Hoist Finance

Annual Report 2013

Hoist Finance is a trusted debt restructuring partner to global banks and financial institutions. We are focused on purchasing portfolios of non-performing unsecured consumer loans.

We care about our customers' concerns. Our business is built on amicable settlements – we provide payments plans that are realistic, bringing our customers one step closer to a better economic situation.

We have a presence in nine markets in Europe. In Sweden we offer secure and attractive savings through HoistSpar. Hoist Kredit AB (publ) is licensed and supervised by the Swedish Financial Supervisory Authority.

2013
The year in brief

Gross cash collections
SEK 1.6 bn

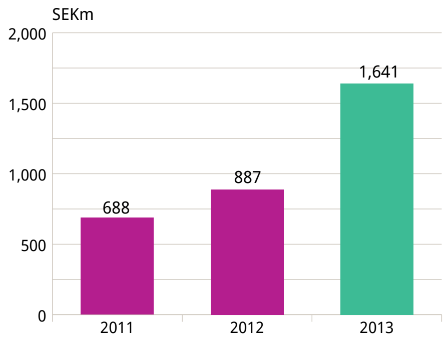
Portfolio acquisitions
SEK 3.3 bn

EBIT margin
26%

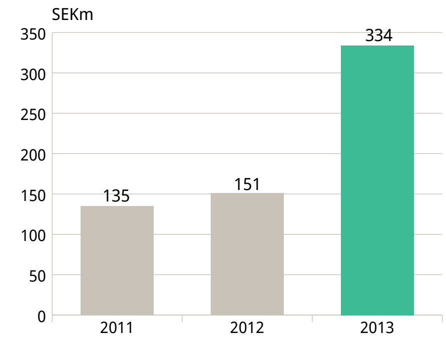
Capital adequacy ratio
11.6%

- **Gross cash collections** totalled SEK 1,641m (887), an increase of 85% compared to 2012. Total revenue, excluding portfolio revaluations, was SEK 1,281m (674), an increase of 90% compared to 2012.
- **EBIT**[1] totalled SEK 334m (151), which is equivalent to an EBIT margin of 26% (24).
- **Portfolio acquisitions** for the year totalled SEK 3,267m, an increase of 56% compared to 2012. Total carrying value of acquired portfolios at the turn of the year was SEK 5,998m (3,364). 120-month gross ERC (estimated remaining collections) was SEK 10,673m (6,660).
- **Cash flow** from operating activities increased to SEK 1,275m (461).
- **Capital adequacy ratio** was 11.6% (9.8).
- **SEK 350m in subordinated bonds** issued in September. The bond was listed on NASDAQ OMX in October. SEK 750m in senior unsecured bonds issued in December. The bond was listed on NASDAQ OMX in January 2014.
- **Continued strong expansion** and diversification of geographical presence. The position in the British market was strengthened by the acquisition of the lewis group Ltd. Integration with Robinson Way Ltd, acquired in 2012, is in progress. Following a significant acquisition in the Netherlands, Hoist Finance opened an office in Amsterdam.

Gross cash collections



EBIT[1]



SEKm	2013	2012	Change
Net revenue from directly owned portfolios[1]	1,083	505	+114%
Revenue from servicing	121	44	+175%
Profit from joint venture	36	56	–36%
Other income[2]	40	69	–42%
Total revenue[1]	**1,281**	**674**	**+90%**
EBIT[1]	334	151	+121%
EBIT margin, %	26%	24%	+8%
Total carrying value of acquired loan portfolios, 31 Dec	5,998	3,364	+78%
Cash flow from operating activities	1,275	461	+177%
Number of employees (FTEs) at 31 Dec	881	595	+48%

[1] Adjusted for portfolio revaluations of SEK -6m in 2013 and SEK -7m in 2012. Includes interest income from the run-off consumer loan portfolio of SEK 69m (34m).
[2] Adjusted for intra-group items of SEK 102m (82m)

2013
Contents

This is Hoist Finance

Hoist Finance is a trusted debt restructuring partner of leading global banks and financial institutions. We specialise in the acquisition and management of non-performing unsecured consumer loans. Hoist Finance is present in nine European countries. Our operations are partly funded through the Swedish retail deposit service, HoistSpar.

DP
Debt purchasing

Hoist Finance is one of the largest debt purchase companies in Europe. In 2013 the portfolio acquisition volume was approximately SEK 3.3 billion, increasing the carrying value of our acquired loan portfolios to SEK 6.0 billion. In addition, we own a run-off consumer loan portfolio in Germany and have invested in a joint venture in Poland, bringing the total carrying value of our portfolio holdings to approximately SEK 6.4 billion.

DC
Debt collection

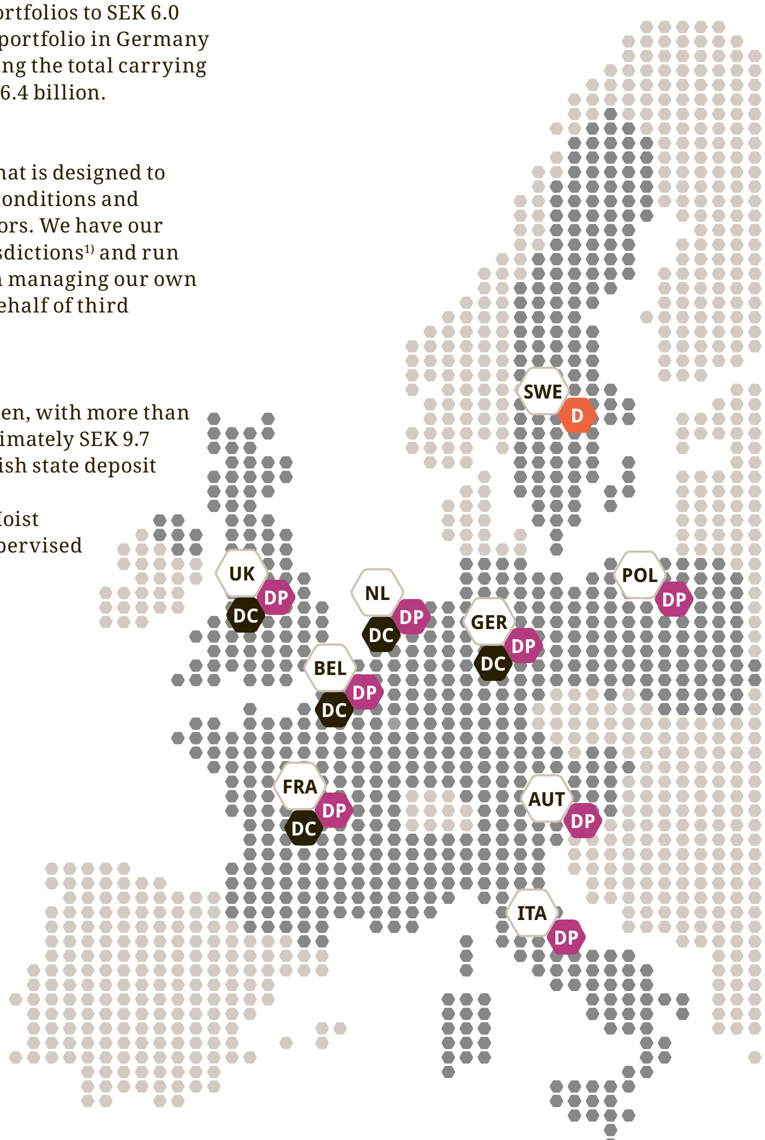
Hoist Finance applies an integrated business model that is designed to deliver operational efficiency based on local market conditions and adapted to cater to the specific needs of local originators. We have our own collection platforms or mixed models in six jurisdictions[1)] and run fully outsourced models in two countries. Apart from managing our own acquired loan portfolios, we also offer servicing on behalf of third parties.

D
Deposits

HoistSpar is our retail deposit-taking service in Sweden, with more than 50,000 accounts and a total deposit balance of approximately SEK 9.7 billion These accounts are fully covered by the Swedish state deposit insurance scheme.

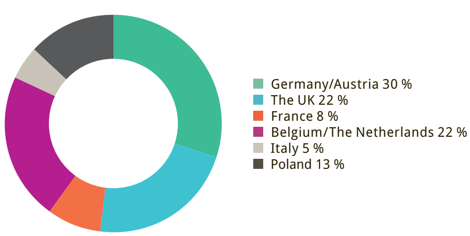
The parent company in the Hoist Finance Group, Hoist Kredit AB (publ), is a credit company licensed and supervised by the Swedish Financial Supervisory Authority (*Finansinspektionen*).

[1)] The Austrian portfolio is managed from the German platform.



Distribution by market

Carrying value, acquired loan portfolios



Mission, vision and strategies

Our mission is to be your trusted partner. By bringing our customers one step closer to a better economic situation, while at the same time freeing up resources for our partners, we contribute to creating sustainable growth and a balanced economy in the society.

Our mission

Your trusted partner.

Our vision

Become the leading international debt restructuring partner to global financial institutions.

Strategies

· Clear customer offering
· Well positioned for growth
· Economies of scale and geographic diversification
· Diversified financing

Operational and financial strategies to attain our vision

Clear customer offering

- We enable banks and financial institutions to focus on their core business by acquiring and managing their portfolios of non-performing loans.
- Through our amicable settlements model, focusing on achieving realistic repayment plans, we help bringing our customers, the debt-holders, one step closer to a better economic situation.

Well positioned for growth

- We are a leading debt restructuring partner to European banks and financial institutions, and were during 2013 one of the largest buyers of non-performing unsecured consumer loans.
- Through our long-standing relationships, we are well positioned to capture new growth opportunities driven by the regulatory requirements in the financial sector.

Economies of scale and geographic diversification – an opportunity

- We strive for a balanced geographic diversification on the European market.
- Specialisation on certain type of loan portfolios and a data-driven acquisition strategy allows us to successfully acquire loan portfolios at the right price.
- Our growth enables more efficient use of resources and the establishment of routines based on best practice throughout the group, creating economies of scale.

Diversified financing

- Stable and predictable cash flow from operations is the foundation of the business model.
- Deposits from HoistSpar attract a stable and growing customer base.
- Two successful bond issues were completed during the year.
- Solid equity base.

"Structured processes and a data-driven acquisition strategy has allowed us to successfully compete for the most attractive portfolios."

Jörgen Olsson, Chief Executive Officer

In the sweet spot of the credit market

2013 was another year of important milestones for Hoist Finance – sizeable portfolio acquisitions, doubled revenues and stable cash flows demonstrate the strength of our business model. In addition, we further developed our internal processes and continued to diversify our capital base.

"The dedicated work by everyone resulted of a doubling in our revenues to a record SEK 1.3 billion, and achievement of our highest EBIT ever at SEK 334 million."

The successful year is a result of our determined strategy to reposition the business towards becoming a debt restructuring partner to international banks and financial institutions wishing to focus on their core business and optimise their credit portfolios. This trend is becoming more distinct as the credit market has grown and matured, and is demonstrated in the fast-growing European non-performing loan market. Over recent years, the total market has seen annual growth rates of 7–10%, expected to accelerate further, driven by the tighter capital regulation for the European financial sector suggested by the Basel III framework.

Active growth strategy

Taking a stance in our long-standing relationships and proven ability to provide customised solutions, we decided early on to embark on an active growth strategy to capture the opportunities arising from the changing landscape in the credit market. Narrowing our focus to a certain type of debt, developing structured processes and a data-driven acquisition strategy has allowed us to successfully compete for the most attractive portfolios. Last year, our portfolio acquisitions totalled SEK 3.3 billion, doubling our total carrying value to SEK 6.4 billion. In fact, we were one of the largest buyers of non-performing unsecured consumer loans in the European market, both in 2012 and in 2013. It is our firm belief that Hoist Finance is today in the sweet spot of the credit market, uniquely positioned to capture future growth opportunities.

Total carrying value of

SEK **6.4** billion

Your trusted partner

At the core of earning the trust from our partners, the global banks and financial institutions, is to clearly demonstrate that we care about their customers' concerns. For us, this means having the highest of standards when it comes to ethics, respect and understanding for the fact that every customer's situation is unique.

Our model for amicable settlements is built on fair treatment, and strives to achieve realistic payment plans, bringing the customers one step closer to a better economic situation. We have a profound understanding of what is most important to our partners. Caring for their customer relationships, combined with our responsibility and commitment as a credit market company licensed and regulated by the Swedish FSA, has enabled us to successfully pursue our strategy for growth and balanced geographical diversification.

During the year we strengthened our position in several markets, and made ground-breaking acquisitions in the Netherlands, Poland and the UK. The strong growth in our portfolio acquisitions, our effective processes and the dedicated work by everyone at Hoist Finance resulted of a doubling in our revenues to a record SEK 1.3 billion, and achievement of our highest EBIT ever at SEK 334 million.

"We have proven the success of our amicable settlements model"

Getting ready for the next step

The strong growth we have experienced necessitates having solid systems and processes in place and scaling up the organisation to handle the increased business volumes. One of the initiatives we took this year was to coordinate our HR initiatives, and strengthen various operational processes across the group. We have also streamlined our operations throughout the year, integrating the lewis group Ltd, acquired in 2013, into Robinson Way in the UK.

Diversified capital base

In order to exploit the opportunities materialising from the expected growth in the European non-performing unsecured loans market, one of the key objectives for Hoist Finance is to continue to diversify and strengthen our funding and capital base.

I am pleased to note that Hoist Spar, our deposit service in Sweden, has reached new audiences with over 50,000 deposit holders and an increase of 52 per cent in volume during the past last year. During 2013 and early 2014, we have successfully finalised two bond issues: a SEK 750 million unsecured loan issue and a SEK 350 million subordinated loan issue. Both attracted considerable interest from Swedish and international investors, further testimony to our business model and capacity. Our capital adequacy ratio increased substantially, from 9.75% as at the end of December 2012 to 11.62% at the end of 2013.

As part of the initiative to continue to strengthen and diversify the capital base Hoist Finance has assigned an advisor to evaluate different available alternatives.

Continued focus

To continuously meet our partners' and customers' needs, it is important that we stay agile and adapt to attain our goal. By earning long-standing relationships, we have proven the success of our amicable settlements model, demonstrating that Hoist Finance is ideally positioned to capture the opportunities ahead. Given the momentum in the market, and the strong platform we have created, I am confident that 2014 will be as eventful as 2013, reinforcing our position as a leading debt restructuring partner to global financial institutions.

Stockholm, April 2014

Jörgen Olsson
Chief Executive Officer

European credit market

Strong underlying market growth expected to continue driven by structural and organic growth drivers.

The business environment for the global banking sector in particular and for economies as a whole has undergone a structural and strategic transition in the past few years.

Developments in 2013 Most European economies – particularly those where Hoist Finance has a presence – saw weak economic growth, relatively poor public finances, rising unemployment and levels of inflation continuously above target in 2013. Poland, however, represented a positive exception, while Italy showed a negative trend. Europe continues to have mixed economic prospects for 2014, but tentative signs of an improved US economy and increased growth in the Far East, particularly in China, may lead to positive surprises during the year.

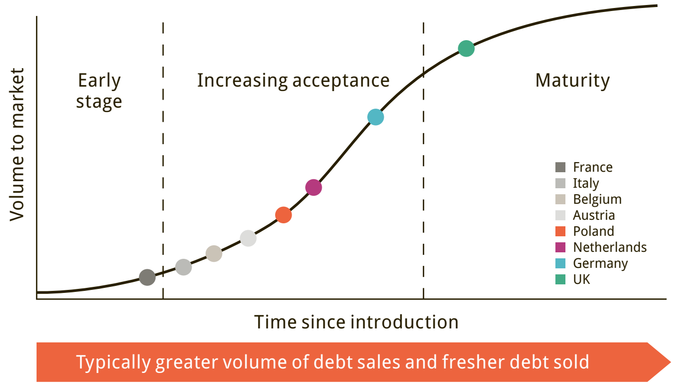
According to PwC, the estimated value of non-performing loans in Europe has rocketed, from around EUR 500 billion in 2008 to EUR 1,200 billion in 2012, with a CAGR for 2008–2012 of 23%. Whereas European banks generated significant volumes of non-performing loans during the financial crisis, volumes of portfolios coming to market were limited primarily due to lack of funding to debt purchase companies and a significant bid-ask spread. This trend was reversed during late 2011 and the volume of non-performing loans coming up for sale in Europe is increasing steadily. The estimated purchased debt spend in 2013 is estimated at more than EUR 60 billion, up from EUR 11 billion in 2010 (CAGR of +75%). We anticipate the trend of growing volumes and higher share of non-performing loan portfolios coming to market to continue in the coming years.

Market drivers

The banking sector – an industry in transition

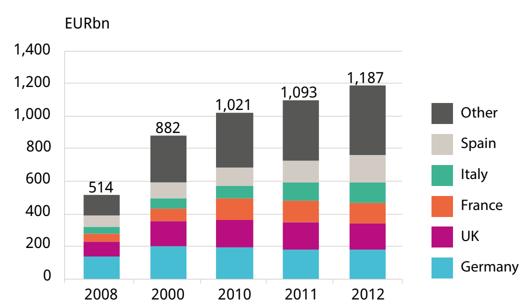
Trade in non-performing receivables from utility companies such as telecom and power companies has been growing for a number of years, but the highest rate of growth by far is in the banking sector. The global financial crisis has led to supervisory authorities for the banking and financial sector having introduced detailed new regulations to mitigate the consequences of the crisis and prevent future crises.

Typical stages of development of debt purchase markets



Non-performing loans in Europe

Compounded annual growth rate of +23% between 2008 and 2012



Source: PwC

All banks in Europe are affected more or less adversely by the euro crisis, and the stricter capital requirements in the Basel rules have brought further challenges. This has led to most banks focusing in 2013 on rebuilding capital and optimising and rationalising their operations. The pressure on the banks to dispose of their non-performing assets will probably increase further, due to the gradual scaling-down of cheap funding from the ECB, increasing requirements from the supervisory authorities with regard to correct reporting and provisions for non-performing receivables, as well as the Basel III rules, see the description alongside. It is estimated that large European banks will reduce assets by some EUR 60 billion over the next 3–5 years, whereas small banks will face more difficulties raising capital and the reduction will be even higher, at EUR 2,600 billion.

Market specifics

There are both macroeconomic and sector-specific factors driving the development of the market for non-performing loans. Macroeconomic factors influence volumes but also have an impact on how difficult it is to collect receivables. Credit volumes increase during economic upturns, but at the same time more people manage to pay off their debts. It is typically more difficult to collect non-performing loans in an economic downturn, which increases the need for specialist skill from a third party.

There are significant jurisdictional differences between the more mature markets - such as the UK and Scandinavia - where most banks sell off their non-performing loans at a much earlier stage, and the less developed markets - like France and Italy - where typically fewer banks sell older non-performing loans on a sporadic basis.

Moreover, the debt purchase market is characterised by significant barriers of entry driven by the need for leading debt purchase companies to have a flawless track record, extensive data-sets supporting sophisticated pricing and collection models, together with deep and flexible funding and extensive compliance departments.

Competitors

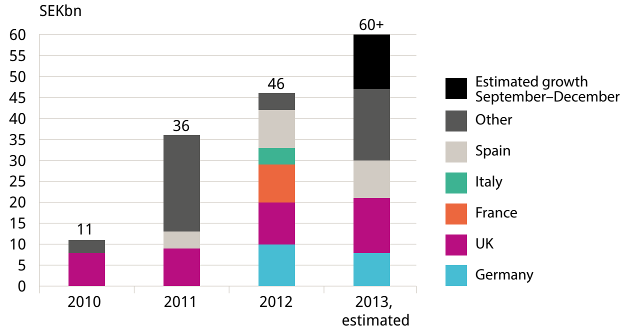
The market for the purchase of non-performing loans is notable for a small number of leading international players, several of which originate in the Nordic region. The sale of non-performing loans in Europe originated in Norway and Sweden in the late 1980s and early 1990s after the local property and banking crash in Scandinavia, followed by the United Kingdom in the 1990s. As a consequence and driven by the overall industry maturing, a number of leading debt purchase players have emerged in Europe, with Hoist Finance as one of the market leaders. In 2012 and 2013, Hoist Finance was the largest player in Europe in terms of portfolio acquisition volume. Having positioned itself as the trusted debt restructuring partner to banks and financial institutions over the past two decades, Hoist Finance is well-positioned to take further advantage of the market opportunities ahead.

The most important elements of Basel III are:

- **Increased requirement for the quality and size of capital.** The minimum requirement for core primary capital (in principle equity and accrued profits) increases from 2 to 4.5%. In addition, a capital conservation buffer requirement of a further 2.5% is introduced.
- **Countercyclical capital buffer** (0 to 2.5%). Individual countries can decide that the country's banks have to build up special capital buffers in good times that can be used in less good times.
- **Systemic Risk Buffer** (0 to 5%). Extra cushion of CET1 capital for systematically important institutions and for macro-prudential risk.
- **Leverage ratio.** A new capital requirement is introduced. It measures the bank's capital in relation to the bank's exposure (lending, derivatives, government securities, etc.) regardless of risk. The requirement is to be trialled from 2013 with an objective of applying as a live requirement in 2018.

Purchased debt spend, face value

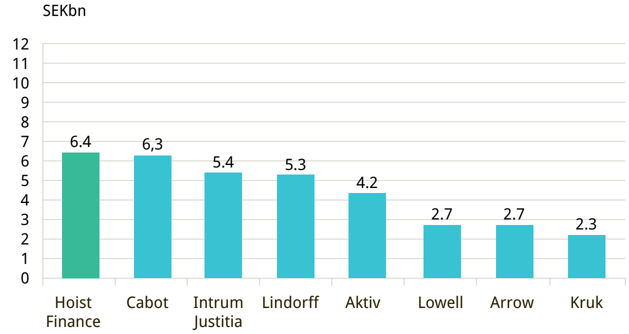
Compounded annual growth rate of +75% between 2008 and 2013



Source: PwC

Major European competitors

Carrying value



Hoist Finance is one of the largest debt purchase companies in Europe

Source: Q3 2013 reports for Lowell and Arrow. Q4 2013 report for Intrum Justitia, Cabot (incl. Marlin) and Hoist Finance. Lindorff, Aktiv Kapital (acquired by PRA) and EOS based on 2012 annual reports/industry estimates.

Our business model

Long-term cooperation built on trust

Hoist Finance works closely with banks and financial institutions. By specialising in acquisition of non-performing consumer loans and having a proven repayment model based on mutual agreements, we generate long-term predictable cash flows.

Specialisation, experience and a data-driven acquisition strategy allows Hoist Finance to acquire attractive portfolios of non-performing unsecured consumer loans, typically for 10–50% of nominal value.

Efficient debt collection based on a proven model for amicable settlements generates stable and predictable cash flows – up to 3 times the acquisition price is collected over time.

Our focus is on non– performing consumer loans
Our partners, principally banks and financial institutions, are sometimes affected by their customers not being able to pay their debts when they fall due. Lenders normally try in the first instance to recover the receivables through internal debt collection. This may, however, be difficult to manage effectively within the banks' organisations.

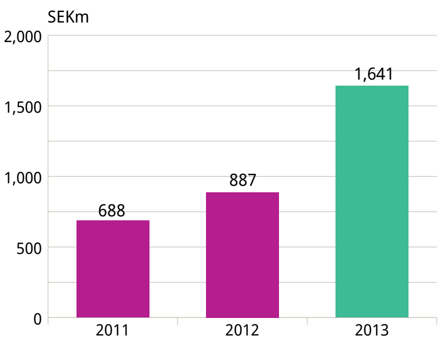
In accountancy terms, the receivables are classified as non-performing loans around 60–90 days after missed payment, affecting the capital adequacy ratios of the lender. By divestment of certain loan portfolios to third parties, banks and financial institutions can optimise their credit portfolios and consequently free up resources for their core operations.

Underlying growth in a maturing credit market
A strong trend in the European credit market is the rapid growth in the volume of non-performing consumer loans. As the credit market grows and matures, the need for specialisation within financial services also increases. In the aftermath of the financial crisis, the EU supervisory authorities have developed common rules for risk control, tightening of the capital requirements and strengthening of the banks' balance sheets.

Altogether, these trends point to continued strong growth in the total volume of non-performing loans in the banking system, and therefore also a continued need to optimise their loan portfolios through divestments to trusted partners.

Our offering – flexible solutions based on mutual trust
Hoist Finance acquires non-performing loan portfolios at a price on which we and our partner agree. The reason why we choose primarily to cooperate with banks and other creditors is that these have carried out credit checks before granting loans. We also manage debts to utility companies, as they are debts that most private individuals choose to pay if they are able to.

Rapid growth in gross cash collections



Gross cash collections is the cash flow generated from the collected installment plans and lumpsum payments. During 2013, gross cash collections increased by 85%, driven by the strong growth in acquired portfolio volume.

We have a significant competitive advantage in being a regulated credit company. We understand the requirements and challenges faced by our partners and can be trusted to manage their client portfolios.

We have a significant competitive advantage in being a regulated credit company, as we understand the requirements and challenges faced by our partners, and can therefore be entrusted with managing the relationships with their customers. The core of our business model is creating flexibility and capacity to meet the varying needs of our partners.

Our offering extends from acquiring and/or managing non-performing consumer loans, to wholly or partially helping customers to outsource the part of their credit operation that is normally outside their core activity. We offer bespoke structuring solutions in order to reduce the organisation's exposure against non-performing loans.

By having a presence in many markets across Europe we are flexible and can take over portfolios in several different markets. Our list of partners contains more than 100 large European banks and financial institutions.

Pricing of loan portfolios based on knowledge and long experience

Hoist Finance has been active in the European market for acquisition and management of consumer loans since 1994. This has enabled us to accumulate detailed knowledge of portfolio composition, actions taken and the results the various activities have generated.

As the loan portfolios are often divested through an auction process, access to knowledge and the ability to analyse the seller's data are very important. Our Data Warehouse is a broad knowledge bank with a large quantity of data on non-performing loans, perhaps larger than any other similar database in Europe. This database, combined with our analytical skills, underpins our decision on the selection of the portfolios that we acquire.

Our model for responsible agreements generates predictable cash flows

Through our model for amicable settlements, we identify and contact our customers to agree on realistic repayment plans, securing fair treatment and a responsible collection process on behalf of our partners.

The success of our model is proved by the fact that the cash collections from our acquired loan portfolios historically have been in line with, or better than our initial forecast.

Diversified funding base

Hoist Finance is funded through a combination of a stable equity base, complementary subordinated loans and customer deposits. The capital adequacy at year-end 2013 had increased to 11.6% (9.8%). In Sweden we offer deposit-taking to retail customers through the online service HoistSpar, which had more than 50,000 customers, with a total deposit volume of around SEK 9.7 billion at year-end. Funds deposited with HoistSpar are covered by the Swedish state deposit insurance scheme and Hoist Kredit AB (publ) is licensed and regulated by the Swedish Financial Supervisory Authority.

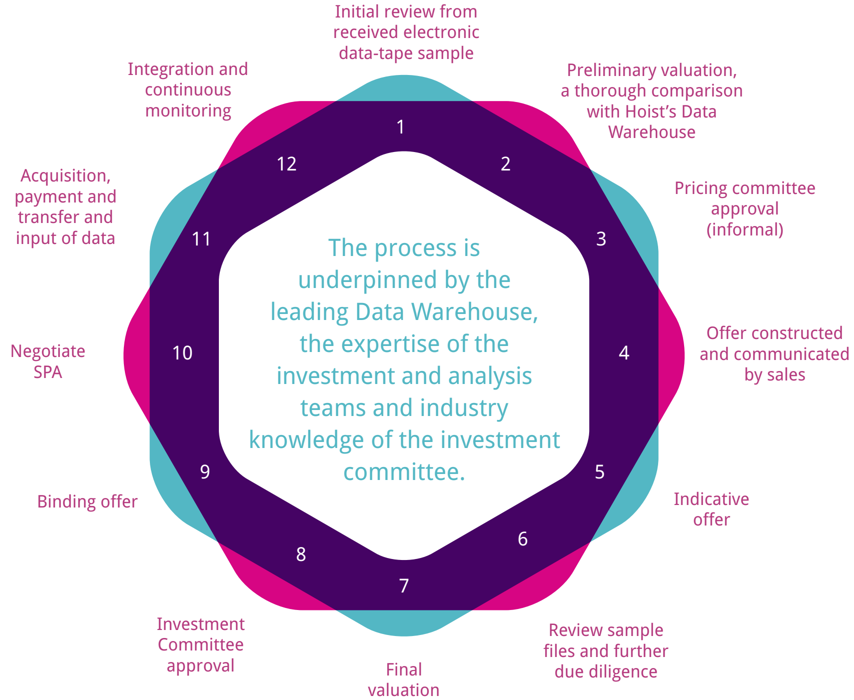
In order to further diversify our funding base, we successfully launched a liquidity bond in December 2013, which is listed on NASDAQ OMX.

Acquisition of the right portfolios at the right price

Our acquisition processes are based on business intelligence

In 2013 we acquired non-performing unsecured consumer loans for SEK 3.3 billion, which made Hoist Finance one of the market leaders in the European debt purchase market. The carrying value of our portfolios totalled SEK 6.4 billion at year-end 2013.

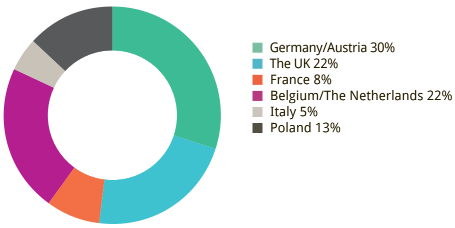
Acquisition process



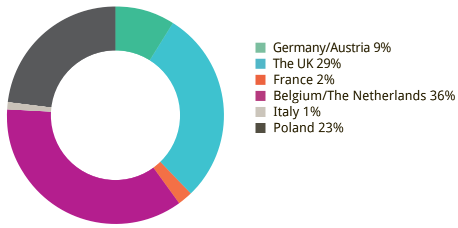
Business intelligence is fundamental. Valuing and pricing portfolios with loans of different types, with different maturities and in different markets is a complex and extensive process. Great experience and business intelligence support are required in the evaluation of the available portfolios in order to settle on the right price for the right portfolio. Hoist Finance has been purchasing non-performing loans for nearly 20 years. We understood the value of storing information on behaviour, different situations and different markets early on.

The Data Warehouse is at the core of Hoist Finance's operations by providing access to business intelligence for efficient debtor and portfolio analysis, pricing and production. Our Data Warehouse comprises approximately 6.3 million records on all markets that we operate in that can be accessed at the level of each individual debtor or claim. The data in the data warehouse is continuously enriched through our highly automated and efficient collection systems, as well as from selected external sources. Our own experts have an in-depth understanding of the valuation, pricing and management of debt portfolios, which has contributed to the Group developing effective processes for portfolio acquisition as well as the knowledge required being able to convert non-performing receivables to active receivables after we have acquired them.

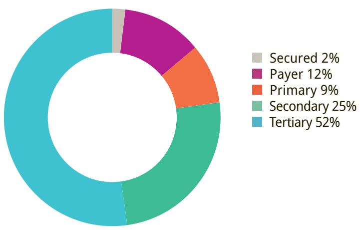
Carrying value dec. 2013, acquired loan portfolios by country



Portfolio acquisitions 2013, by country



Carrying value dec. 2013, distribution by age



Age and origin of our portfolios

Based on good knowledge of the credit markets and how consumers behave in different markets, we have chosen to focus on receivables that have fallen due for payment three to five years previously. The price of these is normally 5–10% of the nominal value. However, the proportion of receivables in the primary segment, receivables less than one year old, has increased as a result of the acquisition of Robinson Way Ltd and the lewis group Ltd in the United Kingdom.

More than 90% of our portfolios are acquired from banks and financial institutions, in accordance with our strategy.

Our strategy since 2011 has been increased geographical diversification. Having a presence in more markets makes us a more attractive partner, while enabling us to expand in a balanced manner.

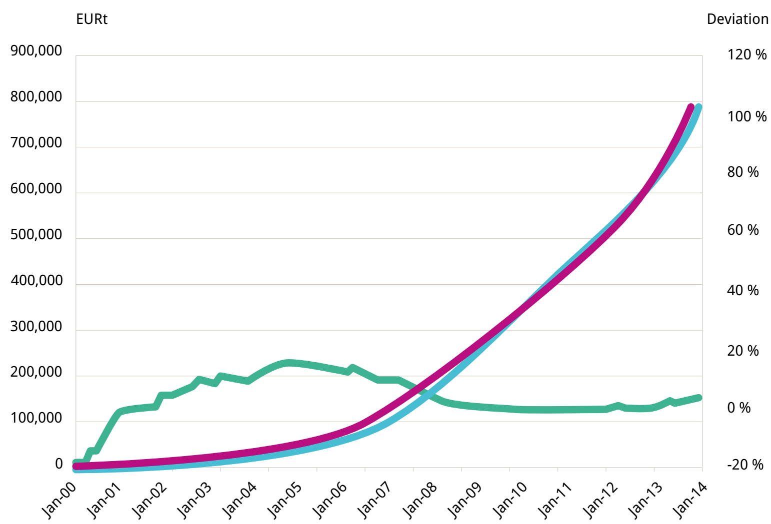
The majority of our portfolios are bought at spot, meaning that they are one-off acquisitions, unlike forward flow portfolios where acquisitions take place monthly on a recurring basis.

Acquisition process overview

Our acquisition process is underpinned by the Data Warehouse and the expertise and skills of our investment, analysis and pricing teams, as well as the extensive industry knowledge of the investment committee. Although the complexity and structure of each transaction can vary significantly, Hoist Finance applies a similar rigorous acquisition process and leverages on our company-wide expertise and know-how. Following an acquisition, portfolio performance is monitored on a continuous basis and feeds back in to the Data Warehouse providing valuable input and scale for further portfolio evaluations.

Comparison between cumulative initial cash forecast and actual cash collections

Proof that our model works. The best proof that our model works is provided by a comparison between our forecasts prior to acquisition of a portfolio and the actual outcome. The graph on the right shows all the portfolios we have purchased since 2000 and the cumulative initial forecast and actual cash collections.

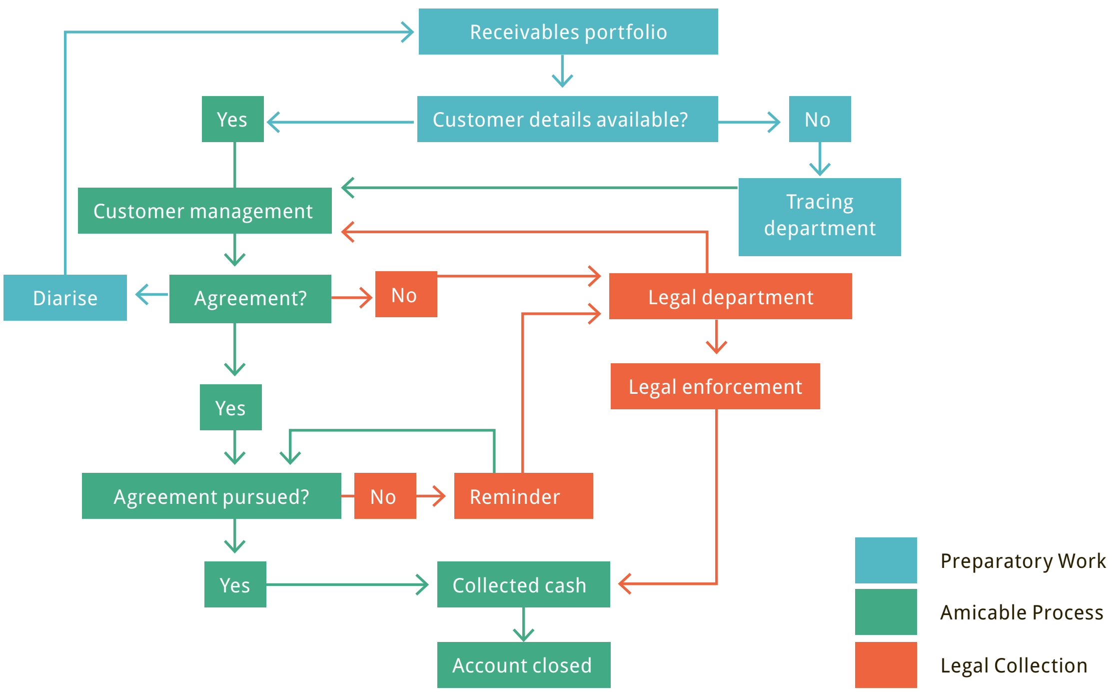


Amicable settlements

We activate the debts and make the impossible possible.

Most of our credit customers have a long history of financial problems. When the loan ends up with us, there have often been repeated claims and debt collection activity. Most of the debtors have the desire but not the ability to settle their unpaid debts immediately. But with a long-term individualised perspective we can often find good solutions together.

Collection process overview



Our collection model
Hoist Finance has nine collection platforms in six countries, complemented with carefully selected local partners in other markets where appropriate. A local presence is important to understand the culture of credit in the various markets, but is also essential to enable us to be an interesting partner.

Initial classification of loans is fundamental
When we have acquired a loan portfolio, the first thing we do is to ensure that the have correct contact details so that we can contact the customer and identify the customer's willingness and ability to pay, based on the individual's circumstances and attitude.

We apply a long-term perspective
If the customer is willing to pay but is unable to pay off the whole debt, which is the case for most receivables, we work out a mutually acceptable solution together with the customer. We work in close dialogue with customers to assess their current situation and future outlook. The analysis concludes by proposing an action plan to bring each customer closer to becoming debt-free.

The agents follow an established procedure that determines which customers receive a letter or phone call, how a payment plan is designed and which cases are to be left without action for the time being etc. We have great experience of how to achieve the best outcome. We

Our settlements are often based on small amounts over a long period.

obviously also ensure that our external mangers administer the cases according to our model.

Most are willing to pay

Customers find themselves financially in different phases. Some are able to repay their outstanding debt in a lump-sum, while others rely on instalment plans that may last for several years. Our mission is to find a solution that fits. Our settlements are often based on small amounts over a long period. We believe in being open, honest and clear and creating mutual trust. The agent maintains regular contact with the customer during the term of the repayment agreement to keep him or her motivated.

At Hoist Finance we take a long-term view. We know that it takes time to solve problems and find good solutions. We know that what is good for the debtor is normally also the best solution for us. Our customer service team listens and tries to understand our customers and their special circumstances and history.

We avoid as far as possible measures that can be perceived as compulsory. In some cases though, when it stands clear that the customer is able to settle his or her debt, but is not willing to do so, legal steps are applied.

Our organisation

Responsibility for a particular loan is shared between various departments depending on their age, nominal value and what type of loan is concerned. The agents are supported by specialised units, for example the Investigation Department, the Claims Department and the Legal Department.

The Group also uses its extensive expertise and resources to manage loans on behalf of external parties on a commission basis.

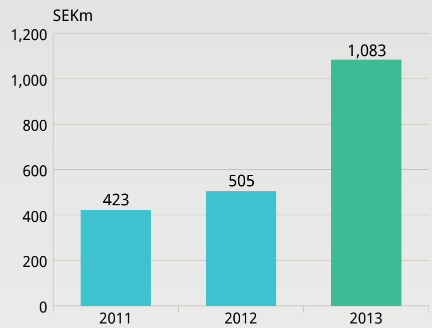
A solid tradition of expanding positions

"Hoist" means "to lift up" and "to give somebody a hoist" means helping someone to get up. We are happy to have a name that matches the essence of our business model, helping people to become debt-free.

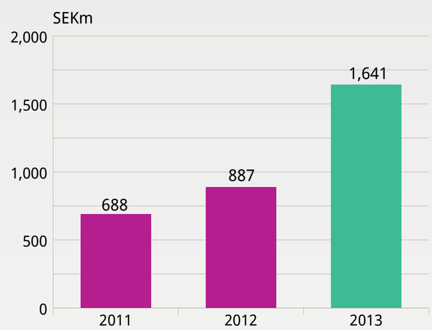
But the name also has another history, being an abbreviation for Hans Osterman Invest AB ("HOIST"). Entrepreneur and automobile pioneer Hans Osterman started an auto sales company in Stockholm in 1908, which later grew to include Autofinans, a subsidiary finance company authorised in 1988.

In 1994 Hoist took on its present form with new majority owners. It has since then systematically built a presence in nine European countries and is today a trusted European debt restructuring partner to global banks and financial institutions.

Net revenue from directly-owned portfolios



Gross cash collections



Refocusing of Hoist's business into acquisition of non-performing loan portfolios in Sweden. **Divestiture** of all other activities

Hoist Kredit AB is authorised by the Swedish Financial Supervisory Authority (*Finansinspektionen*) under the new rules for credit companies.

Several large portfolio acquisitions in Sweden, including Securum and Retriva

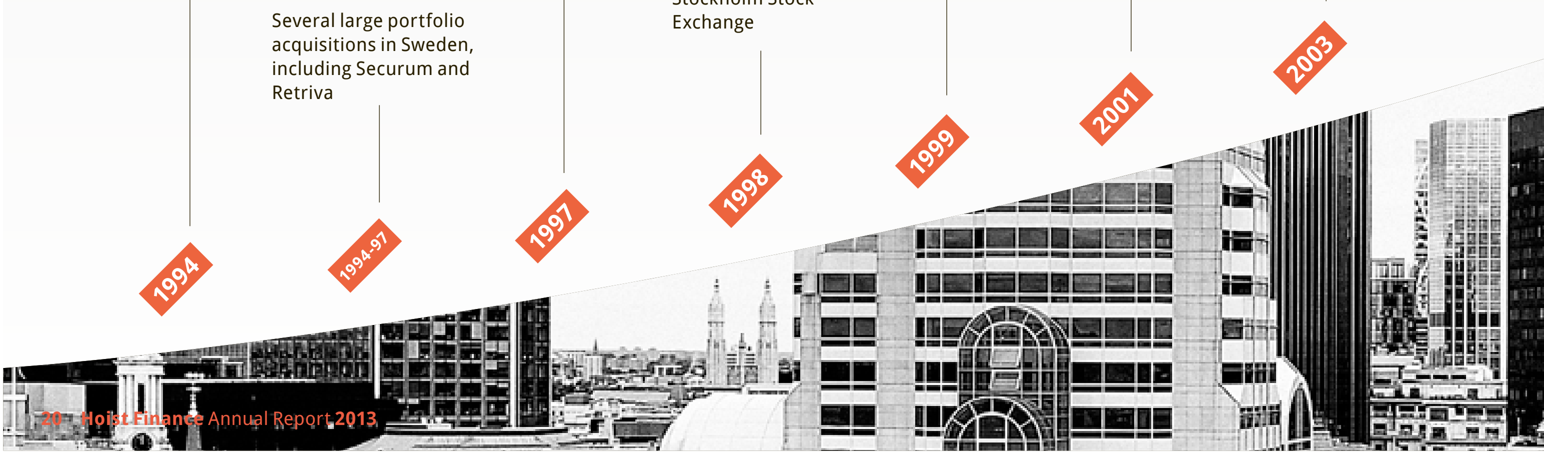
Establishment of operations in Germany

Hoist is listed on O-list of the Stockholm Stock Exchange

Hoist acquires Citibank's back office in Bremen

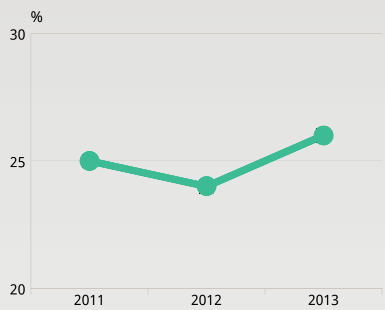
Hoist enters the French market

Hoist divests its Swedish operations

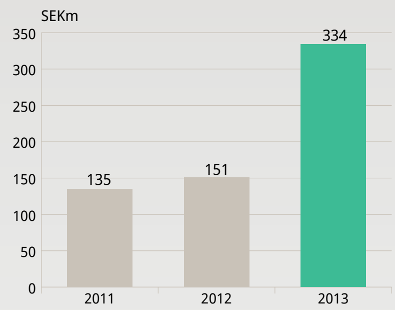


Hoist Finance has pursued a distinct growth and diversification strategy.

EBIT margin*



EBIT*



* Adjusted for portfolio revaluation

2004

De-listing from the Stockholm Stock Exchange

2006-07

Expansion into Austria, Belgium, Poland and the Netherlands

2009

Launch of HoistSpar, a Swedish online retail deposit platform covered by the Swedish national deposit insurance scheme

2011

Hoist re-affirms its position in Poland with the largest non-performing loan acquisition in Poland to date **Hoist completes** its first portfolio acquisitions in Italy and the UK

2012

Re-branding exercise including a change of corporate brand name from Hoist Group to Hoist Finance.
Acquisition of the Manchester-based debt collection agency, Robinson Way Ltd.
Expansion into other segments of claims: utilities, retail and run-off books

2013

Acquisition of the lewis group Ltd in the UK.
Landmark portfolio acquisition in the Netherlands followed by the establishment of an operating platform in Amsterdam.
Further expansion into the Polish market.
Two loans of in total SEK 1.1 billion issued successfully and listed on NASDAQ OMX.

Corporate Social Responsibility

Hoist Finance has a responsible approach to customers, partners and deposit holders, as we believe that mutual trust and respect are crucial for business relationships and contribute towards a sound and reliable economy.

Hoist Finance's responsibility for sustainable development starts with our mission – "your trusted partner". We are a leading pan-European player within our niche, acquiring and managing non-performing unsecured consumer loans, and are deeply committed to a sustainable society through the services we offer. We strongly believe that mutual trust and respect are crucial for business relationships and contribute towards a healthy and secure economy.

One of the key focus areas in 2014 will be to further implement our CSR policy.

Governing documents

As part of our the continued development of our operations, one of the key focus areas in 2014 will be to further implement our CSR policy. The policy sets out our commitment to the communities in which we operate and are members of. Our commitment is built on four guiding principles:

- Respect for customers' and partners' privacy
- Respect for human rights and labour rights
- Respect for the environment
- Respect for business ethics

In 2013 Hoist Finance adopted a Policy for Handling Ethical Issues and a Complaints Management Policy. Our CSR policy will complement these policies and instructions within the different jurisdictions in which we operate. These policies and instructions apply to the whole Group.

The Hoist Finance model for our corporate social responsibility

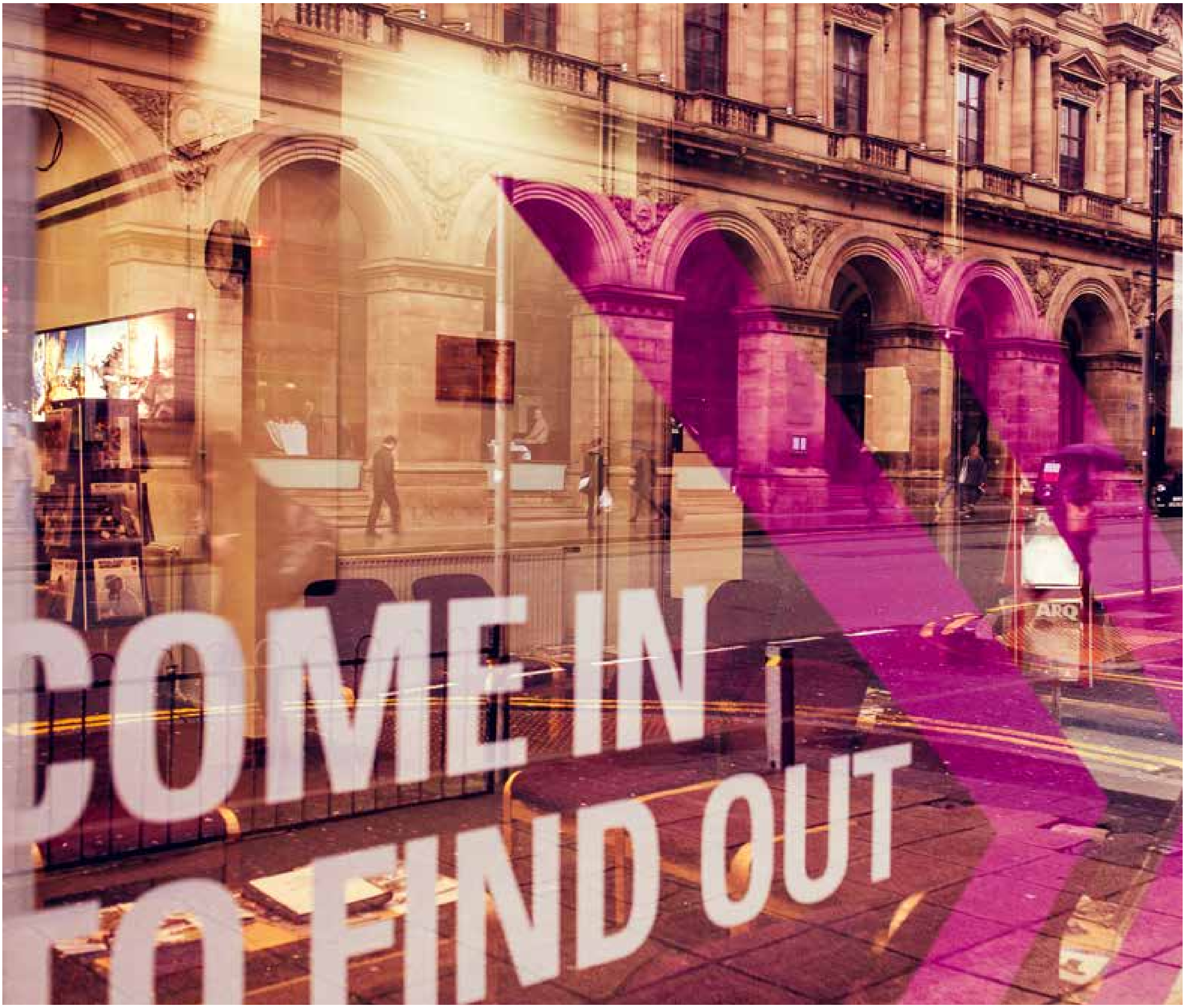
Our values and business model guide how we manage business with our partners, mostly larger international financial institutions and our customers, i.e. the debtors. Our business is built on amicable settlements, meaning that we provide payment plans that are realistic, bringing our customers one step closer to being debt-free. We choose to refer to our debtors as customers, knowing that the best solution for us is the one that is also the best solution for our customer, and in the long-term society as a whole. Our focus areas for 2014 are:

- Further embedding our CSR policy in all jurisdictions
- Incorporating the CSR policy into our supplier agreements

Environment

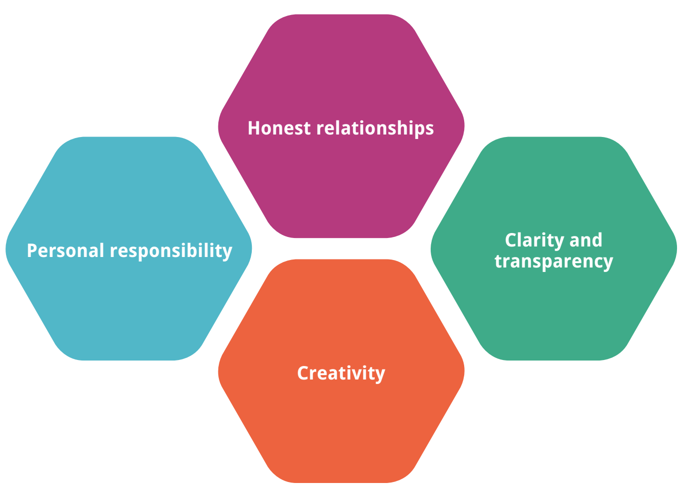
As a financial services company, Hoist Finance has a limited negative impact on the environment. We are nonetheless dedicated to act in an environmentally sound manner in those areas we are able to impact. Environmental concern is integrated into our daily business and we comply with relevant environmental regulations in the countries in which we operate. Our environmental focus areas for 2014 are:

- Increased recycling of paper, other products e.g. ink cartridges, and e-waste
- Reducing travel carbon emission per employee by promoting the use of video and telephone conferencing
- Increased energy efficiency



Our four pillars

- **Personal responsibility:** Each person is responsible for his/her actions. Our ethos revolves around dedication, participation and commitment to perpetual change. A desire to help and support others is vital and the humility to accept help is essential.
- **Honest relationships:** Being able to convey the message of what the Company stands for and maintaining integrity and respect towards colleagues, customers, originators and the public.
- **Creativity:** A commitment to solving problems using the Hoist Finance model to achieve optimal results. Our employees find new ways of solving problems through the exchange of ideas, implementation of best practice and cooperation among colleagues.
- **Clarity and transparency**: Clarity and transparency in our objectives and goals.



Organisation and employees

Pan-European organisation designed to optimise operational efficiency

Hoist Finance operates a business model comprising of in-house and outsourced collections. Our staff are supported by advanced business systems, delivering superior pricing accuracy and collection performance.

Corporate culture built around four pillars. Our staff are at the core of our success. The four cornerstones of our corporate culture lay the foundation for attracting, developing and maintaining dedicated, compliant and competent staff who champion our values. Our staff come from a variety of different backgrounds including previous careers in law, finance, research and other professional areas. Approximately 62% of our staff are female. Communicating with customers in a financial difficulty demands a large measure of integrity, empathy and knowledge of the customers' situation. We therefore take great care in selecting and recruiting customer service staff. Our recruitment process comprises of a number of stages, including a telephone role play. Regardless of previous experience, all customer service staff receive training for at least six weeks, before being fully integrated into various teams in the respective production departments.

Continuous development of skills

All customer service staff undertake regular training in areas such as negotiating techniques, compliance, data protection, etc.

Problem solvers

We encourange all staff to have personal responsibility. This is supported by having production and team managers present during operational hours, enabling any escalated queries or issues be addressed as quickly as possible. With the aid of our extensive data warehouse, we can apply detailed control and evaluation tools to continuously monitor our results and compare those to external benchmarks. Whilst a significant amount of work flows are automated, where appropriate, other steps and decisions are manual.

Number of employees

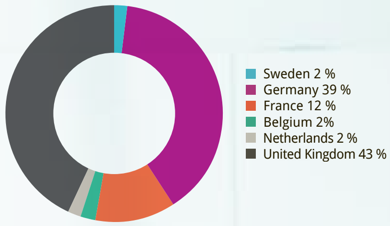
In 2013, the average number of full time-equivalent employees in the Hoist Finance Group totalled 712 (404) in nine European countries. As at 31 December 2013 Hoist Finance had 967 (651) staff (corresponding to 881 (595) FTEs). The difference between the average number of full time-equivalent employees and the number of employees at year-end is explained by the acquisition of the lewis group Ltd in August 2013.

In November 2012 Hoist Finance acquired the Manchester-based debt collection company Robinson Way Ltd, which increased the number of staff by around 250. In 2013, the Leeds-based the lewis group Ltd was acquired with around 340 staff.

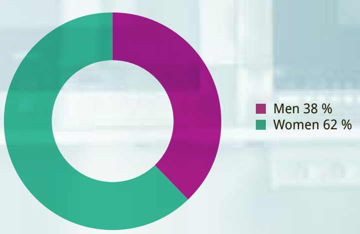
Operational excellence is constantly a central strategic theme for Hoist Finance, capitalising on best practice within the Group and always striving towards offering the optimal solutions for our clients. Therefore, following a strategic review of our UK business, it was decided to integrate the lewis group Ltd into Robinson Way Ltd. The integration process started in late 2013 and will be completed in the second quarter of 2014.

Following the acquisition of a landmark portfolio in the Netherlands in October 2013, Hoist Finance has taken on the staff and established a new operational platform in Amsterdam.

Communicating with people in a financial crisis demands a large dose of integrity, empathy and knowledge of the customers' situation.

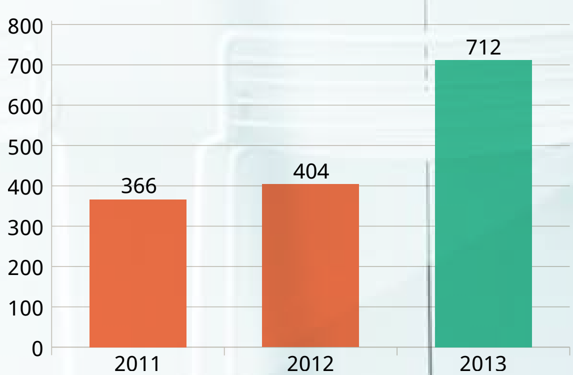


Employees per country



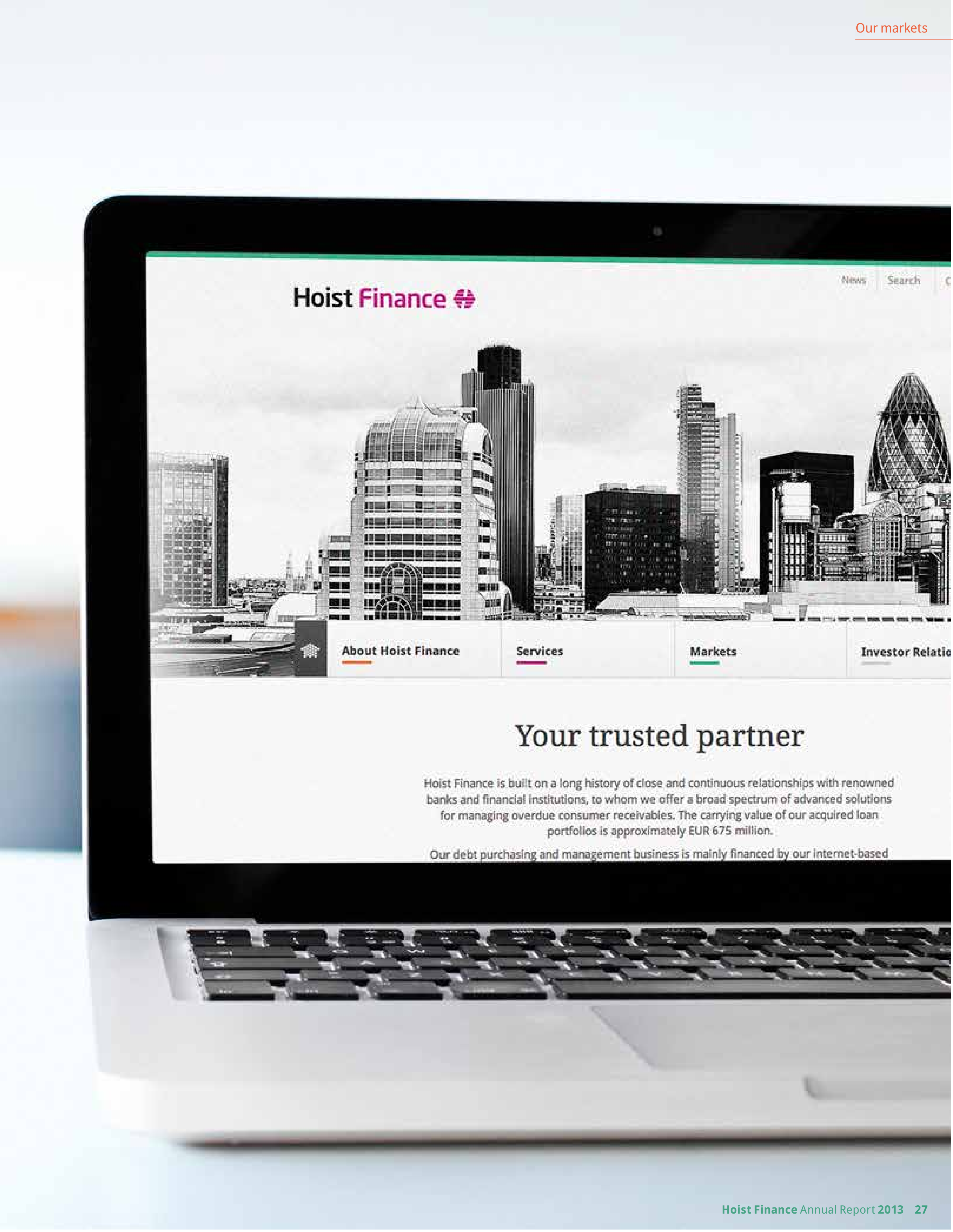
Gender distribution

Average number of full time-equivalent employees



Market overview

Hoist Finance has a presence in eight European countries in debt purchase and debt collection.


News
Search
Hoist Finance
About Hoist Finance
Services
Markets
Your trusted partner
Hoist Finance is built on a long history of close and continuous relationships with renowned banks and financial institutions, to whom we offer a broad spectrum of advanced solutions for managing overdue consumer receivables. The carrying value of our acquired loan portfolios is approximately EUR 675 million.
Our debt purchasing and management business is mainly financed by our internet-based

Our markets
Facts

Proven business model in all markets

Hoist Finance is a trusted European debt restructuring partner of global banks and financial institutions. The focus of Hoist Finance is on unsecured non-performing consumer loans. We have a presence in debt purchase and debt collection in eight European countries, all with different traditions for how the financial services sector operates – as well as varying legislation and attitudes with regard to handling non-performing loans and repayment patterns. Despite this we have successfully applied our business model, which has proven both robust and flexible. Hoist Finance currently owns portfolios in Germany, the United Kingdom, France, Italy, Poland, the Netherlands, Belgium and Austria. In addition, Hoist Finance has a retail deposit platform in Sweden.

Source: World Bank (GDP), Eurostat (GDP growth and population) and OECD Better Life Index (average household net-adjusted disposable income).



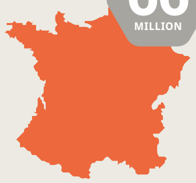
	Germany	Austria	The UK
Population	81 MILLION	8 MILLION	64 MILLION
GDP (BILLION)	$3.44	$0.39 *	$2.52
GDP PER CAPITA (PPP)	$42,743	$46,642 *	$39,419
CHANGE IN GDP 2012 – 2013	+0.4%	+0.9% *	+1.9%
AVERAGE HOUSEHOLD NET-ADJUSTED DISPOSABLE INCOME	$28,799	$28,852	$26,904

* Based on 2012 GDP (World Bank) and percentage growth (Eurostat).

Hoist Finance

Number of offices	2
Carrying value, acquired loan portfolios, incl. run-off consumer loan portfolio at 31 December 2013, SEKm	2,036
Gross cash collections 2013, SEKm	668
Net revenue 2013, SEKm	404
Portfolio acquisitions 2013, SEKm	286
Average number of employees	280

Number of offices	2
Carrying value, acquired loan portfolios at 31 December 2013, SEKm	1,313
Gross cash collections 2013, SEKm	250
Net revenue 2013, SEKm	210
Portfolio acquisitions 2013, SEKm	961
Average number of employees	306

	France	Belgium	The Netherlands	Italy	Poland
					
Population	66 MILLION	11 MILLION	17 MILLION	60 MILLION	39 MILLION
GDP (BILLION)	$2.62	$0.48	$0.77 *	$1.98	$0.5
GDP PER CAPITA (PPP)	$39,923	$43,383	$45,955 *	$33,114	$12,914
CHANGE IN GDP 2012 – 2013	+0.2%	+0.2%	-1.2% *	-1.9%	+1.6%
AVERAGE HOUSEHOLD NET-ADJUSTED DISPOSABLE INCOME	$28,310	$26,874	$25,493	$24,216	$15,371

* Based on 2012 GDP (World Bank) and percentage growth (Eurostat).

	France	Belgium / The Netherlands	Italy	Poland
Number of offices	2	3	-	1
Carrying value, acquired loan portfolios at 31 December 2013, SEKm	479	1,293	308	779
Gross cash collections 2013, SEKm	100	239	213	171
Net revenue 2013, SEKm	14	96	102	182
Net profit from joint venture 2013, SEKm				36
Portfolio acquisitions 2013, SEKm	74	1,179	28	738
Average number of employees	87	23	–	-*

* Office with two employees opened in late 2013

Germany Austria

Further deleveraging is expected to lead to market growth.

Hans Werner Kegel
Head of Hoist Finance Germany

"With continued focus on bank-originated unsecured consumer debt, we intend to explore interesting opportunities on a selective basis that may arise in the performing, secured and non-banking sectors."

Focus on reducing high leverage among systemically important banks

The German economy is the largest economy in Europe with a GDP of approximately EUR 2.8 trillion. The weakened global demand and recessions in Southern Europe have had a negative impact on the German manufacturing industry in the past few years. Having increased only slightly in 2013, GDP is expected to grow by 1.7% in 2014 and 2.0% in 2015[1], supported by domestic demand. Real wage gains and low unemployment are expected to sustain consumption growth, while improving confidence in the euro area recovery and low interest rates are expected to boost investment spending.

Germany developed into a mature debt purchase market in the period running up to the financial crisis. The total size of the German non-performing loans market has increased since the financial crisis with a total outstanding non-performing loans stock reaching EUR 179 billion in 2012[2]. The total Austrian non-performing loans market is significantly smaller at EUR 21 billion. The pressure on banks to deleverage, as well as increasingly stringent capital requirements due to the Basel III regulatory framework, are expected to facilitate market growth.

Increased focus on the Austrian market

The German market is characterised by debt purchase companies with predominantly in-house collection operations. However, focused debt collection agencies play an important role in the market by supporting high transaction volumes. Present since 1997 in the German market, Hoist Finance operates an in-house collection model. Since entering Germany, Hoist Finance has acquired portfolios with an investment value of EUR 325 million from a long list of financial institutions, making it one of the leading debt purchasers in Germany.

In 2013, Hoist Finance continued to focus on unsecured non-performing consumer loans and integrated the secured business based in Eschborn into the Duisburg platform. During the year, Hoist Finance intensified its presence in Austria through the acquisition of a banking portfolio.

[1] OECD
[2] PwC

Snapshot of Hoist Finance presence in Germany/Austria

	2013	2012	Change
Carrying value, acquired loan portfolios, incl. run-off consumer loan portfolio at 31 December, SEKm	2,036	2,117	-4%
ERC 120m at 31 December, SEKm	3,253	3,445	-6%
Gross cash collections, SEKm	668	555	+20%
Net revenue, SEKm	404	308	+31%
Interest income from run-off consumer loan portfolio, SEKm	69	34	+103%
EBT (Earnings before Tax), SEKm	123	102	+21%
Portfolio acquisitions, SEKm	286	966	–70%

United Kingdom

The UK is Europe's largest and most developed non-performing loans market.

Najib Nathoo
Head of Hoist Finance UK

"With the recent acquisitions of Robinson Way and the lewis group, Hoist Finance has significantly expanded its UK operations, becoming one of the largest players in the UK debt purchase market."

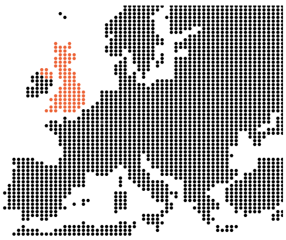
Recovery under way

The UK was the last of the major global economies to emerge from recession in late 2009. Economic activity has since picked up and broadened, supported by a turnaround in private sector confidence, continued monetary stimulus, and a policy-induced recovery in the housing market. OECD expects growth to strengthen further in 2014 and 2015 by some 2.5% p.a., mainly supported by an upturn in gross fixed investment and exports. The Bank of England is holding off raising interest rates to support the recovery. The efforts to speed up the recapitalisation of the banking sector are expected to underpin financial stability.

The tightening economic and regulatory stress within the banking sector has produced a significant stock of non-core loans on the banks' balance sheets. The total size of UK non-performing loans has almost doubled since pre-crisis and stood at EUR 164 billion in 2012[1]. It has been estimated that GBP 8-10 billion of this non-performing loan stock has come onto market in each of the past two years, and the trend is expected to continue in the near- to medium-term, making UK by far the largest unsecured debt sales market in Europe. In addition to the strong underlying structural growth, banks are expected to continue to release their backlog of unsold debt that accumulated between 2009–2011. The UK market is very competitive and has increasingly attracted international debt purchasers.

The lewis group Ltd acquired in August

In August 2013, Hoist Finance acquired the Leeds-based debt collection agency, the lewis group Ltd, including a portfolio containing approximately 690,000 claims. The acquisition more than doubled Hoist Finance's existing UK operation. This transaction is evidence of Hoist Finance's commitment and long-term strategy in the UK market. Following the acquisition of Robinson Way Ltd in November 2012 and the lewis group Ltd, Hoist Finance has positioned itself as one of the largest players in the UK market.



As a result of an extensive evaluation and assessment process following the acquisition, it was decided to integrate the lewis group Ltd into Robinson Way Ltd, thus capitalising on best practice within the Group.

[1] PwC

Snapshot of Hoist Finance presence in the UK

	2013	2012	Change
Carrying value, acquired loan portfolios at December 31, SEKm	1,313	384	+242%
ERC 120m at 31 December, SEKm	2,588	673	+285%
Gross cash collections, SEKm	250	31	+695%
Net revenue, SEKm	210	10	+2,000%
EBT (Earnings before Tax), SEKm	12	-4	n/m
Portfolio acquisitions, SEKm	961	421	+128%

France

One of the largest and more illiquid non-performing loans markets.

Fabien Klecha
Head of Hoist Finance France

"In the past two years we have put considerable effort into the optimisation and streamlining of our operations. We now stand prepared to take advantage of the emerging opportunities in the French market."

Funding structure in focus for banks

The French economy is the second largest in the EU. Whilst it has been hit hard by the global recession and, more recently, by turmoil in the Euro area, the pressure on the financial system and the most severe risks to the Euro area have diminished, improving confidence, although there is still significant uncertainty regarding the solidity of banks. Economic growth is projected to rise gradually from the zero level of real GDP growth reached in the first quarter of 2013 to approximately 1.5 per cent in 2015[1]. Downside risks remain significant in the Euro area, and French banks are heavily exposed to some vulnerable countries, mainly Italy. French banks have focused heavily on building up capital buffers and shedding risky assets in order to restore confidence.

The stock of non-performing loans increased in 2009, following the onset of the financial crisis, but development since has been relatively stable, mainly due to the more conservative lending strategy of French banks following the crisis. The French banking non-performing loans are estimated at approximately EUR 125 billion[2]. The non-performing loan ratio for French banks totals approximately 4.3%, which exceeds the levels for banks in other countries, mainly because in France loans are not written off until they have been fully resolved, which can take up to ten years. Most non-performing loan sales are for fully written-off tertiary files, with a small volume of fresher non-performing loans sold on a forward flow basis. Large French financial institutions have actively been focused on exiting their overseas non-core business over the past years, and when the focus turns to the domestic market, it is expected to significantly increase the sales volumes of non-performing loans.

Emphasis on operational excellence

The French debt purchase market is characterised by a handful of active local players and limited but increasing interest from international buyers. Hoist Finance in France is operating a hybrid business model combining in-house and outsourced collections including a network of selected debt collection agencies, bailiffs and lawyers. During 2013, Hoist Finance continued to focus on the consolidation of its French business, successfully implementing a state-of-the-art collection system that will be rolled out throughout the entire Group, streamlining the organisation and performing portfolio review. A new facility in Lille is currently in the process of being established in order to further position Hoist Finance ahead of the expected increase in sales of non-performing loans from large French banks.

[1] OECD
[2] PwC

Snapshot of Hoist Finance presence in France

	2013	2012	Change
Carrying value, acquired loan portfolios at 31 December, SEKm	479	476	0%
ERC 120m as at 31 December, SEKm	949	986	-4%
Gross cash collections, SEKm	100	105	–5%
Net revenue, SEKm	14	44	–67%
EBT (Earnings before Tax), SEKm	-32	-21	+53%
Portfolio acquisitions, SEKm	74	98	–24%

Belgium and The Netherlands

Market-leading position within the banking segment in the Netherlands and within utility market in Belgium.

Wen Collaris
Head of Hoist Finance Belgium and the Netherlands

"The landmark transaction in the Netherlands adds significant scale and will further strengthen our presence in the Benelux."

Recovery under way in Belgium; the Netherlands still struggling

Being two heavily export-oriented countries, Belgium and the Netherlands have been affected by the weak Euro-zone economic environment and weakening domestic demand due to low consumer confidence. An economic recovery is now slowly unfolding in Belgium, although the gradual loss of international competitiveness has made it harder to fully benefit from the global recovery. The Belgian authorities are committed to reducing the budget deficit to 1.2% of GDP in 2014 and to balancing the budget in structural terms in 2015[1]. GDP growth is forecast at 1.4% in 2014, matched by increased domestic demand[2].

Recovery in the Netherlands has been delayed and will remain modest in size in the years ahead. The modest recovery estimate by the Dutch Central Bank is mainly attributable to the fact that households, banks, pension funds and the government give priority to further strengthening their financial positions, acting as a brake on domestic expenditure. Growth is expected to pick up with 0.5% in 2014 and close to 1.0% in 2015. Also, in 2015 employment is expected to improve slightly for the first time since 2011.

As a result of the Basel III regulations, Belgian consumer finance banks are advancing the debt sale process and traditional banks are just opening up for portfolio sales. The Dutch banking market has been characterised by banks being infrequent sellers, whereas the utility segment is experiencing increased vendor activity. The total non-performing loan market in the Netherlands has almost doubled since the crisis to reach EUR 57 billion in 2012[3].

Largest acquisition of unsecured consumer loans ever in the Netherlands

In both jurisdictions, Hoist Finance's market focus is on bank debt. The utility market is still in an early adoption phase, yet Hoist Finance has gained a market-leading position in both Belgium and the Netherlands, following a number of spot and forward flow transactions. Hoist Finance operates an in-house collection model in Belgium, whilst the Dutch setup is of a hybrid nature, combining in-house and outsourced models designed to optimise the use of the efficient and effective bailiff system.

Following the landmark acquisition in the Netherlands in 2013, which was the largest sale of unsecured consumer loans ever, Hoist Finance has a leading position in the Dutch market. In connection with the acquisition, Hoist Finance established a new operating platform in Amsterdam.

[1] European Commission
[2] Federaal Planbureau, 12 February 2014
[3] PwC

Snapshot of Hoist Finance presence in Belgium/the Netherlands

	2013	2012	Change
Carrying value, acquired loan portfolios at 31 December, SEKm	1,293	268	+382%
ERC 120m as at 31 December, SEKm	1,804	663	+172%
Gross cash collections, SEKm	239	145	+65%
Net revenue, SEKm	96	65	+48%
EBT (Earnings before Tax), SEKm	21	7	+197%
Portfolio acquisitions, SEKm	1,179	92	+1,182%

Italy

Interesting investment opportunities in a still relatively immature market.

Charles de Munter
Regional Manager of Hoist Finance Benelux, France, Italy and Poland

"We will continue on our path as a niche specialist and capitalise on our capacity to engage in large portfolio sales."

Gradual economic recovery

Following the longest and sharpest recession in 20 years, the Italian economy is gradually picking up and growth is projected to rise through 2014–2015 as fiscal consolidation eases. The Italian Government under Mateo Renzi is pursuing a structural reform aimed at restoring economic growth and financial stability, although issues related to the inflexible labour market and widespread tax evasion remain.

The Italian banks continue to strengthen their capital base, which has proceeded without recourse to public funds. Since the onset of the crisis government, the support to the banks, granted exclusively in the form of loans, has been very limited in Italy, both in absolute terms and relative to other countries. Increased regulation continues to exert pressure on banks to reinforce their balance sheets and address their issues of non-performing loans. The stock of non-performing loans has increased significantly since 2008, reaching EUR 125 billion in 2012[1].

The Italian market for sale of loan portfolios remains immature in many ways, in particular with respect to unsecured consumer non-performing loans. The development is impeded by the lack of reliable and comprehensive data, a fragmented servicing landscape and significant bid-ask spreads. Nonetheless, a number of small and medium-sized market participants have sustained a steady flow of small but recurrent portfolio sales by banks and consumer finance companies for many years. While these domestic players are unlikely to reach the scale and funding required to compete in the relatively new transaction landscape, the market has come into the focus of larger international financial investors.

Consumer Finance subsidiaries of large banks have been actively selling non-performing loans for several years. Major banks have started selling non-performing loans more recently and the market is entering the next phase of maturity.

Strong position going forward

Hoist Finance acquired its first portfolio in Italy in 2011 and has since operated a fully outsourced model. Focusing on acquiring tertiary claims and niche segments, such as Cambiali, and other high-skill segments, like cash-court, Hoist Finance has successfully built its presence in the Italian market and is prepared to take next steps in the market evolution.

Although 2013 marked increased competition in portfolio acquisitions, we continued to extend our relationships and footprint. The capacity to engage in large portfolio sales and the established relationships with local partners vouch for a strong position in the further build-up of Hoist Finance's presence in Italy.

[1] PwC

Snapshot of Hoist Finance presence in Italy

	2013	2012	Change
Carrying value, acquired loan portfolios at 31 December, SEKm	308	371	–17%
ERC 120m as at 31 December, SEKm	486	690	-30%
Gross cash collections, SEKm	213	50	+324%
Net revenue, SEKm	102	38	+170%
EBT (Earnings before Tax), SEKm	60	15	+313%
Portfolio acquisitions, SEKm	28	319	–91%

Poland

Relatively mature NPL market combined with a developing economy provide interesting opportunities for growth.

Karol Pietka
Head of Operations of Hoist Finance Poland

Positive economic outlook

Poland is the sixth most populous member of the EU and its biggest post-communist member. Following EU membership in 2004 and related accession to EU structural funds, Poland's economy has experienced a period of strong growth. The financial crisis dampened the growth, but Poland was the only country in the EU not into fall in recession, instead experiencing cumulative growth in GDP of 18% between 2008 and 2012. IMF forecasts growth of 2.4% for 2014, compared to 1% for the Euro-zone. Development funds in the new EU budget, which are expected to be EUR 105.8 billion for Poland over the period 2014–2020, or approximately 4% of GDP per year, will have a significant impact on the economic outlook.[1)]

After rapid expansion in 2004–2008 (35% growth p.a.), the Polish retail credit market has stagnated in recent years. In the medium term, credit growth is, however, expected to continue as Poland catches up to levels of indebtedness in line with other EU members. As a result, the market for both third party debt collection and debt purchase is expected to continue to grow.

Another strong year for Hoist Finance

Poland is the largest NPL market in the CEE region with a total volume of non-performing loans of approximately EUR 17 billion in 2012[2)]. Polish banks have a long track record of outsourcing debt servicing while the sale of NPL portfolios is a more recent feature to the market. In contrast, the Polish telecom market has actively sold debt portfolios for over 15 years. Tertiary loans represent the majority of debt sales, but fresher, in-bailiff files, are increasing in volume.

The Polish debt purchasing market is relatively mature with frequent sales, but still remains fragmented with many small and medium-sized players. Larger portfolio sales are dominated by a few large players, including Hoist Finance. Hoist Finance has been present in Poland since 2011 and operates a fully outsourced business with purchasing across two models: a 100%-owned SecFund with collections outsourced to a panel of debt collection agencies and a joint venture with a local partner with collections managed by the partner.

2013 was another strong year for Hoist Finance in terms of portfolio acquisitions in Poland, proving on our capability to execute complex transactions. In 2013, Hoist set up a Warsaw-based office, in line with our long-term strategy to establish a strong foothold in Poland.

[1)] OECD
[2)] PwC

"We are committed to further enhancing our position in the Polish market with our strong financial profile and our ability to execute complex transactions."

Snapshot of Hoist Finance presence in Poland

	2013	2012	Change
Carrying value, acquired loan portfolios at 31 December, SEKm	779	121	+543%
Book value of shares and participation in joint venture at December 31, SEKm	192	181	+6%
ERC 120m as at 31 December, SEKm	1,592	203	+684%
Gross cash collections, SEKm	171	0	n/m
Net revenue, SEKm	182	0	n/m
Net profit from joint venture, SEKm	36	56	–35%
EBT (Earnings before Tax), SEKm	131	48	+173%
Portfolio acquisitions, SEKm	738	147	+402%

Corporate Governance

The Corporate Governance Report has not been reviewed by the Company's auditors

The purpose of adequate corporate governance is to facilitate active involvement from the shareholders with a clear and well-balanced distribution of responsibilities among executive and shareholder functions and to ensure accurate information to the market. Hoist Kredit AB (publ) is headquartered in Stockholm, Sweden, and its corporate registration number is 556329-5699.

Ownership

Share capital and shareholders

As of 31 December 2013, the share capital totalled SEK 50 million divided into 500,000 shares. All issued shares have the same voting rights and are entitled to the same share of the Company's assets and profit. Hoist International AB (publ) is the sole shareholder in Hoist Kredit AB (publ). Hoist International AB (publ) in turn is a privately-owned company with three major shareholders.

Annual General Meeting

The Annual General Meeting is the supreme decision-making body of the Company. At the Annual General Meeting, the Company's shareholders are given the opportunity to exercise their influence upon the Company in relation to their respective shareholding in the Company. The assignments of the Annual General Meeting are stipulated in the Companies Act and the Articles of Association.

The financial year of Hoist Kredit AB (publ) is January to December, and accordingly the Annual General Meeting is normally held in March, April or May. The Annual General Meeting decides on the adoption of the Profit and Loss Statement, dividend, remuneration to the members of the Board and auditors as well as other issues according to the Companies Act and the Articles of Association.

Articles of Association

The Articles of Association are adopted by the Annual General Meeting and must include certain compulsory basic information concerning the Company, including the field of activity of the Company, size of the share capital, voting rights for the shares as well as the composition of the Board.

Board

Members of the Board

According to the Articles of Association, the Board of Hoist Finance shall consist of a minimum of three and a maximum of five members. The Annual General Meeting on 21 May 2013 resolved that the Board shall consist of five members until the next Annual General Meeting.

The present Board was elected at the Annual General Meeting on 21 May 2013 and consists of Mikael Wirén (Chairman of the Board), Achim Prior, Per Eric Skotthag, Erik Fällström and Jörgen Olsson.

Activities of the Board

The overall task of the Board is to manage the Company's affairs on behalf of the shareholders so that the ambition of the shareholders to obtain good long-term returns on capital shall be met in the best possible way. The Board is also responsible for optimising the structure of the Group in order to facilitate the execution of the Board's shareholder responsibility for the subsidiaries of the Group. Board activities are conducted in accordance with the requirements of the Companies Act and other rules and regulations applicable to the Company. A gradual adaptation to the Swedish Corporate Governance Code is in progress.

In addition, the activities of the Board are governed by the formal work instructions adopted by the Board and the terms of reference issued by the Board to the Chief Executive Officer. The Board adopts the formal work instructions on an annual basis and makes amendments in between as appropriate. The terms of reference issued by the Board to the Chief Executive Officer, including the distribution of responsibilities between the Board and the Chief Executive Officer as well as the framework for financial reporting, are adopted separately.

The Board operates in accordance with an adopted annual plan and agenda, and makes resolutions concerning the strategic direction of the Company, financing, substantial investments, acquisitions, divestments, organisational issues, principles for incentivisation and important policies. The Board shall monitor the financial performance, ensure quality of financial reporting and internal control as well as perform continuous follow-up and evaluation of the operations. The performance of the Company is followed-up through monthly reports to the Board, including information on the financial performance of the Group, important key ratios and comments on significant events.

The Board has established a process for annual evaluation of the Board's activities. In addition, the Board has prepared and adopted policies, including:

- Code of Conduct Policy
- Communication Policy
- Financing Policy
- Credit Policy
- Insider Policy
- Policy for Internal Control
- IT Policy
- Remuneration Policy

Committees

The Board has appointed two committees:

- Remuneration Committee
- Audit Committee

During the year, the Board has had one meeting with the Company's auditor.

Board meetings

In accordance with the prevailing rules of procedure, the Board shall have at least five meetings besides the Board meeting following election. In 2013, the Board has had five meetings in addition to the Board meeting following election. Besides, the Board has held a number of additional meetings mainly covering larger portfolio acquisitions. The Company's Chief Financial Officer and controlling functions participate in Board meetings apart from the members of the Board. If required, other professionals may participate in Board meetings covering specific issues.

Chief Executive Officer and Executive Management Team

The Chief Executive Officer of the Group is appointed by the Board and manages the operations of the Company according to the terms of reference issued by the Board and is responsible for the everyday management of the operations of the Company and the Group in accordance with the Companies Act. The Chief Executive Officer is responsible for informing the Board and providing necessary supporting documents for decision-making. Also, the Chief Executive Officer submits reports and presents proposals to the Board prepared by the Company's management. The Chief Executive Officer continuously updates the Board and the Chairman of the Board on the financial situation and performance of the Company and the Group. The performance of the Chief Executive Officer is evaluated by the Board on a continuous basis.

Jörgen Olsson has been the Chief Executive Officer of the Group since 2012. The Chief Executive Officer of Hoist Kredit AB (publ) leads the Executive Management Team which as of April 2014 comprises Costas Thoupos (Group Commercial Director), Henrik Gustafsson (Head of Sales and Business Development), Pontus Sardal (Chief Financial Officer), Anders Wallin (Chief Information Officer) and Charles de Munter (Regional Director France, Benelux, Italy and Poland). The Executive Management Team serves as an advisory body to the Chief Executive Officer and accordingly does not have any right to make decisions.

Financial reporting

The Board is responsible for organising the Company in such a way that the financial performance of the Company can be monitored in an adequate manner and that financial reports such as the year-end report are prepared in accordance with law, applicable reporting standards and other requirements.

The Chief Executive Officer of the Group shall ensure that the accounting in the Group's companies complies with existing laws and that the management of assets is conducted in a prudent way. Consolidated monthly accounts are prepared each month and reported to the Board and the Executive Management Team.

Audit

The auditors shall review the Company's Annual Report and accounting as well as the management of the Company by the Board and the Chief Executive Officer. An audit report shall be submitted to the Annual General Meeting at the end of each financial year.

The Annual General Meeting on 21 May 2013 elected Anders Bäckström, an authorised public accountant at the registered public accounting firm KPMG AB, as auditor. The auditor presented the initial findings at the year-end closing meeting of the Board in February 2014.

Auditor

Anders Bäckström, born in 1966
KPMG AB
Authorised public accountant,
auditor for the Company since 2013.

Diversified funding

Hoist Finance has a diversified funding structure with retail deposits in Sweden through HoistSpar, corporate bonds and a strong capital base.

HoistSpar is an important strategic part of our funding. HoistSpar offers both variable and term deposit savings accounts with terms of 12, 24 and 36 months, and since it started in 2009 has developed into an attractive and stable alternative for retail customers in Sweden. The interest rate is competitive, the web interface is clear and accessible and the product range is straightforward. Our savings service is transparent and does not have any fixed costs, hidden charges or expenditure for the depositors.

At the end of 2013 HoistSpar had around 50,000 accounts and the total deposit balance was SEK 9.7 billion, of which around SEK 2.5 billion relates to saving in fixed-interest accounts. Savings in HoistSpar are covered by the Swedish state deposit insurance scheme. HoistSpar has a platform that is fully scalable and flexible with regard to product types, geographical markets and currencies.

Corporate bonds

In 2013 Hoist issued two bonds for a total of SEK 1.1 billion as a first step in diversifying the Group's funding base.

In October a ten-year subordinated debenture loan of SEK 350m was issued. In December a three-year senior unsecured loan of SEK 750m was issued. Both bonds are listed for trading on NASDAQ OMX Stockholm.

Liquidity reserve

Under Hoist Finance Treasury policy, the Group has to maintain available liquidity (liquidity available within three business days) of 30% and a statutory liquidity reserve (liquidity available within one business day) of 10%. Total available liquidity in Hoist Finance at 31 December 2013 was 50% of the deposit balance. The statutory liquidity reserve was 34%.

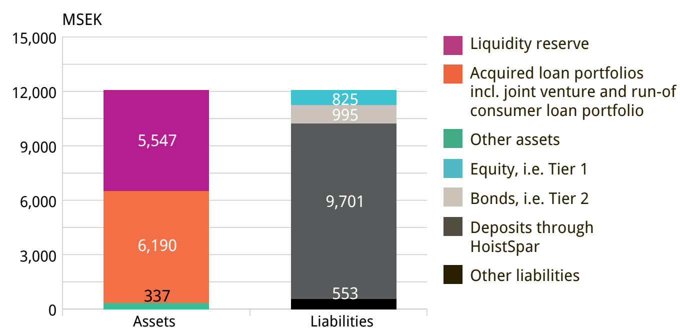
Capital adequacy

The Hoist Finance capital base at 31 December 2013 was 11.62% (9.98%) of the risk-weighted amount. The equivalent capital ratio was 1.44 (1.25) at 31 December 2013.

HoistSpar – secure, simple and comprehensible saving on attractive terms.

- Easy to open an account online.
- The interest rates are competitive.
- The product range is uncomplicated, with no hidden charges.

Balance sheet structure as at 31 December 2013



Guide to reading our financial statements

Hoist Kredit AB (publ) is a credit market company, licensed and supervised by the Swedish Financial Supervisory Authority (Finansinspektionen).

One effect of Hoist Kredit AB (publ) (the Parent Company in the Hoist Finance Group) being a regulated credit company is that we prepare our financial statements in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies.

We regard acquisition and management of acquired loan portfolios as our core operational activity. Deposit-taking in HoistSpar is thus part of our financing activity. An outline guide is presented below in order to assist understanding of our financial development based on the statutory financial statements as presented in this Annual Report.

Income statement

In an analysis of Hoist Finance's EBIT we regard income and expenses attributable to the acquisition and management of acquired loan portfolios, run-off consumer loan portfolio, servicing income and profit in joint venture as well as general administration as our operational activity. Interest expenses for deposit-taking are regarded as financing.

Consolidated Profit and Loss Statement 2013, SEKm

Income from acquired loan portfolios	1,008	1
Interest income	159	2
Interest expenses	-251	3
Total net interest income/expenses	**916**	
Commission fee income	121	4
Net profit from financial transactions	-5	5
Other income	143	6
Total income	**1,175**	
Operating expenses, i.e. salaries, rent etc.	-1048	7
Depreciation and amortisation	-16	8
Profit from joint venture	36	9
Profit before tax	**163**	

EBIT 2013, SEKm

1	Income from acquired loan portfolios consists of gross cash collections	1,641
	Less portfolio amortisation (adjusted for portfolio revaluation)	-627
2	Interest income from run-off consumer loan portfolio	69
	Net revenue from directly-owned portfolios (adjusted for portfolio revaluation)	**1,083**
4	Commission fee income, from servicing activities on behalf of third parties	121
6	Other operating income, net of Intra-Group items	40
9	Profit from joint venture	36
	Total revenue (adjusted for portfolio revaluation)	**1,281**
7	Operating expenses, net of Intra-Group items	-930
8	Depreciation and amortisation	-16
	EBIT (adjusted for portfolio revaluation)	**334**
	Financing	
2	Interest income on cash and cash equivalents	90
3	Interest expense for deposits taken in HoistSpar and for issued loans	-251
5	Net profit from financial transactions, including interest rate swaps and hedging instruments	-5
	Total net financial items	**-166**
	Portfolio revaluation	**-6**
	Profit before tax	**163**

Pertains to acquired loan portfolios

Pertains to financing

Pertains to both acquired loan portfolios and financing

Key definitions

Amortisation
The part of cash collections that will be used for amortising the book

Acquired loan portfolio
An acquired loan portfolio contains a number of overdue consumer loans or receivables that arise from the same originator

EBIT
Earnings before interest and tax

EBIT margin
EBIT divided by total revenue

Gross cash collections
Cash collected from debtors

Instalment plan
An agreement to repay a debt in instalments until it is fully repaid

Net revenue from owned books
Part of gross collections that will be reflected as income

Non-performing loans, NPL
A non-performing loan on the balance sheet of the originator is a loan that is in default or close to being in default

Originator
The debt originator. Examples include banks, credit card companies, specialist lenders, telecommunications companies, energy providers

Portfolio revaluation
Changes in portfolio value based on revised estimated remaining collections for the portfolio during a financial year

Primary
Loans that are overdue by up to 6 months

Secondary
Loans that are overdue by 6 – 24 months

Tertiary
Loans that are overdue by more than 24 months

Principal value
The outstanding principal amount that is unpaid

Return on equity
Net profit for the period divided by average shareholders' equity

Servicing
The management of debt portfolios on behalf of a third party for a pre-agreed servicing fee

Total revenue
Net revenue, profit from joint venture, servicing and other income net of intra-group items

Total value
The amount of the overdue debt, including interest, charges and costs

Calendar

Interim report Q1 2014 – 25 April 2014
Interim report Q2 2014 – 24 July 2014
Interim report Q3 2014 – 24 October 2014
Year-end report Q4 2014 – 3 February 2015

Hoist Finance publishes interim reports and other information in English on the Group's website www.hoistfinance.com. The website also contains an archive of interim reports and Annual Reports.

Printed Annual Report in English or Swedish or interim reports in Swedish can be ordered through:
Hoist Finance, Investor Relations,
Box 7848, SE 103 99 Stockholm.
E-mail: info@hoistfinance.com

Investor Relations
Jane Niedra
Tel: +46 (0)8-555 177 78
E-post: info@hoistfinance.com

Contents

Administration report

The Board of Directors and the Chief Executive Officer of Hoist Kredit AB (publ) (the "Company", and, together with its subsidiaries, "Hoist Finance" or the "Group"), corporate registration number 556329-5699, hereby submit the annual report for the financial year 1 January to 31 December 2013.

Business

Business overview

Hoist Kredit AB (publ) is a credit company licensed and supervised by the Swedish Financial Supervisory Authority (*Finansinspektionen*).

Hoist Finance (Hoist Kredit AB (publ) and its subsidiaries) is an established partner of global banks and financial institutions as well as local players in the Group's existing markets. The Group specialises in the acquisition of non-performing unsecured consumer loans. The acquired loan portfolios consist primarily of retail bank loans, as well as, to some extent, receivables originating from telecom, specialist finance, retail and utility companies and the public sector. Hoist Finance also draws on its extensive experience and resources to manage loans on behalf of third parties on a commission fee basis.

Hoist Finance is renowned for managing its loan portfolios in a reliable, professional and ethical manner. By employing its "amicable settlement" approach in the first instance, Hoist Finance is perceived as a solutions-oriented partner, which reinforces its good reputation and stable operating principles.

Since 2009, the Group has operated an internet-based retail deposit service in Sweden under the brand name of HoistSpar.

Market

The geographical focus of Hoist Finance is on Europe. The Group owns portfolios in Germany, Austria, France, the United Kingdom, Belgium, the Netherlands, Italy and Poland and also has deposit operations in Sweden.

Through the sale of receivables, banks and other originators can focus on their core business, release committed capital, management capacity and organisational resources, improve liquidity, mitigate the risk of uncertain payment profiles and improve important performance ratios.

The European market for non-performing loans has recently grown, mainly as a result of the underlying market expansion of the consumer credit market and the new regulatory framework with respect to capital coverage (Basel III) that comes into effect in 2014.

Hoist Finance's main competitors include debt purchase and collection companies, integrated players operating a wider range of financial service businesses and specialist investors.

Employees

Hoist Finance's employees are drawn from a variety of backgrounds, including legal, financial, research and other professions. As of 31 December 2013, the Group had 967 employees (corresponding to 881 Full Time Equivalent employees (FTEs)). As at 31 December 2012, the Group had 651 employees (corresponding to 595 FTEs. Approximately 60 (62) per cent of the employees are female

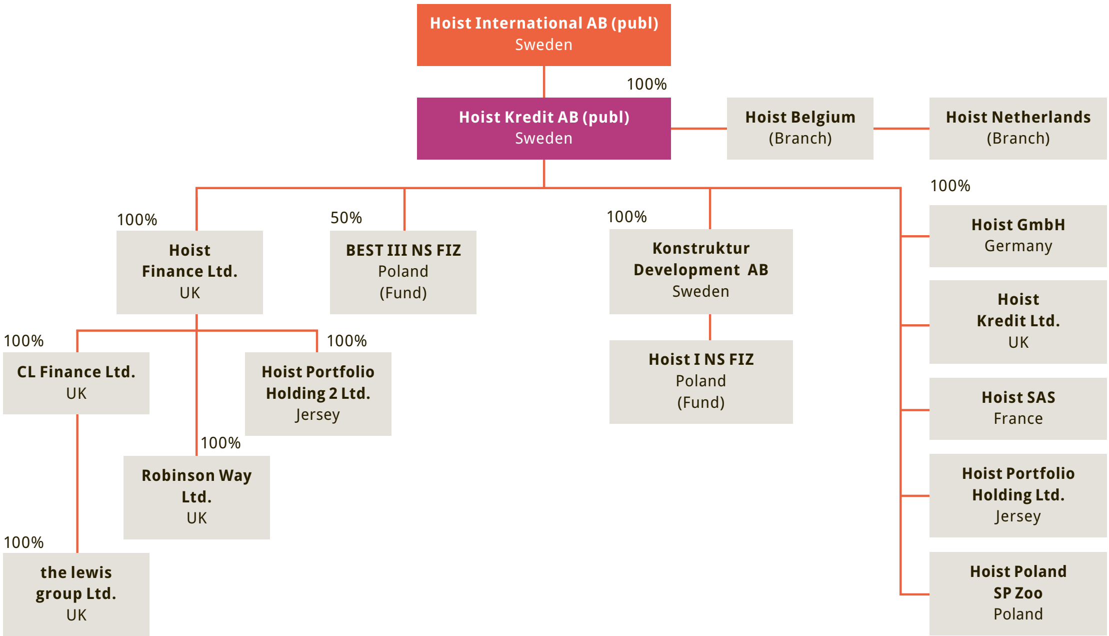
Group structure and ownership

Hoist International AB (publ) is the Parent Company of Hoist Kredit AB (publ). Hoist International AB (publ) in turn is a privately-owned company with its founders as its main shareholders. Hoist Kredit AB (publ) acquires and holds most of the acquired loan portfolios of the Group, and the portfolios are managed by its subsidiaries or branches. These companies also provide loan servicing on a commission fee basis to third-party clients.

The picture below illustrates Hoist Kredit AB (publ) and its principal active subsidiaries and branches as at December 31, 2013. Please refer to Note 14 "Group companies" for the full legal structure of the Group.

Important events in 2013

In August 2013, Hoist Finance acquired the lewis group Ltd, a Leeds-based debt collection, company together with its portfolio comprising 690,000 claims with a principal value of GBP 1.2 billion. This



acquisition further enhances Hoist Finance's market position in the UK and, together with the acquisition of Robinson Way Ltd (in 2012), is a strategically important step into the British market. In connection with the acquisition, a review of operations was performed and a consequent decision was taken to integrate the lewis group Ltd into Robinson Way Ltd. This restructuring will be completed in 2014.

During 2013 Hoist Finance has completed a number of substantial portfolio acquisitions. In the spring a large portfolio of non-performing bank loans was acquired in Poland. In the third quarter Hoist Finance completed the largest acquisition of non-performing unsecured consumer receivables in the Netherlands to date. In connection with the acquisition, Hoist Finance established a new office in Amsterdam and took on twelve employees.

During 2013 Hoist Finance has continued to strengthen and diversify its capital base:

- Issue of convertible bond of SEK 100 million in April with terms and conditions that satisfy the requirements to be included in the capital base.
- Issue of subordinated bond of SEK 350 million in September. The bond has been listed on NASDAQ OMX.
- Issue of senior unsecured bond of SEK 750 million (of which SEK 666 million was issued in 2013). The bond was listed on NASDAQ OMX in January 2014.

In 2013, the deposit volume increased to SEK 9,702 million.

Outlook

The European market for non-performing unsecured consumer loans continued to grow in 2013. The underlying growth in consumer credit grants, the delayed resolution of the economic crisis in Europe and the implementation of stricter capital requirements are likely to keep banks focused on strengthening their balance sheets and operations for some time. The Basel III framework is being implemented, which will have an impact upon the Group in coming years. Regulatory requirements concerning liquidity, capital adequacy and financial reporting as well as the amount and quality of capital for the coverage of risks will increase. The minimum CET1-ratio in Europe will total 4.5 per cent. In addition, a capital conservation buffer of 2.5 per cent and a countercyclical capital buffer of 0 to 2.5 per cent will be implemented.

Hoist Finance takes a cautiously optimistic view of the future and expects the positive trend with respect to transaction volumes in Europe to continue in 2014. The fact that during the past two decades Hoist Finance has evolved into one of Europe's leading outsourcing partners to banks and financial institutions with respect to debt purchase and debt collection of non-performing unsecured consumer loans puts Hoist Finance in an advantageous situation to exploit the anticipated market development going forward.

Development in 2013 financial year

Unless otherwise stated, all comparisons of market, financial and operational data apply to the period January - December 2012.

Revenue and financial items

Gross cash collections increased by 85 per cent to SEK 1,641 million, due to the high acquisition activity in the latter part of 2012 and the whole of 2013. Net revenue from acquired loan portfolios, adjusted for portfolio revaluations, totalled SEK 1,014 million in 2013, compared to SEK 471 million in 2012. Amortisations in 2013 were positively affected by the acquisition and incorporation of the lewis group Ltd and negatively affected by the amortisation of the French book. Interest from the run-off consumer loans portfolio, accounted for in interest income, totalled SEK 69 million (SEK 34 million in 2012). Total net revenue from directly-owned portfolios (acquired loan portfolios and run-off consumer claim portfolio), adjusted for portfolio revaluations, was thus up 114 per cent to SEK 1,083 million (SEK 505 million in 2012).

With servicing on behalf of third parties as their main activities, Robinson Way Ltd, which was acquired in late 2012, and the lewis group Ltd, acquired in August 2013, contributed considerably to the growth in revenue from servicing from SEK 44 million in 2012 to SEK 121 million in 2013. The profit from the joint venture in Poland has been affected negatively by increased amortisation to reflect a higher future fee structure with an external servicing partner and was down 35 per cent to SEK 36 million. The book value of the holding in the joint venture was SEK 192 million at the end of December (SEK 181 million at 31 December 2012).

Other income of SEK 143 million includes income from the holding company, Hoist International AB (publ), which operates as the Group's purchasing unit for intra-group and external services. These costs are further invoiced by Hoist International AB (publ) to the other Group companies based on the utilisation of such services and are therefore included in the operating expenses of the Hoist Kredit AB (publ) Group. An adjustment for the negative goodwill in Robinson Way Ltd has been made in the comparison figures for 2012, increasing total revenue by SEK 55 million compared to the 2012 report.

Total revenue (adjusted for portfolio revaluation), including interest income from the run-off consumer loan portfolio, revenue from servicing and profit from joint ventures increased to SEK 1,281 million, compared to SEK 674 million in 2012.

Financial net, i.e. the net amount of interest income excluding interest income from the run-off consumer loan portfolio and interest expenses, which represents the Group's financing cost in the form of deposit-taking from the public, interest expense related to the subordinated loans and the senior unsecured loans, as well as interest income related to the placement of excess liquidity with banks and credit institutions and bonds, totalled SEK -161 million in 2013, an increase from SEK -63 million in 2012. The considerable increase in interest expenses relates to the two bond issues as well as the higher deposit volume. Hoist Finance has increased its liquidity considerably in order to accommodate expected continued high acquisition volumes.

Net income from financial transactions totalled SEK -5 million in 2013, compared to SEK -27 million in 2012, and relates to currency translation differences and changes in the value of the Group's derivatives.

Operating expenses

Operating expenses, excluding depreciation and amortisation, totalled SEK 1,032 million, an increase of 87 per cent over 2012. During 2013, Hoist Finance pursued an active and balanced growth strategy, including both portfolio acquisitions, leading to higher collection costs, and the acquisitions of Robinson Way Ltd and the lewis group Ltd have entailed integration costs. In 2013, the Group further strengthened its central functions, including legal, compliance, risk, IT, finance and investor relations.

The operating expenses for 2013 include certain extraordinary items. The cost for restructuring and effectivisation of the German and French operations totalled approximately SEK 15 million. The acquisition costs and stamp duty associated with the acquisition of the lewis group Ltd totalled approximately SEK 18 million. In 2013, a restructuring reserve of SEK 63 million was provided for in the consolidated income statement and included in operating expenses.

Depreciation and amortisation totalled SEK -16 million (SEK -53 million in 2012, following the impairment of goodwill in the French operation of SEK 53 million).

Profit before tax and net profit

The consolidated profit before tax almost tripled to SEK 163 million (SEK 55 million), following the strong operational performance. The reported income tax expense was SEK -35 million, corresponding to approximately 22 per cent of the consolidated profit before tax.

Comprehensive income, including currency translation differences, was SEK 130 million, up SEK 83 million compared to 2012.

Cash flow and investments

Cash flow from operating activities totalled SEK 1,275 million in 2013 compared to SEK 461 million in 2012, driven by the strong gross cash collections and amortisation of the run-off consumer loan portfolio. The total cash flow for 2013 totalled SEK 1,679 million, compared to SEK 312 million in 2012. The increase, besides the strong cash flow from operations, was mainly driven by the issuance of the subordinated loan and the senior unsecured loan.

Financing and capital structure

Hoist Finance is actively managing its liquidity position through the HoistSpar deposit service to accommodate expected acquisition volumes. Cash and interest-bearing securities totalled SEK 5,219 million as at 31 December 2013 (SEK 2,975 million for 2012), which by far exceeds Hoist Finance's internal target for liquidity reserves for its deposit operations of 30 per cent.

In 2013, Hoist Finance issued a convertible bond with terms and conditions that satisfy the requirements to be included as Tier 1 capital in the capital base.

As at 31 December 2013, shareholders' equity totalled SEK 825 million, up 31 per cent on 2012.

Hoist Finance has also issued a subordinated bond of SEK 350 million (nominal amount) and a SEK 750 million (nominal amount, of which SEK 664 million was issued in 2013) senior unsecured bond. Both bonds have subsequently been listed on NASDAQ OMX.

Acquired loan portfolios

In 2013, Hoist Finance maintained its active acquisition strategy with further geographical diversification and penetration of the existing markets. The acquisition volume totalled SEK 3,267m in 2013, compared to SEK 2,012m in 2012. The carrying value of acquired loan portfolios totalled SEK 5,998m (3,364m) as at 31 December 2013, i.e. an increase of 78 per cent. The corresponding ERC (Estimated Remaining Collections) totalled SEK10,673m (6,660m).

Financial risk management

The risks that arise in the Group's daily operations are primarily related to the Group's assets and liabilities denominated in different currencies as well as the debtors' ability to repay their debts. The most material and relevant risks that have been identified by the Group affecting its operations are credit risk, counterparty risk, operational risk, market risk, including foreign exchange risk and interest rate risk, and liquidity risk.

The Group aims to manage the risks of its operations in a pro-active manner through its well-developed Risk Management function. Risks are managed within the Group in accordance with the financial policy that has been adopted by the Board. The risk management function ensures that internal and external risk management guidelines are adhered to. Risks are mitigated through, among other things, the use of derivative instruments and a well-established process for cash flow forecasts. Considerable focus is put on continuous, clear and meaningful reporting of risk to relevant stakeholders. Risks within the Group are managed and mitigated in accordance with adopted guidelines and instructions, and all material risks have to be reported to the Board and executive management on a continuous basis. Deviations are reported to the Board and the Chief Executive Officer

Report on the most important elements in internal control systems and risk management with respect to financial reporting according to the Code

The Board's report on the most important elements in internal control systems and risk management with respect to financial reporting for the 2013 financial year is included as a separate section in the Corporate Governance report.

Subsequent events

As part of the initiative to continue to diversify and strengthen its capital structure, Hoist Finance has engaged an advisor to evaluate different alternatives.

Proposal for the allocation of profits

According to the Balance Sheet of the Parent Company, the following funds are available for allocation by the Annual General Meeting:

SEK	
Capital contribution	275,630,819
Retained earnings	212,646,292
Other non-restricted reserves	-221,914
Profit for the period	81,959,977
Total	**570,015,173**

The Board of Directors proposes that the available profit and non-restricted reserves be distributed as follows:

SEK	
To be carried forward:	
Capital contribution	275,630,819
Retained earnings	294,606,269
Other non-restricted reserves	-221,914
Total	**570,015,173**

Five-year overview

CONSOLIDATED INCOME STATEMENT

SEK thousand	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2011	Jan-Dec 2010	Jan-Dec 2009
Total operating income	1,175,201	603,942	771,134	614,340	643,959
whereof net interest income	916,107	435,581	681,429	627,715	640,091
Total operating expenses	-1,048,588	-604,897	-395,458	-351,378	-331,487
Profit before tax	163,019	54,769	22,367	262,962	312,472
Net profit for the year	128,112	47,802	27,504	193,664	233,757

CONSOLIDATED BALANCE SHEET

SEK thousand	2013	2012	2011	2010	2009
Cash and lending to credit institutions	3,921,396	2,242,400	1,930,763	2,189,502	2,022,559
Lending to the public	6,412,043	4,103,039	2,513,566	2,432,856	2,250,409
Bonds and other securities	1,297,677	732,672	499,468	49,088	-
Shares and participation in joint venture	192,230	180,843	123,869	-	-
Fixed assets	65,393	58,764	99,048	95,501	31,133
Other assets	185,595	97,459	103,710	46,384	30,892
Total assets	**12,074,334**	**7,415,177**	**5,270,424**	**4,813,331**	**4,334,993**
Liabilities to credit institutions	-	-	-	-	1,128,212
Deposits from the public	9,701,502	6,366,256	4,495,101	4,222,765	2,433,090
Other liabilities and provisions	1,547,709	417,636	264,523	180,100	434,592
Shareholders' equity	825,123	631,285	510,800	410,466	339,099
Total liabilities and shareholders' equity	**12,074,334**	**7,415,177**	**5,270,424**	**4,813,331**	**4,334,993**

KEY RATIOS, GROUP

	2013	2012	2011*	2010	2009
Gross cash collections (SEK m)	1,641	887	688	743	836
Cost/gross cash collections	36%	45%	52%	54%	52%
EBIT-margin excl. portfolio revaluation	26.1%	22.4%	26.8%	38.5%	51.4%
Portfolio acquisitions (SEK m)**	3,267	2,091	439	-175	159
Average number of employees at year-end	712	404	344***	267	218
Capital adequacy ratio	11.6%	9.8%	10.3%	13.0%	9.8%
Liquidity ratio	54%	47%	54%	53%	83%
Return on equity	17%	8%	6%	52%	72%
ERC (SEK m)	10,673	6,660	3,836	n/a	n/a

* Financial years 1 January - 30 June 2011 and 1 July - 31 December 2011

** Including translation differences

*** Average for financial years 1 January - 30 June 2011 and 1 July - 31 December 2011

Financial statements

CONSOLIDATED INCOME STATEMENT

SEK thousand	Note	Jan-Dec 2013	Jan-Dec 2012
Net revenue from acquired loan portfolios	1,2	1,008,317	464,394
Interest income	2	158,568	151,790
Interest expense	2	-250,778	-180,603
Net interest income		**916,107**	**435,581**
Fee and commission income		120,854	44,452
Net result from financial transactions	3	-4,581	-26,637
Other income	4	142,821	150,546
Total operating income		**1,175,201**	**603,942**
General administrative expenses			
Personnel expenses	5	-386,757	-234,278
Other operating expenses	6	-645,494	-318,057
Depreciation and amortisation of tangible and intangible fixed assets	15,16	-16,337	-52,562
Total operating expenses		**-1,048,588**	**-604,897**
Profit from shares and participations in joint venture	7	36,406	55,724
Profit before tax		**163,019**	**54,769**
Income tax expense	9	-34,907	-6,967
Net profit for the year		**128,112**	**47,802**

STATEMENT OF COMPREHENSIVE INCOME, GROUP

SEK thousand	Jan-Dec 2013	Jan-Dec 2012
Net profit for the year	**128,112**	**47,802**
Other comprehensive income		
Items that have been or may be reclassified subsequently to the income statement		
Currency translation differences	1,867	-554
Other comprehensive income for the year, net of tax	**1,867**	**-554**
Total comprehensive income for the year	**129,979**	**47,248**
Attributable to		
Owners of the Parent Company	129,979	47,248

CONSOLIDATED BALANCE SHEET

SEK thousand	Note	31 Dec 2013	31 Dec 2012
ASSETS			
Cash		197	140
Lending to credit institutions	10	3,921,199	2,242,260
Lending to the public	10	328,951	531,594
Acquired loan portfolios	12	5,997,935	3,363,907
Receivables from affiliated companies		85,158	207,539
Bonds and other securities	13	1,297,677	732,672
Shares and participations in joint venture	7	192,230	180,843
Intangible fixed assets	15	33,149	17,803
Tangible fixed assets	16	32,244	40,961
Other assets	17	103,956	60,383
Deferred tax assets	9	57,306	28,640
Prepaid expenses and accrued income		24,332	8,435
Total assets		**12,074,334**	**7,415,177**

SEK thousand	Note	31 Dec 2013	31 Dec 2012
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Deposits from the public	18	9,701,502	6,366,256
Tax liabilities		66,910	24,863
Other liabilities	19	269,323	288,046
Deferred tax liabilities	9	32,720	1,026
Accrued expenses and prepaid income	20	89,285	25,496
Provisions	21	94,560	32,305
Senior unsecured loans	10, 29	665,680	-
Subordinated loans	22	329,231	45,900
Total liabilities and provisions		**11,249,211**	**6,783,892**
Shareholders' equity	23		
Restricted equity			
Share capital		50,000	50,000
Capital reserves		10,000	10,000
Total restricted equity		**60,000**	**60,000**
Unrestricted equity			
Other contributed equity		275,631	181,091
Reserves		-12,242	-14,109
Retained earnings		373,622	356,501
Profit for the year		128,112	47,802
Total unrestricted equity		**765,123**	**571,285**
Total shareholders' equity		**825,123**	**631,285**
Total liabilities and shareholders' equity		**12,074,334**	**7,415,177**
Pledged assets	24	5,724	5,515
Contingent liabilities	28	271,628	165,324

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, GROUP

	Restricted equity		Unrestricted equity				
SEK thousand	Share capital	Capital reserves	Reserves Translation of foreign operations	Other contributed equity	Retained earnings	Profit for the year	Total share-holders' equity
Balance as at 1 January 2013	**50,000**	**10,000**	**-14,109**	**181,091**	**356,501**	**47,802**	**631,285**
Reclassification of profit for the previous year					**47,802**	**-47,802**	**-**
Comprehensive income for the year							
Profit for the year						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**
Dividend 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**
Balance as at 31 December 2013	**50,000**	**10,000**	**-12,242**	**275,631**	**373,622**	**128,112**	**825,123**

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

	Restricted equity		Unrestricted equity				
SEK thousand	Share capital	Capital reserves	Reserves Translation of foreign operations	Other contributed equity	Retained earnings	Profit for the year	Total share-holders' equity
Balance as at 1 January 2012	**50,000**	**10,000**	**-13,555**	**81,091**	**297,439**	**85,826**	**510,801**
Reclassification of profit for the previous year					**85,826**	**-85,826**	**-**
Comprehensive income for the year							
Profit for the year						47,802	**47,802**
Other comprehensive income			-554				**-554**
Total comprehensive income for the period			**-554**			**47,802**	**47,248**
Transactions with owners recor-ded directly in equity							
Capital contribution				100,000			**100,000**
Group contributions paid					-36,315		**-36,315**
Tax on Group contribution					9,551		**9,551**
Total transactions with owners recorded directly in equity				**100,000**	**-26,764**		**73,236**
Balance as at 31 December 2012	**50,000**	**10,000**	**-14,109**	**181,091**	**356,501**	**47,802**	**631,285****

** The closing balance as at 31 December 2012 has been adjusted by SEK 9,551 thousand from SEK 640,835 thousand to SEK 631,284 thousand with respect to income tax.

CONSOLIDATED CASH FLOW STATEMENT

SEK thousand	Jan-Dec 2013	Jan-Dec 2012
OPERATING ACTIVITIES		
Cash flow from collections on acquired loan portfolios	1,641,007	887,311
Interest income	157,817	151,790
Fee and commission income	120,854	44,452
Other operating income	142,093	150,546
Interest expense	-184,953	-180,313
Operating expenses	-984,435	-610,499
Net cash flow from financial transactions	-4,581	-26,637
Profit from joint venture	16,481	3,229
Income tax paid	-5,806	-28,974
Total	**898,477**	**390,905**
Increase/decrease in acquired loan portfolios net of revaluations	-3,266,718	-1,423,435
Increase/decrease in certificates in joint venture	11,697	-
Increase/decrease in lending to the public	325,025	-588,956
Increase/decrease in deposits from the public	3,288,497	1,870,865
Increase/decrease in other assets	-19,728	36,749
Increase/decrease in other liabilities	-28,755	107,104
Changes in other balance sheet items	66,209	68,146
Total	**376,227**	**70,473**
Cash flow from operating activities	**1,274,704**	**461,378**
INVESTING ACTIVITIES		
Investments in intangible fixed assets	-37,583	-13,693
Investments in tangible fixed assets	-10,809	-2,844
Investments in bonds	-564,254	-233,204
Cash flow from investing activities	**-612,646**	**-249,741**
FINANCING ACTIVITIES		
Capital contribution	93,000	100,000
Senior unsecured loans	665,680	-
Subordinated loans	329,231	-
Repayment of subordinated loans	-45,900	-
Dividend paid on subordinated loans	-25,073	-
Cash flow from financing activities	**1,016,938**	**100,000**
Cash flow for the year	**1,678,996**	**311,637**
Cash at the beginning of the year	2,242,400	1,930,763
Cash at the end of the year	**3,921,396**	**2,242,400**

Acquisitions of subsidiaries are reported as increase/decrease in acquired loan portfolios (SEK -735,959 thousand) and changes in other balance sheet items (SEK 56 388 thousand). For additional information, please, refer to the acquisition analysis in Note 14.

PARENT COMPANY INCOME STATEMENT

SEK thousand	Note	Jan-Dec 2013	Jan-Dec 2012
Net revenue from acquired loan portfolios	1,2	379,870	238,306
Interest income	2	231,610	179,484
Interest expense	2	-252,051	-181,262
Net interest income		**359,429**	**236,528**
Net result from financial transactions	3	-10,435	-22,864
Other income	4	28,895	13,394
Total operating income		**377,889**	**227,058**
General administrative expenses			
Personnel expenses	5	-50,589	-32,740
Other operating expenses	6	-226,115	-113,974
Depreciation and amortisation of tangible and intangible fixed assets	15,16	-3,332	-5,117
Total operating expenses		**-280,036**	**-151,831**
Profit from shares and participations in joint venture	7	16,481	3,229
Write-off of shares in subsidiaries		-	-57,051
Dividends received	8	-	1,875
Tax allocation reserve		-8,207	-18,363
Profit before tax		**106,127**	**4,917**
Income tax expense	9	-24,167	-27,124
Net profit for the year		**81,960**	**-22,207**

STATEMENT OF COMPREHENSIVE INCOME, PARENT COMPANY

SEK thousand	Jan-Dec 2013	Jan-Dec 2012
Net profit for the year	**81,960**	**-22,207**
Other comprehensive income		
Items that have been or may be reclassified subsequently to the income statement		
Currency translation differences	**270**	**-308**
Items that may not be reclassified subsequently to the income statement		
Revaluation reserve	64,253	-
Other comprehensive income for the year, net of tax	**64,523**	**-308**
Total comprehensive income for the year	**146,483**	**-22,515**

PARENT COMPANY BALANCE SHEET

SEK thousand	Note	31 Dec 2013	31 Dec 2012
ASSETS			
Cash		1	0
Lending to credit institutions	10	3,582,423	1,943,777
Lending to the public	10	325,788	530,545
Acquired loan portfolios	12	2,546,122	2,393,361
Receivables from affiliated companies		3,493,834	1,074,359
Bonds and other securities	13	1,272,677	732,672
Shares and participations in subsidiaries	14	303,145	351,292
Shares and participations in joint venture	7	78,795	90,492
Intangible fixed assets	15	21,095	9,901
Tangible fixed assets	16	1,081	934
Other assets	17	51,452	22,439
Deferred tax assets	9	1,121	533
Prepaid expenses and accrued income		6,722	1,758
Total assets		**11,684,256**	**7,152,063**

SEK thousand	Note	31 Dec 2013	31 Dec 2012
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Deposits from the public	18	9,701,502	6,366,256
Tax liabilities		23,794	17,146
Other liabilities	19	198,949	176,045
Deferred tax liabilities	9	2,117	-
Accrued expenses and prepaid income	20	42,046	13,041
Provisions	21	100	97
Senior unsecured loans	10, 29	665,680	-
Subordinated loans	22	329,231	45,900
Total liabilities and provisions		**10,963,419**	**6,618,485**
Untaxed reserves (tax allocation reserve)		**26,569**	**18,363**
Shareholders' equity	23		
Restricted equity			
Share capital		50,000	50,000
Capital reserves		10,000	10,000
Revaluation reserve		64,253	-
Total restricted equity		**124,253**	**60,000**
Unrestricted equity			
Other contributed equity		275,631	181,091
Reserves		-222	-492
Retained earnings		212,646	296,823
Result for the year		81,960	-22,207
Total unrestricted equity		**570,015**	**455,215**
Total shareholders' equity		**694,268**	**515,215**
Total liabilities and shareholders' equity		**11,684,256**	**7,152,063**
Pledged assets	24	5,724	5,515
Contingent liabilities	28	271,628	165,324

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, PARENT COMPANY

	Restricted equity			Unrestricted equity				
SEK thousand	Share capital	Capital reserves	Revaluation reserve	Reserves Translation of foreign operations	Other contributed equity	Retained earnings	Result for the year	Total share-holders' equity
Balance as at 1 January 2013	**50,000**	**10,000**	-	**-492**	**181,091**	**296,823**	**-22 207**	**515,215**
Reclassification of profit for the previous year						**-22,207**	**22,207**	
Comprehensive income for the year								
Profit for the year							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**
Dividend paid on capital contribu-tion						-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**
Balance as at 31 December 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

	Restricted equity			Unrestricted equity				
SEK thousand	Share capital	Capital reserves	Revaluation reserve	Reserves Translation of foreign operations	Other contributed equity	Retained earnings	Result for the year	Total share-holders' equity
Balance as at 1 January 2012	**50,000**	**10,000**	**-**	**-184**	**81,091**	**270,637**	**52 950**	**464,494**
Reclassification of profit for the previous year						**52,950**	**-52,950**	
Comprehensive income for the year								
Result for the year							-22,207	**-22,207**
Other comprehensive income				-308				**-308**
Total comprehensive income for the period				**-308**			**-22,207**	**-22,515**
Transactions with owners recor-ded directly in equity								
Capital contribution					100,000			**100,000**
Group contributions paid						-36,315		**-36,315**
Tax on Group contribution						9,551		**9,551**
Total transactions with owners recorded directly in equity					**100,000**	**-26,764**		**73,236**
Balance as at 31 December 2012	**50,000**	**10,000**	**-**	**-492**	**181,091**	**296,823**	**-22,207**	**515 215****

**The closing balance as at 31 December 2012 has been adjusted by SEK 9,551 thousand from SEK 524,765 thousand to SEK 515,214 thousand with respect to income tax.

PARENT COMPANY CASH FLOW STATEMENT

SEK thousand	Jan-Dec 2013	Jan-Dec 2012
OPERATING ACTIVITIES		
Cash flow from collections on acquired loan portfolios	875,817	578,095
Interest income	230,859	179,484
Other operating income	28,895	15,270
Interest expense	-186,226	-180,972
Operating expenses	-256,051	-201,319
Net cash flow from financial transactions	-10,435	-22,864
Profit from joint venture	16,481	3,230
Income tax paid	-3,597	-24,890
Total	**695,743**	**346,034**
Increase/decrease in acquired loan portfolios net of revaluations	-648,708	-839,167
Increase/decrease in certificates in joint venture	11,697	-
Increase/decrease in lending to the public	-2,214,718	-1,036,520
Increase/decrease in deposits from the public	3,288,496	1,870,865
Increase/decrease in other assets	37,635	42,596
Increase/decrease in other liabilities	-27,242	87,040
Changes in other balance sheet items	228	-215,891
Total	**447,388**	**-91,077**
Cash flow from operating activities	**1,143,131**	**254,957**
INVESTING ACTIVITIES		
Investments in intangible fixed assets	-29,977	-10,037
Investments in tangible fixed assets	-338	-35
Investments in bonds	-539,254	-233,204
Investments in subsidiaries, net	48,147	-
Cash flow from investing activities	**-521,422**	**-243,276**
FINANCING ACTIVITIES		
Capital contribution	93,000	100,000
Senior unsecured loans	665,680	-
Subordinated loans	329,231	-
Repayment of subordinated loans	-45,900	-
Dividend paid on subordinated loans	-25,073	-
Cash flow from financing activities	**1,016,938**	**100,000**
Cash flow for the year	**1,638,647**	**111,681**
Cash at the beginning of the year	1,943,777	1,832,096
Cash at the end of the year	**3,582,424**	**1,943,777**

Accounting principles

Corporate information

The financial statements as at 31 December 2013 are for Hoist Kredit AB (publ.) 556329-5699 which is the parent company of the Hoist Finance Group. The parent company is a Swedish limited company with its registered office in Stockholm, Sweden. The address is Box 7848, SE 103 99 Stockholm, Sweden. It is supervised by the Swedish Financial Authority (Finansinpektionen). The Company is a fully owned subsidiary to Hoist International AB (publ) 556012-8489.

Accounting principles applied

The consolidated financial accounts 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 as approved by the EU Commission. In addition, the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the RFR 1 "Additional rules for Group Accounting" and the supplementary UFR statements as well as the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25) have been applied.

The Parent Company applies the same accounting principles as the Group except in the cases where the application of IFRS for legal entities is not permitted by ÅRKL. Please refer to the section below concerning the accounting principles for the Parent Company.

Amendments in accounting principles and corrections concerning previous periods

New and amended standards adopted in the financial statements

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2012 financial statements mainly apart from IAS 1 and IFRS 13.

IAS 1, "Preparation of financial reports", has been amended with respect to other comprehensive income. The most notable modification in the amended IAS 1 is the requirement that the items included in other comprehensive income shall be presented in two groups.

Hoist Finance has adopted the new standard IFRS 13 "Fair value measurements". The adoption of the new standard has not had any impact on the financial statements or on the capital adequacy. The new standard requires additional disclosures about fair value measurements. Disclosures about fair value measurements are presented in note 29. In accordance with IFRS 13, information is required on a yearly basis as from the financial statements 2013, for the fair value measurement of certain non-financial items. This information is presented in Note 29.

IAS 19, "Employee benefits", is applied for financial years beginning on or after 1 January 2013. The amendment has not had any impact on the Group.

Group contribution

Group contribution that is received by the subsidiaries or the Parent Company is accounted for in the income statement. Group contribution paid is accounted for in equity according to the alternative rule.

Other amendments in accounting principles

The expenses previously accounted for under fee and commission expenses have been transferred to General administrative expenses for both the Parent Company and in the Group in order to visualize the impact on the business.

Negative goodwill from previous year has been reversed from depreciation to other income.

During the year no other amendments have been made to the accounting principles affecting the financial reports for either the Group or the Parent Company.

New standards, amendments and interpretations issued but not effective for the financial year beginning on 1 January 2013, and not yet adopted

IFRIC 21, "Levies", clarifies that the liability for the levy is recognised when the levy is trigged by operating as a bank. The assessment is that the new interpretation will not have any significant impact on the financial statements nor the capital adequacy.

IFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is applied for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. Due to the fact that the standard is not yet endorsed by the EU Commission, the Group has not yet assessed the full impact of the new standard.

IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements" and "IFRS 12, "Disclosures on Interests in Other Entities" will not have any impact on the financial reports, however, new requirements on disclosures are added in IFRS 12.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Assumptions

The preparation of financial reports in accordance with IFRS requires the Management to make estimates and assumptions that affect the application of the accounting principles and the carrying values of assets, liabilities, revenue and expenses. Estimates and assumptions are based on historical experience and a number of other factors that under current circumstances seem reasonable. The result of these estimates and assumptions is then used to determine the carrying value of assets and liabilities that otherwise is not clearly indicated by other sources. Actual outcomes may deviate from these estimates and assumptions.

Estimates and assumptions are reviewed regularly, and the effect on carrying values is recognised through profit or loss. Changes in estimates are reported in the period in which the change is made, provided it has affected only this period, or the period the change was made and future periods if the change affects both current and future periods.

Estimates made by the Management that have a significant impact on the consolidated financial statements and which could affect the consolidated financial statements in subsequent years, are described in more detail in Note 33.

Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business acquisitions. The Group wise acquisition value is established in an acquisition analysis in connection with the acquisition. The analysis states both, the acquired identifiable assets and acquired liabilities, as well as contingent liabilities. The acquisition value of the shares in subsidiaries and business operations are determined by the fair values as of the acquisition date for the assets, arising or transferred liabilities and issued equity instruments that have been transferred as consideration in exchange for the acquired net assets. The transaction costs that are directly attributable to the acquisition are directly expensed as incurred. In business acquisitions where the acquisition cost exceeds the net value of the acquired assets and liabilities as well as any possible contingent liabilities, the difference is accounted for as goodwill. When the difference is negative, it is directly recognised in the profit or loss.

Intra-Group receivables and liabilities, revenue and expenses, and unrealised gains and losses that arise from transactions within the Group are eliminated in their entirety in the consolidated financial statements.

Joint ventures

Shareholdings in joint ventures in cases with common decision making are accounted for in accordance with the equity method. According to the equity method, in the beginning the asset is accounted for at its acquisition value. The carrying value is increased or decreased subsequently to reflect the profit share in the investment for the owner company. Changes attributable to foreign exchange gains or losses are reflected directly towards equity.

Segment reporting

An operating segment is a part of the Group identified on a separate basis and which presents its own isolated financial reports. The segment reporting serves as a governance tool and is reviewed on a regularly basis by the chief operating decision makers in order to assess their performance and allocate resources to the segment.

The business operation in the Group is presented in the geographical segment. Consequently, the Swedish Parent company does not disclose a separate segment reporting. The geographical segment represents adequately the business of the Group, as the loan portfolios are maintained per country.

Currencies

Functional currency

The Presentation currency of the Group as well as the Parent Company is SEK. Group companies prepare their accounts in the local functional currency in the country where they have their operations. The Parent company Hoist Kredit AB (publ) has both SEK and other functional currencies due to the foreign branches included in the legal entity. All transactions for consolidation purposes in other currencies are converted into SEK at Balance Sheet day. All amounts, unless indicated otherwise, are rounded off to the nearest thousand.

Transactions in foreign currency

Transactions in a currency other than the local functional currency are recognised at the exchange rate in effect on the transaction day. When such transactions are offset or settled, the exchange rate may deviate from the one that applied on the transaction day, in which case a realised exchange rate difference arises. Moreover, monetary assets and liabilities in foreign currency are translated at the exchange rates on each balance sheet date, due to which an unrealised exchange rate difference arises. Both realised and unrealised exchange rate differences of this type are recognised in the consolidated income statement.

Translation of the financial statements of foreign operations

Assets and liabilities in foreign operations, including goodwill and other Group surplus and deficit values, are translated from the functional currency of the operations to the Group's reporting currency, at the exchange rate on the balance sheet date. Revenues and expenses are translated at the yearly average rate, which serves as an approximation of the rate that was applied on each transaction date.

Translation differences arise in the translation of subsidiary accounts in part because the balance sheet date rate changes each period and in part because the average rate deviates from balance sheet date rate. Translation differences are recognised in other comprehensive income as a separate component of equity.

Financial assets and liabilities

The Group classifies its financial assets and liabilities in the following categories: At fair value through profit or loss, loans and receivables, and other liabilities. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of its financial assets and liabilities at initial recognition.

Financial assets at fair value through profit or loss

According to IAS 39, the Group applies a reporting model where financial assets are classified into two valuation categories: assets that are valued at fair value (market value) and assets valued at amortised cost. The difference between the categories is that the first applies a discount rate corresponding to the market's required rate of return for similar assets at any particular point of time. Currently, IRR 12% is used, on a ten year time frame, for all portfolios acquired prior to 1 July 2011. For portfolios acquired thereafter, the discount rate is set at the internal rate of return, "IRR", which was the basis for the original acquisition, and income is allocated based on this effective discount rate. The classification depends on the business model of the unit for the handling of financial instruments and the instrument's properties with respect to the contracts cash flows. The fair value valuation principle is applied on acquired loan portfolios acquired prior to 1 July 2011, whereas amortised cost is applied for all acquisitions thereafter. Revaluation of the carrying value of the portfolios are carried out at least on an annual basis, through reassessment of the future anticipated cash flow for a ten year period.

Derivatives are first reported at fair value as per the day the derivative agreement is entered and thereafter re-valued at fair value as per the end of each reporting period. Derivatives are classified as "held for trading" unless they are identified as hedging instruments. Changes in fair value are recognised in the consolidated income statement as financial income or financial expenses.

Determination of fair value of financial instruments

Fair value on financial instruments traded on an actively traded market, such as listed derivatives, financial assets and liabilities held for trading as well as financial assets available for sale, are based on quoted market price. Fair value is defined as the amount for which an asset could be exchanged or a liability settled. When assets and liabilities have counteracting market risks the midmarket price is used to set the fair value.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are valued at amortised cost by using the effective rate method, where the carrying value of each acquired loan portfolio corresponds to the present value of all projected future cash flows discounted by an initial effective interest rate determined on the date the portfolio was acquired, based on the relation between cost and the projected future cash flows on the acquisition date. Changes in the carrying value of the acquired loan portfolios are comprised of amortisation for the period and are recognised in the income statement. In connection with the purchase of each loan portfolio, a projection is made of the portfolio's cash flows. Cash flows include the loan amount and other related fees based on a probability assessment, which are expected to be received from debtors, less forecasted collection costs.

Balance sheet items that are classified as loans and receivables refer to lending to credit institutions, lending to the public (except the acquired loan portfolios that were acquired prior to 1 July 2011) as well as other assets except derivatives with a positive value.

The receivables consist of portfolios that have been acquired at a discount relative to the capital claim corresponding to a discounted value of expected net collections. Due to this fact, the probable future need for amortisation decreases. Allowance for doubtful accounts is included in the future estimated cash flows and is accounted for net in the income statement in "Net revenue from acquired loan portfolios".

An initial effective interest rate is fixed for each port- folio and is used when calculating the discounted cash flows on a ten year time curve. This calculation is based on the future cash flow and acquisition value, including transaction costs. The new carrying value for the portfolio at balance sheet date is based on the updated cash flow forecast and the effective interest rate.

Other liabilities

The Group's other liabilities comprise deposits and borrowings from the public as well as other liabilities in the consolidated balance sheet. Other liabilities are initially recognised at fair value including transaction costs that are directly attributable to the acquisition or issue of the liability. Subsequent to acquisition, they are carried at amortised cost according to the effective rate method. Liabilities to credit institutions, short-term liabilities and other liabilities are reported as other financial liabilities. Long-term liabilities have an expected maturity exceeding one year and short-term liabilities have a maturity of less than one year. Financial liabilities at fair value through profit or loss, include financial liabilities held for trading (derivatives).

Hedge accounting

Derivatives may be used to hedge (purpose to neutralise) interest- and exchange rate exposures in the Parent company or in the Group. When a derivative is held for risk management purpose, and when transactions meet the predefined condition, Hoist applies hedging of a net investment in a foreign operation. The Parent company and the Group identifies and documents at inception the relation between the hedged item (asset or liability) and the hedging instrument, as well as the risk objective and hedge strategy. At inception, the Parent company and the Group also documents its assessment, and on an ongoing basis, whether the derivative utilised is adequately effective when assessed retrospectively, in offsetting changes in fair values or cash flows of the hedged item (asset or liability).

Impairment of financial assets

A monthly allocation is made for the impairment of receivables that are likely not to be recovered. If the expected maturity exceeds one year, it relates to accounts receivable, whereas if it is less than one year, it refers to other receivables. For the category "loans and receivables" the impairment is calculated as the difference between the carrying value and the present value of estimated cash flows that have been discounted at the original effective rate for the financial asset. The carrying value of the asset is impaired and the impairment is expensed in the consolidated income statements.

Intangible fixed assets

Capitalised expenses for IT development

Expenditures for IT development and maintenance are generally expensed as incurred. Expenditures for software development that can be attributed to identifiable assets under the Group's control and with anticipated future economic benefits are capitalised and recognised as intangible assets.

Additional expenditures for previously developed software etc. are recognised as assets in the consolidated balance sheet if they increase the future economic benefits of the specific asset to which they are attributable, e.g, by improving or extending a computer program's functionality beyond its original use and estimated period of use.

IT development costs that are recognised as intangible assets are amortised using the straight-line method over their useful lives, though not more than five years. The asset is recognised at cost less accumulated amortisation and impairment losses. Costs associated with the maintenance of existing computer software are continuously expensed as incurred.

Goodwill

When the purchase price, any non-controlling interest and fair value at the acquisition date of previous shareholdings exceed the fair value of identifiable net assets acquired, the exceeding amount is recorded as goodwill. Goodwill from acquisitions of subsidiaries is recorded as intangible assets. Goodwill is tested annually, or when there is an indication for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Profit or loss on disposal of an entity includes the remaining carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units ("CGU") for the purpose of impairment testing. The allocation is made to the cash generating units, or groups of cash generating units, determined in accordance with the Group's operating segments, expected to benefit from the business combination in which the goodwill arose.

Other intangible fixed assets

Other intangible fixed assets are amortised on a straight-line basis over their estimated period of use.

Tangible fixed assets

Tangible fixed assets are recognised as an asset in the balance sheet if it is likely that the future economic benefits will accrue to the Company and the cost of the asset can be reliably estimated. An annual determination is made of each asset's residual value and useful life. Tangible fixed assets are recognised at cost less accumulated depreciation and impairments.

Principles for depreciation/ amortisation of assets

Depreciation/amortisation is carried out according to the straight-line method over the estimated useful life of the asset. The following depreciation/amortisation periods are applied:

• Machinery:	20 years
• Equipment:	2–5 years
• Investment in rented premises:	5 years
• Intangible fixed assets:	3–5 years

Impairments

The carrying value of the Group's tangible and intangible fixed assets is tested at each balance sheet date for indications of decrease in value.

If there are any indications of necessary impairments, the recoverable value of the asset is estimated. Goodwill and other intangible fixed assets with indeterminate periods of use and intangible fixed assets that have not yet come into use, have their recoverable values estimated on an annual basis. If essentially independent cash flows cannot be isolated for individual assets, the assets are grouped at the lowest level where essentially independent cash flows can be identified – a cash-generating unit (CGU).

An impairment is recognised when the carrying value of an asset or a cash generating unit exceeds its recoverable value. The impairment is recognised in the income statement. Impairments that are attributable to a cash generating unit are primarily allocated to goodwill and subsequently distributed proportionally among other assets in the unit.

The recoverable value for cash generating units is the higher of the carrying value less divestment costs and the value in use. The value in use is calculated by discounting future cash flows using a discount rate that takes into account the risk-free interest rate and the risk that is associated to that particular asset.

Goodwill impairment is not reversed. Impairment of other assets is reversed if there have been changes in the underlying assumptions that were used for the establishment of the recoverable value. Impairments are reversed only to the extent that the carrying value of the assets following the reversal does not exceed the carrying value of the assets in the case the impairment had not been reported.

Leasing

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. Hoist Kredit AB (publ) has no leases classified as finance leases in its own accounts or in the consolidated accounts.

Taxes

Income taxes consist of current tax and deferred tax. Income taxes are recognised through profit or loss unless the underlying transaction is directly recognised in equity or other comprehensive income, in which case the related tax effect is also recognised in equity respectively other comprehensive income.

Current tax is the tax paid or received for the current year, applying the tax rates that apply as at balance sheet date, including adjustments for current tax attributable to previous periods.

Deferred income tax is calculated according to the balance sheet method based on temporary differences between the carrying value of assets and liabilities and their value for tax purposes. The following temporary differences are not taken into account:

- Temporary differences that arise in the initial reporting of goodwill.
- The initial reporting of assets and liabilities in a transaction other than a business combination and which, at the time of the transaction, does not affect either the recognised or taxable result.
- Temporary differences attributable to participations in subsidiaries and associated companies that are not expected to be reversed within the foreseeable future.

The valuation of deferred tax is based on how the carrying values of assets or liabilities are expected to be realised or settled. Deferred tax is calculated by applying the tax rates and tax rules that have been set, or essentially are set, as of the balance sheet date.

Deferred tax assets from deductible temporary differences and tax losses carried forward are only recognised if it is likely that they will be utilised within the foreseeable future. The value of deferred tax assets is reduced when they are utilised or when it is no longer considered likely to be utilised.

Equity

Dividend

The proposed dividends are recognised as a liability after having been approved by the Annual General Meeting.

Subordinated loans

When the company issuesa financial instrument it is accounted for as a financial liability or as an equity instrument in accordance with the financial implication attributable to the instrument. Consequently, an instrument where the company has an irreversible obligation to pay cash, is accounted for as a liability. Issued financial instruments where the company does not have an irreversible obligation to pay cash on interest and nominal value, is accounted for as equity.

Unidentified receipts and payments

The Group receives large volumes of payments from debtors for own use and its clients. There are instances where the sender's reference information is missing or incorrect which makes it difficult to allocate the payment to the right case. There are also situations where payments are received on closed cases. In such instances a reasonable search and attempt is made to contact the payment sender. The unidentified payments are treated as other liabilities. When reasonable search of the payer is failing, the payment is recognised as revenue after five years.

Employee benefits

Pensions

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

The Group has both defined benefit and defined contribution plans:

- Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or several factors, such as age, years of service and compensation.
- A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The liability recognised in the consolidated balance sheet in respect of the defined benefit pension plans is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets, adjusted for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from adjustments based on earlier experience and changes in actuarial assumptions are charged or credited to other comprehensive income in the consolidated statement of changes in shareholders' equity in the period in which they arise.

Past-service costs are recognised immediately through profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group pays contributions to publicly 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 recognised as employee benefit expense when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Short term benefits

Short term benefits consist mainly of fixed and variable salary. Both fixed and variable salaries, corresponding social security charges and other related expenses, are expensed in the period when the employees have performed services to the Company. Other short term benefits are redundancy payment which normally is paid when the employment is terminated prior to retirement or if the employee accepts an offer. The redundancy payment is expensed in the period Hoist is liable to pay.

Income and expenses

The income from acquired loan portfolios that are valued at fair value contains profit or loss resulting from changes in fair value. The income from acquired loan portfolios that are valued at amortised cost contains interest income arising from the effective rate method. Interest income results mainly from external parties, primarily banks. This interest income is generated from lending to credit institutions and to the public.

Interest income in the income statement is recognised partly under "Net revenue from acquired loan portfolios", partly under "Interest income" and are disclosed in a note.

The net collection forecast is monitored continuously during the year and updated regularly based on, for instance, achieved collection results, agreements with debtors on instalment plans as well as macro economic information for each individual portfolio.

Based on the updated forecasts, a new carrying value is calculated for the portfolios. The difference is accounted for either as an income or as an expense in the income statement and specified in a note.

Accounting for IRR and effects on revaluations

The discounted interest rates remain, when an estimated cash flow curve for an acquired portfolio is set. The effects of revaluations occur only when the already existing estimated cash flow curves are adjusted in arrears. This effects the accounting value of the depreciations.
Interest expense consists mainly of costs related to the funding of the Group through deposits from the public.

Various types of costs directly related to the servicing of the acquired loan portfolios are gathered under "Other operating expenses". Other operating expenses in the Group are mainly direct costs for external collection services. Fee and commission income relates to the income for external services and is recognised when the amount of fee and commission can be reliably measured.

Net result from financial transactions include realised and unrealised exchange rate profit or losses, as well as profit or losses on financial instruments.

Cash flow statement

The cash flow statement includes changes in the balance of cash and cash equivalents. The Group's cash and cash equivalents consist of cash and lending to credit institutions. Cash flow is divided into cash flows from operating activities, investment activities and financing activities. Cash flow is reported using the direct method.

Cash flow from investing activities includes only actual disbursements for investments during the year.

Foreign subsidiaries' transactions are translated in the cash flow statement at the average exchange rate for the period. Acquired and divested subsidiaries are reported as cash flow from investing activities, net, after deducting cash and cash equivalents in the acquired or divested company.

Parent Company's accounting principles

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), The Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2008:25) and RFR 2 "Accounting for legal entities". RFR 2 requires the Parent Company to use the same accounting principles as for the Group, i.e. IFRS to the extent allowed by RFR 2. There are no material deviations between accounting policies adopted for the Group and accounting policies adopted for the Parent Company.

Subsidiaries, associated companies and joint ventures

The investments are accounted for according to the acquisition cost method. Investments are carried at cost and only dividends are accounted for in the income statement. An impairment test is performed at least annually and write-downs are made when permanent decline in value is established.

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 and certain other income. Profit from joint venture is included.
- Intra-group invoicing to and from the Parent Company, Hoist International AB (publ) is accounted on a net basis, which affects both income and expenses
- Financial net contains interest income other than from loan portfolios, interest expense and net profit from financial transactions.

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.

GROUP 2013

SEK thousand	Group	Segment BeNeLux	Segment France	Segment Great Britain	Segment Italy	Segment Poland	Segment Germany	Central Functions and elimi-nations
Total revenue	1,275,096	93,395	68,065	337,754	99,016	218,470	468,170	-9,774
Operating expenses	-946,207	-47,490	-74,686	-287,050	-22,465	-61,250	-246,470	-206,796
Financial items	-165,870	-24,746	-25,254	-38,564	-16,455	-26,236	-98,747	64,132
Profit before tax	**163,019**	**21,159**	**-31,875**	**12,140**	**60,096**	**130,984**	**122,953**	**-152,438**

GROUP 2012

SEK thousand	Group	Segment BeNeLux	Segment France	Segment Great Britain	Segment Italy	Segment Poland	Segment Germany	Central Functions and elimi-nations
Revenue	667,203	57,788	79,451	22,815	37,070	52,409	405,751	11,918
Expenses	-523,032	-37,296	-76,577	-24,193	-16,952	-733	-211,158	-156,123
Financial items	89 401	-13,357	-23,732	-2,385	-5,559	-3,658	-92,683	51,971
Profit before tax	**54,769**	**7,134**	**-20,858**	**-3,762**	**14,559**	**48,018**	**101,911**	**92,232**

Acquired loans GROUP 2012

SEK thousand	Group	Segment BeNeLux	Segment France	Segment Great Britain	Segment Italy	Segment Poland	Segment Germany
31 December 2013							
Run-off consumer loan portfolio	209,373						209,373
Acquired loan portfolios	5,997,935	1,293,341	478,548	1,312,769	308,327	778,646	1,826,305
Shares and participations in joint venture	192,230					192,230	
Acquired loans	**6,399,538**	**1,293,341**	**478,548**	**1,312,769**	**308,327**	**970,876**	**2,035,678**
31 December 2012							
Run-off consumer loan portfolio	372,559						372,559
Acquired loan portfolios	3,363,907	268,014	475,613	383,629	371,280	121,107	1,744,264
Shares and participations in joint venture	180,843					180,843	
Acquired loans	**3,917,310**	**268,014**	**475,613**	**383,629**	**371,280**	**301,950**	**2,116,823**

ERC (Estimated Remaining Collections)

SEK thousand	Group	Segment BeNeLux	Segment France	Segment Great Britain	Segment Italy	Segment Poland	Segment Germany
31 December 2013							
ERC	10,672,576	1,803,875	949,188	2,588,411	486,303	1,591,686	3,253,114
31 December 2012							
ERC	6,659,770	663,323	985,578	672,922	690,172	202,682	3,445,093

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

NOTE 1 Segment reporting

	GROUP		PARENT COMPANY	
SEK thousand	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012
Net revenue				
Germany	395,495	307,808	195,668	135,432
Austria	8,963	-	3,454	-
France	14,214	43,677	-	-
Belgium	36,961	38,525	36,961	38,525
The Netherlands	58,875	26,605	38,149	26,605
Italy	101,739	37,744	101,739	37,744
UK	209,793	10,015	-	-
Poland	182,277	20	3,899	-
Total net revenue	**1,008,317**	**464,394**	**379,870**	**238,306**

	GROUP		PARENT COMPANY	
SEK thousand	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012
Gross cash collections				
Germany	649,004	555,441	449,177	383,065
Austria	18,540	-	13,031	-
France	99,560	105,320	-	-
Belgium	107,789	59,618	107,789	59,618
The Netherlands	131,466	85,193	90,392	85,193
Italy	212,974	50,219	212,974	50,219
UK	250,267	31,499	-	-
Poland	171,407	20	2,454	-
Total gross cash collections	**1,641,007**	**887,310**	**875,817**	**578,095**

	GROUP		PARENT COMPANY	
SEK thousand	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012
Changes in carrying value of acquired loan portfolios				
Germany	-253,509	-247,633	-253,509	-247,633
Austria	-9,577	-	-9,577	-
France	-85,346	-61,643	-	-
Belgium	-70,828	-21,093	-70,828	-21,093
The Netherlands	-72,591	-58,588	-52,243	-58,588
Italy	-111,235	-12,475	-111,235	-12,475
UK	-40,474	-21,484	-	-
Poland	10,870	-	1,445	-
Total changes in carrying value	**-632,690**	**-422,916**	**-495,947**	**-339,789**

NOTE 2 Net interest income

	GROUP		PARENT COMPANY	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Net revenue from acquired loan portfolios				
whereof amortised cost	738,582	143,494	171,547	22,727
whereof fair value	269,735	320,900	208,323	215,579
Interest income from acquired loan portfolios	**1,008,317**	**464,394**	**379,870**	**238,306**
Lending to credit institutions				
Interest income from banks	57,467	34,875	52,548	34,768
Interest-bearing securities	21,310	21,120	21,311	21,120
Interest derivatives	754	52,690	754	52,690
Loan receivables	76,209	39,541	76,209	39,552
Loan receivables from affiliated companies	2,828	3,564	80,788	31,354
Interest income	**158,568**	**151,790**	**231,610**	**179,484**
Interest expenses related to deposits from the public	-221,991	-151,033	-221,991	-151,033
Other interest expenses	-28,787	-29,570	-30,060	-30,229
Interest expenses	**-250,778**	**-180,603**	**-252,051**	**-181,262**
Net interest income	**916,107**	**435,581**	**359,429**	**236,528**

NOTE 3 Net result from financial transactions

	GROUP		PARENT COMPANY	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Foreign exchange gains/losses	12,418	-26,637	6,564	-22,864
Interest-bearing securities and other interest-related instruments	-4 257	-	-4 257	-
Other financial instruments	-12,742	-	-12 742	-
Total	**-4,581**	**-26,637**	**-10,435**	**-22,864**

NOTE 4 Other income

	GROUP		PARENT COMPANY	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Intra-Group income	102,381*	81,865*	27,583	12,873
Reversal of negative goodwill	-	62,731	-	-
Other	40,440	5,950	1,312	521
Total	**142,821**	**150,546**	**28,895**	**13,394**

*Refers to the parent company Hoist International AB (publ)

NOTE 5 Personnel expenses

	GROUP		PARENT COMPANY	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Salaries	-299,555	-177,901	-34,214	-21,927
Social security contributions	-50,914	-38,148	-8,514	-5,630
Pensions	-16,560	-8,523	-4,363	-3,016
Other staff-related expenses	-19,728	-9,706	-3,498	-2,167
Total	**-386,757**	**-234,278**	**-50,589**	**-32,740**

Additional information about employees and personnel expenses are provided in Notes 26 and 27.

NOTE 6 Other operating expenses

	GROUP		PARENT COMPANY	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Collection costs	-213,224	-89,971	-35,620	-23,732
Consultant fees	-84,760	-22,766	-37,381	-6,539
Group-internal consultancy fees	-139,972*	-104,636*	-79,845	-22,291
IT-related expenses	-20,121	-14,902	-2,187	-6,964
Expenses for premises	-28,383	-16,911	-1,111	-920
Travel expenses	-17,243	-11,094	-4,222	-2,807
VAT expenses	-42,660	-16,122	-39,935	-19,291
Bank expenses	-5,533	-2,891	-690	-901
Other costs**	-93,598	-38,764	-25,124	-30,529
Total	**-645,494**	**-318,057**	**-226,115**	**-113,975**

* Refers to the Parent Company, Hoist International AB (publ).
** SEK 68,510 thousand included in Other costs refers to the restructuring provision in the lewis group Ltd. Please, refer to Note 21.
Additional information on consultíng services in Notes 26 and 28.

NOTE 7 Shares and participations in joint venture

Shares and participations in joint venture relate to Hoist Kredit AB's (publ) holding in "BEST III" Sec Fund, which is a Polish closed-end fund for the purpose of individual portfolio acquisitions of non-performing loans. The initial investment was PLN 40m (SEK 90m) and the investment is consolidated according to the equity method.

	GROUP	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012
Opening balance	**180,843**	**123,869**
Acquisitions	12,891	25,102
Divestments	-24,588	-25,102
Profit for the year	19,924	52,494
Currency adjustments	3,160	4,480
Closing balance	**192,230**	**180,843**

	PARENT COMPANY	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012
Opening balance	**90,492**	**90,492**
Acquisitions	12,891	25,102
Divestments	-24,588	-25,102
Closing balance	**78,795**	**90,492**

The result from divestments in the Parent Company totalled SEK 16,481 thousand. The total profit from shares and participations in joint venture thus totals SEK 36,406 thousand (SEK 16,481 thousand + SEK 19,924 thousand). The total profit from shares and participations in joint ventures in 2012 was SEK 55,724 thousand.

	BEST III	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012
Assets		
Current assets	525,548	526,832
Total assets	**525,548**	**526,832**
Liabilities		
Long-term liabilities	117,394	33,974
Current liabilities	22,644	131,175
Total liabilities	**140,038**	**165,149**
Net assets	**385,510**	**361,683**
Income	156,571	157,331
Expenses	-82,915	-51,253
Profit for the year	**73,656**	**106,078**

There are no contingent liabilities pertaining to the Group's holding in this joint venture. Neither does this joint venture have any contingent liabilities.

NOTE 8 Dividends

On 30 September 2012, Hoist Kredit AB (publ) received a dividend of SEK 1,875 thousand from Hoist Finance SAS.

NOTE 9 Tax

The tax on the consolidated profit differs from the theoretical amount that would arise using the basic tax rate of the Parent Company as follows:

	GROUP		PARENT COMPANY	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Current tax expense				
Tax expense for the period	-50,162	-44,189	-21,091	-24,562
Tax adjustment pertaining to previous years	10,931	16,972	-959	-1,301
Total	**-39,232**	**-27,217**	**-22,050**	**-25,863**
Deferred tax expense/tax income				
Deferred tax income pertaining to the tax value in loss carry-forward capitalised during the year	14,350	34,260	-	-
Joint venture	-4,383	-9,908	-	-
Other	-5,641	-4,101	-2,117	-1,261
Total	**4,325**	**20,250**	**-2,117**	**-1,261**
Total reported tax expense	**-34,907**	**-6,967**	**-24,168**	**-27,124**

Deferred tax assets and deferred tax liabilities refer to the following:

	GROUP		PARENT COMPANY	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Loss carry-forward	52,100	45,009	-	-
Set-off	-	-19,944		
Other	5,206	3,575	1,121	533
Deferred tax assets	**57,306**	**28,640**	**1,121**	**533**
Joint venture	-24,328	-19,944	-	-
Set-off	-	19,944		
Other	-8,392	-1,026	-2,117	-
Deferred tax liabilities	**-32,720**	**-1,026**	**-2,117**	**-**

The deferred tax assets of the Group pertaining to loss carry-forwards are expected to be fully utilised during the next three years. Deferred tax assets are only reported as a tax loss carry-forward to the extent that a related tax advantage is likely to be realised.

Deferred tax assets and liabilities are offset to the extent there is a legal right to set-off current deferred tax assets against current deferred tax liabilities and when the deferred taxes relate to the same tax authority.

Unreported loss carry-forward total SEK 0 (SEK 10,119 thousand in 2012).

Tax loss carry-forward of SEK 82,595 thousand are due in 2012, SEK 131,614 thousand are due in 2016. Deferred tax assets pertaining to these loss carry-forward have been capitalised.

NOTE 10 Maturity analysis

31 December 2013

Group (SEK thousand)	Payable on demand	< 3 months	3-12 months	1-5 years	> 5 years	Without fixed maturity	Total
Assets							
Lending to credit institutions	3,707,766	213,433					3,921,199
Lending to the public		53,624	83,045	157,187	35,095		328,951
Bonds and other securities		136,462	259,326	876,889		25,000	1,297,677
Total assets with fixed maturities	**3,707,766**	**403 519**	**342,371**	**1,034,076**	**35,095**	**25,000**	**5,547,827**
Liabilities							
Deposits from the public							
- retail	6,947,240	721,593	897,835	959,130			9,525,798
- corporate	175,704						175,704
Issued bonds				665,680			665,680
Subordinated loans					329,231		329,231
Total liabilities with fixed maturities	**7,122,944**	**721,593**	**897,835**	**1,624,810**	**329,231**	**-**	**10,696,413**

31 December 2012

Group (SEK thousand)	Payable on demand	< 3 months	3-12 months	1-5 years	> 5 years	Without fixed maturity	Total
Assets							
Lending to credit institutions	2,032,431	209,829					2,242,260
Lending to the public		225,826		305,768			531,594
Bonds and other securities		326,975		405,697			732,672
Total assets with fixed maturities	**2,032,431**	**762,630**	**-**	**711,465**	**-**	**-**	**3,506,526**
Liabilities							
Deposits from the public							
- retail	5,997,649		100,224	78,014			6,175,887
- corporate	190,369						190,369
Total liabilities with fixed maturities	**6,188,018**	**-**	**100,224**	**78,014**	**-**	**-**	**6,366,256**
Subordinated loans						45,900	45,900
Total liabilities without fixed maturities						**45 900**	**45 900**

31 December 2013

Parent Company (SEK thousand)	Payable on demand	< 3 months	3-12 months	1-5 years	> 5 years	Without fixed maturity	Total
Assets							
Lending to credit institutions	3,368,990	213,433					3,582,423
Lending to the public		53,624	83,045	154,024	35,095		325,788
Bonds and other securities		136,462	259,326	876,889			1,272,677
Total assets with fixed maturities	**3,368,990**	**403,519**	**342,371**	**1,030,913**	**35,095**	**-**	**5,180,888**
Liabilities							
Deposits from the public							
- retail	6,947,240	721,593	897,835	959,130			9,525,798
- corporate	175,704						175,704
Issued bonds				665 680			665,680
Subordinated loans					329,231		329,231
Total liabilities with fixed maturities	**7,122,944**	**721,593**	**897,835**	**1,624,810**	**329,231**	**-**	**10,696,413**

NOTE 10 Maturity analysis

	31 December 2012						
Parent Company (SEK thousand)	**Payable on demand**	**< 3 months**	**3-12 months**	**1-5 years**	**> 5 years**	**Without fixed maturity**	**Total**
Assets							
Lending to credit institutions	1,733,948	209,829					1,943,777
Lending to the public		225,826		304,719			530,545
Bonds and other securities		326,975		405,697			732,672
Total assets with fixed maturities	**1,733,948**	**762,630**	**-**	**710,416**	**-**	**-**	**3,206,994**
Liabilities							
Deposits from the public							
- retail	5,997,649		100,224	78,014			6,175,887
- corporate	190,369						190,369
Total liabilities with fixed maturities	**6,188,018**	**-**	**100,224**	**78,014**	**-**	**-**	**6,366,256**
Subordinated loans						45,900	45,900
Total liabilities without fixed maturities						**45,900**	**45,900**

NOTE 11 Distribution of assets and liabilities by important currencies

	PARENT COMPANY				
	31 December 2013				
SEK thousand	**SEK**	**EUR**	**PLN**	**GBP**	**Total**
ASSETS					
Cash	-	1	-	-	1
Lending to credit institutions	3,371,805	201,513	2,395	6,710	3,582,423
Lending to the public	325,788	-	-	-	325,788
Bonds and other securities	1,272,677	-	-	-	1,272,677
Other assets	799,553	4,341,457	39,713	1,322,644	6,503,367
Total assets	**5,769,823**	**4,542,971**	**42,108**	**1,329,354**	**11,684,256**
LIABILITIES					
Deposits from the public	9,701,502	-	-	-	9,701,502
Provisions		100	-	-	100
Other liabilities	1,182,827	78,289	701	-	1,261,817
Total liabilities	**10,884,329**	**78,389**	**701**	**-**	**10,963,419**

	PARENT COMPANY				
	31 December 2012				
SEK thousand	**SEK**	**EUR**	**PLN**	**GBP**	**Total**
ASSETS					
Cash	-	0	-	-	0
Lending to credit institutions	1,885,144	53,657	703	4,273	1,943,777
Lending to the public	530,545	-	-	-	530,545
Bonds and other securities	732,672	-	-	-	732,672
Other assets	129,928	3,385,071	27,826	402,244	3,945,069
Total assets	**3,278,289**	**3,438,728**	**28,529**	**406,517**	**7,152,063**
LIABILITIES					
Deposits from the public	6,366,256	-	-	-	6,366,256
Provisions	-	97	-	-	97
Other liabilities	166,957	85,175	-	-	252,132
Total liabilities	**6,533,213**	**85,272**	**-**	**-**	**6,618,485**

NOTE 12 Acquired loan portfolios

This note refers to to the acquired loan portfolios that are wholly-owned and have fallen due

	GROUP		PARENT COMPANY	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Opening balance	3,363,907	2,363,389	2,393,361	1,893,983
Acquisitions	3,265,806	1,511,240	619,136	1,000,479
Divestments	-117,170	-	-	-
Translation differences	118,082	-87,806	29,572	-161,312
Changes in carrying value				
Based on opening balance forecast (amortisation)	-627,120	-415,981	-537,483	-358,867
Based on revised estimates (revaluation)	-5,570	-6,935	41,536	19,078
Carrying value	**5,997,935**	**3,363,907**	**2,546,122**	**2,393,361**
Changes in carrying value recognised in the income statement	**-632,690**	**-422,916**	**-495,947**	**-339,789**

Acquired loan portfolios

	Whereof fair value			
Opening balance	1,768,134	2,077,109	1,405,713	1,730,145
Acquisitions	-	-	-	-
Divestments	-	-	-	-
Translation differences	66,978	-76,697	53,250	-137,857
Changes in carrying value				
Based on opening balance forecast (amortisation)	-183,013	-206,657	-165,442	-184,081
Based on revised estimates (revaluation)	-45,038	-25,621	1,585	-2,494
Carrying value	**1,607,061**	**1,768,134**	**1,295,106**	**1,405,713**
Changes in carrying value recognised in the income statement	**-228,051**	**-232,278**	**-163,857**	**-186,575**

Information per geographical region	GROUP		PARENT COMPANY	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Carrying value per geographical region				
Germany	1,794,924	1,744,264	1,794,927	1,744,267
France	478,548	475,613	-	-
Belgium	190,252	153,196	190,252	153,196
The Netherlands	1,103,089	114,818	192,451	114,818
Italy	308,327	371,280	308,327	371,280
United Kingdom	1,312,769	383,629	-	-
Poland	778,645	121,107	28,784	9,800
Austria	31,381	-	31,381	-
Total carrying value	**5,997,935**	**3,363,907**	**2,546,122**	**2,393,361**

NOTE 12 Acquired loan portfolios

The Group acquires portfolios of financial assets primarily from banks, insurance companies and other companies and institutions. These claims are mostly unsecured consumer loans. These loan portfolios have been acquired at a significant discount relative to the capital claim corresponding to the discounted value of expected collections and fulfil the Group's required rate of return.

The valuation principle at market value is applied to portfolios that have been acquired prior to 1 July 2011 (SEK 1,607,061 thousand, 27 per cent) whereas portfolios acquired post that date (SEK 4,390,874 thousand, 73 per cent) are valued at amortised cost. For more information on applied accounting principles in accordance with the IFRS, please refer to the section "Accounting Principles".

Revaluations

The Group continuously monitors and evaluates its portfolio valuation methods to adequately track fluctuations in the value of the portfolios. The estimates concerning future collection have during the year been changed resulting in net revaluations of SEK -5,570 thousand. This deviation primarily relates to the lower expected collection volume in France. The amount is included in the changes in carrying value of SEK -632,690 thousand.

Portfolio overview

The portfolios consist of a large number of debtors with varying characteristics, such as payers, partial payers and non-payers. There is however a certain versatility within the debtor categories with non-payers becoming payers and vice versa. The Group divides its portfolios within different categories. These are defined as follows:

Countries: Countries where the seller of the portfolio and the debtors are located.

Age: Primary claims are purchased by the Group up to 180 days after termination by the seller, secondary between 180 and 720 days and tertiary claims after 720 days.

Asset class: The type of contract under which the claim against the debtor was originated.

Acquisition type: A spot portfolio is a one time purchase, while a forward flow portfolio is determined by monthly purchases on a continuous basis, where at the beginning a frame agreement is signed and deliveries under a defined pattern are purchased

The classification in primary, secondary and tertiary portfolios reflects the properties of the portfolios as of the date of the acquisition. When the portfolios are owned by the Group, the classification will take into account the increasing age.

Net collection forecast

The Group values its portfolios based on estimated future cash collections during the next ten years. Collection costs are monitored closely and forecast collection costs are based upon standard cost curves applied, taking into consideration collection in relation to the character and age of the claims. These curves are then applied for the calculation of the value for all portfolios. In cases where collection is outsourced, actual collection cost is applied.

The cash flow forecast is monitored continuously during the year and updated regularly based on, for instance, achieved collection results, agreements with debtors on instalment plans as well as macro economic information for each individual portfolio. Based on the updated forecasts, a new carrying value is calculated for the portfolios. The difference is accounted for either as an income or an expense in the income statement and specified in Note 1 (SEK -632 690 thousand).

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 book 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. Every month, the Group will look at the forward ten years' net collection forecasts for all portfolios and discount the forecasts. The portfolio forecast curve that is initially used for the purpose of the monthly 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 also applies a liquidity premium of 4 per cent, which results in an internal rate of return of 12 per cent. The discount period is 10 years, in accordance with market practice.

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:

NOTE 12 Acquired loan portfolios

	GROUP	
SEK thousand	31 December 2013	31 December 2012
Carrying value of acquired loan portfolios	**5,997,935**	**3,363,970**
In case the estimated cash flow over the forecast period is increased by 5 per cent, the carrying value would increase by	298,083	130,731
In case the estimated cash flow over the forecast period is decreased by 5 per cent, the carrying value would decrease by	-293,704	-130,769
Carrying value of portfolios acquired prior to 1 July 2011	**1,607,061**	**1,768,134**
In case the IRR would be decreased by 1 percentage unit, the carrying value would increase by	51,104	54,399
In case the IRR would be increased by 1 percentage unit, the carrying value would decrease by	-48,231	-51,408

NOTE 13 Bonds and other securities

	GROUP		PARENT COMPANY	
SEK thousand	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Issued by other borrowers	1,272,677	732,672	1,272,677	732,672
Financial assets available for sale				
Equity instruments at original acquisition cost	25,000	-	-	-
Total	**1,297,677**	**732,672**	**1,272,677**	**732,672**

All holdings consist of listed bonds and securites in SEK.
Shares recorded at acquisition cost do not have any quoted market prices. It has not been possible to calculate adequate fair value by using one valuation approach. Hoist holds the shares for strategic purposes and does not intend to divest them within near future. Please, refer to Note 30 for further information on credit quailty.

NOTE 14 Group companies

Hoist Kredit AB (publ), corporate registration number 556329-5699, with its registered office in Stockholm, is the Parent Company of the Group. The list of subsidiaries in the Group is provided below.

	Corporate registration number	Domicile	Shareholding, %
Swedish			
Konstruktur Development AB	556640-9941	Stockholm	100
Foreign			
Hoist B.V.	17216080	'S-Hertogenbosch	100
Hoist Finance SAS	444611453	Guyancourt	100
Hoist GmbH	HRB 7736	Duisburg	100
HECTOR Sicherheiten-Verwaltungs GmbH	HRB 74561	Duisburg	100
HECTOR Erwerbs GmbH*	HRB 84367	Duisburg	100
Hoist Immobilien GmbH**	HRB 78993	Eschborn	100
Hoist Aurora GmbH**	HRB 144400 B	Duisburg	100
Hoist Portfolio Holding Ltd	101438	St. Helier	100
Hoist Portfolio Holding 2 Ltd	111085	St. Helier	100
Hoist Poland SpZ.O.O.	284313	Warszawa	100
HOIST I NS FIZ***	RFI702	Warszawa	100
Hoist Kredit Ltd	7646691	London	100
Hoist Finance UK Ltd	8303007	London	100
Robinson Way Ltd	6976081	Manchester	100
C L Finance Ltd	01108021	London	100
the lewis group Ltd	SC127043	Glasgow	100

* Companies have been liquidated in 2013
** Companies have been merged with Hoist GmbH in 2013.
*** Polish sec fund

The percentage of the shareholding corresponds to the percentage of voting rights.
No credit institutions contained. Information concerning the number of shares in Group companies is available upon request.

NOTE 14 Group companies

Carrying value in Hoist Kredit AB (publ)		
SEK thousand	31 December 2013	31 December 2012
Konstruktur Development AB, Sweden	160,350	160,350
Hoist BV, Netherlands	708	708
Hoist SAS, France	7,183	7,183
Hoist GmbH, Germany	70,517	70,517
HECTOR Sicherheiten-Verwaltungs GmbH, Germany	0	0
HECTOR Erwerbs GmbH, Germany	-	0
Hoist Immobilien GmbH, Germany	-	0
Hoist Aurora GmbH, Germany	-	210
Hoist Portfolio Holding Ltd, Jersey	0	0
Hoist Poland SpZ.O.O. Poland	124	124
HOIST I NS FIZ, Poland	0	112,189
Hoist Kredit Ltd, United Kingdom	0	0
Hoist Finance UK Ltd, United Kingdom	64,263	11
Total book value	**303,145**	**351,292**
Accumulated acquisition value		
Opening balance	**408,343**	**136,226**
Acquired shares and participations	-	272,117
Divested shares and participations	-112,399	-
Closing balance	**295,944**	**408,343**
Accumulated write-ups/write-downs		
Opening balance	**-57,051**	**0**
Write-ups	64,253	
Write-downs		-57,051
Closing balance	**7,201**	**-57,051**
Closing balance	**303,145**	**351,292**

Divestitures in the 2013 financial year refer to the divested shares and participations in Hoist I NS FIZ. Hoist Immobilien GmbH and Hoist Aurora GmbH have been merged with Hoist GmbH. The shares in Hoist Finance UK Ltd have been revalued.

Acquisitions of operations

the lewis group Ltd

On 8 August 2013, Hoist Finance acquired 100 per cent of the share capital in the lewis group Ltd. The lewis group Ltd is a Leeds-based debt collection company operating in the UK. The acquisition, together with the successful purchase of Robinson Way in late 2012, represents a strategically important step into the sizeable and growing UK market.

The consideration that was paid in connection with the closing of the transaction totalled SEK 743,501 thousand. The portfolio value at acquisition totalled SEK 735,959 thousand and the remaining capital claim was SEK 12,261,868 thousand.

Net assets of the acquired company as at the acquisition date

SEK thousand	
Intangible fixed assets	1,933
Tangible fixed assets	9,794
Accounts receivable and other receivables	752,022
Cash and cash equivalents	63,930
Accounts payable and other liabilities	-84,398
Total identifiable net assets	**743,281**

The acquisition balance sheet includes net assets of SEK 743,281 thousand. The difference between the purchase price and the net assets has been expensed directly in the consolidated income statement.

Acquisition-related costs of SEK 17,644 thousand are included in the general administrative expenses in the consolidated income statement for the financial year. SEK 3,604 thousand out of these relate to stamp duties in connection with the acquisition.

The acquired company is consolidated starting as from August 2013 and has contributed to the Group's revenue by SEK 197,481 thousand and to the operating profit by SEK 11,423 thousand. The operating profit includes a provision to a restructuring reserve of SEK 68,196 thousand.

Cash and cash equivalents of SEK 63,930 thousand were included in the consideration. The cash flow-affecting value of the acquisition was SEK -679,571 thousand (-743,501+63,930).

The revenue of the lewis group for the financial year 2013 totalled SEK 238,193 thousand. If the transaction had not taken place, the profit for the same period would have been SEK 14,286 thousand excluding extraordinary items.

Robinson Way Ltd

On 9 November 2012, Hoist Kredit AB (publ) acquired 100 per cent of the share capital of Robinson Way Ltd. Robinson Way Ltd. is a debt collection company that operates in the United Kingdom. As a result of the acquisition, the Group will increase its existing operation in the United Kingdom.

Following the acquisition of Robinson Way Ltd, the portfolio was sold to Hoist Portfolio Holding 2 Ltd at market value and the remaining assets were acquired for GBP 1. In connection with the acquisition, an allocation was made to a restructuring reserve. The allocation refers to the costs associated with staff reductions in Robinson Way Ltd. The original allocation amounted to SEK 16,368

NOTE 14 Group companies

thousand and the remaining amount as of 31 December 2013 was SEK 11,912 thousand. See Note 21. Net assets less the allocation for restructuring cost amount to SEK 64,159 thousand in the acquisition balance sheet. The acquisition has consequently resulted in a negative goodwill that has been directly reported as income in the consolidated income statement.

Acquisition-related costs of SEK 6,175 thousand are included in the administrative expenses in the consolidated income statement for the 2012 financial year.

The revenue from Robinson Way Ltd that is included in the consolidated income statement since 9 November 2012 totals SEK 13,976 thousand. The profit for Robinson Way Ltd for the same period totalled SEK -253 thousand. The revenues for Robinson Way Ltd for the 2012 financial year totalled SEK 211,533 TSEK. The profit for the same period totalled SEK 28,531 thousand.

Reported amounts for identifiable acquired assets and assumed liabilities

SEK thousand	
Cash and cash equivalents	23,394
Receivables from Group companies	34,424
Tangible fixed assets	858
Intangible fixed assets	1,705
Deferred tax assets	228
Accounts receivable and other short-term receivables	48,821
Restructuring reserve	-15,671
Accounts payable and other short-term liabilities	-29,600
Total identifiable net assets	**64,159**

NOTE 15 Intangible fixed assets

	GROUP		PARENT COMPANY	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Goodwill				
Acquisition cost, opening balance	53,393	55,569	-	-
Translation differences	844	-2,176	-	-
Acquisition cost, closing balance	**54,237**	**53 393**	**-**	**-**
Accumulated depreciation, opening balance	-53,393	-14,782	-	-
Impairment for the year	-	-39,260	-	-
Translation differences	-844	649	-	-
Accumulated impairments, closing balance	**-54,237**	**-53,393**	**-**	**-**
Carrying value	**0**	**0**	**-**	**-**
Licences and software				
Acquisition cost, opening balance	50,235	33,918	15,854	5,857
Investments	22,023	13,693	14,289	10,037
Investments, acquired companies	6,465	3,817	-	-
Disposals	-2,097	-	-	-
Translation differences	1,614	-1,193	51	-40
Acquisition cost, closing balance	**78,240**	**50,235**	**30,194**	**15,854**
Accumulated depreciation, opening balance	-32,432	-22,956	-5,953	-1,143
Accumulated depreciation, acquired companies - opening balance	-4,438	-2,108	-	-
Depreciation for the year	-7,085	-8,289	-3,103	-4,844
Translation differences	-1,136	921	-43	34
Accumulated depreciation closing balance	**-45,091**	**-32,432**	**-9,099**	**-5,953**
Carrying value	**33,149**	**17,803**	**21,095**	**9,901**

* Acquired companies for the 2013 financial year refer to the lewis group Ltd. Acquired companies for the 2012financial year refer Robinson Way Ltd.

Impairment test for goodwill

In 2012 the Group evaluated its goodwill item with an impairment test. This was identified to be related to the cash generating unit Hoist SAS in France. The management has, based on past performance and business plans for the next five years, estimated the expected cash flows of the cash generating unit. The discount rate represents the minimum equity return requirements of the Group in the relevant business activity

The following cash generating unit has been tested for impairment:

Hoist Finance SAS

The French business has been tested with regards to the part of the cash generating unit of the Hoist Group operations that manages non-performing loans in France and the entity that services the French portfolios.

Term: 10-year dividend model with terminal value after year 10.
Tax rate: Swedish.
Growth: The expected growth and margins are governed by the business plan and budget for the particular entity.
Impairment: Goodwill has been fully impaired.

The French operations have not performed in line with the expectations that were valid at the time of the acquisition. Collections from receivables portfolios have been lower than expected and costs have been higher. The expected collection forecast has therefore been revised downwards and the carrying value of the portfolio has been fully impaired.

NOTE 16 Tangible fixed assets

	GROUP		PARENT COMPANY	
SEK thousand	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Machinery				
Acquisition cost, opening balance	26,803	31,081	-	-
Divestments	-24,954	-	-	-
Translation differences	-1,849	-4,278	-	-
Acquisition cost, closing balance	**0**	**26,803**	**-**	**-**
Accumulated depreciation, opening balance	-3,350	-2,313	-	-
Divestments	6,580	-	-	-
Depreciation for the year	-3,227	-1,134	-	-
Translation differences	-3	97	-	-
Accumulated depreciation closing balance	**0**	**-3,350**	**-**	**-**
Carrying value	**0**	**23,453**	**-**	**-**
Equipment				
Acquisition cost, opening balance	52,329	48,988	2,124	2,169
Investments	10,330	2,844	338	35
Investments, acquired companies	27,368	2,382	-	-
Divestments and disposals	-1,214	-	-	-
Translation differences	2,870	-1,885	92	-80
Acquisition cost, closing balance	**91,683**	**52,329**	**2,554**	**2,124**
Accumulated depreciation, opening balance	-34,821	-30,455	-1,190	-955
Accumulated depreciation, acquired companies - opening balance	-17,095	-1,682	-	-
Depreciation for the year	-6,025	-3,880	-229	-273
Translation differences	-1,498	1,196	-54	38
Accumulated depreciation closing balance	**-59,439**	**-34,821**	**-1,473**	**-1,190**
Carrying value	**32,244**	**17,508**	**1,081**	**934**
Tangible fixed assets	**32,244**	**40,961**	**1,081**	**934**

NOTE 17 Other assets

	GROUP		PARENT COMPANY	
SEK thousand	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Long-term financial assets	278	251	278	251
Long-term receivables	1,397	2,387	0	0
Derivatives*	25,951	3,655	25,951	3,655
Accounts receivable	29,585	21,543	3,270	2
Short-term receivables	28,416	23,945	16,810	16,215
VAT receivables	9,201	4,218	432	0
Short-term tax receivables	9,128	4,384	4,711	2,316
Total	**103,956**	**60,383**	**51,452**	**22,439**

*Note 30

NOTE 18 Deposits from the public

SEK thousand	GROUP/PARENT COMPANY 31 December 2013	31 December 2012
Retail	9,525,798	6,175,887
Corporate	175,704	190,369
Total	**9,701,502**	**6,366,256**

All deposits are denominated in Swedish kronor and payable upon request. There is however a fee on early withdrawals from term deposits.

NOTE 19 Other liabilities

	GROUP		PARENT COMPANY	
SEK thousand	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Accounts payable	49,894	22,178	25,624	7,326
Portfolio acquisitions	5,212	9,544	4,472	9,544
Liabilities from service billing	21,690	23,248	-	-
Derivatives*	16,329	6,681	16,329	6,681
Employee witholding taxes	9,586	7,482	612	196
VAT liabilities	10,680	8,952	4,677	3,788
Liabilities to Group companies	44,350**	145,756**	95,076	105,005
Other	111,582	64,205	52,159	43,505
Total	**269,323**	**288,046**	**198,949**	**176,045**

* Note 30

** Relate to Hoist International AB (publ)

NOTE 20 Accrued expenses and prepaid income

	GROUP		PARENT COMPANY	
SEK thousand	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Accrued personnel expenses	12,003	8,293	9,839	7,108
Accrued bonus expenses	12,191	2,046	2,703	2,046
Unallocated income	17,419	-	-	-
Accrued interest expenses	22,636	-	22,636	-
Accrued consultancy fees	10,731	1,758	3,350	-
Other accrued expenses	14,305	13,399	3,518	3,887
Total	**89,285**	**25,496**	**42,046**	**13,041**

NOTE 21 Provisions

	Retirement benefits		Restructuring reserve		Other provisions		GROUP	
SEK thousand	1 Jan-31 Dec 2013	1 Jan-31 Dec 2012	1 Jan-31 Dec 2013	1 Jan-31 Dec 2012	1 Jan-31 Dec 2013	1 Jan-31 Dec 2012	1 Jan-31 Dec 2013	1 Jan-31 Dec 2012
Opening balance	**19,199**	**17,527**	**11,912**	**0**	**1,194**	**2,890**	**32,305**	**20,417**
Provision	2,683		68,510	16,368	963	1,194	72,156	17,561
Amount released			-14,457	-4,456		-2,890	-14,457	-7,346
Changes in value	4,552	1,672					4,552	1,672
Other changes					4		4	0
Closing balance	**26,434**	**19,199**	**65,965**	**11,912**	**2,161**	**1,194**	**94,560**	**32,305**

Retirement benefits

The Group has defined pension schemes in Hoist GmbH and Hoist Immobilien GmbH, based on the pensionable remuneration and the length of employee service. Retirement benefit obligations are determined using the so-called "Projected Unit Credit Method", whereby current pensions and vested rights as well as future increases in these parameters are included in the valuation.

Restructuring

The allocation for restructuring reserve in 2012 refers to the cost for staff reductions at Robinson Way Ltd. The original allocation was SEK 16,368 thousand, As at 31 December 2013, the remaining amount was SEK 1,467 thousand. It is expected that the amount will be used in 2014. No additional provisions nor reversals are planned.

The restructuring reserve for 2013 refers to the cost for staff reductions at the lewis group Ltd. The original allocation was SEK 68,510 thousand. As at 31 December 2013, the remaining amount was SEK 64,496 thousand. It is expected that the amount will be used in 2014. No additional provisions nor reversals are planned.

NOTE 22 Subordinated loans

	GROUP/PARENT COMPANY	
SEK thousand	31 Dec 2013	31 Dec 2012
Subordinated loan	-	45,900
Subordinated bond loan	329,231	-
Total	**329,231**	**45,900**

In 2013 Hoist Kredit AB (publ) issued a ten-year subordinated bond (nominal amount of SEK 350,000 thousand), with maturity date on 27 September 2023. The subordinated loan is included in the capital base as Tier 2 capital. It can be redeemed at the earliest on 27 September 2018. The annual interest rate is 12 per cent.

The subordinated bond is per definition a subordinated loan and may be redeemed provided that Hoist decides on premature redemption or that a "capital event" has taken place. Hoist Kredit AB (publ) redeems the nominal amount (including any accrued interest) for all outstanding bonds for the loan as of maturity date.

The cost for the subordinated loan (subordinated debenture) is 12 per cent (annual interest rate).

The subordinated loan from 2012 referred to a loan to Hoist International AB (publ).

NOTE 23 Shareholders' equity

Restricted equity

Share capital. According to the articles of association of Hoist Kredit AB (publ), the share capital shall total in minimum SEK 50,000 thousand and in maximum SEK 200,000 thousand. As at 31 December 2013, the number of shares was 500,000. All shares are fully paid and entitle to the same share in the Company's assets and profit. No shares are blocked for transfer.

Capital reserves are restricted equity and may not be reduced through dividends.

Unrestricted equity

Translation reserve includes all currency translation differences that arise as a result of the translation of foreign operations.

Other contributed equity relates to equity, other than share capital, that has been contributed by the shareholders. Hoist Kredit AB (publ) issued perpetual convertible bonds in 2012 and 2013 (total nominal amount of SEK 200,000 thousand). The convertible bonds are a Tier 1 capital contribution with the right to convert to shares (as referred to in Companies Act 2005:551), and are subordinated to all current and future contributors, creditors and all subordinated debt of Hoist Kredit AB (publ). The convertible bonds have a 15 per cent annual interest rate until the date of conversion provided the Company decides on payment of interest. The conversion takes place given that (1) the holder of the convertible bond chooses to call for conversion, (2) Hoist Kredit AB (publ) or the Swedish Financial Supervisory Authority (Finansinspektionen) require conversion to cover losses.

Retained earnings including profit for the year consist of earned profits in the Parent Company, subsidiaries and joint venture.

NOTE 24 Pledged assets

	GROUP/PARENT COMPANY	
SEK thousand	31 Dec 2013	31 Dec 2012
Pledged assets	5,724	5,515
Total	**5,724**	**5,515**

The amount relates to pledged assets (in the form of cash) for the benefit of Deutsche Bank, to be able to meet possible reimbursements of deposits from the public.

NOTE 25 Average number of employees

	Jan–Dec 2013			Jan–Dec 2012		
	Men	Women	Total	Men	Women	Total
Sweden	8	8	16	5	5	10
Germany	91	189	280	83	163	246
France	29	58	87	34	56	90
Belgium	7	6	13	5	6	11
The Netherlands	6	4	10	5	4	9
The UK	146	160	306	21	17	38
Total Group	**287**	**425**	**712**	**153**	**251**	**404**
Whereof Parent Company	**21**	**18**	**39**	**15**	**15**	**30**

The average number of employees refers to Full Time Equivalent Employees (FTEs). The Group also has consultants engaged. The number varies throughout the year depending on the needs of the Group.

As at 31 December 2013, the Group had 967 employees, corresponding to 881 FTEs (as at 31 December 2012, the number of employees in the Group was 651, corresponding to 595 FTEs).

The significant difference between the average number of employees and the number of employees ultimo 2013 relates to the acquisition of he lewis group Ltd. in August. As of the day of acquisition, the lewis group Ltd. had 342 employees, corresponding to 309 FTEs.

NOTE 26 Salaries and other remunerations

	GROUP		
SEK thousand	Jan–Dec 2013		
Remunerations to Members of the Board	**Salaries**	**Other remunerations**	**Pension**
Jörgen Olsson	4,494	-	1,050
Erik Fällström	-	2,333	-
Mikael Wirén	1,225	-	490
Achim Prior	-	625	-
Per-Eric Skotthag	550	-	-
Total	**6,269**	**2,958**	**1,540**

	GROUP		
SEK thousand	Jan-Dec 2012		
Remunerations to Members of the Board	**Salaries**	**Other remunerations**	**Pension**
Jörgen Olsson	2,979	-	872
Mikael Wirén	1,000	-	-
Achim Prior	-	431	-
Per-Eric Skotthag	620	-	-
Total	**4,599**	**431**	**872**

In 2013, social security costs to Members of the Board amounted to SEK 2,403 thousand (SEK 1,445 thousand 2012).

NOTE 26 Salaries and other remunerations

SEK thousand	GROUP 1 Jan–31 Dec 2013	GROUP 1 Jan–31 Dec 2012
Salaries for other employees not included in the category above	301,014	178,904
Social security costs for employees not included in the category above	65,070	45,225
of which pension costs	15,020	7,651
Total	**366,084**	**224,130**

PARENT COMPANY

SEK thousand	1 Jan–31 Dec 2013		
Remunerations to Members of the Board	**Salaries**	**Other remunera-tions**	**Pension**
Jörgen Olsson	4,494	-	1,050
Mikael Wirén	1,225	-	490
Achim Prior	-	625	
Per-Eric Skotthag	550		
Total	**6,269**	**625**	**1,540**

PARENT COMPANY

SEK thousand	1 Jan–31 Dec 2012		
Remunerations to Members of the Board	**Salaries**	**Other remunera-tions**	**Pension**
Jörgen Olsson	2,979	-	872
Mikael Wirén	1,000	-	-
Achim Prior	-	431	-
Per-Eric Skotthag	620	-	-
Total	**4,599**	**431**	**872**

SEK thousand	PARENT COMPANY 1 Jan–31 Dec 2013	PARENT COMPANY 1 Jan–31 Dec 2012
Salaries for other employees not included in the category above	29,711	18,944
Social security costs for employees not included in the category above	10,474	7,201
of which pension costs	2,823	2,145
Total	**40,185**	**26,145**

In 2013, social security costs to Members of the Board totalled SEK 2,403 thousand (SEK 1,445 thousand in 2012).

The members of the Board have received remuneration both in the form of salaries and consultancy fees.
Information concerning remunerations that is to be provided at least once a year according to the regulations and general guidelines issued by the Swedish FSA concerning publishing information on capital adequacy and risk management (FFFS 2007:5), is provided on Hoist Finance's web (www.hoistfinance.com).

NOTE 27 Fees to auditors

SEK thousand	GROUP 31 Dec 2013	GROUP 31 Dec 2012	PARENT COMPANY 31 Dec 2013	PARENT COMPANY 31 Dec 2012
Audit assignments	-6,361	-	-3,932	-
Audit-related assignments	-	-	-	-
Tax services	-338	-	-	-
Other non-audit-related assignments	-	-	-	-
KPMG	**-6,699**	**-**	**-3,932**	**-**
Audit assignments	-215	-2,089	-415	-
Audit-related assignments	-	-428	-	-
Tax services	-95	-780	-	-
Other non-audit-related assignments	-35	-	-35	-
Other accounting firms	**-345**	**-3,297**	**-450**	**-**
Total	**-7,044**	**-3,297**	**-4,382**	**-**

In 2013 the Group changed its accounting firm from PwC to KPMG. The costs according to the above are included in the consultancy fees in Note 6.

NOTE 28 Contingent liabilities

Forward Flow agreements
From forward flow agreements with financial institutions there are contractual arrangements to purchase receivables portfolios on an ongoing basis. The Group estimates the amount of these contractual agreement for the next year to SEK 270,615 thousand (SEK 163,958 thousand for 2013).

Leasing agreements
The Group leases offices, IT hardware and vehicles under non-cancellable operating lease agreements.

	GROUP	
SEK thousand	31 Dec 2013	31 Dec 2012
Obligations for rental payments on non-cancellable leases		
Within 1 year	21,739	13,082
Year 1–5	40,586	33,249
Year 5 and thereafter	1,684	8,406
Total	**64,009**	**54,737**

	PARENT COMPANY	
SEK thousand	31 Dec 2013	31 Dec 2012
Obligations for rental payments on non-cancellable leases		
Within 1 year	422	-
Year 1–5	2,049	1,781
Year 5 and thereafter	-	-
Total	**2,471**	**1,781**

The main part of the leasing contracts is related to:

- Equipment, furniture and rented premises: 2 to 5 years
- IT hardware: 2 to 3 years
- Vehicles: 3 years

In 2013 lease expenses in the Group totalled SEK 19,219 thousand (SEK 9,853 thousand in 2012). The corresponding figure for the Parent Company was SEK 2,106 thousand (SEK 1,849 thousand).

Other commitments

The Parent Company has commitments of SEK 1,013 thousand (1,366) related to the rental agreement for its subsidiary, Hoist Kredit Ltd.

The Parent Company has issued indemnities covering certain specific obligations in the subsidiaries Hoist Portfolio Holding Ltd, 101438 and Hoist Portfolio Holding 2 Ltd, 111085.

NOTE 29 Financial instruments

GROUP, 31 DECEMBER 2013							
	Assets at fair value through profit or loss		Loans and receivables	Financial assets available for sale	Other liabilities	Total carrying value	Fair value
SEK thousand	Traded	Identified					
Cash			197			197	197
Lending to credit institutions			3,921,199			3,921,199	3,921,199
Lending to the public			328,951			328,951	328,951
Acquired loan portfolios							
- of which at fair value		1,607,061				1,607,061	1,607,061
- of which at amortised cost			4,390,874			4,390,874	4,532,981
Receivables from Group companies			85,158			85,158	85,158
Bonds and other securities		1,272,677		25,000		1,297,677	1,272,677
Derivatives*	25,951					25,951	25,951
Other financial assets			76,608			76,608	76,608
Total	**25,951**	**2,879,738**	**8,802,987**	**25,000**	**-**	**11,733,676**	**11,875,783**
Deposits from the public					9,701,502	9,701,502	9,701,502
Portfolio acquisitions					5,212	5,212	5,212
Derivatives*					16,329	16,329	16,329
Senior unsecured loans					665,680	665,680	676,000
Subordinated loans					329,231	329,231	381,500
Other financial assets					269,323	269,323	269,323
Total					**10,987,277**	**10,987,277**	**11,049,866**

*See note 30

NOTE 29 Financial instruments

GROUP, 31 DECEMBER 2012

	Assets at fair value through profit or loss		Loans and receivables	Financial assets available for sale	Other liabilities	Total carrying value	Fair value
SEK thousand	Traded	Identified					
Cash			140			140	140
Lending to credit institutions			2,242,260			2,242,260	2,242,260
Lending to the public			531,594			531,594	531,594
Acquired loan portfolios							
- of which at fair value		1,768,134				1,768,134	1,768,134
- of which at amortised cost			1,595,773			1,595,773	1,595,773
Receivables from Group companies			207,539			207,539	207,539
Bonds and other securities		732,672				732,672	732,672
Derivatives*	3,655					3,655	3,655
Other financial assets			54,341			54,341	54,341
Total	**3,655**	**2,500,806**	**4,631,647**	**-**	**-**	**7,136,108**	**7,136,108**
Deposits from the public					6,366,256	6,366,256	6,366,256
Portfolio acquisitions					9,544	9,544	9,544
Derivatives*					6,681	6,681	6,681
Subordinated loans					45,900	45,900	45,900
Other financial assets					288,046	288,046	288,046
Total					**6,716,427**	**6,716,427**	**6,716,427**

*See note 30

PARENT COMPANY, 31 DECEMBER 2013

	Assets at fair value through profit or loss		Loans and receivables	Other liabilities	Total carrying value	Fair value
SEK thousand	Traded	Identified				
Cash			1		1	1
Lending to credit institutions			3,582,423		3,582,423	3,582,423
Lending to the public			325,788		325,788	325,788
Acquired loan portfolios						
- of which at fair value		1,295,106			1,295,106	1,295,106
- of which at amortised cost			1,251,016		1,251,016	1,384,249
Receivables from Group companies			3,493,834		3,493,834	3,493,834
Bonds and other securities		1,272,677			1,272,677	1,272,677
Derivatives*	25,951				25,951	25,951
Other financial assets			25,500		25,500	25,500
Total	**25,951**	**2,567,783**	**8,678,562**	**-**	**11,272,296**	**11,405,529**
Deposits from the public				9,701,502	9,701,502	9,701,502
Portfolio acquisitions				4,472	4,472	4,472
Derivatives*				16,329	16,329	16,329
Senior unsecured loans				665,680	665,680	676,000
Subordinated loans				329,231	329,231	381,500
Other financial assets				198,949	198,949	198,949
Total				**10,916,163**	**10,916,163**	**10,978,752**

*See note 30

NOTE 29 Financial instruments

PARENT COMPANY, 31 DECEMBER 2012

SEK thousand	Assets at fair value through profit or loss – Traded	Assets at fair value through profit or loss – Identified	Loans and receivables	Other liabilities	Total carrying value	Fair value
Lending to credit institutions			1,943,777		1,943,777	1,943,777
Lending to the public			530,545		530,545	530,545
Acquired loan portfolios						
- of which at fair value		1,405,713			1,405,713	1,405,713
- of which at amortised cost			987,648		987,648	987,648
Receivables from Group companies			1,074,359		1,074,359	1,074,359
Bonds and other securities		732,672			732,672	732,672
Derivatives*	3,655				3,655	3,655
Other financial assets			18,784		18,784	18,784
Total	**3,655**	**2,138,385**	**4,555,113**	**-**	**6,697,153**	**6,697,153**
Deposits from the public				6,366,256	6,366,256	6,366,256
Portfolio acquisitions				9,544	9,544	9,544
Derivatives*				6,681	6,681	6,681
Subordinated loans				45,900	45,900	45,900
Other financial assets				176,045	176,045	176,045
Total				**6,604,426**	**6,604,426**	**6,604,426**

*See note 30

Fair value measurements

Group

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:

Level1) Quoted prices (unadjusted) in active markets for identical assetsor 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:

GROUP, 31 DECEMBER 2013

SEK thousand	Level 1	Level 2	Level 3	Total
Acquired loan portfolios				
- of which at fair value	-	-	1,607,061	1,607,061
- of which at amortised cost	-	-	4,532,981	4,532,981
Bonds and other interest-bearing securities	1,272,677	-	-	1,272,677
Derivatives	-	25,951	-	25,951
Total assets	**1,272,677**	**25,951**	**6,140,042**	**7,438,670**
Derivatives	-	16,329	-	16,329
Senior unsecured loans	-	676,000	-	676,000
Subordinated loans	-	381,500	-	381,500
Total liabilities	**-**	**1,073,829**	**-**	**1,073,829**

NOTE 29 Financial instruments

	GROUP, 31 DECEMBER 2012			
SEK thousand	Level 1	Level 2	Level 3	Total
Acquired loan portfolios				
- of which at fair value	-	-	1,768,134	1,768,134
- of which at amortised cost	-	-	1,595,773	1,595,773
Bonds and other interest-bearing securities	732,672	-	-	732,672
Derivatives	-	3,655	-	3,655
Total assets	**732,672**	**3,655**	**3 363 907**	**4,100,234**
Derivatives	-	6,681	-	6,681
Subordinated loans	-	45,900	-	45,900
Total liabilities	**-**	**52,581**	**-**	**52 581**

	PARENT COMPANY, 31 DECEMBER 2013			
SEK thousand	Level 1	Level 2	Level 3	Total
Acquired loan portfolios				
- of which at fair value	-	-	1,295,106	1,295,106
- of which at amortised cost	-	-	1,384,249	1,384,249
Bonds and other interest-bearing securities	1,272,677	-	-	1,272,677
Derivatives	-	25,951	-	25,951
Total assets	**1,272,677**	**25,951**	**2,679,355**	**3,977,983**
Derivatives	-	16,329	-	16,329
Senior unsecured loans	-	676,000	-	676,000
Subordinated loans	-	381,500	-	381,500
Total liabilities	**-**	**1,073,829**	**-**	**1,073,829**

	PARENT COMPANY, 31 DECEMBER 2012			
SEK thousand	Level 1	Level 2	Level 3	Total
Acquired loan portfolios				
- of which at fair value	-	-	1,405,713	1,405,713
- of which at amortised cost	-	-	987,648	987,648
Bonds and other interest-bearing securities	732,672	-	-	732,672
Derivatives	-	3,655	-	3,655
Total assets	**732,672**	**3,655**	**2,393,361**	**3,129,688**
Derivatives	-	6,681	-	6,681
Subordinated loans	-	45,900	-	45,900
Total liabilities	**-**	**52,581**	**-**	**52,581**

The valuation technique for the acquired loan portfolios, important indata as well as valuation sensitivity for changes in material indata are described in the accounting principles and in Note 12.

The derivatives used for hedging, refer to Note 30, 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 observations are available, the fair value is determined at arithmetic mean of the market quotes.

The carrying values of accounts receivable and accounts payable are assumed to be approximations of fair value. Fair value of short-term loans corresponds to their carrying value since the discount effect is not material.

NOTE 30 Derivative instruments

The Group continuously hedges its assets denominated in foreign currencies. As at 31 December 2013, the Group had exposures in EUR, GBP and PLN, all of which are hedged using currency swaps. All outstanding derivatives are valued at fair value and gains/losses are continuously accounted for in the income statement for each annual statement.

	GROUP			
SEK thousand	31 December 2013		31 December 2012	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	-	16,329	-	3,340
Foreign exchange forward agreements – fair value	25,951	-	3,655	3,341
Total	**25,951**	**16,329**	**3,655**	**6,681**

As at 31 December, all foreign exchagen forward agreements had a remaining maturity of less than one month. The interest rate swap hade a remaining maturity of 15 months.

NOTE 31 Financial risks and financial policy

Introduction

The financial risks that originate from the Group's operations relate primarily to the Group's assets and liabilities in different currencies as well as the payment capacity of its debtors. The financial risks are however mitigated by a historically strong and predictable cash flow combined with extensive use of derivative instruments in order to mitigate FX risks. The Group's financing and financial risks are managed in the Group in accordance with the Financial Policy that has been adopted by the Board of Directors. The Financial Policy contains rules for the handling of the financial operations, the distribution of responsibilities, the measurement and identification of financial risks as well as the mitigation of these risks. The internal and external financing operations are concentrated to the Group's financing function (Group Treasury) in Stockholm, Sweden, which facilitates economies of scale within pricing of financial transactions. The financing function also allows to utilise temporary surpluses and deficits within the Group, which reduces the Group's aggregate interest cost.

Risk Management ensures compliance with internal and external Risk Management regulations, such as the Basel framework. Strong emphasises placed on reporting risk to the relevant interested parties in a clear and meaningful manner. Risks within the Group are handled according to set policies and instructions. On a regular basis, all material risks shall be reported to Management and the Board of Directors. Deviations shall be reported to the CEO and the Board of Directors.

Risks shall be estimated and compared to the expected revenue to the extent it is economically justifiable. After the Group's risk profile has been defined, it should be assessed and appraised. The assessment and appraisal include the following steps:

1) Assessment of each risk category
Each risk category defined must be individually assessed. The risk assessment must be documented and always result in a qualitative assessment of the risk, but also in a quantifiable amount when possible.

2) Stress testing: Assessment of unforeseen events
Unforeseen events must be defined, which should take into consideration exceptional, but possible, events. These events may be designated "stress test events" and their consequences should be simulated and documented. The results of the simulations should be reviewed against the Group's capital. The unforeseen events may be based on historical experience or hypothetical scenarios.

3) Assessment of how risks are mitigated and controlled
Although all risks cannot be quantified, an analysis should be prepared that describes how the risks are mitigated and controlled. Assessment of the effects of actions by Management may also be simulated in connection with this assessment, where for instance, the effects of stress test events may be revised in light of realistic possible actions by Management.

The risks that the Group has identified as relevant for its business are the following: (i) Credit Risk, (ii) Counterparty Risk, (iii) Operational Risk, (iv) Market Risk (Foreign Exchange Risk and Interest Rate Risk) and (v) Liquidity Risk.

Credit risk

Credit Risk is the risk of a negative impact to earnings and capital arising from a debtor's failure to repay principal or interest at the stipulated time or other failure to perform as agreed.

Credit Risk on the Group's balance sheet relates mostly to:
- Portfolios of consumer loans;
- Cash deposits with banks;
- Bonds and other interest-bearing securities; and
- Derivatives transactions entered into with banks for the purpose of hedging the Group's FX and interest rate exposure.

The overdue loans are acquired in portfolios at prices that typically vary from less than 1 per cent to 35 per cent of the face value (principal amount) outstanding at the time of acquisition. The price depends on the specific characteristics and composition of the portfolios with respect to, for instance, the size, age, and type of the receivables, as well as the age, location and type of debtors, and a number of other factors. The Credit Risk is that the Group overpays for a portfolio and recovers less from the portfolio than expected, ultimately leading to higher than expected impairments of portfolio carrying values. The total Credit Risk is equal to the fair value of the assets. The majority of the loans are unsecured. However, a limited number of portfolios have properties as collateral. These portfolios had a carrying value of SEK 71 million. Information concerning the geographical distribution of portfolios, the analysis of the opening and closing balance and other portfolio-related information is contained in Note 12. Hoist Finance does not disclose any age analysis of the overdue loans. This information is considered irrelevant as most of Hoist Finance's portfolios are overdue. A more important

NOTE 31 Financial risks and financial policy

Expected cash flow from the Group's acquired loan portfolios as at 31 December 2013

SEK thousand	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Acquired loan portfolios	1,911,718	1,688,489	3,596,766	3,255,700
Total assets	**1,911,718**	**1,688,489**	**3,596,766**	**3,255,700**

Comparison of expected cash flow from the Group's acquired loan portfolios as at 31 December 2012

SEK thousand	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Acquired loan portfolios	1,129,442	961,959	1,906,560	1,828,709
Total assets	**1,129,442**	**961,959**	**1,906,560**	**1,828,709**

parameter in Hoist Finance's management of Credit Risk is the cash flow forecast that is disclosed below.

The risk that the acquired loan portfolios do not pay as expected is monitored on a monthly basis by the Risk Management Function and the Financing Function as actual returns are compared to forecasts. This analysis is also used for the assessment of necessary allocations or portfolio impairments. From a historical perspective, actual performance has been in line with forecasts with only a minor aggregated deviation.

The Credit Risk associated with lending to credit institutions is managed in accordance with the Group's Treasury policy, which regulates the share that may be invested in assets issued by individual counterparties. There are, among other things, restrictions on exposures given the credit ratings of the counterparties. In general, counterparties may not have a Standard & Poor's credit rating below "BBB".

The table below shows the Standard & Poor's rating for the Group's fixed income assets:

Rating	31 December 2013	31 December 2012
AAA	0.3%	0.0%
AA+	1.6%	0.0%
AA-	0.0%	9.0%
AA	3.6%	0.0%
A+	14.8%	16.0%
A	13.5%	10.0%
A-	58.7%	56.0%
BBB+	1.0%	0.0%
N/A	0.5%	0.0%
Total, SEK thousand	**5,218,876**	**2,974,932**
whereof bond portfolio	1,297,677	732,672

As of 31 December 2013, the weighted average maturity for the assets of the bond portfolio was 1.38 years (1.31) and the duration was 2.0 months (1.31), see note 29. Duration and maturity are important measures for the assessment of the Company's interest rate risks.

The Credit Risks that arise from fixed income instruments or derivative transactions are handled in the same way as other Credit Risks, i.e. they are co-limited with other exposures and checked against limits.

The Company's payer portfolios have been classified with respect to risk taking into account the expected probability of default according to Hoist Finance's internal scoring model. The distribution is described in the table below:

2013	
SEK thousand	**Probability of default, %**
8,623	0.43
13,912	0.69
18,286	1.10
38,045	1.76
28,449	2.82
23,824	4.50
25,278	7.20
18,290	11.50
19,158	18.40
41,303	40.00
24,832	100.00

2012	
SEK thousand	**Probability of default, %**
25	0.27
15,048	0.43
27,979	0.69
31,967	1.10
72,645	1.76
55,579	2.82
46,207	4.50
42,985	7.20
33,159	11.50
31,913	18.40
89,791	40.00
38,086	100.00

In cases when the probability of default indicates 100 per cent in the tables above, the debtor has not paid for more than 90 days or has been in arrears for three payments per year. These claims are transferred to Hoist's collection department for defaulted claims and thereby written off.

Please, refer to "Total credit Exposure" in Note 32 for information on total maximal credit exposure. Off-balance sheet commitments, covered in Note 28, involve a total credit exposure of SEK 270,615 thousand.

NOTE 31 Financial risks and financial policy

Counterparty risk

The Group has counterparty risk against the institutions which the conducts its hedging activity with. Derivative transactions are performed solely for the purpose of mitigating FX and interest rate risks in the Group.

Group Treasury manages counterparty risk in accordance with the Treasury policy, which means that whenever Hoist wants to enter into an agreement with a new counterparty, it shall first contact the Group Risk manager. The member of the team who makes contact shall ensure that the Group Risk manager has access to information about the counterparty, as well as any draft agreements. Once the counterparty has returned the requested documents, the Group Risk manager shall review them. The Risk management function manages counterparty risks in accordance with the Risk policy and counterparty instruction. The Risk management function reports to the Board of Directors on a regular basis.

The Group has entered into both CSA and ISDA agreements with its counterparties concerning derivative transactions. These agreements facilitate offsetting and daily settlement of credit risk. The counterparty risk against derivative counterparties is therefore at the maximum of one-day fluctuation of the derivative value. The CSA agreement is backed by collaterals in the form of cash.

Information per type of financial instrument

Financial assets and liabilities that are subject for netting, covered by legally binding master netting arrangements or similar agreements

	Related amounts that are not netted in the balance sheet				
	Net amounts accounted for in the balance sheet	Financial instruments	Granted (+) Received (-) collateral - securities	Granted (+)/ Received (-) cash collaterals	Net amount
Assets					
Derivatives	25 951	-16 329	0	0	9 622
Reversed repo	0		0		0
Liabilities					
Derivatives	-16 329	16 329		0	0
Repos	0	0	0		0
Total	**9 622**	**0**	**0**	**0**	**9 622**

* No gross amounts are reported net in the balance sheet
Read more in Note 30, "Derivative Instruments".

Operational risk

Operational Risk is the risk for losses as a result of internal causes (inadequate and/or failed internal processes, systems, internal controls) or external incidents. Operational Risk also includes legal risk.

Operational Risk is present in all units of the Group. Examples of Operational Risk include the following:

- One of the Group's production/collection centres could be affected by a fire and burn down;
- The IT systems used to administer and manage the handling of portfolios could be impacted by a technical error or power outage, and temporarily break-down;
- The Group's collection activities could be temporarily affected by the departure en bloc of a key team of collectors;
- All types of fraud; or
- Erratic handling or inadequate work processes resulting in a deviation from routines and processes.

Successful management of Operational Risk on a daily basis requires strong internal controls and quality assurance, which is best achieved by means of having established internal routines and processes as well as a competent management team and staff. The Group manages Operational Risk by continuously improving its internal routines and day-to-day control procedures, and by recruiting market-leading, experienced specialists for all positions of responsibility within the Group's operations. The Group also applies the "four-eye principle" and has established back-up routines and processes, for example, in the form of a ratified BCP (business continuity plan).

In order to identify and mitigate Operation Risks within the Group, the risk function has established the following routines:

1. Reporting of incidents and a system for the reporting of improvements – employees of the Hoist Group have access to an IT-system where all operational incidents are logged and consequently followed-up by the Risk Function and the Group management. The same system is used for logging suggested improvements in routines and processes in order to mitigate potential operational risks in a proactive manner.
2. Annual self-evaluations – the Risk function arranges annual seminars and training courses in each country that are attended by representatives from all departments in order to jointly identify weaknesses in the organisation, routines and processes that may possibly contain Operational risks. The conclusions from these workshops are included in the annual capital assessment and also noted by the management team in order to mitigate the identified risks in the best possible manner.

The Group has a dedicated and independent Internal Audit Function that is responsible for evaluating and suggesting improvements for operational processes and internal procedures.

Moreover, in order to ensure the Group's compliance with applicable laws and regulations, Hoist Finance has a centralised group compliance function as well as local compliance functions throughout the Group. The compliance functions are repsonsible for the independent monitoring of compliance risks and the reporting of compliance risks to the respective Board of Directors.

NOTE 31 Financial risks and financial policy

Market risk (foreign exchange risk)

Generally, Market Risk represents the risk to profit and capital arising from adverse movements in exchange rates and interest rates for risky assets held for trading, such as bonds, securities, commodities or similar.

Market Risk (FX Risk) that has an adverse impact on the Group's income statement, balance sheet and/or cash flows arises mainly as a result of:

- The currency used in the consolidated financial statements is different from the functional currency of the subsidiaries (translation risk).
- Assets and liabilities of the Group are stated in different currencies and certain revenue and costs arise in different currencies (transaction risk).

Group Treasury has the overall responsibility for the continuous management of these risks.

Translation risk

The Group's accounts are denominated in SEK, while a majority of the Group's business is carried out in EUR, GBP and PLN. The Group's receivables portfolios (assets) are mainly denominated in foreign currencies, while the Group's deposits raised from the public (liabilities) are denominated in SEK, which is a translation risk (balance sheet risk).

Group Treasury calculates the Group's unhedged exposure to the aggregate value of assets denominated in currencies other that SEK and not covered by hedge agreements. Thereafter, the Group's translation exposure is hedged continuously using derivative contracts (mainly forward contracts and swap contracts).

Transaction risk

In each respective country, all revenue and the major part of the expenses are in functional currency, which means that foreign exchange rate fluctuations only have a minor impact upon the company's profit in local currency. Income and costs in local currencies are thus hedged in a natural way, which mitigates transaction exposure.

The tables below show the Group's FX per currency. The Group has no significant positions in currencies other than EUR, GBP and PLN.

Hoist has strict limits for single currency exposures. The maximum limit for an open FX position is 5 per cent of the exposure amount per currency.

Group's FX risk in EUR

SEK thousand	31 Dec 2013	31 Dec 2012	Impact on shareholders' equity
Assets on the balance sheet, MEUR	485	378	
Liabilities on the balance sheet, MEUR	-	-	
Forward hedge, MEUR	-482	-378	
If the EUR/SEK rate increases by 10%, this will have an impact on the consolidated profit of SEK thousand	3,069	42	< 1%
If the EUR/SEK rate decreases by 10%, this will have an impact on the consolidated profit of SEK thousand	-3,069	-42	-< 1%

Group's FX risk in PLN

	31 Dec 2013	31 Dec 2012	Impact on shareholders' equity
Assets on the balance sheet, MPLN	444	143	
Liabilities on the balance sheet, MPLN	-	-	
Forward hedge, MPLN	-437	-138	
If the PLN/SEK rate increases by 10%, this will have an impact on the consolidated profit of SEK thousand	1,576	995	< 1%
If the PLN/SEK rate decreases by 10%, this will have an impact on the consolidated profit of SEK thousand	-1,576	-995	-< 1%

Group's FX risk in GBP

	31 Dec 2013	31 Dec 2012	Impact on shareholders' equity
Assets on the balance sheet, MGBP	124	38	
Liabilities on the balance sheet, MGBP	-	-	
Forward hedge, MGBP	-123	-39	
If the GBP/SEK rate increases by 10%, this will have an impact on the consolidated profit of SEK thousand	744	-940	< 1%
If the GBP/SEK rate decreases by 10%, this will have an impact on the consolidated profit of SEK thousand	-744	940	-< 1%

NOTE 31 Financial risks and financial policy

Market risk (interest rate risk)

The Interest Rate Risk in the Group arises from two sources: the risk that the net interest income is affected negatively by fluctuations in the prevailing interest rates and the risk of losses due to the effect of interest rate changes upon the values of assets and liabilities.

The difference between interest income and financing cost (net interest income) in the Group may result in a weaker profitability.

A sudden and permanent interest rate shock would have a negative impact upon the Group's profit to the extent interest rates and interest costs on loans and deposits from the general public are affected by the increase in market rates at the same time as income from receivables portfolios remains unchanged.

Other Interest Rate Risk pertains to the fluctuations in fair values of balance sheet items, primarily certain acquired loan portfolios as well as the Group's excess liquidity that has been invested in a bond portfolio.

The objective concerning bond portfolios is to eliminate the Interest Rate Risk at the same time as returns are maximised according to the guidelines in the Financing policy. Moreover, the Group aims at a high level of financial flexibility in order to satisfy future liquidity requirements. Placements are thus made in interest-bearing securities with short maturities and high liquidity. Please, refer to the section concerning Credit Risk above. Group Treasury mitigates both interest rate risks described above to a certain extent by continuously hedging the Group's interest rate exposure through interest rate swaps in SEK. Generally, the maturity of the swaps is less than 12 months. The Group does not apply hedge accounting according to IFRS with respect to interest rate risk.

The table below shows the effect upon various assets and liabilities of a sudden and enduring parallel shift in the yield curve, including interest rate derivatives, by 100 basis points.

The impact of interest rate changes upon profitability is illustrated in the table below:

Interest rate risk of the Group, items valued at fair value

Total items valued at fair value including derivatives (SEK thousand)	Impact on profit or loss Dec 2013		Impact on profit or loss Dec 2012		Impact on shareholders' equity
	-100 bps	**+100 bps**	**-100 bps**	**+100 bps**	
Bond portfolios	2,155	-2,155	28	-27	
Interest rate swaps	-61,333	61,333	-19,356	19,356	
Loan portfolios at fair value	53,960	-53,960	54,399	-53,536	
Total	**-5,218**	**5,218**	**35,071**	**-34,208**	**>1%**

Total items valued at fair value including derivatives (SEK thousand)	Impact on profit or loss Dec 2013		Impact on profit or loss Dec 2012		Impact on shareholders' equity
	-100 bps	**+100 bps**	**-100 bps**	**+100 bps**	
Efficient net interest income (over one year)	64,245	-64,245	35,369	-35,369	>1%

Hoist Finance has strict limits for maximum allowed interest rate exposure. Currently no interest rate exposures exceeding a sensitivity of SEK 50m for 100bps interest rate curve parallel shift are allowed.

Liquidity Risk

Liquidity Risk is the risk of the Group being unable to meet its payment obligations due to insufficient availability of cash and cash equivalents in the Group.

The Group's revenues and costs are relatively stable, therefore Liquidity Risk in the Group is linked primarily to the Group's funding through deposits from the general public and the risk of large redemptions occurring at short notice.

The overall objective for the Group's liquidity management is to ensure that the Group maintains control over its liquidity situation leaning back on sufficient cash and cash equivalents or instantly sellable assets in order to fulfil its payment obligations in due time without incurring high extra costs. During the financial year, the Group has had a total liquidity reserve that well exceeds the requirements according to the financial policy.

Receivables are mainly fallen due claims, hence a normal duration profile is not applicable. Given that the claims are not statute – barred, they will remain unchanged until the customer has either fully paid or the claim is written off according to a credit decision.

The Group has a diversified funding based with varying maturities, both in the form of senior unsecured bonds and through deposits from the public. Although most of he deposits from the general public are on a daily basis and are payable on demand, the Group believes, based on behaviour in the past, that a large portion can be treated as longer maturity.

In addition, some 25 per cent of the Group's deposit base are locked in longer maturities, so-called term deposits, with maturities ranging from 12 to 36 months. In accordance with a financial policy, the Group keeps a liquidity reserve of at least 30 per cent of the total deposit base to reflect the nature of the deposits. As at 31 December 2013, the liquidity reserve was 47 per cent of the total deposit volume (54 per cent as at 31 December 2012).

NOTE 31 Financial risks and financial policy

Besides a diversified funding structure, the Group has conducted a number of activities to minimise the Liquidity Risk:

- Centralised liquidity management: The handling of Liquidity Risk is centralised and is handled by the Group Treasury within the Parent Company, Hoist Kredit AB (publ). The results of the liquidity management are reported on a regular basis to the Board of Directors.
- Independent oversight: The Group Risk Manager acts as the central function for independent liquidity management, and the Internal Audit function is responsible for auditing the Group's liquidity management tools.
- Continuous monitoring: In order to monitor its liquidity position and mitigate Liquidity Risk, the Group uses daily/weekly/yearly liquidity forecasting systems, which provide ongoing information on imminent, medium-term and long-term liquidity needs, and minimise the risk of facing unforeseen liquidity requirements.
- Stress testing: The Group further performs stress tests on the liquidity situation.
- Liquidity reserve: The Group holds a minimum of 30 per cent of the deposits, received from the general public as a liquidity reserve to meet potential short-term redemption requests.
- Liquidity placements are made in low-risk, high-liquidity interest-bearing securities on the overnight market, i.e. with an established second-hand market which allows for cash conversion if needed.

In addition there is an adopted contingency plan concerning Liquidity Risk, which, among other things, identifies special events that can trigger the contingency plan and what actions must be taken. These events may include:

- The aggregate amount of total available liquidity is below 20 per cent of the total deposit base
- An unexpected outflow of more than 20 per cent during a 30-day period.
- Financing sources exceeding SEK 50 million cease or are revoked.

In accordance with an adopted crisis management policy, the crisis management team of the Group jointly decides on the implementation of these instructions.

For the purpose of foreign exchange and interest rate exposure hedging, the Group uses foreign exchange and interest rate derivative instruments (Note 30). In order to avoid possible Liquidity Risk and/or Counterparty Risk in connection with these derivatives, the Group applies ISDA and CSA agreements with all derivative counterparties. CSA agreements regulate the right to collect collaterals in order to eliminate the exposure that arises in connection with derivatives transactions. CSA agreements also include agreements on netting concerning foreign exchange transactions. The frequency of Hoist's all CSA agreements is done through daily cash settlements. In such a way, Liquidity and Counterparty Risks in derivative transactions are mitigated.

NOTE 32 Capital adequacy assessment

The information in this Note contains such information that shall be disclosed in accordance with FFFS 2008:25 regarding annual reports for credit companies and concerns such information as specified in FFFS 2007:5. The information relates to the Hoist International AB (publ) Financial Group and Hoist Kredit AB (publ). The only difference in the consolidation basis between the consolidated accounts and the consolidated situation is that the equity method is applied in the consolidated accounts whereas proportionate consolidation is applied in the consolidated situation concerning joint ventures. The Regulation No 575/2013 of the European Parliament and of the Council, the Capital Coverage and Large Exposures Act (2006:1371) and FFFS 2007:1 with amendments are used toconclude the capital demand. The purpose of the rules is to ensure that the Financial Group is handling its risks and to protect the Group's depositors. The regulations state that the capital base shall 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 essential risks i.e. Pillar II risks.

The capital situation for the Financial Group can be summarised as follows:

SEK thousand	31 Dec 2013	31 Dec 2012
Total credit exposure	12,014,671	7,220,162
Total risk-weighted assets	8,806,486	5,744,955
Pillar I		
Credit risk (standardised approach)	622,384	377,881
Institutions	82,736	47,870
Retail, past due items	496,413	282,780
Retail, not due	13,162	22,954
Corporate (risk weight 100%)	16,262	14,756
Corporate (risk weight 50%)	0	600
Corporate (risk weight 20%)	864	0
Other	12,947	8,921
Operational risk (basic indicator approach)	77,789	81,389
Foreign exchange risk	4,346	326
Capital requirement Pillar I	**704,519**	**459,596**
Capital base	**1,023,085**	**559,887**
Financial Group – calculation of capital base		
Total equity in capital adequacy	**815,440**	**639,348**
Proposed dividend	0	-14 372
Intangible assets	-64,280	-36,004
Deferred tax assets	-57,306	-29,085
Tier I capital	**693,854**	**559,887**
Tier II capital	**329,231**	**0**
Capital base	**1,023,085**	**559,887**

NOTE 32 Capital adequacy assessment

The capital base for the consolidated situation as at 31 December 2013 was SEK 1,023,085 thousand (SEK 559,887 thousand as at 31 December 2012), which exceeds the capital requirement by a wide margin.

The corresponding capital situation for Hoist Kredit AB (publ) is as follows:

SEK thousand	31 Dec 2013	31 Dec 2012
Total credit exposure	11,762,894	7,185,141
Total risk-weighted assets	7,803,437	4,927,869
Pillar I		
Credit risk (standardised approach)	624,275	394,230
Institutions	77,228	42,933
Retail, past due items	209,193	197,908
Retail, not due	13,162	22,954
Corporate (risk weight 100%)	283,351	80,389
Corporate (risk weight 50%)	0	1,200
Corporate (risk weight 20%)	864	0
Other	40,477	48,846
Operational risk (basic indicator approach)	43,280	43,677
Foreign exchange risk	3,467	24,143
Capital requirement Pillar I	**671,022**	**462,050**
Capital base	**1,022,007**	**550,212**
Hoist Kredit AB (publ) – calculation of capital bas		
Total equity in capital adequacy	714,992	538,299
Proposed dividend	0	-14,372
Intangible assets	-21,095	-9,901
Deferred tax assets	-1,121	-533
Tier I capital	**692,776**	**513,493**
Tier II capital	**329,231**	**36,720**
Capital base	**1,022,007**	**550,213**

There are no current or foreseen material or legal impediments to the prompt transfer of own funds or repayment of liabilities between the companies and its subsidiaries.

Additional information on capital adequacy is provided in the Company's Pillar 3-report that is published on the Group's web: www.hoistfinance.com

Responsibilities

The Group has allocated the responsibilities with regards to the risks involved in its business as follows:

The management body

The Internal Capital Adequacy Assessment Process (ICAAP) is the responsibility of the Group's Board of Directors and Management. As such, the Board of Directors is responsible for ensuring that:

- Hoist Kredit AB (publ) and the Financial Group have an ICAAP.
- The ICAAP is consistent with the Group's risk profile and operating environment.
- The ICAAP is documented.
- The ICAAP is an integral part of the Group's strategy and decision making, and satisfies the usability requirement.
- The ICAAP is reviewed on a regular basis.
- The circumstances under which the process and the calculations inthe process shall be reviewed or adjusted are clearly defined.

The Risk management function

The Risk management function is responsible for carrying out the daily work with the ICAAP within the Group. This requires the Risk management function to:

- Drive the process to calculate the capital need by using the model described in the next section, "The assessment process".
- Lead the workshops for risk assessments.
- Quantify the risks in the model in a way that the requirements on the risk assessments to be forward-looking are being met.
- Review the model itself and suggest improvements if necessary (such modifications of the model to be decided by the Board of Directors).
- Perform the assessment process at least once a year or when external or internal circumstances so require.

The Compliance function

The Compliance function is responsible for ensuring that the company meets all legal requirements and guidelines resulting from Basel II rules and regulations. As such, the Compliance function is required to:

- Monitor legal work related to Basel II and the Internal Capital Adequacy Assessment Process.
- Verify that internal documents and instructions meet the requirements of the Basel II guidelines and the Internal Capital Adequacy Assessment Process.
- Take initiative for updating any of the Company's documents related to Basel II and the Internal Capital Adequacy Assessment Process as required.

The Compliance function reports directly to the Board of Directors.

NOTE 32 Capital adequacy assessment

The Internal audit function

The Internal Audit Function is responsible for evaluating and checking that the Group's work relating to Basel II follows the instructions set out in any of the Group's documents related to Basel II. This responsibility means the following:

- Verify that the ICAAP-work is performed as prescribed in this document.
- Verify that the results from the ICAAP are used as an integral part of the business as follows:
  Plans, investments in new business areas or business ventures, as well as any other actions undertaken by Management and the Group, are evaluated in light of their impact on the Group's capital need.
- Capital needs are taken into account when preparing forecasts for future fiscal years.

An independent review of the Group's instructions and policies is performed by the Group's Internal Audit in accordance with an audit plan adopted by the Board of Directors. The result of the review is reported to the Board of Directors on a regular basis. Through this reporting, combined with the financial reporting, the Board of Directors is able to constantly judge the risk level in the Group and make required adjustments as and when necessary. The Internal Audit Function reports directly to the Board of Directors.

The Financial control function

The Financial Control Function is responsible for ensuring that the Group's Management and Board always have accurate and timely information regarding the Group's performance and operations.

The Financial Control Function acts in accordance with strict instructions set by the Management with regards to monitoring and reporting financial performance. The Group's systems allow for daily monitoring of financial performance, and the Management and the Board of Directors are constantly provided with updated performance measures as and when required.

The Assessment Process

The Internal Capital Adequacy Assessment Process is a continuously ongoing process carried out by the Management of the Group, which reviews, assesses and quantifies the risks that the Group is subject to in carrying out its operations. The process itself is also reviewed at least once a year.

The focus for the annual review of the process is to make sure that the process is always relevant to the current risk profile and business activities of the Group. The Board of Directors decides on any changes in the process and the Internal Audit checks that the process is carried out according to the instructions given by the Board of Directors.

The process starts with the Management Group's plans for the near future as well as the Management Group's views on the market in which the Company operates, which are formalised into a forecast for the next year. The ICAAP-process takes these forecasts as a starting point and as a first step assesses the risks inherent in these forecasts.

Market risks and credit risks are stress tested rigorously in order to assess the amount of losses that the Company may incur as a result of extremely negative circumstances. This estimated loss is compared to the statutory amount calculated in Pillar 1. In the event that the simulated amount exceeds the statutory amount, further reservations are made in Pillar 2.

The assessment of the operational risks is conducted through a number of workshops lead by the Risk Manager of the Group. During the workshops all material risks in the Group are assessed and quantified, using both qualitative and quantitative methods. The methods will vary depending on the specific risk that is being measured and are designed to be properly useable as well as relevant to the Group, its business and its associated risks. Once the operational risks are quantified, the next step is to calculate the capital required to cover all identified risks that need to be provided for. Correlations between different risks are not taken into account unless it is obvious that certain risks cannot exist at the same time, or that a certain risk would be over- or underestimated if not adjusted for its correlation with another one.

A comparison between calculated capital requirements and the statutory amount according to Pillar 2 is made. Any excess risk of losses is covered by additional reservations in Pillar 2.

The aggregated capital requirement that emanates from the assessment is used by the Management as a decision-making tool in the context of making future plans for the Group. As such, the Internal Capital Adequacy Assessment Process adds a further dimension to the decision-making in the Group, in addition to strategic and day-to-day planning; strategic plans, forecasts for the future and immediate management decisions are always reviewed in light of the resulting capital requirements before being implemented. Decisions and their implementations will form the basis for formulating new forecasts; once these are completed the process starts all over again.

NOTE 33 Critical estimates and assumptions

The Management and the Board of Directors have discussed the developments, choices and disclosures regarding the Group's critical accounting principles and estimates as well as the application of these principles and estimates. They have also discussed and assessed future assumptions and other important sources of uncertainty in the assumptions as per balance sheet date that may represent a substantial risk for material restatements of the reported amounts in the financial statements in the coming financial years.

Certain critical estimates have been made through the application of the Group's accounting principles described below.

Valuation of acquired loan portfolios

As indicated in Note 12, the recognition of purchased receivables is based on the Group's own forecast of future cash flows from acquired portfolios. Although the Group historically has had good forecast accuracy with regard to cash flows, future deviations cannot be ruled out. The Group applies internal rules and a formalised decision-making process for the adjustment of previously adopted cash flow forecasts. The internal rules are based on a constant ten-year period. A 12% IRR is applied on portfolios acquired prior to 1 July 2011. An actual IRR based on the acquisition date for specific portfolios is used on portfolios acquired post 1 July 2011. The IRR is calculated based on an established WACC (Weighted Average Cost of Capital) model with a final concervative adjustment. The effect of these principles is that during the first year that a portfolio is owned, the cash flow forecast is adjusted only on an exceptional basis. All amendments in cash flow forecasts are finally subject to decisions. For a sensitivity analysis, please refer to Note 12.

NOTE 34 Related parties transactions

	GROUP		PARENT COMPANY	
SEK thousand	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Lending to corporations				
Hoist Group S.A.	-	22,221	-	22,221
Hoist International AB (publ)	40,100	86,000	40,100	86,000
Hoist Portfolio Holding Ltd	-	-	1,547,372	414,349
Hoist Portfolio Holding 2 Ltd	-	-	496,149	365,559
Hoist Finance UK Ltd	-	-	824,421	-
Konstruktur Development AB	-	-	472,000	-
Calor S.A.	5,947	8,272	5,947	8,272
Paradox AB	3,968	4,992	3,968	4,992
Short-term receivables				
Hoist International AB (publ)	708	-	17,539	16,770
Hoist Portfolio Holding Ltd	-	-	-	85,984
Hoist GmbH	-	-	16,288	28,252
Konstruktur Development AB	-	-	1,090	-
Hoist Kredit Ltd	-	-	352	-
Hoist Poland Sp Z.O.O	-	-	47	-
Hoist B.V.	-	-	76	-
Aurora GmbH	-	-	-	915
European Digital Capital	2,678	612	2,052	-
Loans from corporations				
Hoist International AB (publ)	-	45,900	-	45,900
Short-term liabilities				
Hoist International AB (publ)	-	24,218	-	-
Hoist Portfolio Holding Ltd	-	-	11,147	-
Hoist Immobilien GmbH	-	-	-	17,876
Hoist Finance SAS	-	-	5,528	10,022
Hoist B.V.	-	-	-	578

NOTE 34 Related parties transactions

	GROUP		PARENT COMPANY	
SEK thousand	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Interest income				
Hoist Group S.A.	817	763	817	763
Hoist International AB (publ)	2,828	3,564	2,828	3,564
Hoist Portfolio Holding Ltd	-	-	33,060	24,676
Hoist Portfolio Holding 2 Ltd	-	-	20,819	3,114
Hoist Finance UK Ltd	-	-	18,997	-
Konstruktur Development AB	-	-	5,086	-
Calor S.A.	223	289	223	289
Paradox AB	248	358	248	358
Other income				
Hoist International AB (publ)	102,381	81,865	22,067	12,433
Hoist Finance SAS	-	-	242	293
Hoist Portfolio Holding Ltd	-	-	2,780	147
Hoist I NS FIZ	-	-	2,736	-
European Digital Capital	1,290	1,502	-	-
Lindenau, Prior & Partner	-	43	-	-
Interest expense				
Hoist International AB (publ)	1,373	2,074	1,373	2,071
Hoist Immobilien GmbH	-	-	-	309
Hoist Finance SAS	-	-	12	4
Hoist Portfolio Holding Ltd	-	-	585	-
Konstruktur Development AB	-	-	1,339	-
Other expense				
Hoist Group S.A.	15,872	-	-	-
Hoist International AB (publ)	142,125	121,936	82,926	33,559
Hoist Finance SAS	-	-	-	289
Hoist B.V.	-	-	2,439	3,425
Hoist GmbH	-	-	8,652	3,211
Aurora GmbH	-	-	-	1,508
Lindenau, Prior & Partner	1,574	1,497	675	431
European Digital Capital	3,579	-	-	-

NOTE 35 Subsequent Events

To the best of the Board's knowledge, no significant events have incurred since the end of the reporting period.

Stockholm, 9 April 2014

Jörgen Olsson
Chief Executive Officer

Mikael Wirén
Chairman

Dr. Achim Prior
Member of the Board

Per-Eric Skotthag
Member of the Board

Erik Fällström
Member of the Board

Our modified auditor's report was submitted on 10 April 2014.

KPMG AB

Anders Bäckström
Authorised public accountant

Auditor's report

To the annual meeting of the shareholders of Hoist Kredit AB (publ), corp. id. 556329-5699

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Hoist Kredit AB (publ) for the year 2013. The companys annual accounts and consolidated accounts is presented in the printed version of this document on pages 41 – 91.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act of Credit Institutions and Security Companies and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act of Credit Institu-tions and Security Companies, and for such internal control as the Board of Directors and the Managing Director determine is neces-sary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

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

Opinions

In our opinion, the annual accounts have been prepared in ac-cordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act of Credit Institutions and Security Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act of Credit Institutions and Security Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act of Credit Institutions and Security Companies. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Other matters

The audit of the annual accounts for year 2012 was performed by another auditor who submitted an auditor´s report dated 23 April 2013, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Hoist Kredit AB (publ) for the year 2013.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appro-priations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

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

As basis for our opinion on the Board of Directors proposed ap-propriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

As basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act of Credit Institutions and Security Companies or the Articles of Association.

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

Opinions

We recommend to the annual 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 Managing Director be discharged from liability for the financial year.

Criticism

The company has failed several times to perform its obligations to make timely payments of taxes and fees.

Stockholm 10 April 2014

KPMG AB

Anders Bäckström
Authorised Public Accountant

Board of Directors
Executive Management Team

Board of Directors

Executive Management Team

Mikael Wirén

Chairman of the Board

Board member since 1994
Born 1957

Other selected current assignments: Board member in Tornado Investments S.A. (formerly Hoist Group S.A.), Polaris International S.A. (formerly Hoist Investments S.A.), Paradox Entertainment AB (publ), Valpurgius 2 AB, Breviks Fastighets AB, Killanan Services i Sverige AB, Beagle AB and Beagle Investments S.A.

Dr Achim Prior

Board member

Board member since 2005
Born 1960

Other selected current assignments: Vice Mortgage Manager (Ge. Stellvertretender Pfandbrieftreuhänder) at Stadtsparkasse Düsseldorf, appointed by the federal financial authorities (Ge. *Bundesanstalt für Finanzdienstleistungsaufsicht*) according to the German Pfanbrief Act (Ge. *Pfandbriefgesetz*).

Per-Eric Skotthag

Board member

Board member since 2011
Born 1949

Other selected current assignments: Board member and business adviser to SafeLine Sweden AB.

Erik Fällström

Board member

Board member since 2005
Born 1961

Other selected current assignments: Board member in Tornado Investments S.A. (formerly Hoist Group S.A.), Polaris International S.A. (formerly Hoist Investments S.A.), European Digital Capital Limited, Sivers IMA AB, Calor S.A., CST Limited and Olympus S.A.

Jörgen Olsson

Board member

Board member since 2010
Born 1961

Other selected current assignments: Board member in Tornado Investments S.A. (formerly Hoist Group S.A.) and Deciso AB

Chief Executive Officer

Jörgen Olsson was appointed as the CEO of Hoist Finance in November 2012. He joined Hoist in 2009, serving both as Executive Board member and later as the Chairman of the Board. Jörgen Olsson was previously with Kaupthing Bank where he successfully built up the Swedish banking business. In addition, Jörgen has a background in corporate finance, with advisory assignments from a number of international transactions.

Pontus Sardal

Chief Financial Officer

Pontus Sardal joined Hoist as Chief Financial Officer in August 2011. He has previously held several senior management positions, including CFO of SEB Group Retail, Head of Business Support at SEB Finans, CFO of the Latvian bank, Latvijas Unibanka, and CFO of mortgage finance business SEB Bolån.

Costas Thoupos

Group Commercial Director

Costas Thoupos took up his current position as Group Co-Head of Business Development and Executive Board member in November 2012. Since joining Hoist in 2007, he has previously served as CEO and Managing Director for the Company. Costas has a background in investment banking and structured finance from Barclays Investment Banking/Debt Capital Markets, where he worked with strategic funding within the debt purchasing area.

Henrik Gustafsson

Head of Sales and Business Development

Henrik joined Hoist Finance in March 2014 from the position of Head of Strategy and M&A at Dometic Holding AB. Henrik has further experience in business development from Sandvik and over ten years Investment Banking experience from various financial institutions in London.

Charles de Munter

Regional Manager of Hoist Finance Benelux, France, Italy and Poland

Regional Director Benelux, France, Italy and Poland. Charles de Munter was appointed Regional Director Benelux, France, Italy and Poland in 2013. Prior to joining Hoist Finance he held the position as Regional Director for Belgium, the Netherlands and France at EOS Group. In addition, he has long experience from the Intrum Justitia Group working at different positions.

Anders Wallin

Chief Information Officer

Prior to joining Hoist Finance in 2012, Anders was CIO at UC AB. He has held senior positions in different companies within various sectors, including Banking and Finance, Aviation, Defence, Transportation Services, IT and Healthcare.

Group Management Team

Jörgen Olsson
Chief Executive Officer

Pontus Sardal
Chief Financial Officer

Costas Thoupos
Group Commercial Director

Charles de Munter
Regional Manager of Hoist Finance Benelux, France, Italy and Poland

Anders Wallin
Chief Information Officer

Henrik Gustafsson
Head of Sales and Business Development

Hans Werner Kegel
Head of Hoist Finance Germany

Fabien Klecha
Head of Hoist Finance France

Wen Collaris
Head of Hoist Finance Benelux

Roel van Rossem
Head of Production Coordination

Alison Dingwall
Head of Group HR Initiatives

Najib Nathoo
Head of Hoist Finance UK

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20