

Financial Statements: 1 January 2017 - 31 March 2017



Klarna AB Group

Income statement, Klarna AB Group

Amounts in TSEK	2017-03-31	2016-03-31	2016-12-31
Interest income	350 324	295 141	1 282 921
Commission income	638 209	527 906	2 265 763
Other operating income	3 320	3 389	11 977
Total operating revenues	991 853	826 436	3 560 661
Interest expenses	-31 966	-21 612	-102 212
Commission expenses	-44 594	-30 261	-150 281
Net income from financial transactions	-2 917	-3 884	-18 665
General administrative expenses	-661 490	-586 074	-2 584 887
Depreciation, amortization of intangible and tangible fixed assets	-30 720	-25 501	-112 628
Credit losses, net	-81 990	-127 940	-423 688
Total operating expenses	-853 677	-795 272	-3 392 361
Operating income	138 176	31 164	168 300
Income tax expense	-41 570	-10 993	-54 873
Net income for the year	96 605	20 171	113 427

Comments:

- Total operating revenue increased by 20 percent in the first quarter for 2017 to 992 MSEK. This is driven by accelerated growth
- Interest income grew by 19 percent year on year and is driven by increased average interest earning lending. Reminder fees and overdue fees continue to decrease as a share of total operating revenue
- Commission income increased by 21 percent driven by increased volumes from both new and old merchants
- Total operating expenses grew by 7 percent and was mainly driven by staff costs, commission expenses and interest expenses
- Net credit losses increased by 36 percent as credit losses from new markets have stabilized
- Net income for the period was 97 MSEK

Balance Sheet, Klarna AB Group

Amounts in TSEK	2017-03-31	2016-12-31	2016-03-31
Assets			
Cash and cash equivalents	1 994 360	2 176 427	1 271 800
Lending to the public	8 542 963	8 362 961	6 048 812
Shares and participation in unlisted companies	10 315	10 315	12 315
Intangible assets	1 199 359	1 212 236	1 191 419
Tangible fixed assets	55 525	54 825	49 268
Other assets	250 440	265 060	206 647
Total assets	12 052 962	12 081 824	8 780 261
Liabilities			
Liabilities to credit institutions	51 561	754 944	7 244
Deposits from the public	6 259 894	5 839 490	4 638 267
Other liabilities	2 732 026	2 573 224	1 648 082
Subordinated debt instruments	296 878	296 801	-
Total liabilities	9 340 359	9 464 459	6 293 593
Equity	2 712 603	2 617 365	2 486 668
Total liabilities and equity	12 052 962	12 081 824	8 780 261

Comments:

- As at 31st of March lending to the public was 8.5 SEKbn, which is equivalent to 41 percent growth year on year and 2 percent growth the first 3 month in 2017
- The lending growth has been financed primarily by deposits from the public which grew 35 percent year on year and 7 percent since 31st of December 2016
- During Q2 Klarna issued a Tier 2 bond amounting to 300 MSEK, which is recorded in subordinated debt instruments

Cash Flow Statement, Klarna AB Group

Amounts in TSEK	2017-03-31	2016-03-31	2016-12-31
Cash flow from operating activities	-210 963	223 347	531 595
Cash flow from investing activities	-20 136	-17 426	-93 777
Cash flow from financing activities	-	-	296 801
Cash flow for the year	-231 099	205 921	734 619
Cash and cash equivalents at the beginning of year	1 171 696	437 919	437 919
Cash flow for the year	-231 099	205 921	734 619
Exchange rate diff. in cash & cash equivalents	1 555	555	-842
Cash and cash equivalents at the end of year	942 152	644 395	1 171 696
Cash and cash equivalents include the following items:			
Cash in hand	51	56	40
Lending to credit institutions ¹	942 101	644 339	1 171 656
Cash and cash equivalents	942 152	644 395	1 171 696

¹ Adjusted for non-cash items in lending to credit institutions

Comments:

- Cash flow for the year is mainly impacted by decreased utilization of Nordea credit line facility