

Interim Report January - September 2014

Gross cash collections

SEK 1.8 bn 

Portfolio acquisitions

SEK 1.7 bn 

EBIT margin

32%

Capital adequacy ratio

12.49%

January - September 2014 compared to January - September 2013

- Gross cash collections totalled SEK 1,791 million (SEK 1,122 million), an increase of 60 per cent.
- Total revenue¹ amounted to SEK 1,186 million (SEK 790 million, adj. for revaluations), an increase of 49 per cent.
- EBIT¹ totalled SEK 376 million (SEK 201 million), corresponding to an EBIT margin of 32 per cent (25 per cent).
- Portfolio acquisitions of SEK 1,683 million (SEK 1,995 million).
- Carrying value of acquired loans² of SEK 7,504 million (SEK 5,156 million).
- Gross 120 month ERC³ on acquired loan portfolios of SEK 12,657 million (SEK 8,666 million).
- Adjusted EBITDA of SEK 1,270 million (SEK 791 million).
- Total capital ratio of 12.49 (12.51) per cent of REA⁴.
- Acquisition of a collection platform in Italy from long-term servicing partner TRC SpA in July.

Subsequent events:

- Senior unsecured bonds of EUR 100 million issued in the beginning of October.
- Portfolio of approximately 270,000 non-performing consumer loans acquired from Santander in the UK in October.

SEK million	Jun-Sep 2014	Jun-Sep 2013	Change	Jan-Sep 2014	Jan-Sep 2013	Change	Full year 2013
Net revenue from directly owned portfolios ¹	367	250	+47%	1,020	662	+54%	1 083
Revenue from servicing	29	31	-7%	88	82	+7%	121
Profit from joint venture	16	13	+20%	41	28	+45%	36
Other income	12	4	+211%	37	18	+102%	40
Total revenue³	424	298	+42%	1,186	790	+50%	1 281
Operating expenses	-301	-235	+28%	-810	-589	+37%	-938
EBIT¹	123	63	95%	376	201	+87%	343
<i>EBIT margin¹</i>	<i>29%</i>	<i>21%</i>	<i>+8 pp</i>	<i>32%</i>	<i>25%</i>	<i>+7 pp</i>	<i>27%</i>
Net interest income	-64	-38	+69%	-207	-121	+71%	-170
Net financial items	3	-10	-131%	-1	2	-162%	-5
Earnings before tax ¹	62	15	+312%	168	82	+104%	169
Adjusted EBITDA	434	276	+57%	1,270	791	+60%	1,150
Portfolio acquisitions	353	974	-64%	1,683	1,995	-16%	3,266
Carrying value of acquired loans ²				7,504	5,156	+46%	4,600
Gross ERC 120m				12,657	8,666	+46%	10,673
Total capital ratio				12.49%	12.51%	0%	11.62%

¹Including interest income from run-off consumer loan portfolio, revenue from servicing, profit from joint venture and other income. Adjusted for portfolio revaluations of SEK +7 million in January - September 2013 (SEK 0 in million in July - September 2013).

²Including acquired loan portfolios, run-off consumer loan portfolio and shares and participations in joint venture.

³Estimated Remaining Collections.

⁴Risk Exposure Amount; includes capital requirements for operational, market and credit risks.

Comment from the CEO

We are very satisfied with our progress during the first nine months of 2014 – we have continued to deliver solid growth and improved our margins substantially. The markets we are operating in continue to bring interesting opportunities as European banks restructure their balance sheets as a consequence of the implementation of the Basel III regulations. In addition, the increased focus from the European Central Bank on the solvency of European banks is further enhancing this trend.

Hoist Finance focuses on buying portfolios of non-performing unsecured consumer loans from large international banks. Our mission is to help the debtors across Europe to recover through our model for amicable settlements. Our determined strategy to become a trusted partner to global banks is built on our track record as a responsible debt collector, and has proven to be very successful.

During the first nine months of 2014 we have reached a number of important milestones. We have completed portfolio acquisitions of SEK 1.7 billion, confirming our position as one of the largest buyers of non-performing unsecured consumer loans in Europe. We have expanded our geographical footprint, with the latest addition being the acquisition of our long-term Italian servicing partner TRC SpA in July. This further strengthened our operational presence in Italy by enabling further growth in the region. Our strategy of becoming the leading debt restructuring

partner to global banks was further evidenced by a major acquisition of non-performing consumer loans from Santander UK in October, following the end of the third quarter.

It is also rewarding to see that our strategy for balanced growth and operational excellence across the Hoist Finance Group is delivering great results. The organisation delivered a year-to-year increase in gross cash collections of 60 percent, to SEK 1,791 million, and an EBIT of SEK 376 million, which was 87 per cent higher compared to the same period last year.

Another milestone achieved was the senior unsecured bond issue of EUR 100 million, which was completed in October, as another step in our strategy for diversified funding. Our liquidity position is strong, enabling us to capture the opportunities for further growth as they arise.

Jörgen Olsson
Chief Executive Officer

January – September 2014

Unless otherwise stated, all comparisons of market, financial and operational data apply to the corresponding period in 2013 and are stated in brackets.

Revenue and financial items

Operating revenue

Gross cash collections increased by 60 per cent to SEK 1,791 million (SEK 1,122 million), due to the high acquisition activity in the second half of 2013 and in 2014. Net revenue from acquired loan portfolios totalled SEK 987 million (SEK 603 million; SEK 611 million adjusted for portfolio revaluations). Interest income from the run-off consumer loan portfolio, accounted for in interest income, decreased to SEK 33 million (SEK 58 million) as a consequence of amortisation on the portfolio. Total net revenue from directly-owned portfolios was thus SEK 1,020 million, an increase of 52 per cent compared to the same period in 2013 (an increase of 54 per cent from SEK 662 million, excluding revaluations).

Revenue from servicing activities increased by 7 per cent in to SEK 88 million. The profit from the joint venture in Poland was up 45 per cent to SEK 41 million due to weak comparables for 2013. The book value of the holding in the joint venture was SEK 214 million (SEK 195 million).

Other income of SEK 37 million increased by 102 per cent. The income refers mainly to legal costs recovered from debtors (other income than gross cash collections) in Hoist Finance's UK operations.

Total revenue from operations increased by 49 per cent to SEK 1,186 million, compared to SEK 798 million (SEK 790 million excluding portfolio revaluations of SEK +7 million).

Financial items

Net interest items refer to the net amount of interest income less interest income attributable to the run-off consumer loan portfolio and interest expenses. Interest income less interest income attributable to the run-off consumer loan portfolio decreased to SEK 45 million (SEK 63 million), as a consequence of lower market rates, reallocation to lower-yielding assets (see comments below under cash flow) and a slight decrease in liquidity.

Interest expenses have increased from SEK -184 million to SEK -251 million, driven from steady growth and from our strategy to extend the maturity and diversify the funding base with two bond issues in the second half of 2013 (subordinated loans and senior unsecured loans of SEK 1.1 billion), which have increased the average funding cost to some extent.

Net income from financial transactions totalled SEK -1 million (SEK 2 million). This line refers to items related to hedging arrangements and changes in market values of these financial instruments. Hoist Finance has instruments in place to hedge currency- and interest rate risks. In January – September 2013, the income primarily related to hedging currency exposures where the changes in value of the hedged items were

posted directly in equity (see under Comprehensive income). These accounting policies were changed in the second half of 2013 when the so-called hedge accounting was implemented and both items are now posted directly in equity.

Interest rate swaps used for hedging funding cost for up to twelve months have had a negative impact of approximately SEK -8 million in the first nine months of 2014 (SEK -3 million). Due to falling market rates, the market value of the swap is negative. A corresponding, but positive, effect will be seen over time as deposit rates also have been lowered.

Operating expenses

Operating expenses totalled SEK 794 million, an increase of 38 per cent. The increase in operating expenses reflects the portfolio purchasing activity in 2013 and 2014, leading to higher collections and higher associated costs. Approximately SEK 50 million of the increase relates to the UK operation, following the acquisition of the Lewis Group Ltd in August 2013. In connection with the transaction, a provision for restructuring was taken in the third quarter of 2013. The integration of the Lewis Group Ltd into Robinson Way Ltd is now completed. In July, Hoist Finance acquired its long-term Italian servicing partner, TRC SpA, adding 129 FTEs. As part of the restructuring and profitability improvement initiatives in France that were initiated in 2013, a restructuring cost of approximately SEK 13 million has been incurred in the third quarter, related to the relocation of the Guyancourt operations to Lille. In addition, in 2013 and 2014, Hoist Finance has strengthened its central functions appointing and reinforcing key roles within the Group.

Depreciation and amortisation totalled SEK -16 million (SEK -12 million).

Consolidated profit before tax and Net profit

The consolidated profit before tax totalled SEK 168 million, up 88 per cent compared to the first nine months of 2013. The reported income tax totalled SEK -39 million (SEK -30 million), corresponding to approximately 23 per cent of the consolidated profit before tax.

The comprehensive income, including currency translation differences recorded directly in shareholders' equity, was SEK 129 million, more than double compared to the same period in 2013 (SEK 63 million).

Cash flow and investments

SEK million	Jan–Sep 2014	Jan–Sep 2013	Change	31 Dec 2013
Cash flow from operating activities	-784	1,907	-141%	1,275
Cash flow from investing activities	-1,121	-505	n/m	-613
Cash flow from financing activities	392	411	-5%	1,017
Cash flow for the period	-1,513	1,813	-183%	1,679

Cash flow from operating activities totalled SEK -784 million, compared to SEK 1,907 million in the same period in 2013. The operating cash flow in the first nine months of 2013 had a strong positive impact from the high inflow of deposits of SEK 2,757 million, whereas the corresponding figure in 2014 was SEK 161 million.

In 2013 and 2014, Hoist Finance has built up a liquidity position to accommodate expected portfolio acquisitions. In the second half of 2013 and the beginning of 2014, Hoist Finance issued SEK 1.1 billion in subordinated loans and senior unsecured bonds. In October 2014, Hoist Finance further diversified its funding base through the issue of EUR 100 million in senior unsecured bonds. This will also provide a

natural currency hedge to the asset base of the Hoist Finance Group which is largely EUR-denominated.

Since January 2014, Hoist Finance has reallocated its liquidity reserves in order to orient its ratios into relevant levels as imposed by COREP. This has resulted in a significant increase in Treasury bills/ bonds and covered bonds, and decrease in bank-issued senior debt and corporate non-investment grade senior debt. During January – September 2014, Hoist Finance has invested SEK 1,067 million in treasury bills.

Total cash flow totalled SEK -1,513 million, compared to SEK 1,813 million.

Financing and capital structure

SEK million	30 Sep 2014	30 Sep 2013	Change	31 Dec 2013
Deposits	9,979	9,284	7%	9,702
Subordinated loans	332	374	-11%	329
Senior unsecured loans	741	-	n/m	666
Shareholders' equity	1,274	777	64%	825
Total assets	12,851	10,978	17%	12,074
Cash and interest-bearing securities	4,773	5,251	-9%	5,219
Liquidity reserve	48%	57%	-15%	54%

The deposit level through HoistSpar has been stable on a year-to-year basis at SEK 9,979 million (SEK 9,284 million). In late 2013 and the beginning of 2014, Hoist Finance issued senior unsecured and subordinated loans of in total SEK 1.1 billion. Following the end of the reporting period, Hoist Finance issued EUR 100 million in senior unsecured bonds.

As at 30 September 2014, shareholders' equity totalled SEK 1,274 million, an increase of 64 percent compared to 30 September 2013 due to the private placement from Toscafund in May 2014. The private placement was made in Hoist International AB (publ) with a subsequent new share issue in Hoist Kredit AB (publ). The capital adequacy ratio (Risk Exposure Amount to capital base) totalled 12.49 per cent as at 30

September 2014, compared to 12.51 per cent as at 30 September 2013.

Cash and interest-bearing securities totalled SEK 4,773 million (SEK 5,251 million), corresponding to a liquidity reserve of 48 per cent, which by far exceeds Hoist Finance's internal targets for liquidity reserves for its deposit operations of 30 per cent.

Acquired loan portfolios

During January – September 2014, Hoist Finance completed portfolio acquisitions of SEK 1,683 million – a slight decrease compared to the same period in 2013. Whilst a few large portfolio acquisitions, including the Lewis Group Ltd in the UK and a landmark portfolio in Poland, accounted for a major part of the total acquisition volume in the comparable period in 2013, the acquisition flow in 2014 has been less fluctuating. In April, Hoist Finance announced a second large acquisition in the Netherlands, acquiring an additional portfolio and entering a forward flow agreement with Crédit Agricole Consumer Finance Nederland B.V. Also, in April Hoist Finance acquired the portfolio of its Italian servicing partner, TRC SpA. In August, Hoist Finance acquired a portfolio of non-performing consumer loans from Citigroup Financial Products Inc. in Germany. Following the end of the third quarter, Hoist Finance announced the acquisition of a portfolio of

non-performing consumer loans from Santander UK. The portfolio contains approximately 270,000 claims. Gross ERC 120 months increased by 46 per cent to SEK 12,657 million as a result of the high acquisition activity.

The asset quality review (AQR) and stress test of 130 banks in the Euro area, conducted by the European Central Bank together with national supervisors, is due at the end of October. The assessment will identify potential shortfalls and further illuminate the need to offload defaulted loans to strengthen the banks' balance sheets. In combination with the new Capital Requirements Directive and Capital Requirements Regulation (together commonly referred to as the Basel III regulatory framework), this vouches for further inflow of interesting investment opportunities in the European market for purchase of defaulted debt.

SEK million	Jan-Sep 2014	Jan-Sep 2013	Change	31 Dec 2013
Portfolio acquisitions	1,683	1,995	-16%	3,266
Carrying value at year-end	7,156	4,717	52%	5,998
Gross ERC 120 months	12,657	8,666	46%	10,673

Excluding the run-off consumer loan portfolio and portfolios contained in the Polish joint venture.

Segment overview

Segment reporting is provided in Note 1 in the Financial statements.

Germany including Austria

SEK million	Jan-Sep 2014	Jan-Sep 2013	Change	Full year 2013
Gross cash collections	494	465	6%	668
Net revenue	254	274	-7%	404
Total revenue	306	353	-13%	468
Operating expenses	-181	-177	2%	-246
EBIT	125	176	-29%	222
EBIT margin	41%	50%	-9pp	47%
Earnings before tax	50	102	-51%	123
Carrying value acquired loans	2,124	1,985	7%	2,036
Gross ERC 120m	3,433	3,100	11%	3,253

** Gross ERC 120m does not include the run-off consumer loan portfolio.*

Gross cash collections were up by 6 per cent to SEK 494 million. Net revenue totalled SEK 254 million, compared to SEK 274 million in the same period in 2013. Total revenue decreased by SEK 47 million to SEK 306 million. SEK 26 million of the decrease is attributable to the lower interest income from the run-off consumer portfolio. Moreover, the realisation of a substantial secured asset that had a positive impact in the first half of 2013, ahead of its planned sale, is still delayed, having a negative impact on earnings for January – September 2014.

The increase in operating expenses was only moderate (2 per cent), reflecting the dampened portfolio acquisition activity in the first half of

the year. The third quarter of 2014 saw an increase in portfolio acquisitions, albeit from a low level. In August Hoist Finance announced the acquisition of a portfolio of non-performing consumer loans from Citigroup Financial Products Inc. As at 30 September 2014, the carrying value of acquired loans totalled SEK 2,124 million, up 7 per cent.

The development in Austria has been positive with supporting incremental effect upon gross cash collections and earnings.

France

SEK million	Jan-Sep 2014	Jan-Sep 2013	Change	Full year 2013
Gross cash collections	83	72	16%	100
Net revenue	48	44	9%	14
Total revenue	53	50	5%	68
Operating expenses	-81	-53	53%	-75
EBIT	-28	-3	n/m	-7
EBIT margin	-53%	-5%	-48pp	-10%
Earnings before tax	-46	-21	n/m	-32
Carrying value acquired loans	490	500	-2%	479
Gross ERC 120m	891	920	-3%	949

Gross cash collections increased by 16 per cent to SEK 83 million, despite very low acquisition activity. Net revenue totalled SEK 48 million (SEK 44 million) and total revenue was SEK 53 million (SEK 50 million).

Operating expenses increased by 53 per cent as a result of the restructuring charge of approximately SEK 13 million related to the relocation of the Guyancourt site to the recently-opened Lille site. Until spring 2015, when the restructuring project is expected to be completed, some level of double costs will be incurred. Also, the

establishment of the Lille site has imposed higher costs during the first nine months of 2014 compared to the same period in 2013.

The portfolio acquisition activity in the French market has continued to be weak with few acquisition opportunities. Hence, the carrying value was down by 2 per cent to SEK 490 million.

UK

SEK million	Jan-Sep 2014	Jan-Sep 2013	Change	Full year 2013
Gross cash collections	384	143	168%	250
Net revenue	217	76	184%	210
Total revenue	312	150	107%	338
Operating expenses	-199	-150	33%	-287
EBIT	113	1	n/m	51
EBIT margin	36%	0%	+36pp	15%
Earnings before tax	62	-19	n/m	12
Carrying value acquired loans	1,431	1,119	28%	1,313
Gross ERC 120m	2,571	2,098	23%	2,588

Gross cash collections increased by 168 per cent to SEK 384 million (SEK 143 million). The acquisition of the Lewis Group Ltd in August 2013 is the primary reason behind the increase. Net revenue increased from SEK 76 million in January – September 2013 to SEK 217 million in the same period in 2014. Total revenue reflects the increase in gross cash collections and was up by 107 per cent, compared to the same period in 2013.

The increase in operating expenses of 33 per cent was lower than the increase in revenue reflecting a somewhat higher cost level in the third quarter 2013 due to the acquisition of the Lewis Group Ltd. The

operating expenses in the third quarter of 2013 included transaction costs of approximately SEK 18 million and a provision for restructuring in connection with the integration of the Lewis Group Ltd into Robinson Way Ltd. The integration is now finalised at estimated cost.

The carrying value totalled SEK 1,431 million (SEK 1,119 million). Following the end of the third quarter, Hoist Finance has acquired a portfolio of non-performing consumer loans from Santander UK. The portfolio contains approximately 270,000 claims.

BeNe

SEK million	Jan-Sep 2014	Jan-Sep 2013	Change	Full year 2013
Gross cash collections	444	143	210%	239
Net revenue	146	50	189%	96
Total revenue	146	51	188%	93
Operating expenses	-65	-31	110%	-47
EBIT	80	20	312%	46
EBIT margin	55%	39%	+16pp	49%
Earnings before tax	24	7	255%	21
Carrying value acquired loans	1,640	375	337%	1,293
Gross ERC 120m	2,515	533	372%	1,804

In 2013 and the beginning of 2014, Hoist Finance has expanded its market position in the BeNe market considerably, through a number of landmark deals, in particular in the Netherlands. The growth in gross cash collections (up 210 per cent from SEK 143 million), net revenue (increase to SEK 146 million compared to SEK 50 million) and total revenue (SEK 146 million compared to SEK 51 million) reflect the portfolio acquisitions.

Operating expenses have increased by 110 per cent, reflecting economies of scale in Hoist Finance's business model.

Carrying value totalled SEK 1,640 million (SEK 375 million). The increase is attributable to the substantial portfolio acquisitions in late 2013 and the beginning of 2014, as well as a steady inflow of deals in both countries during 2014.

Italy

SEK million	Jan-Sep 2014	Jan-Sep 2013	Change	Full year 2013
Gross cash collections	171	161	6%	213
Net revenue	102	82	25%	102
Total revenue	103	82	25%	99
Operating expenses	-53	-13	298%	-22
EBIT	49	69	-28%	77
EBIT margin	48%	84%	-36pp	77%
Earnings before tax	33	56	-41%	60
Carrying value acquired loans	500	319	56%	308
Gross ERC 120m	1,147	484	137%	486

Gross cash collections increased slightly to SEK 171 million as a result of the acquisition of the portfolio from the servicing partner TRC SpA in April 2014. Portfolio amortisations have been positive as a result of an anticipated pick-up in collections. The resulting net revenue was up to SEK 102 million, compared to SEK 82 million in the corresponding period in 2013. Total revenue increased accordingly by 25 per cent.

The increase in operating expenses of SEK 40 million, compared to the same period in 2013 reflecting the acquisition of the TRC SpA

platform in July with two sites, in Rome and in Lecce, adding a staff of approximately 130 FTEs. The acquisition is an important strategic step to build up Hoist Finance's presence in the Italian market in order to capture the upcoming market opportunities as they arise. The new platform has scope to add on additional portfolios at current scale.

The carrying value totalled SEK 500 million (SEK 319 million). The major part of the increase is attributable to the acquisition of the TRC portfolio.

Poland

SEK million	Jan-Sep 2014	Jan-Sep 2013	Change	Full year 2013
Gross cash collections	214	137	56%	171
Net revenue	221	85	162%	182
Total revenue	262	113	133%	218
Operating expenses	-58	-13	332%	-61
EBIT	204	99	106%	157
EBIT margin	78%	88%	-10pp	72%
Earnings before tax	166	56	195%	131
Carrying value acquired loans	1,320	858	54%	971
Gross ERC 120m	2,100	1,532	37%	1,592

* Gross ERC 120m does not include the shares and participations in the joint venture.

Gross cash collections increased by SEK 77 million to SEK 214 million, compared to the corresponding period in 2013 as a result of the substantial portfolio acquisitions in mid-2013 and the first half of 2014. Net revenue was SEK 221 million (SEK 85 million). The positive portfolio amortisation in January -September 2014 is explained by high costs in relation to expected collections in the initial collection phase of a major Polish portfolio. In the third quarter of 2014, portfolio amortisation was negative of SEK -2 million, and will be further normalised in the fourth quarter. Total revenue increased by 133 per cent or SEK 149

million. SEK 13 million of the increase is attributable to the strong performance of the Polish joint venture.

Operating expenses totalled SEK -58 million, compared to SEK -13 million in January - September 2013. The increase reflects the higher collection activity due to recent portfolio acquisitions. In late 2013 and the beginning of 2014 Hoist Finance established an office in Warsaw with a staff of four.

Important risks and uncertainties

As an integral part of Hoist Finance's business, the company assumes credit risk and, to a smaller extent, market-, liquidity- and operational risks. The risk exposures and the analysis, management and control of risks are described in Note 31 in Hoist Finance's Annual Report for 2013.

Financial calendar

Year-end Report:

3 February 2015

The information in this Interim Report has been published pursuant to the Swedish Securities Market Act (Sw. lag om värdepappersmarknaden). This information was released for publication at 8.00 a.m. on 24 October 2014.

Financial Statements

CONSOLIDATED INCOME STATEMENT

SEK thousand	Note	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Net revenue from acquired loan portfolios	1	355,230	305,477	987,498	679,218
Interest income		33,665	35,217	77,527	121,282
Interest expense		-85,498	-60,009	-251,480	-183,765
Net interest income		303,397	280,685	813,545	616,735
Fee and commission income		29,158	31,338	87,714	81,986
Net income from financial transactions		3,183	-10,376	-1,257	2,016
Other income		12,026	3,865	37,078	18,316
Total operating income		347,764	305,512	937,080	719,053
General administrative expenses					
Personnel expenses		-122,071	-88,082	-340,747	-247,755
Other expenses		-173,793	-211,598	-453,530	-398,334
Depreciation and amortisation of tangible and intangible assets		-5,192	-3,692	-15,629	-11,590
Total operating expenses		-301,056	-303,372	-809,906	-657,679
Profit from shares and participations in joint venture		15,671	13,056	40,744	28,136
Profit before tax		62,379	15,196	167,918	89,510
Income tax expense		-15,265	-4,240	-38,649	-30,491
Net profit for the period		47,114	10,956	129,269	59,019

STATEMENT OF COMPREHENSIVE INCOME, GROUP

SEK thousand	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Net profit for the period	47,114	10,956	129,269	59,019
Other comprehensive income				
Items that have been or may be reclassified subsequently to the Income Statement				
Currency translation differences	-4,897	10,796	-5	3,619
Other comprehensive income for the period, net of tax	-4,897	10,796	-5	3,619
Total comprehensive income for the period	42,217	21,752	129,264	62,638
Attributable to				
Shareholders of the Parent Company	42,217	21,752	129,264	62,638

CONSOLIDATED BALANCE SHEET

ASSETS

SEK thousand	Note	30 Sep 2014	31 Dec 2013	30 Sep 2013
Cash		291	197	115
Treasury bills and treasury bonds		1,142,493	-	-
Lending to credit institutions		1,265,454	3,921,199	4,054,905
Lending to the public		201,356	328,951	404,696
Acquired loan portfolios	2	7,155,808	5,997,935	4,717,227
Receivables from affiliated companies		123,783	85,158	204,888
Bonds and other securities		2,365,075	1,297,677	1,196,326
Shares and participations in joint venture		213,894	192,230	195,162
Intangible assets		67,676	33,149	31,965
Tangible fixed assets		27,210	32,244	29,562
Deferred tax assets		66,111	57,306	44,945
Other assets		181,836	103,956	85,658
Prepaid expenses and accrued income		39,863	24,332	12,181
Total assets		12,850,850	12,074,334	10,977,630

LIABILITIES AND SHAREHOLDERS' EQUITY

SEK thousand	Note	30 Sep 2014	31 Dec 2013	30 Sep 2013
Liabilities				
Deposits and borrowings from the public		9,979,222	9,701,502	9,283,762
Tax liabilities		33,604	66,910	53,398
Other liabilities		257,556	269,323	291,994
Deferred tax liabilities		67,839	32,720	24,158
Accrued expenses and prepaid income		105,419	89,285	90,806
Provisions		59,999	94,560	82,348
Senior unsecured loans		741,353	665,680	-
Subordinated loans		331,858	329,231	374,314
Total liabilities		11,576,850	11,249,211	10,200,780
Shareholders' equity				
Share capital		55,556	50,000	50,000
Reserves		-12,247	-12,242	-10,490
Contributed equity		603,038	275,631	274,091
Retained earnings		627,653	511,734	463,249
Total shareholders' equity		1,274,000	825,123	776,850
Total liabilities and shareholders' equity		12,850,850	12,074,334	10,977,630
Pledged assets		1,836	5,724	5,552
Contingent liabilities		209,240	270,615	230,659

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, GROUP

SEK thousand	Share capital	Reserves Translation reserve	Other contributed capital	Retained earnings	Total shareholders' equity
Opening balance as at 1 Jan 2014	50,000	-12,242	275,631	511,734	825,123
Comprehensive income for the period					
Net profit for the period				129,269	129,269
Other comprehensive income		-5			-5
Total comprehensive income for the period		-5		129,629	129,264
Transactions recorded directly in equity					
New share issue	5,556		327,407		332,963
Interest paid on capital contribution				-15,000	-15,000
Tax effect on transactions recorded directly in equity				1,650	1,650
Total transactions recorded directly in equity	5,556		327,407	-13,350	319,613
Closing balance as at 30 Sep 2014	55,556	-12,247	603,038	627,653	1,274,000

SEK thousand	Share capital	Reserves Translation reserve	Other contributed capital	Retained earnings	Total shareholders' equity
Opening balance as at 1 Jan 2013	50,000	-14,109	181,091	414,303	631,285
Comprehensive income for the period					
Net profit for the period				128,112	128,112
Other comprehensive income		1,867			1,867
Total comprehensive income for the period		1,867		128,112	129,979
Transactions recorded directly in equity					
Capital contribution			93,000*		93,000
Interest paid on capital contribution				-25,073	-25,073
Group contributions paid				-10,031	-10,031
Tax effect on transactions recorded directly in equity			1,540	4,423	5,963
Total transactions recorded directly in equity			94,540	-30,681	63,859
Closing balance as at 31 Dec 2013	50,000	-12,242	275,631	511,734	825,123

* Nominal amount of SEK 100,000 thousand has been reduced by transaction costs.

SEK thousand	Share capital	Reserves Translation reserve	Other contributed capital	Retained earnings	Total shareholders' equity
Opening balance as at 1 Jan 2013	50,000	-14,109	181,091	414,303	631,285
Comprehensive income for the period					
Net profit for the period				59,019	59,019
Other comprehensive income		3,619			3,619
Total comprehensive income for the period		3,619		59,019	62,638
Transactions recorded directly in equity					
Capital contribution			93,000*		93,000
Interest paid on capital contribution				-10,073	-10,073
Total transactions recorded directly in equity			93,000		93,000
Closing balance as at 30 Sep 2013	50,000	-10,490	274,091	463,249	776,850

* Nominal amount of SEK 100,000 thousand has been reduced by transaction costs.

CONSOLIDATED CASH FLOW STATEMENT

SEK thousand	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
OPERATING ACTIVITIES				
Cash flow from collection income on receivables portfolios	640,091	464,831	1,791,093	1,121,860
Interest income	44,979	35,216	77,527	121,282
Fee and commission income	29,158	31,338	87,714	81,986
Other operating income	12,026	3,866	37,078	17,390
Interest expense	-60,617	-822	-134,882	-22,777
Operating expenses	-272,410	-228,824	-790,838	-565,722
Net cash flow from financial transactions	3,183	-10,376	-1,257	2,016
Profit from joint venture	13,181	4,959	15,645	4,866
Income tax paid	-10,986	1,144	-51,359	-16,572
Total	398,605	301,332	1,030,721	744,329
Changes in acquired loan portfolios incl. translation differences	-429,798	-910,642	-1,961,468	-1,795,962
Increase/decrease in certificates in joint venture	6,737	6,302	8,066	3,653
Increase/decrease in lending to the public	8,731	29,376	83,435	129,549
Increase/decrease in deposits from the public	1,020,307	491,551	161,122	2,756,518
Increase/decrease in other assets	-6,856	-18,287	-64,977	-1,921
Increase/decrease in other liabilities	24,406	52,441	-7,467	3,946
Increase/decrease in provisions	12,720	55,703	-34,561	50,043
Changes in other balance sheet items	2,776	14,173	850	16,664
Total	639,023	-279,383	-1,815,000	1,162,490
Cash flow from operating activities	1,037,628	21,949	-784,279	1,906,819
INVESTING ACTIVITIES				
Investments in intangible fixed assets	-33,409	-25,895	-43,515	-34,470
Investments in tangible fixed assets	-6,929	-5,491	-9,929	-6,627
Investments in bonds - net	-919,367	-306,209	-1,067,398	-463,654
Cash flow from investing activities	-959,705	-337,595	-1,120,842	-504,751
FINANCING ACTIVITIES				
Capital contribution	-	-	-	93,000
New share issue	-	-	332,963	-
Senior unsecured loans	-	-	74,000	-
Subordinated loans	-	137,625	-	327,625
Dividend paid on subordinated loans	-	-10,073	-15,000	-10,073
Cash flow from financing activities	-	127,552	391,963	410,552
Cash flow for the period	77,923	-188,094	-1,513,158	1,812,620
Cash at the beginning of the period	2,330,315	4,243,114	3,921,396	2,242,400
Cash at the end of the period*	2,408,238	4,055,020	2,408,238	4,055,020

* Consists of cash, Treasury bills and lending to credit institutions.

PARENT COMPANY INCOME STATEMENT

SEK thousand	Note	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Net revenue from acquired loan portfolios	1	74,391	75,046	215,014	263,218
Interest income		95,851	53,865	245,160	163,413
Interest expense		-85,650	-60,305	-251,843	-185,189
Net interest income		84,592	68,606	208,331	241,442
Net income from financial transactions		1,322	-15,233	-2,702	-1,464
Other income		21,548	5,787	64,682	14,072
Total operating income		107,462	59,160	270,311	254,050
General administrative expenses					
Personnel expenses		-25,284	-12,324	-77,574	-31,492
Other expenses		-65,814	-41,771	-176,884	-132,104
Depreciation and amortization of tangible and intangible assets		-1,529	-1,045	-4,441	-2,204
Total operating expenses		-92,627	-55,140	-258,899	-165,800
Profit from shares and participations in joint venture		13,181	4,959	15,645	4,866
Dividend		-	-	34,660	-
Tax allocation reserve		-5,735	-2,848	-5,735	-27,095
Profit before income tax		22,281	6,131	55,982	66,021
Income tax expense		-6,014	-3,273	-6,423	-18,336
Net profit for the period		16,267	2,858	49,559	47,685

STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY

SEK thousand	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Net profit for the period	16,267	2,858	49,559	47,685
Other comprehensive income				
Items that have been or may be reclassified subsequently to the Income Statement				
Currency translation differences	15	-63	259	50
Other comprehensive income for the period, net of tax	15	-63	259	50
Total comprehensive income for the period	16,282	2,795	49,818	47,735

PARENT COMPANY BALANCE SHEET

ASSETS

SEK thousand	Note	30 Sep 2014	31 Dec 2013	30 Sep 2013
Cash		2	1	4
Treasury bills and treasury bonds		1,142,493	-	-
Lending to credit institutions		834,811	3,582,423	3,762,084
Lending to the public		198,071	325,788	404,177
Acquired loan portfolios		2,847,379	2,546,122	2,462,336
Receivables from affiliated companies		4,457,668	3,493,834	2,509,056
Bonds		2,340,075	1,272,677	1,171,326
Shares and participations in subsidiaries		338,108	303,145	238,893
Shares and participations in joint venture		70,729	78,795	86,808
Intangible assets		34,136	21,095	18,118
Tangible fixed assets		4,288	1,081	998
Deferred tax assets		1,600	1,121	393
Other assets		60,577	51,452	19,885
Prepaid expenses and accrued income		5,377	6,722	3,846
Total assets		12,335,314	11,684,256	10,677,924

SHAREHOLDERS' EQUITY AND LIABILITIES

SEK thousand	Note	30 Sep 2014	31 Dec 2013	30 Sep 2013
Liabilities				
Deposits and borrowings from the public		9,979,222	9,701,502	9,283,762
Tax liabilities		13,518	23,794	33,695
Other liabilities		138,691	198,949	268,821
Deferred tax liabilities		467	2,117	-
Accrued expenses and prepaid income		34,052	42,046	25,901
Provisions		149	100	97
Senior unsecured loans		741,353	665,680	-
Subordinated bonds		331,858	329,231	374,314
Total liabilities		11,239,310	10,963,419	9,986,590
Untaxed reserves		32,305	26,569	45,457
Shareholders' equity				
Restricted equity				
Share capital		55,556	50,000	50,000
Capital reserves		10,000	10,000	10,000
Revaluation reserve		64,253	64,253	-
Total restricted equity		129,809	124,253	60,000
Unrestricted equity				
Reserves		37	-222	-442
Contributed equity		603,038	275,631	274,091
Retained earnings		281,256	212,646	264,543
Profit for the period		49,559	81,960	47,685
Total unrestricted equity		933,890	570,015	585,877
Total shareholders' equity		1,063,699	694,268	645,877
Total liabilities and shareholders' equity		12,335,314	11,684,256	10,677,924
Pledged assets		1,836	5,724	5,552
Contingent liabilities		94,576	129,372	117,710

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, PARENT COMPANY

SEK thousand	Restricted Equity			Unrestricted Equity				Total shareholders' equity
	Share capital	Capital Reserves	Revaluation reserve	Reserves Translation of foreign operations	Other contributed capital	Retained earnings	Result for the period	
Opening balance as at 1 Jan 2014	50,000	10,000	64,253	-222	275,631	212,646	81,960	694,268
Reclassification of profit for the previous period						81,960	-81,960	-
Comprehensive income for the period								
Net profit for the period							49,559	49,559
Other comprehensive income				259				259
Total comprehensive income for the period				259			49,559	49,818
Transactions recorded directly in equity								
New share issue	5,556				327,407			332,963
Interest paid on capital contribution						-15,000		-15,000
Tax effect on transactions recorded directly in equity						1,650		1,650
Total transactions recorded directly in equity	5,556				327,407	-13,350		319,613
Closing balance as at 30 Sep 2014	55,556	10,000	64,253	37	603,038	281,256	49,559	1,063,699

SEK thousand	Restricted Equity			Unrestricted Equity				Total shareholders' equity
	Share capital	Capital Reserves	Revaluation reserve	Reserves Translation of foreign operations	Other contributed capital	Retained earnings	Result for the period	
Opening balance as at 1 Jan 2013	50,000	10,000	-	-492	181,091	296,823	-22,207	515,215
Reclassification of profit for the previous period						-22,207	22,207	
Comprehensive income for the period								
Net profit for the period							81,960	81,960
Other comprehensive income			64,253	270				64,523
Total comprehensive income for the period			64,253	270			81,960	146,483
Transactions recorded directly in equity								
Capital contribution					93,000*			93,000
Interest paid on capital contribution						-25,073		-25,073
Group contributions paid						-50,145		-50,145
Tax effect on transactions recorded directly in equity					1,540	13,248		14,788
Total transactions recorded directly in equity					94,540	-61,970		32,570
Closing balance as at 31 Dec 2013	50,000	10,000	64,253	-222	275,631	212,646	81,960	694,268

* Nominal amount of SEK 100,000 thousand has been reduced by transaction costs.

SEK thousand	Restricted Equity			Unrestricted Equity				Total shareholders' equity
	Share capital	Capital Reserves	Revaluation reserve	Reserves Translation of foreign operations	Other contributed capital	Retained earnings	Result for the period	
Opening balance as at 1 Jan 2013	50,000	10,000	-	-492	181,091	296,823	-22,207	515,215
Reclassification of profit for the previous period						-22,207	22,207	-
Comprehensive income for the period								
Net profit for the period							47,685	47,685
Other comprehensive income				50				50
Total comprehensive income for the period				50			47,685	47,735
Transactions recorded directly in equity								
Capital contribution					93,000*			93,000
Interest paid on capital contribution						-10,073		-10,073
Total transactions recorded directly in equity					93,000	-10,073		93,000
Closing balance as at 30 Sep 2013	50,000	10,000	-	-442	274,091	264,543	47,685	645,877

* Nominal amount of SEK 100,000 thousand has been reduced by transaction costs.

PARENT COMPANY CASH FLOW STATEMENT

SEK thousand	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
OPERATING ACTIVITIES				
Cash flow from collection income on receivables portfolios	252,033	200,157	702,981	626,097
Interest income	107,163	53,865	245,160	163,413
Other operating income	21,549	5,787	64,682	14,072
Interest expense	-60,769	-1,118	-135,245	-24,201
Operating expenses	-67,966	-35,355	-261,107	-137,137
Net cash flow from financial transactions	1,322	-15,233	-2,702	-1,464
Profit from joint venture	13,181	4,959	15,645	4,866
Income tax paid	-5,266	-258	-26,123	-3,426
Total	261,247	212,804	603,291	642,220
Increase/decrease in acquired loan portfolios incl. translation differences	-324,013	-65,001	-789,224	-431,854
Increase/decrease in joint venture	6,737	6,302	8,066	3,653
Increase/decrease in lending to the public	4,691	-1 204,554	-836,117	-1,308,330
Increase/decrease in deposits from the public	1,020,307	491,551	161,122	2,756,518
Increase/decrease in other assets	35,783	11,410	-179	4,334
Increase/decrease in other liabilities	-32,171	31,966	-55,958	92,775
Changes in other balance sheet items	64	562	237	862
Total	711,398	-727,764	-1 512,053	1,117,958
Cash flow from operating activities	972,645	-514,690	-908,762	1,760,178
INVESTING ACTIVITIES				
Investments in intangible fixed assets	-7,014	-20,336	-17,006	-25,928
Investments in tangible fixed assets	-979	-139	-3,612	-236
Investments in bonds - net	-919,367	-306,209	-1,067,398	-438,654
Investments in subsidiaries - net	-	634,745	-34,963	112,399
Cash flow from investing activities	-927,360	308,061	-1,122,979	-352,419
FINANCING ACTIVITIES				
Capital contribution	-	-	-	93,000
New share issue	-	-	332,963	-
Senior unsecured loans	-	-	74,000	-
Subordinated loans	-	137,625	-	327,625
Dividend paid on subordinated loans	-	-10,073	-15,000	-10,073
Dividend	-	-	34,660	-
Cash flow from financing activities	-	127,552	426,623	410,552
Cash flow for the period	45,285	-79,347	-1,605,118	1,818,311
Cash at the beginning of the period	1,932,021	3,841,435	3,582,424	1,943,777
Cash at the end of the period*	1,977,306	3,762,088	1,977,306	3,762,088

*Includes cash, Treasury bills and lending to credit institutions.

Accounting Policies

The consolidated financial statements for Hoist Kredit AB (publ) are prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and the interpretation statements from the IFRS Interpretation Reporting Committee (IFRIC) as approved by the EU Commission.

In addition, according to the Swedish Annual Accounts Act (1995:1559) for Credit Institutions and Securities Companies (ÅRKL), UFR statements issued by the Swedish Financial Reporting Board as well as the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25) have been applied. Hoist Finance also applies the RFR 1 recommendation issued by the Swedish Financial Reporting Board as well as associated statements by UFR. These statements for the Group and the Parent Company are prepared, in all material aspects, in accordance with the IAS34, "Interim Reporting".

The accounting policies and basis for calculations for the Group and the Parent Company are, in all material aspects, unchanged in comparison to the 2013 Annual Report.

IFRS 11, "Joint Arrangements", have been applied since 1 January 2014. This has resulted in joint arrangements being classified as joint venture or joint operation depending on whether the Group has direct right to the assets and obligation for the liabilities or not. The assessment is based on the structure of the investment, the legal set-up, contractual obligations and other aspects and circumstances. According to previous rules, the assessment was made based solely upon the structure of the investment. The impact of IFRS 11 upon

joint ventures has also been that proportionate consolidation is no longer allowed and only equity method may be used.

Hoist Kredit AB (publ) has a joint arrangement in the form of a joint venture. This joint venture has previously been accounted for according to the equity method. Therefore, the transition to IFRS 11 has not had any implications.

Changes in accounting policies

Intra-group invoicing to the ultimate parent company, Hoist International AB (publ) that was previously reported on a gross level, is now reported on a net basis, lowering other income and other expenses.

Notes

NOTE 1 Segment reporting

Segment reporting has been prepared to reflect how the executive management monitors operations, which is different from the statutory accounts. The material differences are as follows:

- Total revenue refers to revenue from acquired loan portfolios, the run-off consumer loan portfolio, servicing income, profit from joint venture and certain other income.
- Financial net contains interest income other than from acquired loan portfolios, interest expense and net profit from financial transactions.

Group costs containing central and supporting functions are not allocated to the operating segments and reported as Central functions and eliminations.

With respect to the balance sheet, only acquired loan portfolios are monitored, while other assets and liabilities are not monitored on a segment-by-segment basis. These items are of minor importance.

July - September 2014

SEK thousand	Segment BeNe	Segment France	Segment UK	Segment Italy	Segment Poland	Segment Germany*	Central functions and eliminations	Group
Total revenue	47,275	18,209	96,065	38,175	105,309	117,324	1,634	423,991
Operating expenses	-23,974	-36,159	-61,710	-29,876	-28,817	-65,837	-54,683	-301,056
Financial items	-20,325	-5,945	-17,708	-6,348	-15,242	-26,071	31,083	-60,556
Profit before tax	2,976	-23,895	16,647	1,951	61,250	25,416	-21,966	62,379

July - September 2013

SEK thousand	Segment BeNe	Segment France	Segment UK	Segment Italy	Segment Poland	Segment Germany*	Central Functions and eliminations	Group
Total revenue	13,412	13,799	78,721	14,796	67,515	109,837	-14	298,066
Operating expenses	-10,540	-18,408	-80,083	2,257	-25,932	-63,790	-38,370	-234,866
Financial items	-4,772	-6,119	-10,814	-4,092	-4,936	-24,382	7,111	-48,004
Profit before tax	-1,900	-10,728	-12,176	12,961	36,647	21,665	-31,273	15,196

January - September 2014

SEK thousand	Segment BeNe	Segment France	Segment UK	Segment Italy	Segment Poland	Segment Germany*	Central Functions and eliminations	Group
Total revenue	145,852	52,945	312,094	102,657	262,078	305,864	4,083	1,185,573
Operating expenses	-65,357	-80,816	-199,449	-53,344	-57,860	-180,934	-172,146	-809,906
Financial items	-56,274	-17,763	-50,782	-16,412	-38,455	-75,399	47,336	-207,749
Profit before tax	24,221	-45,634	61,863	32,901	165,763	49,531	-120,727	167,918

January - September 2013

SEK thousand	Segment BeNe	Segment France	Segment UK	Segment Italy	Segment Poland	Segment Germany*	Central Functions and eliminations	Group
Total revenue	50,664	50,260	150,480	82,193	112,554	352,578	-1,179	797,550
Operating expenses	-31,131	-52,937	-149,836	-13,402	-44,333	-176,597	-120,937	-589,173
Financial items	-12,702	-17,965	-19,304	-12,669	-12,730	-74,251	30,754	-118,867
Profit before tax	6,831	-20,642	-18,660	56,122	55,491	101,730	-91,362	89,510

Acquired loans

SEK thousand	Segment BeNe	Segment France	Segment UK	Segment Italy	Segment Poland	Segment Germany*	Group
30 Sep 2014							
Run-off consumer loan portfolio	-	-	-	-	-	134,175	134,175
Acquired loan portfolios	1,640,020	489,538	1,430,905	499,635	1,106,014	1,989,696	7,155,808
Shares and participations in joint venture	-	-	-	-	213,894	-	213,894
Acquired loans	1,640,020	489,538	1,430,905	499,635	1,319,908	2,123,872	7,503,877

NOTE 1 Segment reporting

Acquired loans

SEK thousand	Segment BeNe	Segment France	Segment UK	Segment Italy	Segment Poland	Segment Germany*	Group
31 Dec 2013							
Run-off consumer loan portfolio	-	-	-	-	-	209,373	209,373
Acquired loan portfolios	1,293,341	478,548	1,312,769	308,327	778,646	1,826,305	5,997,935
Shares and participations in joint venture	-	-	-	-	192,230	-	192,230
Acquired loans	1,293,341	478,548	1,312,769	308,327	970,876	2,035,678	6,399,538

Acquired loans

SEK thousand	Segment BeNe	Segment France	Segment UK	Segment Italy	Segment Poland	Segment Germany*	Group
30 Sep 2013							
Run-off consumer loan portfolio	-	-	-	-	-	243,686	243,686
Acquired loan portfolios	374,888	500,027	1,118,707	319,311	662,992	1,741,302	4,717,227
Shares and participations in joint venture	-	-	-	-	195,162	-	195,162
Acquired loans	374,888	500,027	1,118,707	319,311	858,153	1,984,989	5,156,075

* Segment Germany also includes Austria.

The operations of the Group are presented in the geographical segmentation. The segment reporting of the Swedish Parent Company is, therefore, not presented separately.

INFORMATION PER GEOGRAPHICAL SEGMENT

SEK thousand	GROUP				PARENT COMPANY			
	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Net revenue								
Germany*	98,579	91,106	253,728	273,707	44,057	46,036	106,064	128,389
France	16,411	11,733	47,773	43,948	-	-	-	-
Benelux	47,245	13,385	145,821	50,442	10,911	13,385	40,501	50,442
Italy	37,448	14,459	101,930	81,771	19,277	14,459	66,070	81,771
UK	66,015	115,895	217,046	144,822	-	-	-	-
Poland	89,532	58,899	221,200	84,528	146	1,166	2,379	2,616
Total net revenue	355,230	305,477	987,498	679,218	74,391	75,046	215,014	263,218

SEK thousand	GROUP				PARENT COMPANY			
	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Gross cash collections								
Germany*	184,110	150,232	493,682	465,161	129,588	105,162	346,017	319,843
France	24,860	21,684	83,424	71,939	-	-	-	-
Benelux	152,650	48,007	444,255	143,426	72,059	48,007	205,103	143,426
Italy	60,418	46,280	171,339	161,172	46,932	46,280	144,586	161,172
UK	126,338	73,410	384,235	143,229	-	-	-	-
Poland	91,715	125,218	214,158	136,933	1,760	708	5,581	1,656
Total gross cash collections	640,091	464,831	1,791,093	1,121,860	250,339	200,157	701,287	626,097

SEK thousand	GROUP				PARENT COMPANY			
	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Changes in carrying value								
Germany*	-85,531	-59,126	-239,953	-191,454	-85,531	-59,126	-239,953	-191,454
France	-8,448	-9,951	-35,651	-27,991	-	-	-	-
Benelux	-105,406	-34,622	-298,434	-92,984	-61,148	-34,622	-164,602	-92,984
Italy	-22,971	-31,821	-69,409	-79,401	-27,655	-31,821	-78,516	-79,401
UK	-60,322	42,485	-167,189	1,593	-	-	-	-
Poland	-2,183	-66,319	7,041	-52,405	-1,614	458	-3,202	960
Total changes in carrying value	-284,861	-159,354	-803,595	-442,642	-175,948	-125,111	-486,273	-362,879

SEK thousand	GROUP			PARENT COMPANY		
	30 Sep 2014	31 Dec 2013	30 Sep 2013	30 Sep 2014	31 Dec 2013	30 Sep 2013
Carrying value						
Germany*	1,989,696	1,826,305	1,741,302	1,989,700	1,826,308	1,741,306
France	489,538	478,548	500,027	-	-	-
Benelux	1,640,020	1,293,341	374,888	569,571	382,703	374,888
Italy	499,635	308,327	319,311	261,963	308,327	319,311
UK	1,430,905	1,312,769	1,118,707	-	-	-
Poland	1,106,014	778,645	662,992	26,145	28,784	26,831
Total carrying value	7,155,808	5,997,935	4,717,227	2,847,379	2,546,122	2,462,336

* Segment Germany also includes Austria.

NOTE 2 Acquired loan portfolios

SEK thousand	GROUP			PARENT COMPANY		
	Jan-Sep 2014	Jan-Dec 2013	Jan-Sep 2013	Jan-Jun 2014	Jan-Dec 2013	Jan-Jun 2013
Opening balance	5,997,935	3,363,907	3,363,907	2,546,122	2,393,361	2,393,361
Acquisitions	1,682,861	3,265,806	1,926,458	717,507	619,136	468,505
Disposals	-	-117,170	-108,065	-	-	-
Translation differences	278,607	118,082	-22,432	71,717	29,572	-36,651
Changes in carrying value						
Based on opening balance forecast (amortisation)	-803,595	-627,120	-449,947	-487,967	-537,483	-362,879
Based on revised estimates (revaluation)	-	-5,570	7,306	-	41,536	-
Carrying value	7,155,808	5,997,935	4,717,227	2,847,379	2,546,122	2,462,336
Changes in carrying value recognised in the income statement	-803,595	-632,690	-442,641	-487,967	-495,947	-362,879

Whereof fair value

SEK thousand	GROUP			PARENT COMPANY		
	Jan-Sep 2014	Jan-Dec 2013	Jan-Sep 2013	Jan-Jun 2014	Jan-Dec 2013	Jan-Jun 2013
Opening balance	1,607,061	1,768,134	1,768,134	1,295,106	1,405,713	1,405,713
Acquisitions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Translation differences	9,513	66,978	1,398	4,632	53,250	1,111
Changes in carrying value						
Based on opening balance forecast (amortisation)	-145,297	-183,013	-134,986	-132,519	-165,442	-122,668
Based on revised estimates (revaluation)	-	-45,038	-	-	1,585	-
Carrying value	1,471,277	1,607,061	1,634,546	1,167,219	1,295,106	1,284,156
Changes in carrying value recognised in the income statement	-145,297	-228,051	-134,986	-132,519	-163,857	-122,668

NOTE 2 Acquired loan portfolios

Sensitivity analysis

Even though Hoist Finance believes that the assumptions made for the assessment of fair value are reasonable, another fair value can be obtained by applying other methods and other assumptions. For a Level 3 fair value, a reasonable change in one or several assumptions would have the following impact upon the result:

SEK thousand	GROUP		
	30 Sep 2014	31 Dec 2013	30 Sep 2013
Carrying value of acquired loan portfolios	7,155,808	5,997,935	4,717,227
In case the estimated cash flow over the forecast period is increased by 5 per cent, the carrying value would increase by	350,940	297,711	250,005
In case the estimated cash flow over the forecast period is decreased by 5 per cent, the carrying value would decrease by	-350,940	-297,711	-250,005
Carrying value of portfolios acquired prior to 1 July 2011	1,471,277	1,607,061	1,634,546
In case the IRR would be decreased by 1 percentage unit, the carrying value would increase by	44,716	51,104	51,256
In case the IRR would be increased by 1 percentage unit, the carrying value would decrease by	-42,335	-48,231	-48,414

Portfolios valued at fair value through profit or loss

The Group has chosen to categorise portfolios acquired prior to 1 July 2011 as valued at fair value through profit or loss as these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with the Group's risk management policies. Information about portfolios is provided internally on that basis to the Group's management team. The underlying concept for valuation at fair value is to assess the carrying value of an asset by using the best available price for the asset. Loan portfolios are typically not traded publicly and consequently, there are no market prices available. Most players in the industry, however, apply similar pricing methods for portfolio acquisitions and calculate the present value of cash flows that correspond to the market value of a portfolio.

In order to assess fair value, the three main influencing aspects are: (i) the gross collections forecast, (ii) the cost level and (iii) the internal rate of return. The Group monitors the forward ten years' net collection forecasts for all portfolios and discounts the forecasts on a regular basis. The portfolio forecast curve that is initially used for the purpose of the calculations of the fair value is the acquisition curve of the portfolio. These curves represent the basis for the calculation of the fair value for each portfolio. The result then represents the new fair value of the portfolio.

The discount rate that corresponds to the market rate of return is updated continuously and reflects actual rate of return on relevant and comparable transactions in the market. In addition to the weighted average cost of capital (WACC), Hoist Finance also applies a liquidity premium of five per cent, which results in an internal rate of return of twelve per cent and is in line with the prevailing market situation.

Fair value measurements

The Group uses observable data to the greatest possible extent when assessing the fair value of an asset or a liability. Fair values are categorised in different levels in a hierarchy of fair values based on the indata used in the valuation approach according to the following:

Level 1) Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2) Based on directly or indirectly observable market information not included in Level 1. This category includes instruments valued based on quoted prices on active markets for similar instruments, quoted prices for identical

or similar instruments that are traded on markets that are not active or other valuation techniques where all important indata is directly or indirectly observable in the market.

Level 3) Based on indata that is not observable in the market. This category includes all instruments where the valuation technique is based on data that is not observable and has substantial impact upon the valuation.

The following table presents the Group's financial instruments in the balance sheet for information purpose and, therefore, measured at fair value:

NOTE 2 Acquired loan portfolios

GROUP, 30 SEPTEMBER 2014

SEK thousand	Acquired loan portfolios	Financing	Carrying value	Fair value	Level 1	Level 2	Level 3
Treasury bills and treasury bonds		1,142,493	1,142,493	1,142,493	1,142,493		
Acquired loan portfolios							
- of which at fair value	1,471,277		1,471,277	1,471,277			1,471,277
- of which at amortised cost	5,684,531		5,684,531	5,870,710			5,870,710
Bonds and other interest-bearing securities*		2,340,075	2,340,075	2,340,075	2,340,075		
Derivatives		20,203	20,203	20,203		20,203	
Total assets	7,155,808	3,502,771	10,658,579	10 844,758	3,482 568	20,203	7,341,987
Derivatives		27,037	27,037	27,037		27,037	
Senior unsecured loans		741,353	741,353	753,750		753,750	
Subordinated loans		331,858	331,858	404,250		404,250	
Total liabilities		1,100,248	1,100,248	1,185,037		1,185,037	

GROUP, 31 DECEMBER 2013

SEK thousand	Acquired loan portfolios	Financing	Carrying value	Fair value	Level 1	Level 2	Level 3
Treasury bills and treasury bonds							
Acquired loan portfolios							
- of which at fair value	1,607,061		1,607,061	1,607,061			1,607,061
- of which at amortised cost	4,390,874		4,390,874	4,532,981			4,532,981
Bonds and other interest-bearing securities*		1,272,677	1,272,677	1,272,677	1,272,677		
Derivatives		25,951	25,951	25,951		25,951	
Total assets	5,997,935	1,298,628	7,296,563	7,438,670	1,272,677	25,951	6,140,042
Derivatives		16,329	16,329	16,329		16,329	
Senior unsecured loans		665,680	665,680	676,000		676,000	
Subordinated loans		329,231	329,231	381,500		381,500	
Total liabilities		1,011,240	1,011,240	1,073,829		1,073,829	

GROUP, 30 SEPTEMBER 2013

SEK thousand	Acquired loan portfolios	Financing	Carrying value	Fair value	Level 1	Level 2	Level 3
Acquired loan portfolios							
- of which at fair value	1,634,546		1,634,546	1,634,546			1,634,546
- of which at amortised cost	3,082,681		3,082,681	3,243,426			3,243,426
Bonds and other interest-bearing securities*		1,196,326	1,196,326	1,196,326	1,196,326		
Total assets	4,717,227	1,196,326	5,913,553	6,074,298	1,196,326		4,877,972
Derivatives		26,735	26,735	26,735		26,735	
Subordinated loans		374,314	374,314	420,283		420,283	
Total liabilities		401,049	401,049	447,018		447,018	

* Bonds and other interest-bearing securities also include shares of SEK 25,000 thousand. These shares are accounted for at acquisition value as there are no quoted prices. It has not been possible to obtain a reliable fair value using an accepted valuation approach.

NOTE 2 Acquired loan portfolios

PARENT COMPANY, 30 SEPTEMBER 2014							
SEK thousand	Acquired loan portfolios	Financing	Carrying value	Fair value	Level 1	Level 2	Level 3
Treasury bills and treasury bonds		1,142,493	1,142,493	1,142,493	1,142,493		
Acquired loan portfolios							
- of which at fair value	1,167,219		1,167,219	1,167,219			1,167,219
- of which at amortised cost	1,680,160		1,680,160	1,825,255			1,825,255
Bonds and other interest-bearing securities*		2,340,075	2,340,075	2,340,075	2,340,075		
Derivatives		20,203	20,203	20,203		20,203	
Total assets	2,847,379	3,502,771	6,350,150	6,495,245	3,482,568	20,203	2,992,474
Derivatives		27,037	27,037	27,037		27,037	
Senior unsecured loans		741,353	741,353	753,750		753,750	
Subordinated loans		331,858	331,858	404,250		404,250	
Total liabilities		1,100,248	1,100,248	1,185,037		1,185,037	

PARENT COMPANY, 31 DECEMBER 2013							
SEK thousand	Acquired loan portfolios	Financing	Carrying value	Fair value	Level 1	Level 2	Level 3
Acquired loan portfolios							
- of which at fair value	1,295,106		1,295,106	1,295,106			1,295,106
- of which at amortised cost	1,251,016		1,251,016	1,384,249			1,384,249
Bonds and other interest-bearing securities		1,272,677	1,272,677	1,272,677	1,272,677		
Derivatives		25,951	25,951	25,951		25,951	
Total assets	2,546,122	1,298,628	3,844,750	3,977,983	1,272,677	25,951	2,679,355
Derivatives		16,329	16,329	16,329		16,329	
Senior unsecured loans		665,680	665,680	676,000		676,000	
Subordinated loans		329,231	329,231	381,500		381,500	
Total liabilities		1,011,240	1,011,240	1,073,829		1,073,829	

PARENT COMPANY, 30 SEPTEMBER 2013							
SEK thousand	Acquired loan portfolios	Financing	Carrying value	Fair value	Level 1	Level 2	Level 3
Acquired loan portfolios							
- of which at fair value	1,284,156		1,284,156	1,284,156			1,284,156
- of which at amortised cost	1,178,180		1,178,180	1,298,462			1,298,462
Bonds and other interest-bearing securities*		1,171,326	1,171,326	1,171,326	1,171,326		
Total assets	2,462,336	1,171,326	3,633,662	3,753,944	1,171,326		2,582,618
Derivatives		26,735	26,735	26,735		26,735	
Subordinated loans		374,314	374,314	420,283		420,283	
Total liabilities		401,049	401,049	447,018		447,018	

The fair value of accounts receivable, other receivables, cash, accounts payable and other short-term liabilities is estimated at the same value as their carrying value.

The applied valuation approaches are unchanged compared to the latest annual report.

The valuation approach for acquired loan portfolios, important indata and the sensitivity of the valuation outcome for changes in material indata are described in the same note.

Derivatives used for hedging have been model-valued using indata in the form of market rates for interest and currencies.

Bonds are valued based on quoted rates.

Fair value of financing in terms of issued bonds and other subordinated loans has been determined taking into account observable market rates quoted by external market players. In cases where more than one market price observation is available, the fair value is determined at the arithmetic mean of the market quotes.

During the period there have been no transfers among the different levels.

NOTE 3 Acquisitions of Operations

In July 2014 Hoist Kredit AB (publ) established a wholly-owned subsidiary, Hoist Italia SrL. As at 1 August Hoist Italia SrL acquired the operations of the servicing partner TRC SpA through an asset purchase. Hoist Italia operates and co-ordinates collection activities of Hoist Finance in Italy. Hoist Italia has approximately 130 FTEs with offices in Rome and in Lecce. The acquisition is another important strategic step in expanding Hoist Finance's position in the Italian market.

The consideration paid in connection with the acquisition totalled EUR 1.

Net assets as at the acquisition date, SEK thousand	
Intangible fixed assets	20,216
Tangible fixed assets	876
Accounts receivable and other short-term receivables	45,873
Accrued expenses	-16,946
Accounts payable and other short-term liabilities	-50,019
Total identifiable net assets	0

The net amount of acquired operations-related assets and liabilities is SEK 0 thousand. No cash and cash equivalents have been taken over in connection with the acquisition.

Acquisition-related costs of SEK 1,137 thousand are included in administrative expenses in the consolidated income statement for July - September 2014.

The acquired assets are consolidated starting as from August 2014 and have contributed with SEK 4,422 thousand to the consolidated revenue and with SEK -7,360 thousand to the operating profit.

Since the acquired operations have not previously been disclosed on a stand-alone basis, it is not possible to disclose the effect of the acquisition from 1 January 2014.

If the acquisition had not been completed, the consolidated profit before tax would have been SEK 8,498 higher in January - September 2014.

The lewis group Ltd

On 8 August 2013 Hoist Finance UK Ltd acquired 100 per cent of the shares in the lewis group Ltd. The consideration was increased in August 2014 as a result of changes in tax receivables pertaining to the period before the acquisition. The consideration increased from SEK 743,501 thousand to SEK 747,103 thousand. The identifiable net assets were changed by a corresponding amount in the item *Accounts payable and other short-term liabilities*.

NOTE 4 Transactions with Related Parties

No material changes have incurred since the Interim Report for January - June 2014.

NOTE 5 Capital Adequacy

The information in this Note contains such information as is to be disclosed in accordance with FFFS 2008:25 regarding annual reports for credit institutions. The information to be disclosed is stipulated in chapter 8 in FFFS 2014:12 regarding prudential requirements and capital buffers. The information relates to the regulated entity Hoist Kredit AB (publ) and Hoist Kredit AB (publ) in its consolidated situation, which was previously referred to as the financial group of undertakings.

The Regulation No 575/2013 of the European Parliament and of the Council is used to conclude the statutory capital demand. The purpose of the rules is to ensure that the regulated entity and its consolidated situation are managing their risks and to protect the Group's depositors. The regulations state that the capital base is to cover the capital requirement including the minimum capital requirement (the capital requirement for Credit Risk, Market Risk and Operational Risk) and the capital requirement for all other material risks i.e. Pillar II.

Since the beginning of the year, the Company also needs to comply with the minimum statutory requirements concerning core primary capital (4.5%), Tier I capital (6%) and total capital (8%) in relation to the risk exposure amount.

The capital situation can be summarised as follows:

SEK thousand	GROUP		PARENT COMPANY	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
Total credit exposure *)	12,834,009	12,014,671	12,416,921	11,762,894
Total risk exposure amount	9,757,037	8,806,511	9,125,741	8,387,775
Pillar I				
Credit risk (standardised approach)	682,408	622,384	684,234	624,275
<i>Institutions</i>	48,631	82,736	41,022	77,228
<i>Retail, past due items</i>	588,776	496,413	232,648	209,193
<i>Retail, not due items</i>	8,771	13,162	8,771	13,162
<i>Corporate</i>	10,767	17,126	351,201	284,215
<i>Other</i>	25,463	12,947	50,592	40,477
Operational risk (basic indicator approach)	93,379	77,789	41,050	43,280
Foreign Exchange Risk	4,524	4,346	4,524	3,467
Credit valuation adjustment (standardised approach)	252	-	252	-
Capital requirement Pillar I	780,563	704,519	730,060	671,022
Capital available for capital adequacy purpose	1,219,001	1,023,085	1,170,522	1,022,007

Financial Group (consolidated basis) - calculation of eligible capital:

SEK thousand	GROUP		PARENT COMPANY	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
Core primary capital	877,504	500,854	851,121	499,776
Core primary capital in capital adequacy	1,055,483	622,440	894,357	521,992
Proposed dividend	-7,500	-	-7,500	-
Intangible fixed assets	-100,618	-64,280	-34,136	-21,095
Deferred tax assets	-66,111	-57,306	-1,600	-1,121
Regulatory dividend deduction	-3,750	-	-	-
Additional Tier I capital	146,356	193,000	136,886	193,000
Other eligible Tier I capital	48,184	-	57,654	-
Tier II capital	195,141	329,231	182,515	329,231
Other eligible Tier II capital	136,717	-	149,343	-
Total eligible capital	1,403,902	1,023,085	1,377,519	1,022,007
Core primary capital ratio	8.99%	5.69%	9.33%	5.68%
Tier I capital ratio	10.49%	7.88%	10.83%	7.87%
Total capital ratio	12.49%	11.62%	12.83%	11.61%

* Total credit exposure contains Hoist Finance's credit exposure on assets in the balance sheet as well as off-balance sheet credit exposure, having taken into consideration conversion ratio.

NOTE 5 Capital adequacy

Hoist Finance has a wide margin to the lowest statutory requirements for core primary capital, Tier I capital and total capital. There are no current or foreseeable material or legal impediments to the prompt transfer of own funds or repayment of liabilities between the companies and subsidiaries.

Assertion

The Chief Executive Officer hereby asserts that the Interim Report for January - September 2014 provides a true and fair view of the Group's and the Parent Company's operations, financial situation and result, as well describes material risks and uncertainties that the Parent Company and the Group companies are subject to.

Stockholm, 23 October 2014

Jörgen Olsson
Chief Executive Officer