income	482	762	800	217	62	2,323
Net commission income	8	-	58	227	0	293
Net gains and losses on financial items	17	10	-2	0	-7	18
Other income	1	1	0	1	13	16
<b>Total income</b>	<b>508</b>	<b>773</b>	<b>856</b>	<b>445</b>	<b>67</b>	<b>2,649</b>
Net interest margin (NIM)	6.6%	6.3%	7.0%	9.3%	-	6.8%
Total income margin	7.0%	6.4%	7.5%	19.0%	-	7.8%
Loans to the public	7,981	13,557	11,372	2,457	847	36,214

MSEK	2020					
	Corporate	Real estate	Consumer	Payments	Other <sup>1)</sup>	Group
Net interest income	366	490	759	171	63	1,848
Net commission income	10	-	58	223	1	293
Net gains and losses on financial items	-10	9	0	3	-6	-4
Other income	1	21	0	4	0	25
<b>Total income</b>	<b>367</b>	<b>519</b>	<b>816</b>	<b>401</b>	<b>58</b>	<b>2,162</b>
Net interest margin (NIM)	5.3%	5.5%	6.4%	8.1%	-	6.0%
Total income margin	5.3%	5.9%	6.9%	19.1%	-	7.0%
Loans to the public	6,599	10,534	11,471	2,221	1,005	31,828

<sup>1)</sup> Including eliminations

### Group

Breakdown by geography, SEKm	2021			2020		
	Swedish operations	Other Nordic operations	Other	Swedish operations	Other Nordic operations	Other
Total income	1,659	836	155	1,407	613	142
Loans to the public	20,991	9,102	6 120	20,278	7,760	3,791

## K6. Net interest income

Group		
SEKm	2021	2020
Loans to the public	2,673	2,178
Interest-bearing securities	11	16
Loans to credit institutions	0	1
<b>Total interest income</b>	<b>2,684</b>	<b>2,193</b>
Deposits and borrowings from the public	-322	-313
Subordinated liabilities	-23	-24
Interest-bearing securities	-14	-5
Liabilities to credit institutions	-2	-4
<b>Total interest expense</b>	<b>-361</b>	<b>-345</b>
<b>Net interest income</b>	<b>2,323</b>	<b>1,848</b>

## K7. Net commission income

Group		
SEKm	2021	2020
Loans and deposits	215	218
Payment commissions	131	118
Other commissions	1	1
<b>Fee and commission income</b>	<b>347</b>	<b>336</b>
Payment commissions	-54	-44
Other commissions	0	0
<b>Fee and commission expense</b>	<b>-54</b>	<b>-44</b>
<b>Net commission income</b>	<b>293</b>	<b>293</b>

## K8. Net gains and losses on financial items

Group		
SEKm	2021	2020
Net income from financial assets and liabilities valued at amortised cost	-	-
Net income from fair value through profit or loss, mandatorily incl. currency effects	18	-4
Net income from fair value with changes in value recognized in other comprehensive income	-	-
<b>Total</b>	<b>18</b>	<b>-4</b>

## K9. Other income

Group		
SEKm	2021	2020
Revenue from disposals of subsidiaries	11	-
Other income	4	25
<b>Total</b>	<b>16</b>	<b>25</b>

## K10. Personnel expenses

### PERSONNEL EXPENSES OTHER EMPLOYEES

Group		
<b>SEKm</b>		<b>2021</b> <b>2020</b>
Salaries, bonuses and other remuneration		-195      -208
Social security costs		-63      -62
Pension expenses		-23      -22
Other staff costs		-4      -2
<b>Total</b>		<b>-285</b> <b>-294</b>

### SALARIES AND OTHER REMUNERATION

Group		
<b>SEKm</b>		<b>2021</b> <b>2020</b>
Senior executives		-26      -25
Others		-169      -183
<b>Total</b>		<b>-195</b> <b>-208</b>

### REMUNERATION OF SENIOR EXECUTIVES

Group	2021					Total
	Fixed salary	Fees	Variable remuneration	Other benefits	Pension expenses	
<b>SEKm</b>						
Martin Nossman, CEO	-5	-	-	0	-2	<b>-6</b>
Other senior executives (13 individuals)	-20	-	-	-1	-5	<b>-26</b>
<b>Total</b>	<b>-26</b>	<b>-</b>	<b>-</b>	<b>-1</b>	<b>-6</b>	<b>-32</b>

### REMUNERATION OF SENIOR EXECUTIVES

Group	2020					Total
	Fixed salary	Fees	Variable remuneration	Other benefits	Pension expenses	
<b>SEKm</b>						
Martin Nossman, CEO	-5	-	-	0	-2	<b>-6</b>
Other senior executives (13 individuals)	-19	-	-	-1	-4	<b>-24</b>
<b>Total</b>	<b>-25</b>	<b>-</b>	<b>-</b>	<b>-1</b>	<b>-6</b>	<b>-31</b>

### DIRECTORS' FEES

Group		
<b>SEKm</b>		<b>2021</b>
Erik Selin, Chairman		-1.0
Ulf Croona, Board member		-0.5
Bengt Edholm, Board member		-0.5
Charlotte Hybinette, Board member		-0.7
Christoffer Lundström, Board member		-0.4
Marie Osberg, Board member		-0.6
<b>Total</b>		<b>-3.6</b>

## K10. Personnel expenses, cont.

Group	
SEKm	2020
Erik Selin, Chairman	-1.0
Ulf Croona, Board member	-0.5
Bengt Edholm, Board member	-0.5
Charlotte Hybinette, Board member	-0.7
Christoffer Lundström, Board member	-0.4
Marie Osberg, Board member	-0.6
Anna Kinberg Batra, Board member <sup>1</sup>	-0.3
Marcus Hansson, Board member <sup>2</sup>	-0.1
<b>Total</b>	<b>-4.0</b>

Remuneration to the CEO and other senior executives is determined by the Board of Directors. No variable remuneration was paid to the CEO in 2021.

<sup>1</sup> Member for the period Apr 27, 2021 to Dec 11, 2021

<sup>2</sup> Member for the period Apr 27, 2021 to Jul 2, 2021

**Variable remuneration**

Collector has adopted a remuneration policy that has been prepared with the aim of fulfilling the requirements set out in the Swedish Financial Supervisory Authority's regulations (FFFS 2011:1) on remuneration policy in credit institutions and credit market companies. The basis for the remuneration policy is that it is prepared based on the risks that exist in the Group. It states the grounds and principles for how remuneration is to be established, applied and followed up as well as how the company defines which employees could affect the company's risk level. The remuneration policy should promote healthy and effective risk management and counteract excessive risk-taking. The policy should promote the Group's long-term interests.

**Pensions**

Endowment insurance policies have also been taken out for the past and present CEOs and the Chairman of the Board. The Group's pension obligations correspond to the fair value of the endowment insurance policies, as well as additional special payroll tax on the pension obligation. The endowment insurance policies and pension obligation are recognized net in the balance sheet. The pension commitment at Dec. 31, 2021 was SEK 6 million (6). The special payroll tax is recognized under accrued expenses and prepaid income.

**Termination notice and severance pay**

According to the agreement between Collector and the CEO, following the period of notice, severance pay corresponding to 6 monthly salaries is paid. After the notice period, severance pay is paid by agreement as 12 monthly salaries. There is no agreement on severance pay for the Board of Directors. In the case of termination of employment of senior executives, from the company's side, remuneration is paid by agreement for 3–12 months.

## AVERAGE NUMBER OF EMPLOYEES

Group	2021		2020	
	Average	of whom men	Average	of whom men
Sweden	262	57%	266	56%
Finland	27	39%	36	86%
Norway	12	85%	19	55%
<b>Total</b>	<b>301</b>	<b>56%</b>	<b>321</b>	<b>57%</b>

## BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Group	2021		2020	
	Average	of whom men	Average	of whom men
Board members	6	67%	7	67%
Senior management	13	67%	12	62%

## K11. Other expenses

Group		
SEKm	2021	2020
Consultancy expenses	-159	-174
IT expenses	-62	-63
Other purchased services	-84	-89
Postage expenses	-34	-35
Other external expenses	-81	-117
<b>Total</b>	<b>-420</b>	<b>-478</b>

### REMUNERATION OF AUDITORS

Group		
SEKm	2021	2020
Audit engagement	-2.6	-4.2
Audit related services	-0.2	-0.2
Tax advice	-0.2	-0.3
Other services	-	-2.0
<b>Total Ernst &amp; Young (EY)</b>	<b>-3.0</b>	<b>-6.7</b>

## K12. Depreciation, amortisation and impairment of tangible and intangible assets

Group		
SEKm	2021	2020
Depreciation of tangible assets	-3	-8
Amortisation of right-of-use assets	-27	-31
Amortisation of intangible assets	-37	-43
Impairment of intangible assets	-24	-12
<b>Total</b>	<b>-91</b>	<b>-94</b>

## K13. Credit losses, net

Group		
SEKm	2021	2020
<b>Loans at amortised cost</b>		
Credit impairment provisions - Stage 1	-103	-40
Credit impairment provisions - Stage 2	-18	-62
Credit impairment provisions - Stage 3	-585	-585
<b>Total</b>	<b>-706</b>	<b>-687</b>
Portfolio revaluations - POCI	-2	-73
<b>Impairment gains and losses - POCI</b>	<b>-2</b>	<b>-73</b>
Write-offs	-176	-100
Recoveries	-	0
<b>Write-offs, net</b>	<b>-176</b>	<b>-100</b>
<b>Credit losses, net</b>	<b>-884</b>	<b>-859</b>

## K14. Tax

Group		
SEKm	2021	2020
Current tax on net profit for the year	-154	-71
Current tax for previous years	0	-3
<b>Current tax expense</b>	<b>-154</b>	<b>-73</b>
Deferred tax relating to temporary difference	-50	-31
<b>Tax recognized in the income statement</b>	<b>-204</b>	<b>-104</b>
Tax attributable to other comprehensive income, specification	-	-
Deferred tax relating to revaluation of hedged net investments	-	-
<b>Total deferred tax</b>	<b>-</b>	<b>-</b>

Group				
SEKm	2021	%	2020	%
Difference between recognized tax and tax based on applicable Swedish rate of tax				
<b>Profit before tax</b>	<b>970</b>		<b>437</b>	
Current tax at applicable rate of tax	-200	20.6	-94	21.4
Tax effect relating to non-taxable income	1		0	
Tax effect relating to not tax deductible expenses	-5		-11	
Standard tax	-1		-	
Tax effect of previously unrecognised loss carryforwards, tax deductions or temporary differences	0		4	
Other tax rates in foreign units	0		0	
Tax effect relating to previous years	1		-3	
Deferred tax on losses related to items recognized in equity	-		-	
<b>Tax recognised in the income statement</b>	<b>-204</b>	<b>21.0</b>	<b>-104</b>	<b>26.3</b>

## K15. Earnings per share

Group		
	2021	2020
Net profit attributable to shareholders, SEKm	725.2	291.9
Number of shares, millions	205.4	205.4
<b>Earnings per share, SEK</b>	<b>3.53</b>	<b>1.47</b>

## K16. Interest-bearing securities

Group	Dec 31, 2021			Dec 31, 2020		
	Carrying amount	Fair value	Nominal amount	Carrying amount	Fair value	Nominal amount
SEKm						
Treasury bills and other bills eligible for refinancing with central banks, etc.	137	137	133	116	116	110
Bonds and other interest-bearing securities	2,088	2,088	2,051	1,116	1,116	1,093
<b>Total</b>	<b>2,225</b>	<b>2,225</b>	<b>2,184</b>	<b>1,232</b>	<b>1,232</b>	<b>1,203</b>

## K16. Interest-bearing securities, cont.

## DEBT SECURITIES BY ISSUER

Group	Dec 31, 2021			Dec 31, 2020		
	Carrying amount	Fair value	Nominal amount	Carrying amount	Fair value	Nominal amount
SEKm						
Swedish government	-	-	-	-	-	-
Swedish municipalities	861	861	845	761	761	745
Swedish mortgage institutions	307	307	300	195	195	191
Other Swedish issuers	223	223	220	160	160	157
Foreign governments	137	137	133	116	116	110
Other foreign issuers	697	697	686	-	-	-
<b>Total</b>	<b>2,225</b>	<b>2,225</b>	<b>2,184</b>	<b>1,232</b>	<b>1,232</b>	<b>1,203</b>

## K17. Loans to credit institutions

Group	Dec 31, 2021	Dec 31, 2020
SEKm		
Cash and cash equivalents	5,247	3,916
Other	-	-
<b>Total</b>	<b>5,247</b>	<b>3,916</b>
<b>Amounts by currency</b>		
SEK	4,088	3,240
EUR	832	368
NOK	201	153
USD	31	44
DKK	42	43
GBP	2	11
CHF	50	57
CAD	0	0
<b>Total</b>	<b>5,247</b>	<b>3,916</b>

## K18a. Loans to the public

Group	Dec 31, 2021	Dec 31, 2020
SEKm		
<b>PRIVATE CUSTOMERS<sup>3)</sup></b>		
<b>Loans to the public, gross</b>	<b>17,694</b>	<b>17,216</b>
of which Stage 1	10,903	10,864
of which Stage 2	566	615
of which Stage 3	5,456	4,846
of which Stage 3 - POCI <sup>1)</sup>	770	891
<b>Total provisions</b>	<b>-3,051</b>	<b>-2,536</b>
of which Stage 1	-210	-206
of which Stage 2	-129	-121
of which Stage 3	-2,711	-2,209
of which Stage 3 - POCI <sup>1)</sup>	-	-
<b>Total carrying amount, private customers</b>	<b>14,644</b>	<b>14,680</b>

## K18a. Loans to the public, cont.

Group			
SEKm		Dec 31, 2021	Dec 31, 2020
<b>Private customers<sup>3)</sup></b>			
Provision ratio for loans Stage 1		1.9%	1.9%
Provision ratio for loans Stage 2		22.7%	19.7%
Provision rate for loans Stage 3		49.7%	45.6%
Provision ratio for loans Stage 3 - POCI <sup>1)</sup>		0.0%	0.0%
Total provision ratio, private customers <sup>2)</sup>		18.0%	15.5%
<b>CORPORATE CUSTOMERS</b>			
<b>Loans to the public, gross</b>		<b>22,259</b>	<b>17,596</b>
of which Stage 1		20,218	15,952
of which Stage 2		1,500	918
of which Stage 3		541	727
<b>Total provisions</b>		<b>-689</b>	<b>-448</b>
of which Stage 1		-144	-43
of which Stage 2		-78	-66
of which Stage 3		-466	-339
<b>Total carrying amount, corporate customers</b>		<b>21,570</b>	<b>17,148</b>
<b>Corporate customers<sup>4)</sup></b>			
Provision ratio for loans Stage 1		0.7%	0.3%
Provision ratio for loans Stage 2		5.2%	7.2%
Provision rate for loans Stage 3		86.1%	46.7%
Total provision ratio, corporate customers		3.1%	2.5%
<b>TOTAL</b>			
<b>Loans to the public, gross</b>		<b>39,953</b>	<b>34,812</b>
of which Stage 1		31,121	26,816
of which Stage 2		2,066	1,533
of which Stage 3		5,997	5,573
of which Stage 3 - POCI <sup>1)</sup>		770	891
<b>Total provisions</b>		<b>-3,739</b>	<b>-2,984</b>
of which Stage 1		-354	-249
of which Stage 2		-207	-187
of which Stage 3		-3,178	-2,548
of which Stage 3 - POCI <sup>1)</sup>		-	-
<b>Total carrying amount, total</b>		<b>36,214</b>	<b>31,828</b>
Stage 3 loans / Total loans, gross, % <sup>2)</sup>		15.3%	16.4%
Stage 3 loans / Total loans, net, % <sup>2)</sup>		8.0%	9.8%
<b>Total</b>			
Provision ratio for loans Stage 1		1.1%	0.9%
Provision ratio for loans Stage 2		10.0%	12.2%
Provision rate for loans Stage 3		53.0%	45.7%
Provision ratio for loans Stage 3 - POCI <sup>1)</sup>		0.0%	0.0%
Total provision ratio <sup>2)</sup>		9.5%	8.6%

<sup>1)</sup> Purchased credit-impaired assets are recognized net from the time of acquisition, consequently no provisioning is shown for these receivables.

<sup>2)</sup> Excludes purchased credit-impaired assets.

<sup>3)</sup> Includes the segments Consumer, Payments and parts of Other.

<sup>4)</sup> Includes the segments Corporate and Real Estate and parts of Other.

## K18b Loans to the public – Reconciliation of credit losses provisions for loans

Group	2021			
	Stage 1	Stage 2	Stage 3	Total
SEKm				
<b>Provisions at January 1, 2021</b>	<b>249</b>	<b>187</b>	<b>2,548</b>	<b>2,984</b>
New and derecognized financial assets, net	281	-299	-156	-174
Changes due to changed assumptions	-	-	-	-
Changes due to change in credit risk	-178	317	741	880
Other adjustments	2	2	45	49
<b>Provisions at December 31, 2021</b>	<b>354</b>	<b>207</b>	<b>3,178</b>	<b>3,739</b>

Group	2020			
	Stage 1	Stage 2	Stage 3	Total
SEKm				
<b>Provisions at January 1, 2020</b>	<b>213</b>	<b>129</b>	<b>2,029</b>	<b>2,371</b>
New and derecognized financial assets, net	185	-108	450	527
Changes due to changed assumptions	12	8	40	60
Changes due to change in credit risk	-157	164	103	110
Other adjustments	-4	-6	-74	-84
<b>Provisions at December 31, 2020</b>	<b>249</b>	<b>187</b>	<b>2,548</b>	<b>2,984</b>

## K19. Shares and participating interests

Group	Dec 31, 2021		Dec 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
SEKm				
Tenant-ownership rights	5	5	5	5
Funds units	396	396	-	-
Venture portfolio	-	-	316	316
<b>Total</b>	<b>401</b>	<b>401</b>	<b>321</b>	<b>321</b>

## K20. Intangible assets

Group	Dec 31, 2021	Dec 31, 2020
SEKm		
<b>Other intangible assets</b>		
<b>Opening cost at January 1</b>	<b>181</b>	<b>606</b>
Acquisitions for the year	34	38
Retirements and disposals for the year	-51	-22
Exchange rate differences	1	-
Reclassifications of cost	-	-441
<b>Closing balance at December 31</b>	<b>166</b>	<b>181</b>

## K20. Intangible assets, cont.

Group		
SEKm	Dec 31, 2021	Dec 31, 2020
<b>Opening balance at January 1</b>	<b>-84</b>	<b>-346</b>
Amortisation for the year	-37	-38
Retirements and disposals for the year	26	10
Exchange rate differences	-1	-
Reclassifications of amortisation	-	290
<b>Closing balance of amortisation at December 31</b>	<b>-95</b>	<b>-84</b>
<b>Impairments</b>	<b>-</b>	<b>-</b>
<b>Closing carrying amount at December 31</b>	<b>71</b>	<b>97</b>
<b>Goodwill</b>		
<b>Opening cost at January 1</b>	<b>19</b>	<b>29</b>
Disposals of subsidiaries	-	-
Retirements and disposals for the year	-	-1
<b>Closing balance at December 31</b>	<b>19</b>	<b>28</b>
<b>Opening balance at January 1</b>	<b>-</b>	<b>-</b>
Amortization for the year	-	-
Retirements and disposals for the year	-	-
<b>Closing balance of amortisation at December 31</b>	<b>-</b>	<b>-</b>
<b>Impairment of goodwill</b>	<b>-</b>	<b>-9</b>
<b>Closing carrying amount at December 31</b>	<b>19</b>	<b>19</b>
<b>Total</b>	<b>89</b>	<b>116</b>

**Impairment test for 2021****Result of impairment test**

The annual impairment test for 2021 was performed in the fourth quarter. The impairment test did not result in any indication of impairment.

**Sensitivity analysis**

In the event of a change in assumptions made regarding growth rate and discount rate of +/- 2 percentage points, there would be no need for impairment for any cash-generating unit. It is therefore Collector's judgement that there is scope for a reasonable change in both the growth rate assumption and the discount factor.

**Impairment test for 2020****Result of impairment test**

The annual impairment test for 2020 was performed in the fourth quarter. The impairment test did not result in any indication of impairment.

**Sensitivity analysis**

In the event of a change in assumptions made regarding growth rate and discount rate by +/- 2 percentage points, there would be no need for impairment for any cash-generating unit. It is therefore Collector's judgement that there is scope for a reasonable change in both the growth rate assumption and the discount factor.

## K21. Tangible assets

Group		
SEKm	Dec 31, 2021	Dec 31, 2020
<b>Opening cost at January 1</b>	<b>242</b>	<b>246</b>
Acquisitions for the year	3	1
Retirements and disposals for the year	-2	-6
Currency effect	1	2
<b>Closing cost at December 31<sup>1</sup></b>	<b>244</b>	<b>242</b>
<sup>1</sup> Rights of use are stated in Note K33 Leases		
<b>Opening balance at January 1</b>	<b>-79</b>	<b>-51</b>
Amortization for the year	-30	-34
Retirements and disposals for the year	1	6
Currency effect	0	0
<b>Closing balance of amortisation at December 31</b>	<b>-107</b>	<b>-79</b>
<b>Closing carrying amount at December 31</b>	<b>137</b>	<b>164</b>

## K22. Derivative instruments

Group				
SEKm	Dec 31, 2021		Dec 31, 2020	
	Carrying amount	Nominal amount	Carrying amount	Nominal amount
Currency-related	-	-	119	7,011
Other	-	-	-	-
<b>Positive replacement values</b>	<b>-</b>	<b>-</b>	<b>119</b>	<b>7,011</b>
Currency-related	77	5,632	-	-
Other	-	-	-	-
<b>Negative replacement values</b>	<b>77</b>	<b>5,632</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>77</b>	<b>5,632</b>	<b>119</b>	<b>7,011</b>

## K23. Other assets

Group		
SEKm	Dec 31, 2021	Dec 31, 2020
Accounts receivable	2	7
Tax receivables	4	62
Property taken over for protection of claim	-	158
Collaterals	81	-
Other receivables	8	9
<b>Total</b>	<b>94</b>	<b>236</b>

## K24. Prepaid expenses and accrued income

Group			
SEKm		Dec 31, 2021	Dec 31, 2020
Accrued income		24	16
Prepaid expenses		34	28
<b>Total</b>		<b>58</b>	<b>44</b>

## K25. Liabilities to credit institutions

Group			
SEKm		Dec 31, 2021	Dec 31, 2020
Deposits		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

## K26. Deposits and borrowings from the public

Group			
SEKm		Dec 31, 2021	Dec 31, 2020
Households		28,327	28,115
Non-financial companies		3,024	2,741
<b>Total</b>		<b>31,351</b>	<b>30,855</b>

Group			
SEKm		Dec 31, 2021	Dec 31, 2020
EUR		7,517	4,672
SEK		23,812	26,183
NOK		22	-
<b>Total</b>		<b>31,351</b>	<b>30,855</b>

## K27. Debt securities in issue and subordinated liabilities

### DEBT SECURITIES IN ISSUE

Group							
SEKm	ISIN	Interest rate %	Maturity	Dec 31, 2021		Dec 31, 2020	
				Carrying amount	Nominal amount	Carrying amount	Nominal amount
COLLB 3, FRN 21/23 <sup>1)</sup>	SE0013104577	3m Stibor + 1,35%	2023-06-07	549	550	-	-
COLLB 4, FRN 21/23 <sup>1)</sup>	SE0013360427	3m Stibor + 1,20%	2023-09-08	1,000	1,000	-	-
COLLB 5, FRN 21/24 <sup>1)</sup>	SE0015811112	3m Stibor + 1,27%	2024-11-18	650	650	-	-
COLLB 6, FRN 21/23 <sup>1)</sup>	NO0011152449	3m Nibor + 1,20%	2023-11-17	667	667	-	-
Commercial papers, other				2,364	2,367	219	220
<b>Total</b>				<b>5,229</b>	<b>5,234</b>	<b>219</b>	<b>220</b>

<sup>1)</sup> Issued under Collector Bank's MTN programme, with a total frame of SEK 5 billion.

## K27. Debt securities in issue and subordinated liabilities cont.

## SUBORDINATED LIABILITIES

## Group

SEKm	ISIN	Interest rate %	Maturity	Dec 31, 2021		Dec 31, 2020	
				Carrying amount	Nominal amount	Carrying amount	Nominal amount
COLLB 2, MTN 1, FRN C SUB	SE0010101402	4.500	2027-06-21	500	500	500	500
<b>Total</b>				<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>

## K28. Deferred tax

## DEFERRED TAX ASSETS

## Group

SEKm	Dec 31, 2021	Dec 31, 2020
Provision on deferred tax relating to temporary difference	0	-7
<b>Total</b>	<b>0</b>	<b>-7</b>
<b>Opening balance</b>	<b>4</b>	<b>11</b>
Deferred tax relating to temporary differences	0	-7
<b>Closing balance</b>	<b>4</b>	<b>4</b>

## DEFERRED TAX LIABILITIES

## Group

SEKm	Dec 31, 2021	Dec 31, 2020
Provision on deferred tax relating to untaxed reserves	162	111
Provision on deferred tax relating to temporary differences	-	12
<b>Total</b>	<b>162</b>	<b>123</b>
<b>Opening balance</b>	<b>123</b>	<b>102</b>
Deferred tax relating to untaxed reserve	51	22
Deferred tax relating to temporary differences	-12	-1
<b>Closing balance</b>	<b>162</b>	<b>123</b>

## K29. Other liabilities

## Group

SEKm	Dec 31, 2021	Dec 31, 2020
Deposits	142	256
Lease liability	135	156
Accounts payable	24	25
Liability to vendors	28	48
Tax liability	25	-
Other	30	15
<b>Total</b>	<b>385</b>	<b>501</b>

## K30. Accrued expenses and prepaid income

Group		
SEKm	Dec 31, 2021	Dec 31, 2020
Accrued interest expenses	77	59
Other accrued expenses	670	432
Accrued staff expenses	24	22
<b>Total</b>	<b>770</b>	<b>513</b>

## K31. Financial instruments at fair value

The tables below contain financial instruments recognized at fair value broken down by level. When determining fair values for financial instruments, different methods are used depending on the degree of observability of market data in the measurement and market activity.

**The methods are divided into three different levels:**

### Level 1: Quoted market values

Unadjusted quoted market values of identical financial asset or debt instruments in active markets where quoted prices are readily available and represent current and regular market transactions between independent parties.

### Level 2: measurement technique based on observable inputs

For Level 2 measurement techniques, all material inputs in the valuation models are observable either directly or indirectly. Level 2 measurement techniques include discounted cash flows, option measurement models, recent transactions, and prices of other instruments that are predominantly similar

### Level 3: Measurement technique with significant non-observable input

For level 3 measurement techniques, there is a significant amount of input that is not observable. These techniques are generally based on extrapolation from observable inputs from equivalent instruments, analysis of historical data or other analytical techniques.

### Significant transfers and reclassifications between levels

Transfers between different levels of the hierarchy may take place where there are indications that market conditions have changed.

The following table shows the Group's financial assets and liabilities measured at fair value at December 31, 2021.

Group				
Assets, SEKm	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value through profit or loss</b>				
Derivative instruments	-	-	-	-
Treasury bills and other bills eligible for refinancing with central banks, etc.	137	-	-	137
Bonds and other interest-bearing securities	2,088	-	-	2,088
Shares and participating interests	-	5	396	401
<b>Total financial assets</b>	<b>2,225</b>	<b>5</b>	<b>396</b>	<b>2,626</b>
<b>Liabilities, SEKm</b>				
	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value through profit or loss</b>				
Derivative instruments	-	77	-	77
<b>Total financial liabilities</b>	<b>-</b>	<b>77</b>	<b>-</b>	<b>77</b>

## K31. Financial instruments at fair value, cont.

The following table shows the Group's financial assets and liabilities measured at fair value at December 31, 2020.

Group				
Assets, SEKm	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value through profit or loss</b>				
Derivative instruments	-	119	-	119
Treasury bills and other bills eligible for refinancing with central banks, etc.	116	-	-	116
Bonds and other interest-bearing securities	1,116	-	-	1,116
Shares and participating interests	-	5	316	321
<b>Total financial assets</b>	<b>1,232</b>	<b>124</b>	<b>316</b>	<b>1,672</b>

Group				
Liabilities, SEKm	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value through profit or loss</b>				
Derivative instruments	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Group			
Financial instruments Level 3, SEKm		Dec 31, 2021	Dec 31, 2020
<b>Opening balance</b>		316	297
Acquisition		369	19
Divestment		-316	-
Remeasurement		27	-
<b>Closing balance</b>		<b>396</b>	<b>316</b>

Financial instruments in Level 3 refer to investments in unlisted companies through Collector Ventures. Collector uses different measurement techniques depending on available data. The investment portfolio is measured quarterly in accordance with IPEV guidelines and primarily following an external measurement where a transaction in the company has been made in the past 12 months with at least one external party. If such measurement is not possible, or if there are objective reasons to do so, as a secondary option, an internal measurement is made based on assumed, discounted cash flow.

## K32. Classification of financial assets and liabilities

The following table shows the Group's financial assets and liabilities measured at fair value at December 31, 2021.

Group				
SEKm	2021			
	Mandatorily measured at fair value through profit or loss	Amortized cost	Total carrying amount	Fair value
<b>Assets</b>				
Treasury bills and other bills eligible for refinancing with central banks, etc.	137	-	137	137
Loans to credit institutions	-	5,247	5,247	5,247
Loans to the public	-	36,214	36,214	36,214
Bonds and other interest-bearing securities	2,088	-	2,088	2,088
Shares and participating interests	401	-	401	401
Derivatives	-	-	-	-
Other assets	-	-	-	-
<b>Total</b>	<b>2,626</b>	<b>41,461</b>	<b>44,087</b>	<b>44,087</b>
Non-financial assets	-	-	378	-
<b>Total assets</b>	<b>2,626</b>	<b>41,461</b>	<b>44,465</b>	<b>44,087</b>

## K32. Classification of financial assets and liabilities, cont.

Group	2021			
	Mandatorily measured at fair value through profit or loss	Amortized cost	Total Carrying amount	Fair value
<b>SEKm</b>				
<b>Liabilities</b>				
Liabilities to credit institutions	-	-	-	-
Deposits and borrowings from the public	-	31,351	31,351	31,351
Debt securities in issue	-	5,229	5,229	5,229
Derivatives	-	77	77	77
Other liabilities	-	77	77	77
Subordinated liabilities	-	500	500	500
<b>Total</b>	<b>-</b>	<b>37,234</b>	<b>37,234</b>	<b>37,234</b>
Non-financial liabilities	-	-	1,241	-
<b>Total liabilities</b>	<b>-</b>	<b>37,234</b>	<b>38,475</b>	<b>37,234</b>

The following table shows the Group's financial assets and liabilities measured at December 31, 2020.

Group	2020			
	Mandatorily measured at fair value through profit or loss	Amortized cost	Total carrying amount	Fair value
<b>SEKm</b>				
<b>Assets</b>				
Treasury bills and other bills eligible for refinancing with central banks, etc.	116	-	116	116
Loans to credit institutions	-	3,916	3,916	3,916
Loans to the public	-	31,828	31,828	31,828
Bonds and other interest-bearing securities	1,116	-	1,116	1,116
Shares and participating interests	321	-	321	321
Derivatives	119	-	119	119
Other assets	-	-	-	-
<b>Total</b>	<b>1,672</b>	<b>35,744</b>	<b>37,416</b>	<b>37,416</b>
Non-financial assets	-	-	561	-
<b>Total assets</b>	<b>1,672</b>	<b>35,744</b>	<b>37,977</b>	<b>37,416</b>

Group	2020			
	Mandatorily measured at fair value through profit or loss	Amortized cost	Total Carrying amount	Fair value
<b>SEKm</b>				
<b>Liabilities</b>				
Liabilities to credit institutions	-	-	-	-
Deposits and borrowings from the public	-	30,855	30,855	30,855
Debt securities in issue	-	219	219	219
Derivatives	-	-	-	-
Other liabilities	-	346	346	346
Subordinated liabilities	-	996	996	996
<b>Total</b>	<b>-</b>	<b>32,416</b>	<b>32,416</b>	<b>32,416</b>
Non-financial liabilities	-	-	791	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>33,207</b>	<b>32,416</b>

### 33. Leases

Group	
SEKm	2021
<b>Income statement</b>	
Interest expense on lease liabilities	0
Amortization of right-of-use assets	-26
<b>Balance sheet</b>	
Right-of-use assets	132
Lease liabilities	135

Group	
SEKm	2020
<b>Income statement</b>	
Interest expense on lease liabilities	-1
Amortization of right-of-use assets	-29
<b>Balance sheet</b>	
Right-of-use assets	154
Lease liabilities	156

### K34. Related parties

Companies with significant influence or that are under significant influence of key individuals in a senior position in Collector are presented below as related parties. The group of related parties includes the following companies: Fastighets AB Balder, Söderfors Bruk AB, RE IV Limited and Secits Holding AB. The companies engage Collector for services in corporate and real estate lending as well as other banking and payment services. All dealings are priced on market terms. Key individuals below refer to members of the company's Board and executive management. For more information regarding key individuals, see Note K10.

#### RECEIVABLES FROM AND LIABILITIES TO RELATED PARTIES

Group	Related parties		Key individuals	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
SEKm				
Loans to the public	792	697	1	-
Other assets	-	-	-	-
<b>Total</b>	<b>792</b>	<b>697</b>	<b>1</b>	<b>-</b>
Deposits and borrowings from the public	-	-	1	2
Debt securities in issue	-	-	-	-
Subordinated liabilities	-	-	-	-
Other liabilities	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>2</b>

## K34. Related parties, cont.

## RELATED PARTIES - INCOME AND EXPENSES

Group	Related parties		Key individuals	
	2021	2020	2021	2020
SEKm				
Interest income	64	20	-	-
Interest expense	-	-4	0	0
Commission income	-	-	-	-
Commission expense	-	-	-	-
Net gains and losses on financial items	-	-	-	-
Other income	-	-	-	-
Other expenses	-	-3	-	-
<b>Total</b>	<b>64</b>	<b>13</b>	<b>0</b>	<b>0</b>

## RELATED PARTIES - REMUNERATION IN ADDITION TO FEES

Group	Board members	
	2021	2020
SEK 000		
Anna Kinberg Batra, consultant remuneration, consultancy	-	50
Bengt Edholm, consultant remuneration, consultancy	-	150
<b>Total</b>	<b>-</b>	<b>200</b>

## K35. Pledged assets, contingent liabilities and commitments

## PLEDGED ASSETS

Group	Dec 31, 2021		Dec 31, 2020	
	SEKm			
Floating charges <sup>1)</sup>		None		400
<b>Total</b>		<b>None</b>		<b>400</b>

<sup>1)</sup> Relates to collateral for unused credit facilities.

## CONTINGENT LIABILITIES

SEKm	Dec 31, 2021		Dec 31, 2020	
Contingent liabilities		None		None
<b>Total</b>		<b>None</b>		<b>None</b>

## COMMITMENTS

SEKm	Dec 31, 2021		Dec 31, 2020	
Unutilized credit limits		5,671		3,119
Other commitments		147		-
<b>Total</b>		<b>5,818</b>		<b>3,119</b>

## K36. Changed accounting treatment of Additional Tier 1 Capital instrument

During the fourth quarter of 2021 the accounting treatment of the SEK 500 million Additional Tier 1 Capital instrument, which was issued during the first quarter of 2019, was changed. The instrument is perpetual, with a first call date after five years and carries an interest rate of 3m Stibor +8.00%. The Additional Tier 1 Capital instrument is deemed to fulfil the conditions of an equity instrument since the instrument, according to the terms and conditions, is perpetual and the issuer has full discretion regarding interest payments. The interest expense for the Additional Tier 1 Capital instrument has previously been reported as interest expense under net interest income and is not tax deductible. From the fourth quarter of 2021, the Additional Tier 1 Capital instrument

is classified as equity and payment to holders of these instruments, such as interest, is recognised through equity. From an accounting perspective, the changed accounting treatment of interest expense has been classified as correction of incorrect reporting, which means that comparable periods have been adjusted. The change enhances comparability with other banks. Historical financial information has been adjusted and is presented on a comparable basis in this report. Quarterly historical information since the first quarter of 2020, according to the updated accounting treatment, is available on Collector's website [collector.se/en/aboutcollector/investors/](https://collector.se/en/aboutcollector/investors/)

financial-information/.

The following table shows the Group's financial items in income statement and balance sheet affected by the changed accounting treatment for comparison year 2020.

Group

	<i>before rearrange- ments</i>	<i>rearrange- ments</i>	<i>after rearrange- ments</i>
<b>INCOME STATEMENT 2020</b>			
<b>SEKm</b>			
Net interest income	1,806	41	1,848
Net commission income	293	-	293
Total income	2,119	41	2,162
Total expenses	-866	-	-866
Profit before credit losses	1,254	41	1,296
Operating profit	395	41	437
<b>Net profit for the year</b>	<b>291</b>	<b>41</b>	<b>333</b>
<b>Portion attributable to;</b>			
collector AB shareholders	291	0	292
additional Tier 1 capital holders	-	41	41
<b>BALANCE SHEET 2020-12-31</b>			
Subordinated liabilities	996	-496	500
Equity	4,770	496	5,266

## K37. Reconciliation against financial statements in accordance with IFRS

In the financial reporting provided by Collector, alternative performance measures are stated that supplement the indicators defined or specified in applicable rules for financial reporting. Alternative performance measures are stated when, in their contexts, they provide clearer or more in-depth

information than the indicators defined in applicable rules for financial reporting. The alternative performance measures are derived from the company's consolidated accounts and are not indicators in accordance with IFRS.

### RECONCILIATION OF ADJUSTED ITEMS

SEKm	2021	2020
	Full year	Full year
<b>Total income</b>		
Total income	2,649	2,162
Divestments of subsidiaries	-12	0
Other non-recurring items	-9	0
<b>Adjusted total income</b>	<b>2,628</b>	<b>2,162</b>
<b>Total expenses</b>		
Total expenses	-796	-866
Write-down of capitalized IT investments	-	0
Other non-recurring items	-	15
<b>Adjusted operating expenses</b>	<b>-796</b>	<b>-851</b>
<b>Credit losses</b>		
<b>Credit losses, net</b>	<b>-884</b>	<b>-859</b>
Extra credit loss provisioning	-	50
<b>Adjusted credit losses, net</b>	<b>-884</b>	<b>-809</b>
<b>Non-recurring items</b>		
Total income	-21	0
Total expenses	-	15
Credit losses, net	-	50
<b>Total non-recurring items</b>	<b>-21</b>	<b>65</b>
<b>Operating profit</b>		
Operating profit	970	437
Non-recurring items	-21	65
<b>Adjusted operating profit</b>	<b>949</b>	<b>502</b>

## K38. Significant events after the end of the financial year

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The Board of Collector AB announced an intention to initiate a process to merge Collector AB with its wholly owned subsidiary Collector Bank AB. The purpose of the merger is to further simplify the corporate structure, achieve a more efficient use of internal resources and to optimize the capital position. Subject to approval by the shareholders at the 2022 annual general meeting, Collector AB will through the merger be absorbed by Collector Bank AB, which will be the remaining entity after the merger. The Group's operations will remain unchanged. See the separate press release published on February 7, 2022 for more information.

On January 29, 2020, the Swedish Financial Supervisory Authority ("SFSA") initiated an open investigation regarding credit evaluation processes for consumer credits, including Collector and a number of other players on the Swedish consumer lending market. The investigation is described as a thematic investigation covering a number of players on the Swedish consumer lending market, and is based on credit applications received between June 1, 2019 and September 30, 2019. The SFSA has, as part of this investigation, sent a reconciliation letter and Collector has answered the questions sent by the SFSA.

On February 9, 2022, Collector received a reconciliation letter from the SFSA, which concludes a preliminary assessment that the bank does not base its credit assessments on adequate data and hence is considered non-compliant with the Consumer Credit Act (Chapters 6 and 12 of the Swedish Consumer Credit Act (2010:1846) and the SFSA's general guidelines regarding consumer credit (FFFS 2014:11). The SFSA's preliminary assessment is therefore that the bank has not carried out adequately sound lending practices and has not acted in compliance with the Consumer Credit Act. As a result, the SFSA is considering taking action against Collector pursuant to 15:1 of the Swedish Banking and Finance Act.

Collector has been given the opportunity to comment on the SFSA's observations.

At the end of February 2022, Russia invaded several regions of Ukraine. The war in Ukraine creates a risk of significant volatility in both global and local markets. The conflict has led to a deterioration in the overall security situation, including in Europe, and there is a risk that the conflict may escalate further. It is currently uncertain what impact the war in Ukraine will have over the longer term on the global economy and the Swedish financial markets, but the war could have negative consequences for Collector business, financial position and result. As of today, Collector does not have any significant direct or indirect exposure to these countries.

# Income statement Parent Company

SEKm		2021	2020
Net sales	M2	67	76
<b>Net sales</b>		<b>67</b>	<b>76</b>
<b>Operating expenses</b>			
Personnel expenses	M3	-2	-2
Other expenses	M4,5	-67	-77
Depreciation/amortization of tangible and intangible assets	M6	-5	-4
<b>Operating earnings</b>		<b>-7</b>	<b>-8</b>
<b>Earnings from financial items</b>			
Earnings from participating interests in Group companies	M7	34	53
Income from interest and similar items	M7	-	3
Interest expenses and similar items	M7	0	-6
<b>Earnings after financial items</b>		<b>27</b>	<b>42</b>
Appropriations	M8	6	11
<b>Earnings before tax</b>		<b>33</b>	<b>53</b>
Tax expense	M9	0	-1
<b>Net profit for the year</b>		<b>33</b>	<b>52</b>

# Statement of comprehensive income Parent Company

SEKm		2021	2020
Net profit for the year		33	52
Other		-	-
<b>Total comprehensive income for the year</b>		<b>33</b>	<b>52</b>

# Balance sheet Parent Company

SEKm	Note	Dec 31, 2021	Dec 31, 2020
<b>ASSETS</b>			
<b>Intangible assets</b>			
Capitalized expenditure on development work and similar work	M10	-	1
<b>Total intangible assets</b>		<b>-</b>	<b>1</b>
<b>Property, plant and equipment</b>			
Equipment	M11	4	8
<b>Total property, plant and equipment</b>		<b>4</b>	<b>8</b>
<b>Financial assets</b>			
Participating interests in Group companies	M12	2,448	2,750
Other non-current receivables	M13	5	5
Deferred tax asset		1	1
<b>Total financial assets</b>		<b>2,454</b>	<b>2,756</b>
<b>Total non-current assets</b>		<b>2,459</b>	<b>2,765</b>
<b>Current assets</b>			
Receivables from Group companies		33	-
Other receivables		10	15
Prepaid expenses and accrued income	M14	9	14
Cash and bank balances		19	117
<b>Total current assets</b>		<b>71</b>	<b>145</b>
<b>TOTAL ASSETS</b>		<b>2,529</b>	<b>2,911</b>

# Balance sheet Parent Company, cont.

SEKm		Dec 31, 2021	Dec 31, 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Restricted equity</b>	M15		
Share capital (205,381,004 shares)		21	21
Statutory reserve		18	18
Development expenditure fund		-	1
<b>Total restricted equity</b>		<b>39</b>	<b>40</b>
<b>Unrestricted equity</b>	M15		
Share premium reserve		2,291	2,291
Retained earnings		161	109
Net profit for the period		33	52
<b>Total unrestricted equity</b>		<b>2,485</b>	<b>2,451</b>
<b>Total equity</b>		<b>2,524</b>	<b>2,491</b>
<b>Untaxed reserves</b>	M16		
Tax allocation reserves		-	-
<b>Total untaxed reserves</b>		<b>-</b>	<b>-</b>
<b>Provisions</b>			
Provisions for tax		-	-
<b>Total provisions</b>		<b>-</b>	<b>-</b>
<b>Non-current liabilities</b>			
Other non-current liabilities		-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Current liabilities</b>			
Accounts payable		-	1
Liabilities to Group companies		-	413
Other current liabilities		3	6
Accrued expenses and prepaid income		1	2
<b>Total current liabilities</b>		<b>5</b>	<b>421</b>
<b>Total liabilities</b>		<b>5</b>	<b>421</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,529</b>	<b>2,911</b>

# Statement of changes in equity

## Parent Company

2021	Restricted equity			Unrestricted equity		Total equity
	Share capital	Statutory reserve	Development expenditure fund	Share premium reserve	Retained earnings	
SEKm						
<b>Opening balance at January 1, 2021</b>	<b>21</b>	<b>18</b>	<b>1</b>	<b>2,291</b>	<b>161</b>	<b>2,491</b>
Transfer to development expenditure fund			-1		1	-
Net profit for the year					33	<b>33</b>
<b>Closing balance at December 31, 2021</b>	<b>21</b>	<b>18</b>	<b>-</b>	<b>2,291</b>	<b>195</b>	<b>2,524</b>

2020	Restricted equity			Unrestricted equity		Total equity
	Share capital	Statutory reserve	Development expenditure fund	Share premium reserve	Retained earnings	
SEKm						
<b>Opening balance at January 1, 2020</b>	<b>10</b>	<b>18</b>	<b>2</b>	<b>1,274</b>	<b>121</b>	<b>1,426</b>
Transfer to development expenditure fund			-1		1	-
New share issue	10			1,017		<b>1,027</b>
Issue expenses including tax effect					-13	<b>-13</b>
Net profit for the year					52	<b>52</b>
<b>Closing balance at December 31, 2020</b>	<b>21</b>	<b>18</b>	<b>1</b>	<b>2,291</b>	<b>161</b>	<b>2,491</b>

# Cash flow statement Parent Company

SEKm	2021	2020
<b>Operating activities</b>		
Earnings after financial items	27	42
Adjustments for items not included in the cash flow:		
Capital gains/losses on sale of subsidiaries and associates	-32	-53
Depreciation/amortization and impairment of tangible and intangible assets	4	7
Taxes paid	0	-5
<b>Cash flow from operating activities</b>	<b>-1</b>	<b>-9</b>
Increase/decrease in other assets	-25	-1
Increase/decrease in other liabilities	-420	93
<b>Cash flow from operating activities</b>	<b>-446</b>	<b>83</b>
<b>Investing activities</b>		
Acquisitions of intangible assets	-	-
Acquisitions of property, plant and equipment	-1	-1
Disposals of property, plant and equipment	-	-
Acquisitions of financial assets	-	-
Disposals of financial assets	-	-
Divestments of subsidiaries	338	86
Divestments of subsidiaries	-	-34
Shareholder contributions in subsidiaries	-	-1,250
<b>Cash flow from investing activities</b>	<b>337</b>	<b>-1,199</b>
<b>Financing activities</b>		
Equity issuance	-	1,014
Redemption of interest-bearing securities	-	-94
Group contributions paid/received	11	30
<b>Cash flow from financing activities</b>	<b>11</b>	<b>950</b>
<b>Cash flow for the year</b>	<b>-98</b>	<b>-166</b>
Cash and cash equivalents at beginning of year	117	283
<b>Cash and cash equivalents at end of year</b>	<b>19</b>	<b>117</b>
<b>Paid and received interest of which is included in the cash flow from operating activities</b>		
Interest paid	1	5
Interest received	-	2

# Notes

All amounts are in millions of Swedish kronor (SEKm) and at book value unless otherwise indicated. Figures in brackets refer to the previous year and rounding differences may occur.

## M1. Accounting policies

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. In the following, only the areas where the Parent Company's policies differ from the Group's policies are described. In all other respects, reference is made to the accounting policies for the Group in Note K2.

### SUBSIDIARIES

Shares in subsidiaries are recognized in the Parent Company at cost less any impairments.

### GROUP CONTRIBUTIONS AND SHAREHOLDER CONTRIBUTIONS FOR LEGAL ENTITIES

The company recognizes Group contributions and shareholder contributions in accordance with RFR 2. Shareholder contributions are booked directly against equity at the recipient and added to the balance sheet for shares and participations at the donor.

### GROUP INFORMATION

Of the Parent Company's transactions measured in SEK, 0.0% (4.3) of expenses and 100.0% (97.6) of income pertains to other companies throughout the group of companies to which the company belongs.

## M2. Net sales

Parent Company		
SEKm	2021	2020
Management fee	67	74
Other	0	2
<b>Total</b>	<b>67</b>	<b>76</b>

## M3. Personnel expenses

### BOARD OF DIRECTORS AND CEO

Parent Company		
SEKm	2021	2020
Other remuneration and benefits	0	0
Social security expenses on fees	-2	-2
<b>Total</b>	<b>-2</b>	<b>-2</b>

### BOARD MEMBERS AND SENIOR EXECUTIVES

Parent Company				
	2021		2020	
	Average	of whom men	Average number	of whom men
Board members	6	71%	7	67%
Senior management	12	67%	12	62%

## M4. Remuneration of auditors

Parent Company		
SEKm	2021	2020
Audit engagement	-1.1	-1.7
Audit related services	-0.2	-0.2
Tax advice	-0.1	-0.1
<b>Total Ernst &amp; Young (EY)</b>	<b>-1.4</b>	<b>-2.0</b>

## M5. Other expenses

Parent Company		
SEKm	2021	2020
Consultancy expenses	-3	-7
IT expenses	-33	-30
Premises expenses	-24	-29
Other operating expenses	-7	-13
<b>Total</b>	<b>-67</b>	<b>-77</b>

## M6. Depreciation, amortisation and impairment of tangible and intangible assets

Parent Company			
SEKm	2021	2020	
Depreciation of tangible assets	-4	-3	
Amortization of intangible assets	-2	-1	
<b>Total</b>	<b>-5</b>	<b>-4</b>	

## M7. Financial items

Parent Company			
SEKm	2021	2020	
Interest expenses convertible loans	-	-6	
Revaluation convertible loans	-	3	
Divestments of subsidiaries	34	53	
Other interest expense	0	0	
Other interest income	-	0	
<b>Total</b>	<b>34</b>	<b>50</b>	

## M8. Appropriations

Parent Company			
SEKm	2021	2020	
Group contributions received and provided	6	11	
Accelerated depreciation	-	-	
Reversal from tax allocation reserve	-	-	
<b>Total</b>	<b>6</b>	<b>11</b>	

## M9. Tax

Parent Company			
SEKm	2021	2020	
Current tax on net profit for the year	0	0	
Current tax for previous years	-	-1	
<b>Current tax expense</b>	<b>0</b>	<b>-1</b>	
Deferred tax relating to temporary difference	0	-	
<b>Tax recognized in the income statement</b>	<b>0</b>	<b>-1</b>	
Tax attributable to other comprehensive income, specification			
Deferred tax relating to revaluation of hedged net investments	-	-	
<b>Total deferred tax</b>	<b>0</b>	<b>0</b>	

Parent Company					
SEKm	2021	%	2020	%	
Difference between recognized tax and tax based on applicable Swedish rate of tax					
<b>Profit before tax</b>	<b>33</b>		<b>53</b>		
Current tax at applicable rate of tax	-7	20.6	-11	21.4	
Tax effect relating to non-taxable income	7		12		
Tax effect relating to not tax deductible expenses	0		0		
Standard interest attributable to tax allocation reserve	-		0		
Tax effect relating to previous years	-		-2		
Tax effect relating to changes in tax rates or the imposition of new taxes	-		-		
Other adjustments	-		0		
<b>Tax recognised in the income statement</b>	<b>0</b>	<b>0.0</b>	<b>-1</b>	<b>1.9</b>	

## M10. Intangible assets

Parent Company		
SEKm	Dec 31, 2021	Dec 31, 2020
<b>Opening balance as per January 1</b>	<b>5</b>	<b>77</b>
Acquisitions for the year	-	-
Sales, disposals and impairments for the year	-3	-72
<b>Closing balance as per December 31</b>	<b>2</b>	<b>5</b>
<b>Opening balance as per January 1</b>	<b>-4</b>	<b>-76</b>
Amortization for the year	0	-1
Retirements and disposals for the year	2	73
<b>Closing balance amortisations as per December 31</b>	<b>-2</b>	<b>-4</b>
<b>Closing balance as per December 31</b>	<b>-</b>	<b>1</b>

## M11. Tangible assets

Parent Company		
SEKm	Dec 31, 2021	Dec 31, 2020
<b>Opening balance as per January 1</b>	<b>22</b>	<b>24</b>
Acquisitions for the year	1	1
Sales and disposals for the year	-2	-3
<b>Closing balance as per December 31</b>	<b>21</b>	<b>22</b>
<b>Opening balance as per January 1</b>	<b>-14</b>	<b>-16</b>
Amortization for the year	-3	-3
Retirements and disposals for the year	1	5
<b>Closing balance amortisations as per December 31</b>	<b>-16</b>	<b>-14</b>
<b>Closing balance as per December 31</b>	<b>4</b>	<b>8</b>

## M12. Participating interests in Group companies

Parent Company						Carrying amount, SEKm	
Subsidiaries	Corp. ID. no.	Domicile	Share in %	Number of shares	Dec 31, 2021	Dec 31, 2020	
Collector Bank AB	556597-0513	Gothenburg	100	1,494,220	2,448 <sup>1)</sup>	2,448 <sup>1)</sup>	
Collector Ventures 1 KB	969780-2180	Stockholm	80	KB-partner	-	301	
Colligent Suomi Oy	2925240-4	Helsinki	100	100	-	0	
Colligent AG	CHE-462.603.60	Steinhausen	100	100	-	1	
Norrplint Fastigheter AB	559213-0412	Gothenburg	100	100	-	0	
Ledaren Fastigheter i Norrköping AB	559213-0404	Gothenburg	100	100	-	0	
<b>Total</b>					<b>2,448</b>	<b>2,750</b>	

<sup>1)</sup>Includes shareholder contributions of SEK 1,250 million.

## M13. Other non-current receivables

Parent Company		
SEKm	Dec 31, 2021	Dec 31, 2020
<b>Accumulated acquisition values</b>		
<b>Opening balance</b>	<b>5</b>	<b>5</b>
Acquisitions during the year	-	-
<b>Closing balance</b>	<b>5</b>	<b>5</b>

## M14. Prepaid expenses and accrued income

Parent Company		
SEKm	Dec 31, 2021	Dec 31, 2020
Prepaid invoices	9	8
Other prepaid expenses	0	6
<b>Total</b>	<b>9</b>	<b>14</b>

## M15. Equity

### SHARE CAPITAL

Issued shares total 205,381,004 ordinary shares with a quotient value of SEK 0.1 per share. All shares issued are fully paid up. No dividend was paid in 2021 or 2020. Disclosures of changes in equity are shown in the consolidated statement of changes in equity.

### RETAINED PROFIT OR LOSS

Retained profit or loss in the bank comprises non-restricted equity for the year after payment of any dividend. Retained earnings and profit for the year make up non-restricted equity, which is the amount that is available for distribution to the shareholders.

## M16. Untaxed reserves

### Parent Company

SEKm	Dec 31, 2021	Dec 31, 2020
Accelerated depreciation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## M17. Pledged assets, contingent liabilities and commitments

### PLEGDED ASSETS

#### Parent Company

SEKm	Dec 31, 2021	Dec 31, 2020
Floating charges	None	None
<b>Total</b>	<b>None</b>	<b>None</b>

### CONTINGENT LIABILITIES

SEKm	Dec 31, 2021	Dec 31, 2020
Guarantees	None	None
Rental guarantee subsidiary	10	10
<b>Total</b>	<b>10</b>	<b>10</b>

### COMMITMENTS

SEKm	Dec 31, 2021	Dec 31, 2020
Unutilized credit limit	None	None
<b>Total</b>	<b>None</b>	<b>None</b>

## M18. Proposed appropriation of profits

The following profits of Collector according to the balance sheet are at the disposal of the Annual General Meeting:

	SEK
Retained earnings	2,452,344,763
Net profit for the year	33,098,953
<b>Total</b>	<b>2,485,443,716</b>

The Board proposes that, following approval of the balance sheet of Collector AB for the financial year 2021, the Annual General Meeting should distribute the earnings as follows:

	SEK
Carried forward	2,485,443,716
<b>Total</b>	<b>2,485,443,716</b>

## M19. Significant events after the end of the financial year

The Board of Collector AB announced an intention to initiate a process to merge Collector AB with its wholly owned subsidiary Collector Bank AB. The purpose of the merger is to further simplify the corporate structure, achieve a more efficient use of internal resources and to optimize the capital position. Subject to approval by the shareholders at the 2022 annual general meeting, Collector AB will through the merger be absorbed by Collector Bank, which will be the remaining entity after the merger. The Group's operations will remain unchanged. See the press release published February 7, 2022 for further information.

On January 29, 2020, the Swedish Financial Supervisory Authority ("SFSA") initiated an open investigation regarding credit evaluation processes for consumer credits, including Collector and a number of other players on the Swedish consumer lending market. The investigation is described as a thematic investigation covering a number of players on the Swedish consumer lending market, and is based on credit applications received between June 1, 2019 and September 30, 2019. The SFSA has, as part of this investigation, sent a reconciliation letter and Collector has answered the questions sent by the SFSA.

On February 9, 2022, Collector received a reconciliation letter from the SFSA, which concludes a preliminary assessment that the bank does not base its credit assessments on adequate data and hence is considered non-compliant with the Consumer Credit Act (Chapters 6 and 12 of the Swedish Consumer Credit Act (2010:1846) and the SFSA's general guidelines regarding consumer credit (FFFS 2014:11). The SFSA's preliminary assessment is therefore that the bank has not carried out adequately sound lending practices and has not acted in compliance with the Consumer Credit Act. As a result, the SFSA is considering taking action against Collector pursuant to 15:1 of the Swedish Banking and Finance Act.

Collector has been given the opportunity to comment on the SFSA's observations.

At the end of February 2022, Russia invaded several regions of Ukraine. The war in Ukraine creates a risk of significant volatility in both global and local markets. The conflict has led to a deterioration in the overall security situation, including in Europe, and there is a risk that the conflict may escalate further. It is currently uncertain what impact the war in Ukraine will have over the longer term on the global economy and the Swedish financial markets, but the war could have negative consequences for Collector Bank's business, financial position and result. As of today, Collector does not have any significant direct or indirect exposure to these countries.

# Signatures of the Board of Directors and the CEO

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.

The annual report and sustainability report and the consolidated financial statements were approved for publication by the Board on March 30, 2022. The annual report also contains the Group's and Parent Company's sustainability reporting in accordance with Chapter 6, Section 11 of the Annual Accounts Act, pages 110-115.

Gothenburg, March 30, 2022

Erik Selin  
*Chairman of the Board*

Christoffer Lundström  
*Board member*

Charlotte Hybinette  
*Board member*

Marie Osberg  
*Board member*

Ulf Croona  
*Board member*

Bengt Edholm  
*Board member*

Martin Nossman  
*CEO*

Our audit report was submitted on March 31, 2021  
Ernst & Young AB

Daniel Eriksson  
*Authorized public  
accountant*

# Audit report

To the Annual General Meeting of Collector AB (publ), corporate identity number 556560-0797

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Collector AB (publ) for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 33-92 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

### Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### Provision for expected loan losses

Detailed disclosures and a description of the matter are provided in the annual report. Credit risk exposures and their treatment are described in Note K3 from page 52. The Group's reported expected credit losses and the credit risk exposure are specified in Notes K13, K18a and K18b. For the area of relevant accounting principles it is described in Note K2 from page 46.

### Description

As of December 31, 2021, lending to the public amounts to SEK 36,214 million in the Group, which corresponds to 81.4% of total assets. The lending to public consists of gross outstanding receivables in the amount of SEK 39,953 million. Off-balance sheet commitments consist of unused credits amounting to SEK 5,818 million. Provision for expected credit losses for lending to the public amounts to SEK 3,739 million.

Collector's credit provisioning model is based on IFRS 9. The loss reserve shall be valued in a manner that reflects an objective and probability-weighted amount determined by evaluating a range of possible outcomes and based on past events, current conditions and forecasts of future economic conditions. The provisioning model means that Collector makes assessments and assumptions of, for example, criteria for identifying a significant increase in credit risk and methods for calculating expected credit losses. Given the complexity of the calculation and the need for Collector to make assessments and assumptions, the valuation of the reserve for expected credit losses has been considered to be a particularly important area.

### How our audit addressed this key audit matter

We have evaluated whether Collector's assessment of default probability (PD), default loss (LGD), default exposure (EAD) and their assessment of material increase in credit risk are in accordance with IFRS 9. We have gained an understanding of and tested the design of key controls in the lending process. We have randomly tested that the data from the underlying systems used in the model is complete and accurate. We have reviewed and assessed the model used including adoption and parameters such as PD, LGD and EAD and checked the functionality of the model. We have assessed the reasonableness of the manual adjustments made by the company. We have also reviewed how expectations of future forecasts are affected by Covid-19. We have also reviewed the disclosures provided in the financial statements regarding credit risk.

### Other Information than the annual accounts and consolidated financial statements

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-32 and 97-120. The Board of Directors and the CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated financial statements and for them giving a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated financial statements, in accordance with IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated financial statements, the Board of Directors and the CEO are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the CEO intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

## Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than of one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.
- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence

obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the CEO of Collector AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

### Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

## Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the parent company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The CEO must manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of the supporting documents for this in order to be able to assess the compatibility of the proposal with the Swedish Companies Act.

## The auditor's examination of the Esef report Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the CEO have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Collector AB (publ) for the financial year 2021. Our examination and our opinion relate only to the statutory requirements. In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### Basis for opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Collector AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Responsibilities of the Board of Directors and the CEO.

The Board of Directors and the CEO are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the CEO determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion

on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e., if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also includes an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Ernst & Young AB, Box 7850, 111 44 Stockholm, was appointed Collector AB (publ)'s auditor by the Annual General Meeting on May 5, 2021 and has been the company's auditor since 2018.

Stockholm 31 March 2022

Ernst & Young AB  
Daniel Eriksson  
*Authorized public account*

# Corporate governance report

Collector AB (“Collector”) is a Swedish public limited company domiciled in Gothenburg, Sweden. The company’s shares are listed on Nasdaq Stockholm. Collector Bank AB (“Collector Bank”) is a wholly-owned subsidiary of Collector. Collector Bank is the company within the Collector Group that conducts operations that require permits and also the company in which the Group’s main operations are run.

## The importance of corporate governance

Good corporate governance is the basis for a trusting relationship with shareholders and the company’s other key stakeholders, and is of vital for achieving the effective and efficient governance of Collector. A robust framework and effective tools for internal management and control as well as risk management are of the utmost importance for good corporate governance.

## Overall corporate governance structure



## Regulations

As a Swedish public limited company with securities listed on Nasdaq Stockholm, Collector must comply with an extensive regulatory framework. The key corporate governance regulations include the following:

- The Swedish Companies Act
- The Swedish Securities Market Act
- The Swedish Act on Penalties for Market Abuse in the Securities Market
- The Swedish Annual Accounts Act
- The Nasdaq Stockholm Rule Book for Issuers
- The Swedish Corporate Governance Code ('the Code')

In addition, Collector Bank must comply with banking regulations such as the Act on Banking and Financing Operations and the Swedish Financial Supervisory Authority’s rules and guidelines. The Collector Group must further comply with an extensive regulatory framework that is decided on at EU level, including the following regulations:

- The Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms ('CRR')
- The Regulation of the European Parliament and of the Council on market abuse ('MAR')
- The Regulation of the European Parliament and of the Council on data protection ('GDPR')
- The EBA Guidelines on Internal Governance ('GL 11')
- The ESMA and EBA joint guidelines on the assessment of the suitability of members of management bodies and key function holders ('GL 12')

In order to ensure a well-functioning internal governance and control system, Collector has established a framework of internal rules and processes that complement the applicable external regulations. The internal and external rules divide up responsibility for the governance, control and follow-up of the business between the shareholders, the Board and the CEO. The internal regulatory framework includes the following policy documents adopted by the Board:

- The rules of procedure for the Board and the Board's committees
- The instructions for the CEO
- The instructions for the internal audit and control functions
- The internal governance and control policy
- The Group risk policy
- The Group credit policy
- The Group finance policy
- The policy on the combating of money laundering and terrorist financing
- The conflict of interest management policy
- The Group remuneration policy
- The anti-corruption policy
- The diversity policy for the Board
- The policy on the suitability assessment of the Board and senior executives

The corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and the Code. The purpose of the Code is to strengthen confidence in Swedish listed companies by promoting the positive development of corporate governance in these companies. The Code complements legislation and other rules by setting a standard for good corporate governance. This standard is not mandatory and can be deviated from on individual points provided that the company reports an alternative solution for each deviation and the reasons for it. In the Board's view, Collector complied with the Code in all respects during 2021 and has no deviations to explain. No breaches of the Nasdaq Stockholm Rule Book for Issuers or good stock market practice occurred in the Board's judgment.

### Shareholders and voting rights

At the end of 2021, Collector had approximately 11,700 shareholders according to the shareholder register maintained by Euroclear Sweden. Collector's largest shareholder is Fastighets AB Balder, which at the end of 2021 held approximately 44% of its share capital and voting rights. Collector's second-largest shareholder, Erik Selin, held approximately 11% of its share capital and voting rights at the end of 2021. At the end of 2021, the ten largest shareholders accounted for approximately 80% of the company's share capital and voting rights. At December 31, 2021, the company's share capital totaled SEK 20,538,100, divided into 205,381,004 ordinary shares. Collector has a single class of shares, where each share entitles the holder to one vote at the General Meeting.

Shareholders at December 31, 2021	%
Fastighets AB Balder	44.1%
Erik Selin	10.7%
StrategiQ Capital AB	10.3%
Lena Apler	4.6%
SEB Life International	3.7%
Avanza Pension	2.2%
SEB AB	1.5%
Vante AB	1.4%
State Street Bank and Trust Company	1.2%
JP Morgan Chase Bank	0.9%
Other shareholders	19.5%
<b>Total</b>	<b>100.0%</b>

### The General Meeting

The shareholders' influence is exercised through attendance of the General Meeting, which is the company's highest decision-making body. Extraordinary General Meetings may be held if the Board of Directors believes there is a reason to do so, or if Collector's auditor, or the owners of at least 10 percent of Collector's shares, request such a meeting. In accordance with the Articles of Association, the General Meeting elects Collector's Board of Directors and also appoints an auditor for Collector. The Articles of Association do not contain any provisions on amendments to the Articles of Association or the dismissal of Board members. There are also no restrictions in the Articles of Association regarding how many votes each shareholder or shareholder proxy may cast at the General Meeting.

The Annual General Meeting is held in Gothenburg within six months of the end of each fiscal year. The notice convening the Annual General Meeting is published no earlier than six and no later than four weeks prior to the Annual General Meeting. The right of shareholders to attend the Annual General Meeting is governed by the Swedish Companies Act and the Articles of Association. Shareholders who wish to have a matter considered at the Annual General Meeting can submit a proposal to Collector to this end. Decisions at the Annual General Meeting are normally taken by simple majority, i.e., with the support of more than half of the votes cast. In certain matters, however, the Swedish Companies Act stipulates that decisions must be made on the basis of a larger proportion of the votes cast.

At the Annual General Meeting, decisions are made on, among other things:

- the adoption of the income statement and the balance sheet, the consolidated income statement and the consolidated balance sheet,
- the appropriation of the company's earnings,
- the discharging from liability of the Board members and the CEO,
- the determining of the number of Board members and the number of auditors and alternate auditors,
- the determining of the fees for Board members and auditors,
- the election of Board members, the Chairman of the Board, auditors and alternate auditors,
- as well as other matters that are put before the meeting in accordance with the Swedish Companies Act or the Articles of Association.

## Annual General Meeting 2021

At Collector's Annual General Meeting held on May 5, 2021, 67 shareholders were represented with a holding equivalent to 58.4% of the total number of Collector shares and votes. The full minutes of the Annual General Meeting are available on Collector's website.

The AGM adopted the following resolutions:

- the adoption of the income statement and balance sheet for the Parent Company and the Group,
- the appropriation of the company's earnings in accordance with the adopted balance sheet,
- the discharging from liability of the Board members and the CEO,
- the determining of the number of Board members and the number of auditors,
- the determining of the fees for the Board and the auditor,
- the election of the Board, the Chairman of the Board and the auditor,
- the approval of the remuneration report for 2020
- the authorization for the Board to decide on new share issues, and
- the authorization for the Board to decide on buybacks and transfers of treasury shares

## Nomination Committee

In accordance with the principles adopted by the 2020 Annual General Meeting, the Nomination Committee must be formed after the Chairman of the Board, as of the last banking day of September, has identified the three shareholders with the largest number of votes, who will then be entitled to appoint a member each to the Nomination Committee. If any of the three 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 will be offered the opportunity to appoint a member. These three shareholder representatives, together with the Chairman of the Board, will constitute Collector's Nomination Committee. No remuneration has been paid by the company to the members of the Nomination Committee for its work.

The following individuals were members of the Nomination Committee ahead of the 2022 Annual General Meeting: Sharam Rahi (Chairman of the Nomination Committee), appointed by Fastighets AB Balder, Anna-Maria Lundström, appointed by StrategiQ Capital AB, Jesper Mårtensson, appointed by Förvaltnings AB Färgax, and Erik Selin, the Chairman of the Board. The composition of the Nomination Committee fulfils the requirements of the Code.

Member	Appointed by	Independent of the company and its management	Independent of the company's major shareholders	December 31, 2021, % of votes
Sharam Rahi	Fastighets AB Balder	Yes	No	-
Anna-Maria Lundström	StrategiQ Capital AB	Yes	No	0.1%
Jesper Mårtensson	Förvaltnings AB Färgax	Yes	No	0.0%
Erik Selin	Chairman	Yes	No	54.7% <sup>1)</sup>

<sup>1)</sup> Includes Fastighets AB Balder's shareholding as well as his own shareholding through companies

Prior to election by the Annual General Meeting, the Nomination Committee nominates the Chairman of the Board and its other members, and the external auditor, and proposes fees for the Board, the committees and the external auditor.

With regard to the composition of the Board of Directors, the Nomination Committee applied Collector's diversity policy in its work. The purpose of such a diversity policy is to ensure that, when appointing Board members, Collector takes into account a broad set of characteristics and knowledge, and its achieves a more effective management of its operations and more appropriate risk management thanks to broader expertise and experience on the Board. Collector is aware of the benefits of having a diverse Board and views it as an important competitive advantage. By promoting independent opinions and critical questioning, the necessary conditions are created for long-term, sustainable and sound governance and control of the business. The members of the Board are appointed based on their qualifications and objective criteria with due regard to the benefits of Board diversity. Aspects such as age, expertise, industry experience, education, geographical origin and gender are taken into account in nominations by the Nomination Committee.

The Nomination Committee's instructions and resolution proposal, with a specific explanation of the reasons for the Board proposal ahead of the 2022 Annual General Meeting, are available on Collector's website.

## The Board of Directors

The Board has ultimate responsibility for Collector's organization, management and operations. The tasks of the Board of Directors are governed by the Swedish Companies Act and the Articles of Association. The Board has established rules of procedure that govern its role and working methods. The Board has also established specific rules of procedure for its committees, as well as instructions for the CEO, and the internal audit and control functions. The Board determines financial targets and strategies, appoints, dismisses and evaluates the CEO, ensures that there are effective and appropriate systems for the follow-up and control of operations, that the applicable rules are followed, and that transparent and correct information is provided. The Board's work follows an annually adopted plan. The Chairman of the Board organizes and directs the work of the Board.

According to Collector's Articles of Association, the Board must consist of no fewer than three and no more than ten members, without alternates. Board members are elected by the AGM for one year at a time. There is no limitation on how long a member may sit on the Board. The Board members Erik Selin, Christoffer Lundström, Charlotte Hybinette, Bengt Edholm, Marie Osberg and Ulf Croona were re-elected at the 2021 Annual General Meeting. Erik Selin was elected as Chairman of the Board. See pages 104 and 105 for a more detailed presentation of the members of the Board.

The Code provides that the majority of the Board members elected by the Annual General Meeting must be independent of the company and the company's management,

and that at least two of the independent members must also be independent of any shareholders controlling 10% or more of the company's shares or voting rights. The composition of the Board meets the independence requirements under the Code.

### The rules of procedure and work of the Board in 2021

During the year, 24 Board meetings were held, of which 15 were ordinary meetings, one was a constitutive meeting, and 14 were extraordinary Board meetings, of which three were held remotely. The Board members' attendance is presented in the table below.

#### THE BOARD OF DIRECTORS ELECTED BY THE 2021 ANNUAL GENERAL MEETING

Member	Position	Elected	Born	Attendance of meetings in 2021					Independent of	
				Board meetings	Audit Committee	Remuneration Committee	Credit Committee	Risk and Compliance Committee	The company and the company's management	The company's major shareholders
Erik Selin	Chairman	2011	1967	21/24	7/7	4/4	36/44		Yes	No
Christoffer Lundström	Member	2007	1973	24/24		4/4			Yes	No
Charlotte Hybinette	Member	2019	1973	22/24	1/3		39/44	7/7	Yes	Yes
Bengt Edholm	Member	2020	1956	24/24				7/7	Yes	Yes
Marie Osberg	Member	2020	1960	24/24	7/7			7/7	Yes	Yes
Ulf Croona	Member	2020	1958	24/24			41/44		Yes	Yes

### Evaluation of the Board

A Board evaluation is carried out annually in order to improve the Board's work and facilitate the work of the Nomination Committee in evaluating the appropriate size and composition of the Board. The Board completes an annual self-evaluation that consists of a structured written process followed by a Board discussion. The work and methods of the Board, the Chairman of the Board and the committees are evaluated through this process. The Chairman of the Board is responsible for the evaluation and the results of the evaluation are presented to and discussed by the Board and the Nomination Committee. The Board is essentially considered to have functioned well during the year.

### The Board committees

The Board has appointed four committees for the preparation of Board matters and for the possible in-depth examination of specific areas. The Audit, Risk and Compliance, Remuneration and Credit Committees were appointed by Collector's Board at the constitutive Board meeting on May 6, 2021.

The committees must assist the Board by preparing Board matters. With the exception of the Credit Committee, which has been given terms of reference by the Board to make credit decisions in accordance with the established credit policy, the Board committees do not have their own decision-making rights and merely prepare and recommend Board decisions. All committee meeting minutes and all the materials prepared by the committees are available to the entire Board, and the committees regularly report on their work to the Board.

### The Audit Committee

The Board has established an Audit Committee to assist it with its role overseeing audit issues. Without affecting the Board's responsibilities and tasks, the committee must ensure the fulfillment of the Board's supervisory responsibility for the satisfactory monitoring of accounting and financial reporting. The committee must in particular contribute to good financial reporting and to the maintaining of the market's trust in Collector. In addition, the committee must ensure a qualified, efficient and independent external and internal audit of Collector Group, and that good communication is maintained between the Board and external and internal auditors. The committee is also tasked with supporting the Nomination Committee with proposals for the appointment of external auditors and audit fees.

The Audit Committee must consist of at least two members who are appointed from among the members of Collector's Board. The Board must appoint one of its members to chair the Audit Committee. In 2021, the Audit Committee consisted of Erik Selin (Chairman of the Audit Committee) and Marie Osberg. The Audit Committee held seven meetings in 2021.

### The Remuneration Committee

The Board has established a Remuneration Committee to assist the Board with remuneration matters. Without affecting the Board's responsibilities and tasks, the committee must prepare the Board's decisions on matters relating to remuneration principles, remuneration levels and the other

terms of employment of the CEO, Deputy CEO and every member of the management team, monitor and evaluate ongoing and completed variable remuneration programs for the management team, and monitor and evaluate the application of the guidelines on the remuneration of senior executives that the Annual General Meeting must decide on by law, as well as the current remuneration structures and remuneration levels at Collector.

The committee must consist of at least two Board members. In 2021, the Remuneration Committee consisted of Erik Selin (Chairman of the Remuneration Committee) and Christoffer Lundström. The Remuneration Committee held four meetings in 2021.

### The Credit Committee

The Board has established a Credit Committee, whose main task is making credit decisions in accordance with the decision-making terms of reference delegated by the Board in accordance with the established credit policy. The Credit Committee also prepares credit decisions that, according to the credit policy, must be made by the Board. The Credit Committee's other tasks include preparing credit guidance documents prior to Board decisions, evaluating the overall quality of the credit portfolio, and preparing matters relating to the evaluation of portfolio strategies, the screening of the credit portfolio, the evaluation of valuation and decision-making models, and the evaluation of existing or new delegation rights. The Credit Committee meets on a regular basis. The committee must consist of the Chairman of the Board and at least two other Board members. In 2021, the Credit Committee consisted of Erik Selin (Chairman of the Credit Committee), Ulf Croona and Charlotte Hybinette.

### The Risk and Compliance committee

The Board has established a Risk and Compliance Committee to assist it with matters concerning risk and compliance issues. Without affecting the Board's responsibilities and tasks, the committee must prepare and follow-up on issues concerning internal governance and control, risk management, compliance with regulations and capitalization. The committee is preparatory and the Board makes all the decisions. The committee must consist of at least two Board members. In 2021, the committee consisted of Bengt Edholm (Chairman of the committee), Charlotte Hybinette and Marie Osberg. The Risk and Compliance Committee held seven meetings in 2021.

### The CEO and senior management

The CEO is responsible for the day-to-day management of the company in accordance with the Swedish Companies Act and the Board's instructions. The CEO must ensure that Collector's organization and management are appropriate and is the company officer who is ultimately responsible for the Board's strategic direction and for the implementation of and compliance with other decisions made by the Board. The CEO has overall responsibility for Collector's risk management in accordance with the policies and instructions adopted by the Board. The Board has adopted instructions for the work and role of the CEO. The CEO reports to the Board and issues regular reports regarding Collector's performance. The Board evaluates the CEO's work each year through a structured written process followed by a Board discussion in which the CEO does not participate.

The CEO appoints a senior management team that reports directly to them. At the end of 2021, Collector's senior management consisted of Martin Nossman (CEO), Peter Olsson (CFO), Susanne Bruce (Deputy CEO & COO), Patrik Schöldström (Chief Credit Officer), Jonas Björkman (Chief Information Officer), Madeleine Mörch (Head of IR & Communications), Erik Krondahl (General Manager, Corporate), Mikael Anstrin (General Manager, Payments), Jan-Erik Setterberg (General Manager, Consumer), Josefin Eriksson (Chief Legal Counsel), Martin Nilsson (Chief Risk Officer) and Karin Bucko (Head of Compliance).

### Remuneration

#### *Guidelines on the remuneration of senior executives*

Guidelines on the remuneration of senior executives were adopted at the 2020 Annual General Meeting, to apply until the end of the 2024 Annual General Meeting. According to the guidelines, remuneration must consist of a fixed salary, pension and other benefits. No variable remuneration is paid, so that senior executives are not encouraged to take unhealthy risks. The total remuneration of senior executives is therefore made up of fixed remuneration, combined with pension provisions and non-monetary benefits. The Annual General Meeting may also resolve to offer long-term incentive programs, such as share-related or share price-related programs. Each senior executive must be offered a salary and other terms of employment that enable Collector to attract and retain skilled senior executives at a reasonable cost to Collector. The fixed salary must be in line with the market and be based on the difficulty of the work and the senior executive's experience, responsibility, skills and workload. Other benefits must be what might be considered reasonable in view of market practice. Senior executives must be offered a pension on market terms in the country where they have their permanent residence.

In addition to a fixed salary during their notice period, senior executives may receive severance pay. The fixed salary during the notice period and the severance pay may not exceed a total amount corresponding to two years' fixed salary for the CEO, and 18 months for the other senior executives.

#### *Remuneration of the Board of Directors*

Board fees are decided on by the Annual General Meeting. At the 2021 Annual General Meeting, it was resolved that the following fees should be paid to the Board of Directors, for the period until the end of the next Annual General Meeting: SEK 720,000 to the Chairman of the Board, SEK 360,000 to each of the other Board members, SEK 100,000 to each member of the Audit Committee and the Risk and Compliance Committee and SEK 150,000 to each member of the Credit Committee. See Note K10 for the remuneration of the Board of Directors.

#### *Remuneration of senior executives*

The total gross remuneration paid to the CEO and other senior executives, including their basic salaries, pension provisions and other benefits, totaled SEK 32 million in 2021. Out of the total remuneration, SEK 6 million consisted of remuneration paid to the CEO and SEK 26 million of remuneration paid to the other senior executives.

### **Internal control and risk management - three lines of defense**

To enable satisfactory risk management, it is of vital importance for the corporate culture and organization to be disseminated through clear internal governance and control. Collector's Board and CEO have ultimate responsibility for ensuring that the company has good internal governance and control. Collector maintains an open business climate with a high level of business ethics and has a 'whistleblower' system available to all staff through which irregularities and other misconduct can be reported.

In order to achieve a good control environment, Collector applies the principle of three lines of defense, whereby the different lines of defense have different tasks but a shared responsibility for achieving good internal governance and control. Collector's entire organization participates in this control environment.

#### ***The first line of defense - risk management of the business operation***

The first line of defense consists of the entire operation and all employees except those who belong to the control functions, i.e., the second and third lines of defense. The first line of defense is overseen by the CEO and consists of business and operational activities. The first line of defense also includes support functions. The first line of defense is the part of the business that takes risks and must therefore manage the risks that arise on a daily basis. This is achieved, among other things, by complying with internal and external regulations.

#### ***Second line of defense - independent control functions***

The second line of defense consists of the risk control function and the compliance function, which constitute independent control functions. The second line of defense functions are responsible for checking that the first line of defense is complying with internal and external regulations. The independent control functions continuously monitor the company's compliance and act proactively to minimize the regulatory risks of operations. The second line of defense must also support the first line of defense with work on internal governance and control and work proactively to create a good and effective control environment at Collector. The second line of defense is also responsible for analyzing, monitoring and reporting on the work to the Board and the CEO.

#### ***The risk control function***

The risk control function is Collector's function responsible for risk control. It is directly subordinate to the CEO and reports regularly to them and also directly to the Board. The risk control function's work is based on Collector's overall risk policy as adopted by the Board. The risk control function is responsible for ensuring that all the material risks to which Collector is exposed are identified and managed by relevant functions within the business. The risk control function must also check that Collector's internal rules regarding risk management and the risk framework in general are appropriate and effective and, if necessary, propose changes to the rules.

The risk control function must, in addition, assist the business operation with the implementation of the requirements set by external regulations and continuously work towards and contribute to good risk awareness within the organization. The risk control function must ensure that information about Collector's risks is regularly provided to the CEO and the Board. The function must report to the Board at least quarterly on Collector's overall risks and, if any deficiencies are identified, describe the action taken. In addition, at least once a year the function must evaluate the internal capital and liquidity assessment procedure completed and its results. Instructions for the risk control function and an annual plan are adopted by the board. Also see the section on financial risk management in Note K3.

#### ***The compliance function***

The compliance function is Collector's function responsible for compliance with regulations. The compliance function is directly subordinate to the CEO and reports regularly to them and also directly to the Board. The compliance function must identify the risks of regulatory non-compliance within Collector's operations and check that these risks are being managed by the relevant functions within the business operation. The compliance function is also responsible for checking compliance with the external and internal regulations relating to Collector's activities that require a permit and for regularly assessing whether Collector's regulatory compliance procedures and measures are appropriate and effective. Furthermore, the function must evaluate the measures the business has taken to remedy shortcomings in regulatory compliance and advise on and provide training in internal and external regulations. The compliance function must report regularly to the CEO and at least quarterly to the Board on rule changes and compliance and the results of any controls completed. The reporting must follow-up on previously reported significant deficiencies or risks and present any new significant deficiencies or risks identified. An impact assessment and a recommendation on the action to be taken must also be included. Instructions for the compliance function and an annual plan are adopted by the Board.

#### ***Third line of defense - internal audit***

The third line of defense is internal audit, which is a review function separate from and completely independent of the business. At Collector, the internal audit function is outsourced to the auditing firm Deloitte. The internal audit function is responsible, among other things, for reviewing the work carried out by the first and second lines of defense and reports directly to the Board. The internal audit function is one of the Board's tools for meeting the requirements for good and effective internal governance and control, and internal audit regularly reviews and evaluates whether Collector's internal governance and control is effective and appropriate. Within this framework, the function must review and regularly evaluate Collector's risk management, compliance with external and internal regulations and the work of the other two control functions. The work of the internal audit function is based on a risk analysis and the audit plan

adopted annually by the Board. Internal audit must regularly report on its work to the Board.

### External audit

External audit is an independent review function covering the company's financial statements and must determine whether they are in all material respects accurate and complete and whether they give a true and fair view of the company's financial position and earnings. External audit also examines whether they have been prepared in accordance with the applicable rules. The external auditor reviews and submits an audit report on their audit of Collector's annual report and consolidated financial statements, Collector's appropriation of earnings, and the management of the company by the Board of Directors and the CEO. External audit also reviews the sustainability report, the corporate governance report and the ESEF digital reporting.

According to the Articles of Association, Collector must have at least one and no more than two auditors, who are appointed for a period until the end of the Annual General Meeting held the year after the appointment of the auditor. At the 2021 Annual General Meeting, the audit firm Ernst & Young AB was elected as Collector's auditor for the period until the end of the Annual General Meeting held in 2022. The Auditor-in-Charge is Daniel Eriksson, Authorized Public Accountant.

The 2021 Annual General Meeting resolved that the auditor's fee be paid in accordance with the approved invoice. For detailed information about the auditor's remuneration, see Note K11.

The external auditor attended a Board meeting to report on Ernst & Young AB's audit process at Collector and to give the members of the Board an opportunity to ask questions without the presence of the senior executives. In addition, the external auditor attended four meetings of the Board's Audit Committee.

### Internal control over financial reporting

The Board has ultimate responsibility for ensuring that the financial reporting complies with external regulations and that the internal control over financial reporting is followed up. Internal control over financial reporting is part of the combined internal control system within Collector and aims to provide reasonable assurance that the external financial reporting is reliable, it is compliant with the external regulations and the risk of errors has been minimized. The information must be reliable and transparent.

Collector's internal control over financial reporting is structured as follows. The Board annually adopts rules of procedure that clarify the Board's responsibilities and that govern the division of the Board members' responsibilities. The Board has appointed an Audit Committee to assist the Board with its role overseeing audit issues. Without affecting the Board's responsibilities and tasks, the Audit Committee must ensure the fulfillment of the Board's supervisory responsibility for satisfactory control over accounting and financial reporting and thereby contribute particularly to good financial reporting and the maintaining of the market's trust in Collector.

The Board exercises its control by annually adopting instructions for the CEO, policies and strategy. In the instructions for the CEO, the Board has clarified that the CEO is responsible for ensuring that financial reporting takes place in accordance with the Board's instructions for financial reporting. In accordance with the Board's instructions for financial reporting, Collector's CFO has been appointed as the person responsible for financial reporting at Collector. The CFO is responsible for the preparation of Collector's financial statements and for their presenting in accordance with the applicable regulations, and for ensuring that the Board receives sufficient information to be able to continuously assess Collector's financial position and otherwise be able to fulfill their tasks.

In addition to policies and instructions adopted by the Board, there are further procedures and guidelines within the business, and process descriptions, which aim to ensure the quality of Collector's accounting and reporting. Another important basis for the company's control environment is its organizational structure, which is described in more detail in previous sections of the corporate governance report.

Risk management is an integral part of the business and Collector conducts continuous assessments of financial reporting-related risks. Risk management is aimed at evaluating and limiting the risks that Collector is exposed to and at ensuring that these are managed in accordance with the adopted policies and instructions. The most significant items and processes identified, for which there is a risk of material errors occurring, are the following:

- Loans to the public
- The acquisition and sale of businesses and companies
- Financial instruments
- Systemic risks

Various control activities aimed at preventing, detecting and correcting any errors that may arise in the accounting and reporting are carried out on an ongoing basis. The business's financial results are continuously monitored by the organization, partly through decentralized responsibility for these results, with clear guidelines and terms of reference, and partly through the finance function's control and follow-up work together with the CEO and CFO. In addition to the ongoing monitoring, a structured process takes place quarterly for the monitoring of the financial results, in which those responsible for these results participate together with the finance function, CEO and CFO.

Collector has information and communication channels that are designed to ensure the efficient and accurate provision of information for financial reporting. The finance function is responsible for ensuring that essential instructions and descriptions of procedures relating to financial reporting are available to those concerned within the organization.

Collector's auditor is tasked with reviewing accounting issues that are critical to financial reporting and presenting their findings to the Audit Committee and the Board of Directors. As well as the audit of the annual accounts, a review is performed of the interim report for January to September, and a review of Collector's management and internal control.

# Board of Directors



## **Erik Selin**

Chairman of the Board of Directors since 2020. Deputy Chairman of the Board of Directors since 2014.  
Board member since 2011.  
Born 1967, Swedish citizen.

Independent in relation to the company and its management.  
Dependent in relation to the company's major shareholders.

### **Education**

Upper secondary school economics.

### **Other assignments in selection**

CEO and member of the Board of Fastighets AB Balder (publ). Board member of Erik Selin Fastigheter Aktiefbolag, K-Fast Holding AB, Brinova Fastigheter AB (publ), Ernström & Co AB, Hexatronic Group AB and Hedin Mobility Group AB.

### **Experience**

CEO of Fastighets AB Balder (publ). Several appointments as Board Chairman and Board member of real estate companies.

### **Shareholding in Collector (own and through related parties)\***

112,431,363 shares (of which 90,501,180 through Fastighets AB Balder (publ)).



## **Christoffer Lundström**

Board member since 2007.  
Born 1973, Swedish citizen.

Independent in relation to the company and its management.  
Dependent in relation to the major shareholders in the company.

### **Education**

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

### **Other assignments in selection**

Member of the Board of the Provobis Holding AB Group.  
Board member and CEO of the RCL Holding AB Group.

### **Experience**

CEO of RCL Holding AB and business developer in the Provobis Group's investments.

### **Shareholding in Collector (own and through related parties)\***

800,000 shares.



## **Charlotte Hybinette**

Board member since 2019.  
Born 1973, Swedish citizen.

Independent in relation to the company and its management.  
Independent in relation to the company's major shareholders.

### **Education**

Bachelor of Laws, Stockholm University.

### **Other assignments in selection**

Chairman of the Board of Platzer Fastigheter Holding AB (publ).  
Board member of Bellman Group AB (publ) and Hybinette & Partners AB.

### **Experience**

Previous experience as attorney and Managing Partner at MAQS Advokatbyrå and member of the Board of MAQS Advokatbyrå Stockholm Holding AB and its subsidiaries.

### **Shareholding in Collector (own and through related parties)\***

3,333 shares.

\*At December 31, 2021



#### **Bengt Edholm**

Board member since 2020.  
Born 1956, Swedish citizen.

Independent in relation to the company and its management. Independent in relation to the company's major shareholders.

#### **Education**

MSc in Economics at Uppsala University.

#### **Experience**

Previous experience as Head of Treasury at Handelsbanken, Head of Treasury at Stadshypotek and Bond Trader/Portfolio Manager at Nordea, Danske Bank and Handelsbanken.

**Shareholding in Collector (own and through related parties)\***  
0 shares.



#### **Marie Osberg**

Board member since 2020.  
Born 1960, Swedish citizen.

Independent in relation to the company and its management. Independent in relation to the company's major shareholders.

#### **Education**

MSc in Economics from Lund University and MBA from Webster University Geneva.

#### **Other assignments in selection**

Chairman of the Board of Save the Children in Gothenburg and board member of Nordisk Bergteknik AB.

#### **Experience**

Previous experience as Head of Product Sales & Category at DNB Northern Europe and before that regional manager for Western Sweden at DNB Bank. Group Treasurer at Nobel Biocare and a number of senior positions in the banking sector.

**Shareholding in Collector (own and through related parties)\***  
11,200 shares.



#### **Ulf Croona**

Board member since 2020.  
Born 1958, Swedish citizen.

Independent in relation to the company and its management. Independent in relation to the company's major shareholders.

#### **Education**

Master of Business Administration at the Gothenburg School of Economics.

#### **Other assignments in selection**

Chairman of the Board of the Gothenburg Association of Bankers and member of the Board of Örgryte IS.

#### **Experience**

Previous experience as regional manager for Western Sweden at Catella Bank. Prior to that, senior positions within Swedbank, focusing on corporate lending, and corporate lending at SEB.

**Shareholding in Collector (own and through related parties)\***  
5,000 shares.

\*At December 31, 2021

# Senior management



## Martin Nossman

Chief Executive Officer  
Not a member of the Board of Directors.  
Employed since 2018.  
Born 1971, Swedish citizen.

### Education

Master of Economics, Lund University.

### Experience

Several directorial positions within Handelsbanken Capital Markets.

### Other assignments in selection

Chairman of the Board of Credian Partners AB, Credian Investment Management AB and Credian Nordic Opportunities AB.

**Shareholding (own and through related parties) in Collector\***  
1,523,666 shares.



## Peter Olsson

Chief Financial Officer  
Employed since 2019.  
Born 1978, Swedish citizen.

### Education

Master's Degree from the Stockholm School of Economics.

### Experience

Managing Director and several other positions in SEB Corporate Finance. JP Morgan Investment Banking.

### Holding of shares and other share-related instruments (own and through related parties) in Collector\*

120,000 shares and 40,000 mini futures.



## Susanne Bruce

Deputy CEO & Chief Operating Officer  
Employed since 2016.  
Born 1961, Swedish citizen.

### Education

Courses in law and economics at the University of Gothenburg and marketing at RMI-Berghs.

### Experience

Deputy CEO and Operations Director at Intrum Justitia Sverige AB. Business Area Manager for Collection at Lindorff Sverige AB. Founder and owner of Profact AB. CEO of Aptic AB. CEO of Colligent Inkasso AB.

### Other assignments in selection

Board member of Ropo Holding 1 OY.

**Shareholding (own and through related parties) in Collector\***  
80,000 shares.



## Patrik Schöldström

Chief Credit Officer  
Employed since 2021.  
Born 1975, Swedish citizen.

### Education

MSc in Economics from Lund University and studies at Vienna University of Economics and Business.

### Experience

Several leading positions within Swedbank, including e.g. Head of Credit Analysis and credit workout and restructuring. Experience from different industries and positions within Finance functions such as CFO and Head of Finance.

**Shareholding (own and through related parties) in Collector\***  
10,000 shares.



## Jan-Erik Setterberg

General Manager, Consumer  
Employed since 2008.  
Born 1971, Swedish citizen.

### Education

Master's degree in business administration from the University of Zurich (Switzerland).

### Experience

Auditor at PriceWaterhouse-Coopers AG Zurich (Switzerland), Chief Credit Officer at Collector, Head of Consumer Loans at Collector.

**Shareholding (own and through related parties) in Collector\***  
0 shares.



## Mikael Anstrin

General Manager, Payments  
Employed since 2012.  
Born 1983, Swedish citizen.

### Education

DHIM in Marketing from IHM Business School, Gothenburg.

### Experience

Chief Commerce and sales manager at Collector. Sales Manager at NetOnNet.

**Shareholding (own and through related parties) in Collector\***  
22,323 shares.



## Erik Krondahl

General Manager, Corporate  
Employed since 2014.  
Born 1988, Swedish citizen.

### Education

Master of Business Administration, Lund University.

### Experience

Investment Advisor at Cerberus. Client Executive, Sales Manager and Chief Sales Officer at Collector.

**Shareholding (own and through related parties) in Collector\***  
5,822 shares.

\*At December 31, 2021



#### Jonas Björkman

Chief Information Officer  
Employed since 2019.  
Born 1965, Swedish citizen.

##### Education

Master of Science in Industrial and Management Engineering at Chalmers University of Technology.

##### Experience

IS Manager and Director of IT at AB Lindex. Head of Department and Regional Director at Semcon. Project Manager and Head of Department at FlexLink. Consultant, including at Andersen Consulting.

**Shareholding (own and through related parties) in Collector\***  
19,007 shares.



#### Madeleine Mörch

Head of IR & Communications  
Employed since 2019.  
Born 1991, Swedish citizen.

##### Education

Master's in Accounting & Financial Management from the Stockholm School of Economics.

##### Experience

SEB Corporate Finance.

##### Holding of shares and other share-related instruments (own and through related parties) in Collector\*

10,000 shares and 17,500 mini futures.



#### Martin Nilsson

Chief Risk Officer  
Employed since 2013.  
Born 1983, Swedish citizen.

##### Education

Master's Degree from the Stockholm School of Economics.

##### Experience

Chief Risk Officer, Credit Controller and other positions at Sparbanken Rekarne. Local Cash Manager and other positions at Danske Bank.

**Shareholding (own and through related parties) in Collector\***  
1,198 shares.



#### Josefin Eriksson

Chief Legal Officer  
Employed since 2015.  
Born 1985, Swedish citizen.

##### Education

Bachelor of Laws from Stockholm University, International Business Law at KU Leuven University, Belgium and Political Science at Lund University.

##### Experience

Lawyer at the law firm Vinge, active in M&A, general company law, stock market law and commercial agreements.

**Shareholding (own and through related parties) in Collector\***  
4,324 shares.



#### Karin Bucko

Head of Compliance  
Employed since 2018.  
Born 1987, Swedish citizen.

##### Education

Master's degree in business law from the International Business School in Jönköping.

##### Experience

Compliance Officer and AML Officer at Collector, Central Function Manager and AML Compliance Officer at BNP Paribas Cardif, Legal counsel at BNP Paribas Cardif.

**Shareholding (own and through related parties) in Collector\***  
0 shares.

\*At December 31, 2021

# The auditor's opinion on the corporate governance report

**To the Annual General Meeting of Collector AB, corporate identity number 556560-0797**

## **ENGAGEMENT AND DIVISION OF RESPONSIBILITIES**

The Board of Directors is responsible for the Sustainability Report for 2021 on pages 97-107 and for it being prepared in accordance with the Annual Accounts Act.

## **THE FOCUS AND SCOPE OF THE REVIEW**

Our review has taken place in accordance with FAR's standard RevU 16. The auditor's review of the corporate governance report. This means that our review of the corporate governance report has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

We believe that this review provides us with a sufficient basis for our opinion.

## **OPINION**

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6 section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7 section 31, second paragraph, of the same Act are compatible with the annual accounts and consolidated financial statements and are in accordance with the Annual Accounts Act for the Parent Company and, as regards the consolidated financial statements, in accordance with the Act on Annual Accounts in Credit Institutions and Securities Companies.

Stockholm, 31 March 2022  
Ernst & Young AB

Daniel Eriksson  
*Authorized public accountant*



# Sustainability report

## in accordance with the Swedish Annual Accounts Act

### GOVERNANCE

At Collector, ultimate responsibility for sustainability lies with the CEO. The sustainability strategy and the work of operationalizing it within the business is the responsibility of the Sustainability Manager.

Each segment then has delegated responsibility for ensuring that policies and processes are continuously updated, followed and complied with. In 2022, a new framework will be introduced for Collector's sustainability work and its governance, partly to clarify the sustainability strategy to 2030 and set measurable sustainability targets for the company, and partly due to the increased regulations and sustainable finance requirements. Collector is currently a member of the Swedish Bankers' Association, and a signatory to the UN Global Compact and the UNEP FI's Principles for Responsible Banking.

### Processes, governance and principles

Having well-functioning processes and procedures in place within the company is central to Collector's strategy and governance. This is an ongoing project, and the company is always striving to further enhance and improve its procedures and processes. We have a number of policies and policy documents that operationalize our key sustainability areas and aspects:

Aspect	Policy document
Working towards resource minimization	• Environmental policy
Reducing our carbon footprint from our own operations	• Environmental policy
Maintaining sustainable lending	• Credit policy • Risk policy
Responsible information advice and marketing	• Ethical guidelines
Ensuring sustainable remuneration models	• Risk policy
Including climate impact in risk appetite	• Credit policy • Risk policy
Building a sustainable product and service range	• Credit policy • Risk policy
Maintaining high data security	• Personal data policy • Information security policy
Safeguarding customer privacy	• Personal data policy • Information security policy
Ensuring active anti-corruption processes	• Anti-corruption policy • Ethical guidelines • Code of Conduct
Combating money laundering and terrorist financing	• Policy on actions against money laundering and terrorist financing • Ethical guidelines • Code of Conduct

Maintaining transparent tax planning and management	• Code of Conduct
Maintaining and developing a good work environment	• Code of Conduct • Ethical guidelines • Work environment policy • Policy on inclusion and human rights
Retaining and attracting talent	• Code of Conduct • Ethical guidelines • Work environment policy • Policy on inclusion and human rights
Maintaining and developing a sustainable supply chain	• Environmental policy
Ensuring gender equality in customer care	• Credit policy • Ethical guidelines
Strengthening local entrepreneurship	• Code of Conduct • Credit policy

The policies and governance processes that were evaluated, developed and adopted in 2021 are our Environmental Policy, Anti-corruption Policy, Inclusion and Human Rights Policy, Code of Conduct, and Risk and Credit Policy, to specify how climate and environmental risks should be managed in line with new EU regulations on sustainable finance. To ensure the implementation of, and compliance with, our policies, responsibility is given to a member of the management team of the relevant department(s) that the policy covers for the implementation of strategies, the training of employees and the follow-up of results. The results of the operationalization are reported using indicators linked to the respective sustainability area. In this way, we continuously monitor, evaluate and develop our sustainability work, basing it on the policies and procedures adopted.

The overarching principles, standards and norms that all company employees and management are expected to adhere to are 'trust', 'sustainability', 'competence', 'openness', 'respect', 'reliability' and 'honesty', which are defined and described in our Code of Conduct.

### Goals:

In 2021, we continued our work to scrutinize and update how sustainability is integrated in our operations. In 2022, Collector will continue to develop internal frameworks and policies both proactively and in line with new regulations. We will work to reduce our negative impact on the environment and climate, both directly through our own operations, and indirectly through our value chains. We will continue to work to improve the financial literacy of the general public and make a positive contribution to social development. Strategic sustainability objectives will be defined and a new sustainability framework will be presented.

### Follow-up of the goals set in 2020

In this sustainability report, Collector states that the company is developing and following up on the goals set in the 2020 report as follows: (1) All employees have been offered training in our updated Code of Conduct, and 86% of employees have completed this training. We continue our work with on-going training and ensuring that those who were not able to complete the training in 2021 will be able to do so in 2022; (2) No incidents of corruption were reported in our operations during the year; (3) The roundtables with corporate clients focused on climate-related risks from a financial perspective that should have taken place in 2021 were postponed due to continued restrictions because of COVID-19; (4) Through informative and educational articles on personal finances that we have marketed to our customers and informed them about, we have worked to improve the financial literacy of the general public; (5) We have counted 12 languages spoken by our customer service teams where customers' demographic needs must clearly be met; (6) Our goal of being climate neutral by 2025 has been launched by measuring our carbon footprint for 2021 so as to have a base year to start from.

### MATERIAL SUSTAINABILITY ASPECTS FOR COLLECTOR

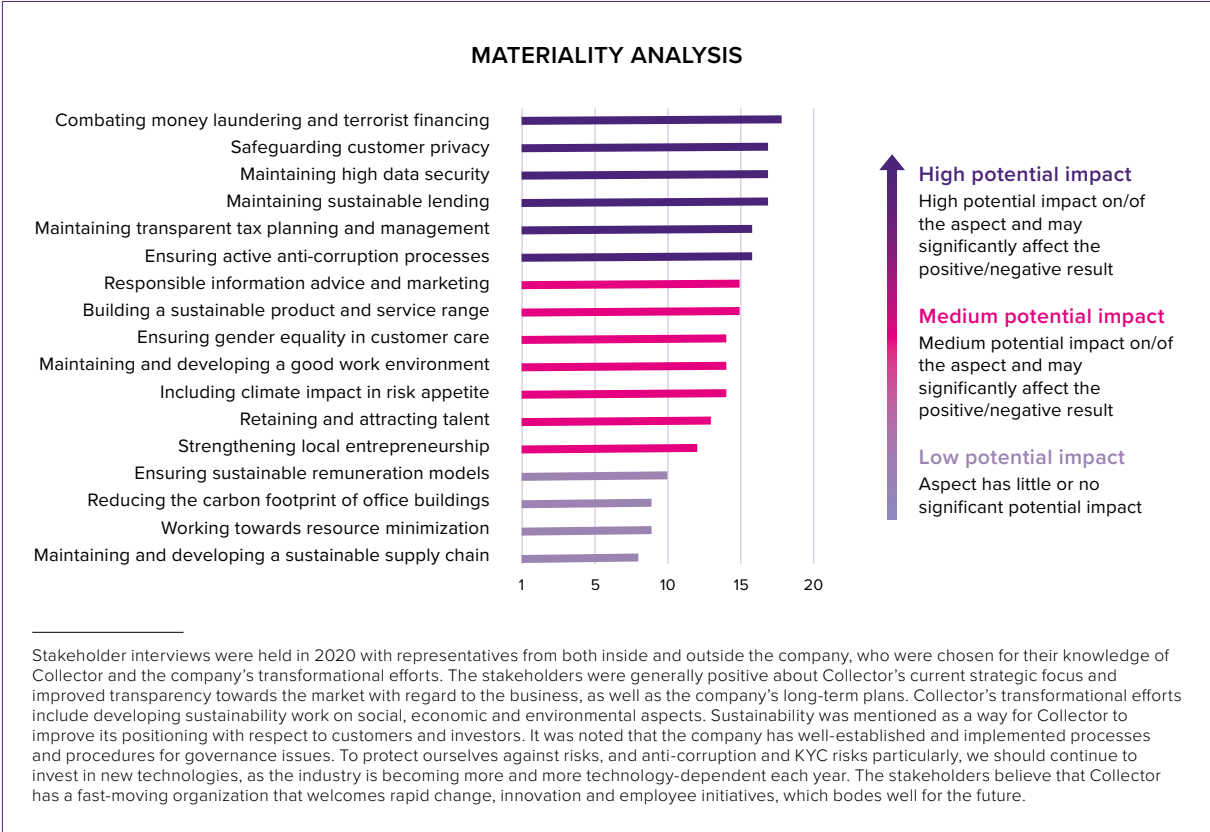
A materiality analysis was performed in accordance with the Swedish Annual Accounts Act and identifies the primary impacts of and on the company's operations in accordance with relevant sustainability parameters, general scientific opinion, and Collector's link to the area and obligation to take action. The analysis takes into account legislation, governance, external and internal impacts, the possibility of commercial value creation and stakeholder views. The analysis resulted in a list of sustainability aspects that are ranked by order of priority according to the extent of the impact on and of the company, in accordance with the principle of the double materiality concept.

The materiality analysis also includes a review of the societal impact of and on Collector in the four sustainability areas of the environment, social and personnel-related issues, respect for human rights and the combating of corruption. The analysis takes into account Collector's specific product and service offerings, scientific evidence, and priority current societal issues in order to define and rank sustainability aspects. This is so that we can prioritize, evaluate and continuously manage this in our sustainability work.

The report complies with the GRI principles of stakeholder inclusiveness, sustainability context, materiality and completeness. Stakeholder interviews were conducted and included in the materiality analysis and the definition of the list of sustainability aspects. The company's aspects and risks were assessed from a broader sustainability perspective, the aspects were defined and prioritized according to their materiality, and the principle of completeness was applied by including economic, social and environmental influencing factors and defining where the company has the greatest impact in these areas.

The materiality analysis was not updated in 2021, given that Collector's new sustainability framework is being developed, but it will be updated in 2022 and will form the basis of the new framework.

Aspect	Description
Working towards resource minimization	• Working, above all, to minimize paper use through digitization and reducing water use in offices.
Reducing our carbon footprint from our own operations	• Reducing our scope 1 CO2 emissions and use of electricity and heating.
Maintaining sustainable lending	• Complying with KYC legislation and implementing climate and environmental risk in the lending process.
Responsible information advice and marketing	• Number of cases of non-compliant product and service information, labeling or marketing communications.
Ensuring sustainable remuneration models	• Striving for remuneration models that are consistent with the integration of sustainability risks.
Including climate impact in risk appetite	• Developing processes to include climate and environmental risks in the risk appetite for the whole business.
Building a sustainable product and service range	• Exploring products with sustainability aspects or a sustainability focus.
Maintaining high data security	• Number of data intrusions and security breaches.
Safeguarding customer privacy	• Number of cases of fraud, hijacked identities and complaints regarding customer ID and loss of customer data.
Ensuring active anti-corruption processes	• Number of corruption incidents (for example bribery, extortion or anti-competitive behavior) and measures taken.
Combating money laundering and terrorist financing	• Number of cases of money laundering and/or terrorist financing and measures taken.
Maintaining transparent tax planning and management	• Non-compliance with rules, laws and international standards regarding taxation.
Maintaining and developing a good work environment	• Sick leave (short term/long term), employees benefiting from evaluations/monitoring, diversity at every level, cases of discrimination and measures taken, number of development courses/participants, use of health insurance, proportion of employees working from home/working from the office, efforts to promote mental health and curb the spread of infection.
Retaining and attracting talent	• Number of new employees and staff turnover rate.
Maintaining and developing a sustainable supply chain	• Number of high-risk suppliers (based on the country, size, link to the company's reputation) and risk management processes.
Ensuring gender equality in customer care	• Number of cases of discrimination, complaints concerning discrimination and subsequent handling.
Strengthening local entrepreneurship	• Number of loans granted to local businesses, number of loans (and total amount) that saved businesses during the pandemic.



**Sustainability risks**

Working to identify, manage and prevent sustainability risks is important from an economic and legal perspective, and also for Collector's actions as a community stakeholder. It is also crucial for public trust and our relationship with customers, investors and employees. The dual materiality concept, based on how we are affected by external factors and how we affect society, the environment and business ethics in our turn, is the basis for understanding Collector's sustainability-related risks. Failing to manage our sustainability risks could ultimately have serious financial consequences for the company, and could also damage our reputation. Acting responsibly is therefore a prerequisite for long-term value creation at Collector.

Sustainability risk is the risk of Collector not acting in accordance with the policies, guidelines, commitments and ambitions that form the basis of our sustainability work. It is about how we act and manage issues in the identified areas where we are able to make the biggest contribution to more sustainable development, for instance through responsible financing and lending, by acting as a responsible employer, by combating financial crime, and by taking into account and acting on climate risks. Through a risk analysis, we have identified the critical risks from a sustainability perspective for our business and value chain. Different risks have varying degrees of probability and will affect the business and customers differently.

Collector works continuously to both mitigate sustainability risks in our business and to minimize damage to the world around us. We are seeing an increased level of regulatory and governance-related risks, such as increased requirements relating to ESG compliance, the information requested, adequate governance and the development of employee expertise in sustainability.

In all financial activities, there is a risk of corruption, which is therefore strongly regulated by law and practice for banking activities. We have a solid system for the combating of bribery, fraud, terrorist financing, money laundering and other forms of corruption within the company.

In addition, continuous efforts are maintained to ensure data security and strong privacy protection for all customers. All our customers are treated equally, and respect for human rights guides our treatment of the people we deal with. Our openness and open-minded culture create opportunities to make the financial community more inclusive. At the same time, it is important to minimize the risk of over-indebtedness, not having enough financial information about borrowers and over-spending. We manage this daily in our contacts with customers through responsible lending and a strict KYC process. During the COVID-19 pandemic, we have also had extensive discussions with a number of customers and have taken greater account of customers' repayment capacities.

For Collector, and for the world in general, climate risk is an obvious risk for long-term business, particularly for our

corporate customers and their ability to continue to grow and operate successfully. We want to minimize our own carbon footprint from direct operations wherever possible and have set a target of carbon neutrality by 2025. We also intend to contribute to the transformation of society required to manage climate risks, by taking environmental criteria into account when granting loans and selecting suppliers.

To safeguard our main asset, which is our employees, Collector has taken proactive steps to prevent work

environment-related problems and promote good health. The year 2021 continued to be marked by the COVID-19 pandemic, with employees working from home and the continuous providing of information and assuring of a pleasant and safe work environment, to minimize the risk of spreading infection and of employees falling ill. We recognize that there is a risk of discrimination and harassment in every workplace and we keep these issues under constant review and take immediate action if we suspect irregularities in the workplace.

## Creating sustainable finances

We see it as our responsibility to get involved in contributing to a more sustainable economy for our customers and the society in which we operate. With our business segments, we play an important role in society when we help companies and people grow. At the same time, we are working proactively to increase the general public's knowledge of personal finance and contribute to more sustainable finances.

Combating of corruption	2021	2020
Number of incidents of corruption	0	0

Marketing and labeling	2021	2020
Number of cases of non-compliant product and service information and labeling	0	0
Number of cases of non-compliance in marketing communications	1	0

In one case, the Swedish Consumer Agency found that Collector's credit marketing was excessive due to the frequency of this marketing. Measures taken: Collector has stopped marketing as frequently and new frequency assessment procedures and working methods have been introduced. The Swedish Consumer Agency has closed the case without taking any action.

Customer privacy	2021	2020
Number of confirmed incidents of fraud	0	0
Number of privacy breaches *	7	2
Number of complaints reported ( <i>materially important incidents</i> )	3	2

Applies to breaches verified internally, such as customer data leaks, theft or losses. In every case, the mistakes are due to human error. Measures taken: Procedures have been clarified and/or reiterated. Technological solutions have also been put in place to prevent the incidents from being repeated, and the relevant suppliers have been contacted.

Socio-economic compliance	2021	2020
Number of cases of significant fines or penalties for breaches of the laws and regulations applicable to the organization	0	0

## Reducing environmental and climate impacts

Collector's climate and environmental strategy is based on the precautionary principle and fulfilling commitments to sustainable finances while taking account of climate risks. We have measured our carbon footprint for 2021 and will use this as a basis for working towards climate neutrality by 2025. We are aware that much of the climate impact that we contribute to is in our value chain, and will work systematically to help achieve the climate transition within society by setting environmental requirements and establishing climate criteria for suppliers and corporate customers. The national objectives, regional legislation and regulations that are relevant to Collector in this area include the Agenda 2030, the Sustainable Development Goals and EU regulations.

Energy consumption, kWh	2021	Greenhouse gas emissions, CO <sub>2</sub> e	2021
Electricity	288,102	Scope 1	0.2
District heating	257,127	Scope 2 (market-based)	32.2
Air conditioning	8,417	Scope 2 (location-based)	13
Total energy use	553,646	Scope 3	97.9
		Total greenhouse gas emissions	130.4

The calculations cover the energy consumption for all offices.  
The electricity contracts are mostly for renewable energy.

The greenhouse gas emission calculations for 2021 constitute Collector's base year and are based on the Greenhouse Gas Protocol (GHG Protocol) framework. Greenhouse gas emissions are broken down into scope 1 (company cars), scope 2 (electricity, district heating and district air conditioning for all offices) and parts of scope 3 (data centers, business travel and hotel stays). The method used to calculate greenhouse gas emissions from data centers is based on life-cycle analyses. No greenhouse gas emissions are generated from energy use in data centers. Information about usage and conversion factors is mainly directly obtained from Collector's providers. The other sources of conversion factors are: The Swedish Transport Agency, NTM and Taxi Stockholm.

## Offering a rewarding workplace

We maintain an ongoing dialogue with our employees to gauge their interest in collective agreements. In terms of gender equality, we score relatively highly on equal pay (Equal Pay Index excluding the Board: 94.3). The banking and finance industry has traditionally been male-dominated, and we are therefore working proactively and intensively to achieve equal pay levels, and on the proportion of women/men in the management, on the Board, and in the company's workforce.

Training and skills development	2021	2020	Number of employees (FTE)*	2021	2020	2019
Average number of hours of training per employee	4.5	1.5	Sweden	262	266	304
Percentage of employees benefiting from regular performance and career development evaluations and follow-up	89%	88%	Norway	27	19	29
			Finland	12	36	40
			<b>Total number of employees</b>	<b>301</b>	<b>321</b>	<b>373</b>
Non-discrimination	2021	2020	FTE means Full-Time Employed. In 2021, the proportion of permanent employees was 80% (82%).			
Cases of discrimination, and measures taken	0	0				

Composition of the company	2021	2020	2021	2020	2021	2020
<b>Number of employees at different levels within the company</b>	<b>The Board of Directors</b>		<b>Management</b>		<b>Other employees</b>	
Less than 30 years old	0	0	0	8	35	35
30 to 50 years old	33	33	83	77	56	56
More than 50 years old	67	67	17	15	9	9
Percentage of women (%)	33	33	33	38	45	43

Breakdown of women and men (%)	2021	2020	2019
Women	44	43	52
Men	56	57	48

Staff movement (including general fixed-term and hourly employees)	2021	2020	2019
Number of new hires during the year	103	80	125
Number of people who left employment during the year	114	114	140
Staff turnover	19%	17%	24%

Health and well-being	2021	2020	2019
Sick leave	4.3	3.8	4.1
<i>of which short-term sick leave</i>	2.5	2.5	3.5

This report is Collector's annual sustainability report, covering the calendar year 2021. The previous report can be downloaded at [www.collector.se](http://www.collector.se) and was published on April 2, 2020.

More information about this report and sustainability at Collector is available from the Sustainability Manager Sarah Olofsson, whose email address is [sarah.olofsson@collectorbank.se](mailto:sarah.olofsson@collectorbank.se).

# Auditor's opinion on the statutory sustainability report

To the AGM of Collector AB (publ), corporate registration number 556560-0797.

## **ENGAGEMENT AND DISTRIBUTION OF RESPONSIBILITIES**

The Board of Directors is responsible for the Sustainability Report for 2021 on pages 110-115 and for its preparation in accordance with the Annual Accounts Act.

## **THE FOCUS AND SCOPE OF THE REVIEW**

Our review was conducted in accordance with FAR's recommendation RevR 12 The auditor's opinion on the statutory sustainability report. This means that our review of the sustainability report has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our opinion.

We believe that this review provides us with a sufficient basis.

## **OPINION**

A sustainability report has been prepared.

Stockholm, 31 March 2022  
Ernst & Young AB

Daniel Eriksson  
*Authorized public accountant*  
*Auditor in charge*



# Definitions

Alternative performance measures (APMs) are financial measures of past or future earnings trends, financial position or cash flow that are not defined in the applicable accounting regulatory framework (IFRS), in the Capital Requirements Directive (CRD IV), or in the EU's Capital Requirement Regulation number 575/2013 (CRR). APMs are used by Collector when relevant for monitoring and describing the bank's financial situation and enhance comparability between the periods. Collector believes that these APMs provide valuable information and enhance the analysis of the Group's financial development. These are not necessarily comparable to similar APMs presented by other companies.

## **Adjusted C/I ratio**

Total expenses, adjusted for non-recurring items, in relation to total income, adjusted for non-recurring items.

## **Adjusted credit loss level**

Credit losses, net, adjusted for non-recurring items, in relation to average loans to the public.

## **Adjusted net interest income**

Net interest income adjusted for non-recurring items.

## **Adjusted net interest margin (NIM)**

Net interest income, adjusted for non-recurring items, in relation to average loans to the public.

## **Adjusted net profit**

Net profit adjusted for non-recurring items.

## **Adjusted operating profit**

Operating profit adjusted for non-recurring items.

## **Adjusted return on equity (RoE)**

Net profit attributable to the shareholders of Collector AB, adjusted for non-recurring items, in relation to average equity attributable to the shareholders of Collector AB.

## **Adjusted total expenses**

Total expenses adjusted for non-recurring items.

## **Adjusted total income**

Total income adjusted for non-recurring items.

## **Average number of full-time employees**

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

## **CET1 ratio (Common Equity Tier 1 ratio) <sup>1)</sup>**

Common Equity Tier 1 capital in relation to total risk-weighted exposure amount. Refers to the consolidated situation. See note K4, pages 59-61.

## **C/I ratio**

Total expenses in relation to total income.

## **Credit loss level**

Credit losses, net in relation to average loans to the public.

## **Earnings per share after dilution <sup>2)</sup>**

Net profit attributable to the shareholders of Collector AB, adjusted for interest on convertible bonds, in relation to average number of shares outstanding after dilution.

## **Earnings per share before dilution <sup>2)</sup>**

Net profit attributable to the shareholders of Collector AB in relation to average number of shares outstanding before dilution.

## **Net interest margin (NIM)**

Net interest income in relation to average loans to the public.

## **Non-recurring items**

Income and expenses that are not expected to appear on a regular basis. See the Director's report, page 34.

## **Return on equity (RoE)**

Net profit attributable to the shareholders of Collector AB in relation to average equity attributable to the shareholders of Collector AB.

## **Tier 1 ratio <sup>1)</sup>**

Tier 1 capital in relation to total risk-weighted exposure amount. Refers to the consolidated situation. See note K4, pages 59-61.

## **Total capital ratio <sup>1)</sup>**

Total own funds in relation to total risk-weighted exposure amount. Refers to the consolidated situation. See Note K4, pages 59-61.

## **Total income margin**

Total income in relation to average loans to the public.

<sup>1)</sup> Key ratios defined according to the Capital Requirements Regulation (CRR)

<sup>2)</sup> Not alternative performance measures



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