

Interim report January – March 2015

Gross cash collections

SEK 791m

Portfolio acquisitions

SEK 273m

EBIT margin adjusted
for costs in connection
to the listing

32%

CET 1 ratio

14.33%

Hoist Finance AB (publ) (the "Company" or the "Parent") is the parent company of the Hoist Finance group of companies ("Hoist Finance"). The Company's wholly owned subsidiary, Hoist Kredit AB (publ) ("Hoist Kredit") is a regulated credit market company (Sw. kreditmarknadsbolag). Hence, Hoist Finance produces financial statements in accordance with the guidance and format set forth in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (Sw. lagen om årsredovisning i kreditinstitut och värdepappersbolag). In order to assess the operational performance of the debt purchasing and collection operations and to facilitate comparison with our competitors, Hoist Finance supplements the statutory financial statements by producing an operating income statement. The operating income statement contains no adjustments or amendments compared to, and has been prepared on the basis of, the same accounting and valuation principles as the statutory financial statements.

January – March (compared with the first quarter 2014)

- Gross cash collections increased by 48 per cent to SEK 791m (SEK 536m).
- Total revenue increased by 40 per cent to SEK 499m (SEK 358m).
- EBIT totalled SEK 161m (SEK 121m) adjusted for costs in connection to the listing. EBIT totalled SEK 115m.
- EBIT margin was 32 per cent (34 per cent), adjusted for costs in connection to the listing.
- Profit before tax amounted to SEK 52m (SEK 50m), adjusted for costs in connection to the listing.
- Portfolio acquisitions totalled SEK 273m (SEK 434m).
- Basic earnings per share amounted to SEK 0.01 (SEK 0.71).¹⁾ Diluted earnings per share amounted to SEK 0.01 (SEK 0.62).¹⁾
- Financial net amounted to SEK -108m (SEK -71m). It includes SEK -20m (SEK 3m), changes in market valuation of currency and interest hedges.

31 March (compared with 31 March 2014)

- Carrying value of acquired loans²⁾ increased by 34 per cent to SEK 8,827m (SEK 6,579m).
- Gross 120m ERC (Estimated Remaining Collection) increased by 39 per cent to SEK 15,238m (SEK 10,958m).
- The Company's share is, as from 25 March 2015 listed on Nasdaq Stockholm, Mid Cap.
- Total capital ratio increased to 17.13 per cent (9.18 per cent).
- CET 1 ratio (Common Equity Tier 1 Capital) totalled 14.33 per cent (5.68 per cent).

SEKm	Quarter 1 2015	Quarter 1 2014	Change %
Gross cash collections	791	536	48
Net revenue from acquired loans	435	306	42
Total revenue	499	358	40
EBIT	115	121	-5
Costs in connection to the listing in the income statements	45	-	n/a
EBIT adjusted for costs in connection to the listing	161	121	32
EBIT margin adjusted for costs in connection to the listing, per cent	32	34	-2 pp
Profit before tax	7	50	-86
Profit before tax, adjusted for costs in connection to the listing	52	50	4
Net profit	4	39	-91
Earnings per share, basic, SEK ¹⁾	0.01	0.71	n/a
Earnings per share, diluted, SEK ¹⁾	0.01	0.62	n/a
Portfolio acquisitions	273	434	-37
Return on equity, %	1	19	-18 pp

	31 Mar 2015	31 Mar 2014	Change %
Carrying value of acquired loans, SEKm ²⁾	8,827	6,579	34
Gross ERC 120 months, SEKm ³⁾	15,238	10,958	39
Total capital ratio, %	17.13	9.18	8 pp
CET 1 ratio, %	14.33	5.68	9 pp
Liquidity ratio, %	61	48	13 pp
Number of employees (FTEs)	1,134	854	33

¹⁾ In February, a split 1:3 was effected

²⁾ Including run-off portfolio of consumer loans and portfolios held in joint venture.

³⁾ Excluding run-off portfolio of consumer loans and portfolios held in joint venture.

Stable earnings geared for growth



On 25 March we reached an important milestone as Hoist Finance was successfully listed (introduced) on the Nasdaq Stockholm's Mid Cap list. We are very pleased with the broad interest from both Swedish and international investors. With a wider range of shareholders and a substantially improved capital adequacy we are better geared than ever for continued growth.

The beginning of the year has been stable and well in line with our expectations. EBIT, adjusted by the cost of the IPO, improved by 32 per cent compared to the first quarter last year and by 7 per cent compared with the fourth quarter. The EBIT margin improved by 1 per cent compared with the previous quarter and amounted to 32 per cent.

Positive development in our newly acquired platforms

The Italian platform TRC that we acquired last year has shown good growth. The company, with its two call centres, is now well integrated within Hoist Finance with a partly new organisation in Italy. Gross cash collections have improved during the period as a result of the large portfolio that we acquired in December and both profitability and EBIT margins have improved since we bought TRC during the third quarter 2014.

The integration of Navi Lex in Poland into our infrastructure has also been successful. Since the acquisition in the fourth quarter, we have transferred a large number of portfolios that were previously managed by external debt collecting agents into our own organisation.

A growing market

The European debt purchasing market for non-performing unsecured consumer loans has rapidly developed as a legacy of the financial crisis in 2008 and is now an established component of the credit industry. This growing market stems primarily from new banking regulations with the aim of improving the capital base of banks. We therefore expect a continuous high level of debt sales in the years to come as the Basel III framework is implemented.

Well positioned for long term profitable growth

Hoist Finance's strategy for profitable growth is unchanged. With over 20 years of experience, a wide geographical presence and a proven well-structured model for acquisition we are today a leading debt restructuring partner to international banks. Our proven model for amicable settlements is built on long-term sustainable and affordable instalment plans made in close dialogue with customers. Our reputation of ethical and amicable treatment of customers is also a key attribute for our cooperation with our bank debt originators.

As always, we focus on deepening our relationship with our partners in existing markets. At the same time we strive to establish new relationships and to continue to evaluate and review new market entries in Europe. Hoist Finance has a solid financial position and we are well placed to capture the growth opportunities in the market both in the near future and in the years to come.

Outlook

The market activity for portfolio acquisitions is generally calm in the first quarter. However, we could already in March see a substantial increase in activity. This positive trend has continued in April. Based on the number of negotiations that we have on-going we have a positive view on development throughout the year. Going forward our target remains unchanged with an expected portfolio acquisition volume in line with, or higher than previous years.

Jörgen Olsson

CEO

Hoist Finance AB (publ)

First quarter 2015

Unless otherwise stated, all comparisons of market, financial and operational data apply to the first quarter of 2014. The analysis below follows the operating income statement.

Revenue

The revenue growth is continuously stable due to the high acquisition activity during 2014. Portfolio acquisitions amounted to SEK 273m. These acquisitions will generate revenue as from the second quarter. Gross cash collections increased by 48 per cent to SEK 791m (SEK 536m). The increase is partly due to the increased cash collections from the portfolio acquired in Poland in the second quarter 2013 where substantial activities were carried out and cost incurred in 2014, and partly due to the large portfolio acquisition in Italy in December 2014 and to the divestment of a commercial property in Germany held as security in a German loan portfolio.

Portfolio amortisation and revaluation increased by 49 per cent to SEK 359m (SEK 240m). The increase is due to an increase in volume of acquired loan portfolios, as well as the above mentioned items. The divestment of the commercial property in Germany which was offset by the corresponding amount in portfolio amortisation. The impact in portfolio amortisation from the Polish portfolio is now normalised after a period of substantial costs charged to the portfolio.

The interest income from the run-off consumer loan portfolio decreased during the period in line with the loan amortisation and amounted to SEK 3m (SEK 11m). Net revenue from acquired loans increased with 42 per cent to SEK 435m (SEK 306m).

Fee and commission income increased by 26 per cent to SEK 48m (SEK 38m). The main part of the increase refers to the acquisition of the Polish company Navi Lex which has income from cash collections on behalf of third parties. The result of participation in the joint venture in Poland has increased by 29 per cent to SEK 15m (SEK 12m).

Consequently, the total revenue increased to SEK 499m, compared to SEK 358m in the first quarter 2014.

Operating expenses

Personnel expenses have increased by 34 per cent to SEK 146m (SEK 108m). The increase is mainly a consequence of company acquisitions, but also due to increased business volumes. The number of employees in the Group amounted to 1,134 FTEs (854 FTEs), an increase by 33 per cent where the main part of the increase, approximately 300 FTEs relates to company acquisitions in Poland and in Italy.

Other operating expenses increased by 87 per cent to SEK 228m (SEK 122m). The increase is mainly due to the costs related to the listing of the Company's shares on the Nasdaq Stockholm. These costs amounted in total to SEK 78m, whereof SEK 45m was charged to operating expenses and SEK 33m reduced the amount from the new share issue. The remainder is explained by increased business volumes, where an important part relates to the UK business with extensive activities according to plan, initiated following the portfolio acquisitions during the autumn 2014.

Depreciation and amortisation of tangible and intangible fixed assets totalled SEK 11m (SEK 7m). The increase in depreciation partly relates to the assets acquired in TRC SpA in Italy, and partly by depreciation on the continuous investments in IT systems.

Financial items

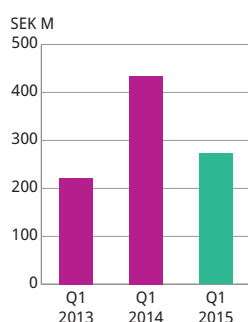
Net financial items, i.e. the net of interest income and interest expense excluding interest income from the run-off portfolio of consumer loans, and change in value of instruments used for hedging, totalled SEK -108m (SEK -71m). This is explained by lower interest income from the liquidity portfolio due to continuous falling market rates and increased investment in assets with lower credit risk and lower rate of return. The increase in interest expense is due to the euro bond issued in October 2014. The increase in the deposits from the public has not resulted in higher interest expenses as the terms and conditions have been adapted to the current market situation.

The net result from financial transactions amounted to SEK -20m (SEK 3m). This was derived from hedging of currencies and interest rates via derivatives, where the effect of the valuation from interest derivatives is the main part. Hoist Finance continuously hedges the interest rate risk, presently on short and medium terms. This has resulted in negative changes in market revaluations due to decreasing market rates. Decreasing market rates are also linked to decreasing finance charges in the future, due to the fact that Hoist Finance has adjusted the interest rates on the deposits to the market rates.

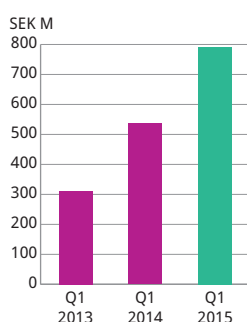
Profit before tax and Net profit

Profit before tax amounted to SEK 7m (SEK 50m). After adjusting for costs in connection to the listing it amounts to SEK 52m.

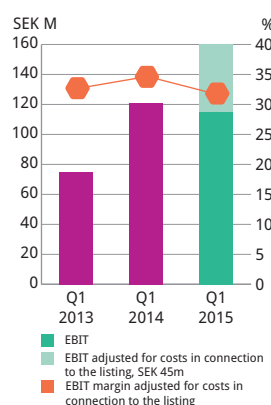
Portfolio acquisitions



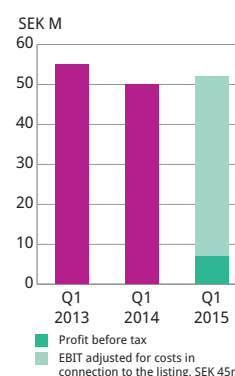
Gross cash collections



EBIT and EBIT margin



Profit before tax



Cash flow

SEKm	Quarter 1 2015	Quarter 1 2014
Cash flow from operating activities	1,144	-773
Cash flow from investing activities	-786	198
Cash flow from financing activities	750	63
Cash flow for the period	1,108	-512

The cash flow from operating activities improved to SEK 1,144m (SEK -773m) as a result of higher deposit volumes in HoistSpar. HoistSpar is a competitive product on the current deposits market. Hoist Finance sees a stable growth in both increased volumes and new customers. The deposit volume increased by SEK 1,330m in the first quarter. The increased deposit volume is entirely due to deposits on fixed terms on 12, 24 and 36 months. The portfolio acquisitions totalled SEK 273m (SEK 434m).

Cash flow from investing activities amounted to SEK -786m (SEK 198m) due to inter alia increased investments in bonds and other securities following the improved cash flow from operating activities, to the additional purchase price related to the acquisition of Navi Lex in Poland of SEK 9m and the buy-out of minority shareholding in Hoist Finance UK Ltd, with SEK 33m. Cruz agreed to invest the consideration by subscribing for newly issued shares.

Cash flow from financing activities improved to SEK 750m (SEK 63m) as a result of:

- the directed shares issue to Cruz Industries Ltd. amounting to SEK 33m;
- the new share issue launched in connection with the listing on Nasdaq Stockholm in March. The new share issue totalled SEK 717m after transaction costs amounting to SEK 33m.

Total cash flow for the first quarter totalled SEK 1,108m, compared to SEK -512m in the first quarter 2014.

Balance Sheet

Total assets increased by 47 per cent and amounted to SEK 16,849m (SEK 11,467m). The increase refers mainly to an increase in Treasury bills and treasury bonds of SEK 1,053m, increased book value of loan portfolios of SEK 2,295m and an increase in bonds and other securities of SEK 1,575m.

Total liabilities amounted to SEK 14,723m (SEK 10,619m). The increase is mainly due to increased deposit volumes of SEK 3,218m and additional issuance of bonds of SEK 735m.

Funding and capital structure

SEKm	31 Mar 2015	31 Mar 2014	Change, %
Deposits from the public	12,317	9,100	35
Subordinated loans	334	330	1
Senior unsecured loans	1,464	729	101
Total interest-bearing liabilities	14,115	10,159	39
Other liabilities	608	460	32
Shareholders' equity	2,126	848	151
Total liabilities and shareholders' equity	16,849	11,467	47
Cash and interest-bearing assets	7,391	4,513	64
Other assets	9,458	6,954	36
Total assets	16,849	11,467	47
Liquidity ratio, %	61	48	+13 pp
CET 1 ratio, %	14.33	5.68	+9 pp
Total capital ratio, %	17.13	9.18	+7 pp
Portfolio acquisitions			
Portfolio acquisitions	273	434	-37
Carrying value acquired loans ¹⁾	8,827	6,579	34
Gross ERC 120 months ²⁾	15,238	10,958	39

1) Including run-off portfolio of consumer loans and portfolios contained in the Polish joint venture.

2) Excluding run-off portfolio of consumer loans and portfolios contained in the Polish joint venture.

Hoist Finance funds its operations through deposits from the public as well as through the bond market. Deposits from the public totaled SEK 12,317m (SEK 9,100m). Of the deposit SEK 4,863m refers to fixed term deposits on 12, 24 and 36 months durations. In line with its strategy to diversify the funding structure Hoist Finance issued, during 2014, an additional senior unsecured bond denominated in EUR. As at 31 March 2015, Senior unsecured loans amounted to SEK 1,464m.

As at 31 March 2015, the shareholders' equity of the Group totaled SEK 2,126m (SEK 848m). The capital base has strengthened substantially through the new share issues in 2014, as well as the new share issue in connection with the listing.

Total capital ratio has improved to 17.13 (9.18) per cent and the CET 1 (Common Equity Tier I Capital) ratio to 14.33 (5.68) per cent. Accordingly, the Company is well capitalised for further expansion in the acquisition of non performing consumer loans.

Cash and interest-bearing assets totalled SEK 7,391m (SEK 4,513m). The liquidity ratio amounts to 61 (48) per cent of deposits from the public, which well exceeds the Company's goal for the liquidity reserve.

Prior to the listing of the Company's shares a split 1:3 was effected.

During the quarter two new share issues were launched;

- on 25 February 2015 the annual shareholders' meeting resolved to carry out a private placement of 616,766 shares to Cruz Industries Ltd. ("Cruz"), a company in which Najib Nathoo (head of Hoist Finance operations in the UK) has an interest as a potential beneficiary to the trust that is the majority owner of Cruz; and
- in connection to the listing 12,931,034 new shares were issued. As at 31 March the number of shares totals 78,532,684.

The private placement was made in connection with an agreement dated 3 March 2015 between Hoist Kredit and Cruz under which;

- Hoist Kredit acquired Cruz's 10 per cent minority shareholding in Hoist Kredit AB's subsidiary Hoist Finance UK Ltd. The cash based purchase price amounted to SEK 33m, which is recognised for in the shareholders' equity, and
- Cruz agreed to invest the consideration by subscribing for newly issued shares in the Company.

The basic earnings per share amounts to SEK 0.01. The interest on the convertible loan, is included in the calculation.

Risk development

The volume of acquired loan portfolios is unchanged in the first quarter compared to year end.

The credit risk is stable compared to year end, and has increased proportionally with the volume of acquired loan portfolios compared to the first quarter 2014. The credit quality is still assessed to be good.

The operational risks have increased during the first quarter 2015. The main source of the increase is stemming from the increased risk the acquired companies bring in terms of system integrations, differences in company cultures as well as legal and tax risks associated with the Group operating in several countries in Europe. Hoist Finance has limited these risks by increased focus on the quality in internal processes and will continue the work to improve the quality in different areas in 2015.

Hoist Finance's capital position in terms of the Common equity Tier 1 ratio and Total capital ratio have since the first quarter 2014 significantly increased, mainly following the share issues in 2014, the issue at the listing in 2015 and the fact that the company has decided to reinvest the profits incurred in the business.

The liquidity ratio has increased from 48 per cent to 61 per cent since the first quarter 2014, mainly due to the issuance of a EUR bond, higher deposit volumes and new share issues in 2014 and 2015.

Other information

Employees

The number of employees amounted to 1,134 (854) in the first quarter. The increase relates mainly to the acquisition in Poland, 141 FTEs and Italy, 144 FTEs.

Parent Company

The result before tax in the Parent Company amounts to SEK -47m (SEK 2m). The negative amount is, in essence, due to costs in relation to the listing of SEK -45m.

The share and shareholders

The Parent Company, Hoist Finance AB (publ), was listed on the Nasdaq Stockholm, Mid Cap, on 25 March 2015. The price was set to SEK 58 per share, which corresponds to a market capitalisation of SEK 4,555m. As at 31 March 2015 the share price closed at SEK 66.25.

The list of registered shareholders as at 30 April will be available on the Hoist Finance homepage www.hoistfinance.com.

Subsequent events

No material events have incurred after the end of the quarter.

Review

A review of interim financial information has been conducted by the company's auditors.

SEK million	Belgium, the Netherlands and France	UK	Italy	Poland	Germany and Austria	Central functions and eliminations	The Group
Net revenue from acquired loans	72	113	79	67	104	0	435
Total revenue	74	146	80	75	108	15	499
Total operating expenses	-49	-100	-40	-20	-67	-63	-339
EBIT	25	46	40	55	41	-47	161
EBIT margin, %	34	31	50	73	38		32
Carrying value of acquired loans ¹⁾	2,124	1,869	1,108	1,254	2,137		8,492
Gross ERC 120 months ²⁾	3,398	3,399	2,234	2,521	3,686		15,238

1) Including run-off portfolio of consumer loans and portfolios held in joint venture.

2) Excluding run-off portfolio of consumer loans and portfolios held in joint venture.

Quarterly overview

Operating income statement based on segment reporting

SEK thousand	Quarter 1 2015	Quarter 4 2014	Quarter 3 2014	Quarter 2 2014	Quarter 1 2014
Gross cash collections	790,735	750,218	640,091	615,479	535,522
Portfolio amortisation and revaluation	-358,925	-339,425	-284,861	-278,348	-240,385
Interest income from run-off consumer loan portfolio	3,118	5,641	11,907	9,566	11,066
Net revenue from acquired loans	434,928	416,434	367,137	346,697	306,203
Fee and commission income	47,616	39,467	36,881	39,111	37,763
Profit from shares and participation in joint venture	15,350	17,918	15,671	13,203	11,870
Other income	1,546	5,904	2,226	2,205	1,883
Total revenue	499,440	479,723	421,915	401,216	357,719
Personnel expenses	-145,666	-132,299	-122,225	-110,255	-108,422
Other operating expenses	-227,741	-188,040	-166,043	-151,843	-121,540
Depreciation and amortisation of tangible and intangible fixed assets	-10,753	-9,623	-6,880	-7,267	-6,510
Total operating expenses	-384,160	-329,962	-295,148	-269,365	-236,472
EBIT	115,280	149,761	126,767	131,851	121,247
Interest income excl. run-off portfolio of consumer loans	4,745	7,525	21,462	12,284	10,280
Interest expense	-92,621	-93,437	-85,498	-81,653	-84,381
Net income from financial transactions	-20,259	-16,321	2,507	-6,518	2,613
Total financial items	-108,135	-102,233	-61,529	-75,887	-71,488
Profit before tax	7,145	47,528	65,238	55,964	49,759

Key ratios segment reporting

SEKm	Quarter 1 2015	Quarter 4 2014	Quarter 3 2014	Quarter 2 2014	Quarter 1 2014
EBIT margin, %	23	31	30	33	34
Portfolio acquisitions	273	1 544	353	897	434
Carrying value of acquired loans	8,827	8,921	7,504	7,386	6,579
CET-1 ratio, %	14.33	9.35	8.99	9.24	5.68
Gross ERC 120 months ¹⁾	15,238	15,576	12,657	12,182	10,958

1) Excluding run-off portfolio of consumer loans and portfolios held in the Polish joint venture.

Segment overview

Hoist Finance undertakes debt purchase and debt collection activities in eight European countries. Each country has its own operating model that reflects group standards but is tailored to adapt to local variances in areas such as market maturity, cultural and judicial differences as well as technological sophistication.

Germany and Austria

SEK thousand	Quarter 1 2015	Quarter 1 2014	Change, %	Full year 2014
Gross cash collections	251,594	154,117	63	724,044
Portfolio amortisation and revaluation	-150,621	-70,171	115	-348,873
Interest income from run-off consumer loan portfolio	3,118	11,066	-72	38,180
Net revenue from acquired loans	104,091	95,012	10	413,351
Fee and commission income	2,677	4,593	-42	17,889
Other income	1,163	1,164	0	14,294
Total revenue	107,931	100,769	7	445,534
Personnel expenses	-40,252	-35,312	14	-149,805
Other operating expenses	-24,399	-17,757	37	-95,259
Depreciation and amortisation of tangible and intangible fixed assets	-1,847	-1,292	43	-5,951
Total operating expenses	-66,498	-54,361	22	-251,015
EBIT	41,433	46,408	-11	194,519
<i>EBIT margin, %</i>	38	46	-8 pp	44
Expenses/Gross cash collections, %	25	29	-4 pp	29
Carrying value of acquired loans ¹⁾	2,136,804	1,807,250	18	2,231,593
Gross ERC 120 months, SEK ²⁾	3,686	3,188	-16	3,817

1) Including run-off portfolio of consumer loans.

2) Excluding run-off portfolio of consumer loans.

Operating revenue

Gross cash collections in the first quarter increased by 63 per cent to SEK 252 M (SEK 154 M). This increase is mainly due to a sale from the German secured portfolio. Realisation of pledged assets is a normal part of Hoist Finance business, but objects of this size are unusual. Portfolio amortisation and revaluation totalled SEK -151 M (SEK -70 M) in the first quarter, which is also explained by the aforementioned sale. Revenues from the performing portfolio decreased to SEK 3 M (11 MSEK) for the first quarter as a result of continuous amortisations. Revenues from fee and commission income were lower than the same quarter last year, principally as a result of Hoist Finance acquiring a portfolio, it had previously been servicing. Total revenues increase to SEK 108 M (SEK 101 M).

Operating expenses

Operating expenses in the first quarter increased by 22 per cent compared to the same period last year. The increase is chiefly driven by costs attached to future collections in the form of the identification of contact details of customers and the initiation of legal processes. The increase in personnel costs is related to a greater number of staff being employed. The KPI defined as costs/collected cash from acquired portfolios have decreased by 4 percentage points for the first quarter which is mainly due to a sale from the secured portfolio contributing a significant sum in collections against a relatively low collection cost.

EBIT

The EBIT of the segment totalled SEK 41 M (SEK 46 M) with a corresponding EBIT-margin of 38 per cent (46 per cent). The decrease in profitability stems principally from the performing loan portfolio. The revenue from this portfolio, which is now slowing, is associated with very low costs.

Acquisitions

The acquisition level during the first quarter was higher than the same period in 2014 and was in line with the same period in 2013. The carrying value of acquired receivables portfolios as at 31 March 2015 was SEK 2,137 M (SEK 1,807 M). Gross ERC for the same period amounted to SEK 3,686 M (SEK 3,188 M).

Other

Austria currently represents a small portion of the segment but continues to be considered as an attractive market for Hoist Finance. Although no further acquisitions have been made during the first quarter, the revenue contribution has been higher than the previous year due to the acquisitions made during the second half of 2014.

Belgium, the Netherlands and France

SEK thousand	Quarter 1 2015	Quarter 1 2014	Change, %	Full year 2014
Gross cash collections	177,688	157,888	13	733,474
Portfolio amortisation and revaluation	-105,228	-104,968	0	-484,991
Net revenue from acquired loans	72,460	52,920	37	248,483
Fee and commission income	1,816	1,618	12	6,989
Other income	-	-		218
Total revenue	74,276	54,538	36	255,690
Personnel expenses	-24,442	-18,852	30	-86,886
Other operating expenses	-23,920	-20,894	14	-102,656
Depreciation and amortisation of tangible and intangible fixed assets	-809	-869	-7	-4,679
Total operating expenses	-49,171	-40,615	21	-194,221
EBIT	25,105	13,923	80	61,469
<i>EBIT margin, %</i>	34	26	8 pp	24
Expenses/Gross cash collections, %	27	25	2 pp	23 ¹⁾
Carrying value of acquired loans ²⁾	2,124,214	1,968,496	8	2,194,000
Gross ERC 120 months, SEKm ³⁾	3,398	3,279	4	3,512

1) Excluding one-off items.

2) Including run-off portfolio of consumer loans.

3) Excluding run-off portfolio of consumer loans.

Operating revenue

Gross cash collections in the first quarter increased by 13 per cent to SEK 178 M (SEK 158 M). The comparison is however affected by a significant portfolio which during parts of the first quarter in 2014 was managed under a transfer service agreement with collections for this period being recorded net of costs incurred by the counterparty. Portfolio amortisation and revaluation totalled SEK -105 M (SEK -105 M) in the first quarter. Revenues from fee and commission income originated from the services provided to third parties through the business in France. Expressed in local currency the increase in total revenue is somewhat lower.

Operating expenses

Operating expenses in the first quarter totalled SEK -49 M (SEK -41 M). The increase in operating expenses is primarily related to the Netherlands where both the number of employees and the level of collection activities has increased. The ongoing restructuring in France has progressed, and the collection activities previously carried out from the office in Guyancourt have during the quarter been migrated to the office in Lille, which Hoist Finance established in 2014. The majority of

affected employees left Hoist Finance at the end of March, and this is not therefore reflected in the cost level of the first quarter. The restructuring work is continuing in the second quarter, now with a focus on the remaining support functions.

EBIT

The EBIT of the segment totalled SEK 25 M (SEK 14 M) with a corresponding EBIT-margin of 34 per cent (26 per cent).

Acquisitions

Acquisitions completed in the segment during the first quarter of 2015 were predominantly in the Netherlands with the remainder in France and Belgium. In total the acquired volume of loan portfolios is lower than the same period in the previous year, as a result of the large transaction completed in the Netherlands during early 2014. Acquisitions in France exceeded the level of the previous year, although the increase is from a low starting point. As at 31 March 2015 the carrying value of acquired loan portfolios totalled SEK 2,124 M (SEK 1,968 M). Gross ERC increased to SEK 3,398 M as at 31 March 2015 (SEK 3,279 M).

UK

SEK thousand	Quarter 1 2015	Quarter 1 2014	Change, %	Full year 2014
Gross cash collections	151,628	132,677	14	527,346
Portfolio amortisation and revaluation	-38,418	-54,487	-29	-200,802
Net revenue from acquired loans	113,210	78,190	45	326,544
Fee and commission income	33,170	31,552	5	128,344
Other income	6	417	-	2,686
Total revenue	146,386	110,159	33	457,574
Personnel expenses	-37,265	-32,902	13	-134,502
Other operating expenses	-62,229	-37,956	64	-137,601
Depreciation and amortisation of tangible and intangible fixed assets	-855	-1,331	-36	-4,588
Total operating expenses	-100,349	-72,189	39	-276,691
EBIT	46,037	37,970	21	180,883
<i>EBIT margin, %</i>	<i>31</i>	<i>34</i>	<i>-3 pe</i>	<i>40</i>
Expenses/Gross cash collections, %	44	30	14 pe	28 ¹⁾
Carrying value of acquired loans ²⁾	1,868,786	1,317,470	42	1,797,520
Gross ERC 120 months, SEK ³⁾	3,399	2,450	39	3,391

1) Excluding one-off items.

2) Including run-off portfolio of consumer loans.

3) Excluding run-off portfolio of consumer loans.

Operating revenue

Gross cash collections in the first quarter increased by 14 per cent to SEK 152 M (SEK 133 M). Apart from positive one-offs the change in gross cash collections is mainly caused by the appreciation of the British Pound against the Swedish Krona. Portfolio amortisation and revaluation totalled SEK -38 M (SEK -54 M) in the first quarter. On a quarter-by-quarter basis, the performance was stable, with the large acquisition of the non-performing loan portfolio from Santander, completed in the fourth quarter of 2014, delivering performance above expectations. The high cost level on this portfolio during its initial phase leads to relatively low amortisation levels during the first quarter of 2015.

Operating expenses

Operating expenses in the first quarter increased by 39 per cent to SEK -100 M (SEK -72 M). This increase is a result of increased legal collection fees, as well as the unfavourable, from an expense perspective, appreciation of the British Pound against the Swedish Krona.

EBIT

The EBIT of the segment totalled SEK 46 M (SEK 38 M) with a corresponding EBIT margin of 31 per cent (34 per cent). The change in EBIT from the first quarter of 2014 to the first quarter 2015 is primarily driven by an advantageous quarter-on-quarter change in the GBP/SEK exchange rate.

Acquisitions

Acquisition levels were lower in the first quarter of 2015 compared to the same quarter in 2014. As at 31 March 2015, the carrying value of acquired loan portfolios totalled SEK 1,869 M (SEK 1,317 M). Gross ERC increased to SEK 3,399 M as at 31 March 2015 (SEK 2,450 M).

Italy

SEK thousand	Quarter 1 2015	Quarter 1 2014	Change, %	Full year 2014
Gross cash collections	123,486	50,152	146	260,828
Portfolio amortisation and revaluation	-44,979	-23,917	88	-91,324
Net revenue from acquired loans	78,507	26,235	199	169,504
Fee and commission income	1,207	-	n/a	0
Other income	344	0	n/a	311
Total revenue	80,058	26,235	205	169,815
Personnel expenses	-12,697	-	n/a	-17,854
Other operating expenses	-25,534	-9,220	177	-86,026
Depreciation and amortisation of tangible and intangible fixed assets	-1,574	-	n/a	-2,340
Total operating expenses	-39,805	-9,220	332	-106,220
EBIT	40,253	17,015	137	63,595
<i>EBIT margin, %</i>	<i>50</i>	<i>65</i>	<i>-15 pp</i>	<i>37</i>
Expenses/Gross cash collections, %	31	18	13 pp	41
Carrying value of acquired loans ¹⁾	1,108,314	293,582	278	1,181,210
Gross ERC 120 months, SEK ²⁾	2,234	455	391	2,407

1) Including run-off portfolio of consumer loans.

2) Excluding run-off portfolio of consumer loans.

Operating revenue

Gross cash collections in the first quarter increased by 146 per cent to SEK 123 M (SEK 50 M). The increase is partly a result of the acquisition from TRC in April 2014, but is mainly due to the large acquisition made in December 2014. Portfolio amortisation and revaluation totalled SEK -45 M in the first quarter (SEK -24). Fees and commission income and other income, totalling SEK 2 M, relate to the business acquisition which was integrated in the third quarter of 2014.

Operating expenses

The major change in operating expenses, which increased by 332 per cent to SEK -40 M (SEK -9M), reflects the fact that Hoist Finance now has its own collection platform in Italy with 144 FTEs. The integration of the business acquired in 2014 and of local IT systems results in depreciation of tangible and intangible assets in Italy. Additionally, major portfolio acquisitions were completed in 2014 and Hoist Finance is implementing extensive collection activities, both internally as well as with external partners.

EBIT

EBIT of the segment in the first quarter totalled SEK 40 M (SEK 17 M) with a corresponding EBIT margin of 50 per cent (65 per cent). The business model which applied in early 2014, focused on collection using external partners, was profitability. However it did not allow for the widespread market coverage and access to business information that Hoist Finance now has established.

Acquisitions

No acquisitions were completed in the first quarter of 2015, and the demanding integration work done in respect to the major portfolio acquired in December 2014, has proceeded according to plan. As at 31 March 2015, the carrying value of acquired loan portfolios totalled SEK 1,108 M (SEK 294). Gross ERC increased to SEK 2,234 M (SEK 455 M).

Poland

SEK thousand	Quarter 1 2015	Quarter 1 2014	Change, %	Full year 2014
Gross cash collections	86 339	40 688	112	295 619
Portfolio amortisation and revaluation	-19 679	13 158	-250	-17 030
Net revenue from acquired loans	66 660	53 846	24	278 589
Fee and commission income	8 746	-	n/a	0
Other income	32	0	n/a	0
Total revenue	75 438	53 846	40	278 589
Personnel expenses	-5 197	-403	1 190	-2 035
Other operating expenses	-14 415	-11 389	27	-74 812
Depreciation and amortisation of tangible and intangible fixed assets	-781	-	n/a	0
Total operating expenses	-20 393	-11 792	73	-76 847
EBIT	55 045	42 054	31	201 742
<i>EBIT margin, %</i>	73	78	-5 pe	72
Expenses/Gross cash collections, %	13	29	-16 pe	26
Carrying value of acquired loans ¹⁾	1 253 550	809 896	55	1 182 459
Gross ERC 120 months, SEK ²⁾	2 521	1 586	59	2 449

1) Including run-off portfolio of consumer loans.

2) Excluding run-off portfolio of consumer loans.

Operating revenue

Gross cash collections in the first quarter increased by 112 per cent to SEK 86 M (SEK 41 M). Part of the increase is explained by the large portfolio acquired in the second quarter of 2013 where benefits are now being seen from the extensive collection activities carried out and expensed during 2014. This development also explains the normalisation of amortisation rates as reflected by portfolio amortisation and revaluation which amounted to SEK -20 M (SEK +13 M). Additionally, revenue growth is being driven by the many acquisitions completed during the second, third and fourth quarters of 2014. The fee and commission income originates entirely from services offered to third parties through Navi Lex, which Hoist Finance acquired in the fourth quarter of 2014.

Operating expenses

Compared to the situation 12 months ago, Hoist Finance's activities in Poland now follow a different business model with a significantly increased proportion of in-house collection activities. By contrast to the first quarter 2014, when staffing was only in the form of a small Warsaw sales office, Hoist Finance employed 145 FTE in Poland by the end of the first quarter 2015. These employees also provide debt servicing to third parties, but as Hoist Finance brings additional portfolios onto its platform, the focus is shifting towards collection on the loan portfolios owned by Hoist Finance. Consequently, earlier costs incurred in the form of external collections will increasingly be incurred in the form of internal staffing. Total operating expenses increased by 73 per cent to SEK -20 M (SEK -12 M).

EBIT

EBIT of the segment in the first quarter of 2015 amounted to SEK 55 M (SEK 42 M) with a corresponding EBIT-margin of 73 per cent (78 per cent).

Acquisitions

Even though the volume of acquired loan portfolios was higher compared to the same period last year, activity levels in the first quarter were moderate, which was expected given normal seasonal variations. As at 31 March 2015, the carrying value of acquired loan portfolios totalled SEK 1,254 M (SEK 819 M). Gross ERC increased to SEK 2,521 M as at 31 March 2015 (SEK 1,586 M). As specified in the note on acquisitions of operations, the estimate of additional purchase consideration related to the acquisition of Navi Lex has been updated.

Other

In connection with several loan portfolios being brought in-house during the first quarter, a review of planned collection activities has been carried out, and estimates on gross cash collections and associated costs have been revised. In addition a review and renegotiation has also been carried out for some of the loan portfolios fully managed by external partners. As a net effect of this, a revaluation of SEK -3 M is included in portfolio amortisation and revaluation.

Financial statements

Consolidated income statement

SEK thousand	Note	Quarter 1 2015	Quarter 1 2014	Full year 2014
Net revenues from acquired loan portfolios	1	431,810	295,137	1,398,291
Interest income		7,863	21,346	89,731
Interest expense		-92,621	-84,381	-344,969
Net interest income		347,052	232,102	1,143,053
Fee and commission income		47,616	37,763	153,222
Net result from financial transactions		-20,259	2,613	-17,719
Other income		1,546	1,883	12,219
Total operating income		375,955	274,361	1,290,775
General administrative expenses				
Personnel expenses		-145,666	-108,422	-473,200
Other operating expenses		-227,742	-121,540	-627,467
Depreciation and amortisation of tangible and intangible assets		-10,753	-6,510	-30,281
Total operating expenses		-384,161	-236,472	-1,130,948
Profit from shares and participations in joint venture		15,350	11,870	58,662
Profit before tax		7,144	49,759	218,489
Income tax expense		-3,504	-11,255	-38,386
Net profit for the period		3,640	38,504	180,103
Attributable to the				
Shareholders of the parent company		3,640	38,504	180,103
Basic earnings per share		0.01	0.71	9.21
Diluted earnings per share		0.01	0.62	8.16

Consolidated statement of comprehensive income

SEK thousand	Quarter 1 2015	Quarter 1 2014	Full year 2014
Net profit for the period	3,640	38,504	180,103
Other comprehensive income			
Items that may not be reclassified subsequently to the profit and loss			
Revaluation of defined pension benefit plans	–	–	–1,710
Revaluation of remuneration after terminated employment	–	–	–1,120
Tax	–	–	872
Total items that may not be reclassified subsequently to the profit and loss	–	–	–1,958
Items that may be subsequently reclassified to the profit and loss			
Currency translation differences on foreign operations	6,405	–3,345	–23,154
Hedging currency risk exposure in foreign operations	–6,158	–2,459	32,584
Total items that may be reclassified subsequently to the profit and loss	247	–5,804	9,430
Other comprehensive income for the period	247	–5,804	7,472
Total comprehensive income for the period	3,887	32,700	187,575
Attributable to			
Shareholders of the Parent Company	3,887	32,700	187,575

Consolidated balance sheet

SEK thousand	Note	31 Mar 2015	31 Dec 2014	31 Mar 2014
ASSETS				
Cash		367	340	129
Treasury bills and treasury bonds		2,809,127	2,316,110	1,756,549
Lending to credit institutions		1,907,438	1,292,711	1,658,021
Lending to the public		136,762	157,232	297,135
Acquired loan portfolios	2	8,491,668	8,586,782	6,196,694
Bonds and other securities		2,673,713	1,951,241	1,098,247
Shares and participation in joint venture		236,820	215,347	203,838
Intangible fixed assets		249,524	171,048	63,085
Tangible fixed assets		30,339	32,000	27,232
Other assets		182,148	209,941	87,585
Deferred tax assets		66,045	70,885	56,607
Prepaid expenses and accrued income		64,889	58,192	21,547
Total assets		16,848,840	15,061,829	11,466,669
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Deposits from the public		12,317,254	10,987,289	9,099,543
Tax liabilities		28,519	52,326	41,969
Other liabilities		299,268	555,186	201,408
Deferred tax liabilities		60,771	50,419	40,749
Accrued expenses and prepaid income		155,784	124,797	110,616
Provisions		64,000	68,704	65,129
Senior unsecured loans		1,463,821	1,493,122	729,037
Subordinated loans		333,768	332,796	330,076
Total liabilities and provisions		14,723,185	13,664,639	10,618,527
Shareholders' equity				
Share capital		26,178	21,662	15,488
Other contributed equity		1,756,464	1,003,818	590,370
Reserves		-2,565	-2,812	-18,046
Retained earnings including profit for the period		345,578	374,522	260,330
Total shareholders' equity		2,125,655	1,397,190	848,142
Total liabilities and shareholders' equity		16,848,840	15,061,829	11,466,669
Pledged assets		1,857	1,903	5,727
Contingent liabilities		279,420	229,944	275,963

Consolidated statement of changes in shareholders' equity

SEK thousand	Share capital	Other contributed capital	Reserves Translation reserve	Retained earnings	Total shareholders' equity
Opening balance 1 Jan 2015	21,662	1,003,818	-2,812	374,522	1,397,190
Other comprehensive income for the period					
Net profit for the period				3,640	3,640
Other comprehensive income			247		247
Total other comprehensive income for the period			247	3,640	3,887
Transactions recorded directly in equity					
New share issue	4,516	745,545 ¹⁾			750,061
Warrants, repurchased and cancelled		-54			-54
Acquisition of minority shareholding in subsidiary				-32,584	-32,584
Tax effect on items recorded directly in equity		7,155			7,155
Total transactions recorded directly in equity	4,516	752,646		-32,584	724,578
Closing balance 31 Mar 2015	26,178	1,756,464	-2,565	345,578	2,125,655

1) Nominal amount of SEK 778,068 thousand has been reduced by transaction costs of SEK 32,523 thousand.

SEK thousand	Share capital	Other contributed capital	Reserves Translation reserve	Retained earnings	Total shareholders' equity
Opening balance 1 Jan 2014	15,488	590,370	-12,242	221,826	815,442
Other comprehensive income for the period					
Net profit for the period				180,103	180,103
Other comprehensive income			9,430	-1,958	7,472
Total other comprehensive income for the period			9,430	178,145	187,575
Transactions recorded directly in equity					
New share issue	6,174	508,310 ¹⁾			514,484
Interest paid on capital contribution				-28,750	-28,750
Paid-in premium for warrants		5,138			5,138
Conversion of convertible bond		-100,000			-100,000
Tax effect on items recorded directly in equity				3,301	3,301
Total transactions recorded directly in equity	6,174	413,448		-25,449	394,173
Closing balance 31 Dec 2014	21,662	1,003,818	-2,812	374,522	1,397,190

1) Nominal amount of SEK 527,160 thousand has been reduced by transaction costs of SEK 18,850 thousand.

SEK thousand	Share capital	Other contributed capital	Reserves Translation reserve	Retained earnings	Total shareholders' equity
Opening balance 1 Jan 2014	15,488	590,370	-12,242	221,826	815,442
Other comprehensive income for the period					
Net profit for the period				38,504	38,504
Other comprehensive income			-5,804		-5,804
Total other comprehensive income for the period			-5,804	38,504	32,700
Closing balance 31 Mar 2014	15,488	590,370	-18,046	260,330	848,142

Consolidated cash flow statement

SEK thousand	Quarter 1 2015	Quarter 1 2014	Full year 2014
OPERATING ACTIVITIES			
Cash flow from gross cash collections	790,735	535,522	2,541,310
Interest income	7,863	17,105	89,731
Fee and commission income	47,616	37,763	153,222
Other operating income	1,546	1,883	12,220
Interest expense	-63,844	-46,310	-274,982
Operating expenses	-355,259	-206,359	-1,093,078
Net cash flow from financial transactions	-20,259	2,613	-17,719
Capital gain on redemption of certificates in joint venture	-	-	27,941
Income tax paid	-9,674	-29,576	-52,292
Total	398,724	312,641	1,386,353
Increase/decrease in acquired loan portfolios incl. translation differences	-263,811	-439,144	-3,731,866
Increase/decrease in certificates in joint venture	-	-	13,544
Increase/decrease in lending to the public	20,470	31,816	171,719
Increase/decrease in deposits from the public	1,301,188	-628,685	1,215,800
Increase/decrease in other assets	32,502	20,206	-94,502
Increase/decrease in other liabilities	-342,693	-34,503	307,124
Increase/decrease in provisions	-4,704	-29,508	-25,933
Changes in other balance sheet items	2,547	-6,187	-310
Total	745,499	-1,086,005	-2,144,424
Cash flow from operating activities	1,144,223	-773,364	-758,071
INVESTING ACTIVITIES			
Investments in intangible fixed assets	-11,933	-2,580	-64,286
Investments in tangible fixed assets	-1,485	-3,268	-14,247
Acquisitions in subsidiaries	-50,569	-	-49,434
Investments/divestments of bonds and other securities	-722,472	203,671	-653,564
Cash flow from investing activities	-786,459	197,823	-781,531
FINANCING ACTIVITIES			
New share issue	750,061	-	414,484
Paid-in premium for warrants	-	-	5,139
Warrants, repurchased and cancelled	-54	-	-
Issued bonds	-	63,357	831,007
Paid interest on capital contribution	-	-	-28,750
Cash flow from financing activities	750,007	63,357	1,221,880
Cash flow for the period	1,107,771	-512,184	-317,722
Cash at the beginning of the period	3,609,161	3,926,883	3,926,883
Cash at the end of the period¹⁾	4,716,932	3,414,699	3,609,161

1) Consists of cash, treasury bills/bonds and lending to credit institutions.

Parent company income statement

SEK thousand	Quarter 1 2015	Quarter 1 2014	Full year 2014
Net revenue	32,123	33,669	171,684
Other external expenses	-73,915	-29,944	-151,509
Depreciation and amortisation	-1,736	-1,672	-6,762
Total operating expenses	-75,651	-31,616	-158,271
Operating profit	-43,528	2,053	13,413
Other interest income	-3,252	194	1,254
Interest expense	-260	-356	-1,315
Total income from financial items	-3,512	-162	-61
Tax allocation reserve	-	-17	-535
Profit/loss before tax	-47,040	1,874	12,817
Income tax expense	7,686	-11	-353
Net profit/loss for the year¹⁾	-39,354	1,863	12,464

1) The net profit/loss for the year equals the total comprehensive income for the year.

Parent company balance sheet

SEK thousand	31 Mar 2015	31 Dec 2014	31 Mar 2014
ASSETS			
Fixed assets			
Licenses and software	33,145	31,871	29,959
Total intangible fixed assets	33,145	31,871	29,959
Equipment	2,037	2,232	2,328
Total tangible fixed assets	2,037	2,232	2,328
Shares and participations in subsidiaries	1,687,989	928,986	396,034
Deferred tax assets	14,842	–	–
Total financial assets	1,702,831	928,986	396,034
Total fixed assets	1,738,013	963,089	428,321
Current assets			
Receivables Group companies	55,824	47,506	79,198
Other receivables	4,790	4,353	2,631
Prepaid expenses and accrued income	5,213	17,174	3,031
Total current receivables	65,827	69,033	84,860
Cash and bank	33,567	43,519	–
Total current assets	99,394	112,552	84,860
Total assets	1,837,407	1,075,641	513,181
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Restricted equity			
Share capital	26,178	21,662	15,488
Statutory reserve	3,098	3,098	3,098
Total restricted capital	29,276	24,760	18,586
Unrestricted equity			
Other contributed equity	1,661,924	909,278	395,830
Retained earnings	–15,598	–28,062	–28,062
Result for the period	–39,354	12,464	1,863
Total unrestricted equity	1,606,972	893,680	369,631
Total shareholders' equity	1,636,248	918,440	388,217
Untaxed reserves	535	535	17
Provisions			
Pension provisions	45	49	70
Total provisions	45	49	70
Long-term liabilities			
Intra-Group loan	40,100	40,100	40,100
Total long-term liabilities	40,100	40,100	40,100
Current liabilities			
Accounts payable	17,444	9,856	6,660
Current financial liabilities	–	–	6,543
Deferred tax liabilities	353	353	11
Liabilities Group companies	116,466	103,535	70,077
Accrued expenses and prepaid income	26,216	2,773	1,486
Total current liabilities	160,479	116,517	84,777
Total liabilities and shareholders' equity	1,837,407	1,075,641	513 181
Pledged assets	None	None	None
Contingent liabilities	None	None	None

Statement of changes in shareholders' equity, parent company

SEK thousand	Restricted equity		Unrestricted equity			Total share-holder's equity
	Share capital	Statutory reserves	Other contributed equity	Retained earnings	Result for the period ²⁾	
Opening balance 1 Jan 2015	21,662	3,098	909,278	-28,062	12,464	918,440
Reclassification of result for the previous year				12,464	-12,464	0
Comprehensive income for the period						
Net profit for the period					-41,308	-39,354
Total comprehensive income for the period					-41,308	-39,354
Transactions recorded directly in equity						
New share issue	4,516		745,050 ¹⁾			750,060
Warrants, repurchased and cancelled			-54			-54
Tax effect on items recognised directly in equity			7,155			7,155
Total transactions recorded directly in equity	4,516		752,646			757,162
Closing balance 31 Mar 2015	26,178	3,098	1,661,924	-15,598	-39,354	1,636,248

1) The nominal amount of SEK 778,068 thousand has been reduced by transaction costs of SEK 32,523 thousand.

2) The net profit for the period equals the total other comprehensive income for the period.

SEK thousand	Restricted equity		Unrestricted equity			Total share-holder's equity
	Share capital	Statutory reserves	Other contributed equity	Retained earnings	Result for the period ²⁾	
Opening balance 1 Jan 2014	15,488	3,098	395,830	-23,111	-4,951	386,354
Reclassification of result for the previous year				-4,951	4,951	0
Comprehensive income for the year						
Net profit for the year					12,464	12,464
Total comprehensive income for the year					12,464	12,464
Transactions recorded directly in equity						
New share issue	6,174		508,310 ¹⁾			514,484
Paid-in premium for warrants			5,138			5,138
Total transactions recorded directly in equity	6,174		513,448			519,622
Closing balance 31 Dec 2014	21,662	3,098	909,278	-28,062	12,464	918,440

1) The nominal amount of SEK 527,160 thousand has been reduced by transaction costs of SEK 18,850 thousand.

2) The net profit for the period equals the total other comprehensive income for the period.

SEK thousand	Restricted equity		Unrestricted equity			Total share-holder's equity
	Share capital	Statutory reserves	Other contributed equity	Retained earnings	Result for the period ²⁾	
Opening balance 1 Jan 2014	15,488	3,098	395,830	-23,111	-4,951	386,354
Reclassification of result for the previous year				-4,951	4,951	0
Comprehensive income for the period						
Net profit for the year					1,863	1,863
Total comprehensive income for the period					1,863	1,863
Closing balance 31 Mar 2014	15,488	3,098	395,830	-28,062	1,863	388,217

1) The net profit for the period equals the total other comprehensive income for the period.

Parent company cash flow statement

SEK thousand	Quarter 1 2015	Quarter 1 2014	Full year 2014
OPERATING ACTIVITIES			
Interest income received	5	8	32
Other operating income	32,123	33,667	171,684
Interest expense paid	-260	-356	-1,314
Operating expenses	-38,509	-30,230	-164,652
Net cash flow from financial transactions	-3,258	187	1,221
Income tax paid	-36	-35	-5
Total	-9,935	3,241	6,966
Increase/decrease in intra-Group items	4,614	-9,828	55,322
Increase/decrease in other assets	-402	-869	-2,621
Increase/decrease in other liabilities	7,587	2,266	-1,081
Changes in other balance sheet items	-4	-7	-28
Total	11,795	-8,438	51,592
Cash flow from operating activities	1,860	-5,197	58,558
INVESTING ACTIVITIES			
Investments in intangible fixed assets	-2,786	-290	-6,622
Investments in tangible fixed assets	-30	-	-574
Investments in subsidiaries	-759,003	-	-432,952
Cash flow from investing activities	-761,819	-290	-440,148
FINANCING ACTIVITIES			
New share issue	750,061	-	414,484
Paid-in premium for warrants	-	-	5,138
Warrants, repurchased and cancelled	-54	-	-
Cash flow from financing activities	750,007	-	419,622
Cash flow for the period	-9,952	-5,487	38,032
Cash at the beginning of the period	43,519	5,487	5,487
Cash at the end of the period	33,567	-	43,519

Accounting policies

Hoist Finance AB (publ) 556012-8489

This Interim Report is prepared in accordance with IAS 34 Interim Financial Reporting. The Group's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the European Commission. The accounting follows the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulation and general guidelines issued by the Swedish Financial Supervisory Authority; Annual Reports in Credit institutions and Securities Companies (FFFS 2008:25). In addition, the Supplementary Accounting Rules for Groups (RFR 1) from the Swedish Financial Reporting Board have been applied.

The Parent company has prepared its accounts in accordance with Swedish Annual Accounts Act (1995:1554), the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) on Annual Reports in Credit Institutions and Securities Companies and

the Supplementary Accounting Rules for Legal Entities (RFR 2) issued by the Swedish Financial Reporting Board. In all other material aspect, the Group's and the Parent company's accounting policies and basis for calculation are applied as presented in the financial statements 2014.

As from 2015 the IFRIC 21, "Levies" is applied which includes guidance on debt accounting within IAS 37 "Provisions, Contingent Liabilities and Contingent Assets and has been endorsed by the EU. The interpretation are effective for annual periods beginning on or after 17 June 2014, and clarifies that the company should recognise a liability for the levy at the end of the year, only given that the company conducts banking activities at the end of the year. The assessment is that the new interpretation will not have any significant impact on the financial statements nor the capital adequacy of the Group.

There are no other interpretations of IFRS or IFRIC not yet applied, which will have a significant impact on the Group.

Exchange rates

1 Euro = SEK	Jan-Mar 2015	Jan-Dec 2014	Jan-Mar 2014
Income statement (average)	9.3832	9.0931	8.8570
Balance sheet (at the end of period))	9.2869	9.5155	8.9482
1 Pound sterling = SEK			
Income statement (average)	12.6192	11.2794	10.6996
Balance sheet (at the end of period)	12.7441	12.1388	10.8314
1 Polish zloty = SEK			
Income statement (average)	2.2378	2.1737	2.1169
Balance sheet (at the end of period)	2.2753	2.2124	2.1460

Notes

Note 1 Segment reporting

Consolidated income statement

SEK thousand	Quarter 1 2015	Quarter 1 2104	Full year 2014
Net revenues from acquired loan portfolios	431,810	295,137	1,398,291
Whereof gross cash collections	790,735	535,522	2,541,311
Whereof portfolio amortisation and revaluation	-358,925	-240,385	-1,143,020
Interest income	7,863	21,346	89,731
Whereof interest income from run-off portfolio of consumer loans	3,118	11,066	38,180
Whereof interest income excl. run-off loan portfolio	4,745	10,280	51,551
Interest expense	-92,621	-84,381	-344,969
Net interest income	347,053	232,102	1,143,053
Fee and commission income	47,616	37,763	153,222
Net income from financial transactions	-20,259	2,613	-17,719
Other income	1,546	1,883	12,219
Total operating income	375,955	274,361	1,290,775
General administrative expenses			
Personnel expenses	-145,666	-108,422	-473,200
Other operating expenses	-227,741	-121,540	-627,467
Depreciation and amortisation of tangible and intangible assets	-10,753	-6,510	-30,281
Total operating expenses	-384,160		
Profit from share and participations in Joint venture	15,350	11,870	58,662
Profit before tax	7,145	49,759	218,489

Operating income statement based on segment reporting

SEK thousand	Quarter 1 2015	Quarter 1 2104	Full year 2014
Gross cash collections	790,735	535,522	2,541,311
Portfolio amortisation and revaluation	-358,925	-240,385	-1,143,020
Interest income from run-off consumer loan portfolio	3,118	11,066	38,180
Net revenue from acquired loans	434,928	306,203	1,436,471
Fee and commission income	47,616	37,763	153,222
Profit from shares and participation in joint venture	15,350	11,870	58,662
Other income	1,546	1,883	12,219
Total revenue	499,440	357,719	1,660,574
Personnel expenses	-145,666	-108,422	-473,200
Other operating expenses	-227,741	-121,540	-627,467
Depreciation and amortisation of tangible and intangible fixed assets	-10,753	-6,510	-30,281
Total operating expenses	-384,160	-236,472	-1,130,948
EBIT	115,280	121,247	529,626
Interest income excl. run-off portfolio of consumer loans	4,745	10,280	51,551
Interest expense	-92,621	-84,381	-344,969
Net income from financial transactions	-20,259	2,613	-17,719
Total financial items	-108,135	-71,488	-311,137
Profit before tax	7,145	49,759	218,489

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:

- Revenue includes income from:
 - acquired loan portfolios;
 - run-off portfolios of consumer loans;
 - fee and commission income from third parties;
 - profit from shares and participations in joint ventures;
 - certain other income.
- Total financial items include interest income from sources other than acquired loans, interest expense and net income from financial transactions.

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

A financing cost is allocated to the operating segments based on the acquired loan assets. The difference between the actual financing cost and the standardised cost is included in Central functions and Eliminations.

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

Note 1 Segment reporting, continued

Income statement Quarter 1, 2015

SEK thousand	Belgium, the Netherlands and France ¹⁾	UK	Italy	Poland	Germany and Austria ²⁾	Central functions and eliminations	Group
Gross cash collections	177,688	151,628	123,486	86,339	251,594	–	790,735
Portfolio amortisation and revaluation	–105,228	–38,418	–44,979	–19,679	–150,621	–	–358,925
Interest income from run-off consumer loan portfolio	–	–	–	–	3,118	–	3,118
Net revenue from acquired loans	72,460	113,210	78,507	66,660	104,091	–	434,928
Fee and commission income	1,816	33,170	1,207	8,746	2,677	–	47,616
Profit from shares and participation in joint venture	–	–	–	–	–	15,350	15,350
Other income	0	6	344	32	1,163	1	1,546
Total revenue	74,276	146,386	80,058	75,438	107,931	15,351	499,440
Personnel expenses	–24,442	–37,265	–12,697	–5,197	–40,252	–25,813	–145,666
Other operating expenses	–23,920	–62,229	–25,534	–14,415	–24,399	–77,244	–227,741
Depreciation and amortisation of tangible and intangible fixed assets	–809	–855	–1,574	–781	–1,847	–4,887	–10,753
Total operating expenses	–49,171	–100,349	–39,805	–20,393	–66,498	–107,944	–384,160
EBIT	25,105	46,037	40,253	55,045	41,433	–92,593	115,280
Interest income excl. run-off portfolio of consumer loans	28	–	0	12	221	4,484	4,745
Interest expense	–17	–	–7	–7	–	–92,590	–92,621
Net income from financial transactions	–26,864	–23,354	–14,206	–14,771	–28,325	87,261	–20,259
Total financial items	–26,853	–23,354	–14,213	–14,766	–28,104	–845	–108,135
Profit before tax	–1,748	22,683	26,040	40,279	13,329	–93,438	7,145

1) Total revenue for the Netherlands of SEK 51,521 thousand is included in the revenue for Belgium, the Netherlands and France.

2) Total revenue for Germany of SEK 103,712 thousand is included in the revenue for Germany and Austria.

Income statement Quarter 1, 2014

SEK thousand	Belgium, the Netherlands and France ¹⁾	UK	Italy	Poland	Germany and Austria ²⁾	Central functions and eliminations	Group
Gross cash collections	157,888	132,677	50,152	40,688	154,117	–	535,522
Portfolio amortisation and revaluation	–104,968	–54,487	–23,917	13,158	–70,171	–	–240,385
Interest income from run-off consumer loan portfolio	–	–	–	–	11,066	–	11,066
Net revenue from acquired loans	52,920	78,190	26,235	53,846	95,012	–	306,203
Fee and commission income	1,618	31,552	–	–	4,593	–	37,763
Profit from shares and participation in joint venture	–	–	–	–	–	11,870	11,870
Other income	0	417	0	0	1,164	302	1,883
Total revenue	54,538	110,159	26,235	53,846	100,769	12,172	357,719
Personnel expenses	–18,852	–32,902	–	–403	–35,312	–20,953	–108,422
Other operating expenses	–20,894	–37,956	–9,220	–11,389	–17,757	–24,324	–121,540
Depreciation and amortisation of tangible and intangible fixed assets	–869	–1,331	–	–	–1,292	–3,018	–6,510
Total operating expenses	–40,615	–72,189	–9,220	–11,792	–54,361	–48,295	–236,472
EBIT	13,923	37,970	17,015	42,054	46,408	–36,123	121,247
Interest income excl. run-off portfolio of consumer loans	23	228	–	0	12	10,017	10,280
Interest expense	–34	–90	–	0	–	–84,257	–84,381
Net income from financial transactions	–21,929	–16,478	–3,692	–10,656	–24,805	80,173	2,613
Total financial items	–21,940	–16,340	–3,692	–10,656	–24,793	5,933	–71,488
Profit before tax	–8,017	21,630	13,323	31,398	21,615	–30,190	49,759

1) Total revenue for the Netherlands of SEK 33,246 thousand is included in the revenue for Belgium, the Netherlands and France.

2) Total revenue for Germany of SEK 97,154 thousand is included in the revenue for Germany and Austria.

Note 1 Segment reporting, continued

Income statement full year 2014

SEK thousand	Belgium, the Netherlands and France ¹⁾	UK	Italy	Poland	Germany and Austria ²⁾	Central functions and eliminations	Group
Gross cash collections	733,474	527,346	260,828	295,619	724,044	–	2,541,311
Portfolio amortisation and revaluation	–484,991	–200,802	–91,324	–17,030	–348,873	–	–1,143,020
Interest income from run-off consumer loan portfolio	–	–	–	–	38,180	–	38,180
Net revenue from acquired loans	248,483	326,544	169,504	278,589	413,351	–	1,436,471
Fee and commission income	6,989	128,344	–	–	17,889	–	153,222
Profit from shares and participation in joint venture	–	–	–	–	–	58,662	58,662
Other income	218	2,686	311	0	14,294	–5,290	12,219
Total revenue	255,690	457,574	169,815	278,589	445,534	53,372	1,660,574
Personnel expenses	–86,886	–134,502	–17,854	–2,035	–149,805	–82,118	–473,200
Other operating expenses	–102,656	–137,601	–86,026	–74,812	–95,259	–131,113	–627,467
Depreciation and amortisation of tangible and intangible fixed assets	–4,679	–4,588	–2,340	–	–5,951	–12,723	–30,281
Total operating expenses	–194,221	–276,691	–106,220	–76,847	–251,015	–225,954	–1,130,948
EBIT	61,469	180,883	63,595	201,742	194,519	–172,582	529,626
Interest income excl. run-off portfolio of consumer loans	170	241	1	1	96	51,042	51,551
Interest expense	–90	–179	–2	0	–754	–343,944	–344,969
Net income from financial transactions	–100,481	–72,627	–25,292	–52,232	–105,135	338,048	–17,719
Total financial items	–100,401	–72,565	–25,293	–52,231	–105,793	45,146	–311,137
Profit before tax	–38,932	108,318	38,302	149,511	88,726	–127,436	218,489

1) Total revenue for the Netherlands of SEK 119,747 thousand is included in the revenue for Belgium, the Netherlands and France.

2) Total revenue for Germany of SEK 437,105 thousand is included in the revenue for Germany and Austria.

Acquired loans at 31 Mar 2015

SEK thousand	Belgium, the Netherlands and France	UK	Italy	Poland	Germany and Austria	Central functions / eliminations	Group
Run-off portfolio of consumer loans					98,423		98,423
Acquired loan portfolios	2,124,214	1,868,786	1,108,314	1,253,550	2,136,804		8,491,668
Shares and participations in joint venture						236,820	236,820
Acquired loans	2,124,214	1,868,786	1,108,314	1,253,550	2,235,227	236,820	8,826,911

Acquired loans at 31 Mar 2014

SEK thousand	Belgium, the Netherlands and France	UK	Italy	Poland	Germany and Austria	Central functions / eliminations	Group
Run-off portfolio of consumer loans					178,379		178,379
Acquired loan portfolios	1,968,496	1,317,470	293,582	809,896	1,807,250		6,196,694
Shares and participations in joint venture						203,838	203,838
Acquired loans	1,968,496	1,317,470	293,582	809,896	1,985,629	203,838	6,578,911

Acquired loans at 31 Dec 2014

SEK thousand	Belgium, the Netherlands and France	UK	Italy	Poland	Germany and Austria	Central functions / eliminations	Group
Run-off portfolio of consumer loans					118,799		118,799
Acquired loan portfolios	2,194,000	1,797,520	1,181,210	1,182,459	2,231,593		8,586,782
Shares and participations in joint venture						215,347	215,347
Acquired loans	2,194,000	1,797,520	1,181,210	1,182,459	2,350,392	215,347	8,920,928

Note 2 Financial instruments

	GROUP		
SEK thousand	31 Mar 2015	31 Dec 2014	31 Mar 2014
Opening balance	8,586,782	5,997,935	5,997,935
Acquisitions	272,977	3,226,795	433,702
Translation differences	-9,166	505,071	5,442
Changes in carrying value			
Based on the forecast of opening balances (amortisation)	-355,828	-1,128,103	-240,385
Based on revised estimates (revaluation)	-3,097	-14,916	-
Carrying value	8,491,668	8,586,782	6,196,694
Changes in carrying value recognised in the income statement	-358,925	-1,143,020	-240,385

Whereof reported at fair value	GROUP		
SEK thousand	31 Mar 2015	31 Dec 2014	31 Mar 2014
Opening balance	1,460,229	1,607,061	1,607,061
Translation differences	-34,769	94,594	934
Changes in carrying value			
Based on the forecast of opening balances (amortisation)	-48,648	-188,953	-47,782
Based on revised estimates (revaluation)	-	-52,473	-
Carrying value	1,376,812	1,460,229	1,560,213
Changes in carrying value recognised in the income statement	-48,648	-241,426	-47,782

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:

	GROUP		
SEK thousand	31 Mar 2015	31 Dec 2014	31 Mar 2014
Carrying value of acquired loan portfolios	8,491,668	8,586,782	6,196,694
In case the estimated cash flow over the forecast period (10 years) would increase by 5%, the carrying value would increase by	408,836	424,369	290,893
Of which valued at fair value	68,841	72,804	77,984
In case the estimated cash flow over the forecast period would decrease by 5%, the carrying value would decrease by	-408,836	-424,369	-290,893
Of which valued at fair value	-68,841	-72,804	-77,984
Carrying value of portfolios acquired prior to 1 July, 2011	1,376,812	1,460,229	1,560,213
In case the IRR would decrease by 1%, the carrying value would increase by	42,927	46,058	48,039
In case the IRR would increase by 1%, the carrying value would decrease by	-40,563	-43,483	-45,400
If the forecast period would be shortened by 1 year, the carrying value should decrease by	-48,818	-48,622	-55,985
If the forecast period would be lengthened by 1 year, the carrying value should increase by	43,587	43,413	49,987

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. Portfolios acquired past that date are valued at amortised cost. The underlying concept for valuation at fair value is to assess the carrying value of an asset by using the best available price for the asset. Loan portfolios are typically not traded publicly and consequently, there are no market prices available. Most participants 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:

- the gross collections forecast,
- the cost level and
- the internal rate of return.

The Group monitors the forward ten years' net collection forecasts for all portfolios and discounts the forecasts on a monthly basis. The portfolio forecast curve that is initially used for the purpose of the calculations of the fair value is the acquisition curve of the portfolio. These forecast 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.

Note 2 Financial instruments, continued

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. The portfolios are valued at a 12 per cent IRR (Internal Rate of Return) over a ten-year period, which is in line with prevailing and relevant market transactions.

Fair value measurements

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

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

Level 2) Based on directly or indirectly observable market information not included in Level 1. This category includes instruments valued based on quoted prices on active markets for similar instruments, quoted prices for identical or similar instruments that are traded on markets that are not active or other valuation techniques where all important input data is directly or indirectly observable in the market.

Level 3) Based on data 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 a substantial impact upon the valuation.

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

Group, 31 March 2015

SEK thousand	Acquired loan portfolios	Financing	Carrying value	Fair value	Level 1	Level 2	Level 3
Eligible treasury bonds		2,809,127	2,809,127	2,809,127	2,809,127		
Acquired loan portfolios							
of which at fair value	1,376,812		1,376,812	1,376,812			1,376,812
of which at amortised cost	7,114,856		7,114,856	7,289,351			7,289,351
Bonds and other interest-bearing securities ¹⁾		2,648,713	2,648,713	2,648,713	2,648,713		
Derivatives		8,995	8,995	8,995		8,995	
Total assets	8,491,668	5,466,835	13,958,503	14,132,998	5,457,840	8,995	8,666,163
Additional purchase consideration		66,997	66,997	66,997			66,997
Derivatives		53,256	53,256	53,256		53,256	
Senior unsecured loans		1,463,821	1,463,821	1,490,060		1,490,060	
Subordinated loans		333,768	333,768	407,983		407,983	
Total liabilities		1,917,842	1,917,842	2,018,296		1,951,299	66,997

1) Bonds and other securities include shares of SEK 25,000 thousand. The shares are reported at acquisition cost as there are no quoted prices. Neither has it been possible to estimate a reliable fair value using accepted valuation methods.

Group, 31 December 2014

SEK thousand	Acquired loan portfolios	Financing	Carrying value	Fair value	Level 1	Level 2	Level 3
Eligible treasury bonds		2,316,110	2,316,110	2,316,110	2,316,110		
Acquired loan portfolios							
of which at fair value	1,460,229		1,460,229	1,460,229			1,460,229
of which at amortised cost	7,126,553		7,126,553	7,311,207			7,311,207
Bonds and other interest-bearing securities ¹⁾		1,926,241	1,926,241	1,926,241	1,926,241		
Total assets	8,586,782	4,242,351	12,829,133	13,013,787	4,242,351		8,771,436
Derivatives		246,724	246,724	246,724		246,724	
Senior unsecured loans		1,493,122	1,493,122	1,490,060		1,490,060	
Subordinated loans		332,796	332,796	407,983		407,983	
Total liabilities		2,072,642	2,072,642	2,144,767		2,144,767	

1) Bonds and other securities include shares of SEK 25,000 thousand. The shares are reported at acquisition cost as there are no quoted prices. Neither has it been possible to estimate a reliable fair value using accepted valuation methods.

Note 2 Financial instruments continued

Group, 31 March 2014

SEK thousand	Acquired loan portfolios	Financing	Carrying value	Fair value	Level 1	Level 2	Level 3
Eligible treasury bonds		1,756,549	1,756,549	1,756,549	1,756,549		
Acquired loan portfolios							
of which at fair value	1,560,213		1,560,213	1,560,213			1,560,213
of which at amortised cost	4,636,481		4,636,481	4,798,288			4,798,288
Bonds and other interest-bearing securities ¹⁾		1,098,247	1,098,247	1,098,247	1,098,247		
Total assets	6,196,694	2,854,796	9,051,490	9,213,297	2,854,796		6,358,501
Derivatives		70,526	70,526	70,526		70,526	
Senior unsecured loans		729,037	729,037	755,625		755,625	
Subordinated loans		330,076	330,076	388,850		388,850	
Total liabilities		1,129,639	1,129,639	1,215,001		1,215,001	

1) Bonds and other securities include shares of SEK 25,000 thousand. The shares are reported at acquisition cost as there are no quoted prices. Neither has it been possible to estimate a reliable fair value using accepted valuation methods.

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

Derivatives used for hedging have been model-valued using indata in the form of market rates for interest and currencies. Bonds are valued based on quoted rates. Fair value of financing in terms of issued bonds and other subordinated loans has been determined taking into account observable market rates quoted by external market players. In

cases where more than one market price observation is available, the fair value is determined at the arithmetic mean of the market quotes.

The carrying value of accounts receivable and accounts payable are assumed as approximations of fair value, estimated at the same value as their book value. The fair value of current loans corresponds to their book value since the impact from discounting is limited.

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

Note 3 Group undertakings

In December 2014 Hoist Kredit acquired 100 per cent of the shares in Kancelaria Navi Lex. As at 31 December 2014, SEK 8,549 thousand of the purchase price were not yet settled. The amount was paid in the first quarter 2015.

Since the acquisition took place as late as 30 December 2014, additional consideration was not included in the acquisition analysis. Adjustments have now been made of the acquisition analysis including additional consideration. Additional consideration may be paid in a range between SEK 0 million and SEK 83 million during the period 2015–2018. Management's assessment is that the maximum additional purchase consideration will be payable which is SEK 81,409 thousand is taken into account in the acquisition analysis. The discounting effect of the additional purchase price amounts to SEK 4,976 thousand whereby an additional surplus value of SEK 76,433 thousand has been incurred. Of the additional consideration, SEK 9,436 thousand have been paid.

The entire amount is attributable to goodwill. Goodwill is primarily attributable to the appropriate base and organisation for further expansion on the Polish NPL market. Navi Lex has an experienced management and efficient organisation with excellent market knowledge and network of contacts both in terms of acquiring portfolios and running debt collection. The Navi Lex infrastructure for collection system and call centers is also well invested. Prior to the acquisition, external collection agencies were used for the Polish portfolios, and following the acquisition this is now done internally via Navi Lex, which means a significant reduction in collection costs.

Hoist Kredit acquired Cruz's minority shareholding of 10 per cent in Hoist Kredit's subsidiary Hoist Finance UK Ltd. The acquisition cost amounted to SEK 40,100 thousand, whereof SEK 32,584 were cash-based.

Note 4 Related party transactions

The information below is presented from the perspective of Hoist Finance and reflects how the financial information of Hoist Finance has been affected by transactions with related parties.

SEK thousand	GROUP		
	Other related parties		
	31 Mar 2015	31 Dec 2014	31 Mar 2014
Assets			
Lending to the public	–	–	9,087
Other assets	–	–	1,237
Liabilities			
Other liabilities	–	58	–

SEK thousand	GROUP		
	Other related parties		
	Quarter 1 2015	Quarter 1 2014	Full year 2014
Revenues from business activities			
Interest income	–	100	153
Costs from business activities			
Other costs ¹	–	1,772	2,433

SEK thousand	PARENT COMPANY			PARENT COMPANY		
	Group companies			Other related parties		
	31 Mar 2015	31 Dec 2014	31 Mar 2014	31 Mar 2015	31 Dec 2014	31 Mar 2014
Short-term receivables						
Receivables group companies	55,824	47,506	79,198	–	–	605
Long-term liabilities						
Group company loans	40,100	40,100	40,100	–	–	–
Short-term liabilities						
Debt Group companies	116,466	103,535	70,077	–	–	–

SEK thousand	PARENT COMPANY			PARENT COMPANY		
	Group companies			Other related parties		
	Quarter 1 2015	Quarter 1 2014	Full year 2014	Quarter 1 2015	Quarter 1 2014	Full year 2014
Revenue	32,122	33,669	171,684	–	–	–
Operating costs						
Other external costs	18,906	23,337	121,904	–	–	–
Results from financing activities						
Interest expenses	260	340	1,262	–	–	–

Note 5 Capital adequacy

The information in this note contains such information that shall be disclosed in accordance with FFFS 2008:25 regarding annual reports for credit institutions and concerns such information as specified in FFFS 2014:12. The information relates to Hoist Finance on a consolidated basis and Hoist Kredit which is the regulated entity. The only difference between the consolidated accounts and the consolidated situation for capital adequacy purposes is that the equity method is applied in the consolidated accounts whereas the proportional method is applied for the joint venture in relation to capital adequacy reporting.

When establishing the company's statutory capital requirements the following laws and regulations apply: the EU regulation No 575/2013 on prudential requirements for credit institutions and investment firms, the Swedish law 2014:968 Supervision on credit institutions and securities companies, and the Swedish law 2014:966 on

capital buffers. The purpose of these laws and regulations is to ensure that the licensed institution and its consolidated situation manages its risks and protects its customers. According to the regulations, the capital base shall cover the capital requirements including the minimum capital requirements (the capital requirements for credit risk, market risk and operational risk) and the capital requirements for all other essential risks, i.e. Pillar II risks.

Own funds

The table below shows own funds for Hoist Kredit and Hoist Finance on a consolidated basis which are used to cover the own funds requirements. If own funds in the respective capital categories are divided by the Risk Exposure Amount the capital ratios are derived which are shown under the heading "Capital ratios".

Capital adequacy assessment

Total Capital, SEK thousand	Hoist Finance consolidated			Hoist Kredit AB (publ)		
	31 Mar 2015	31 Dec 2014	31 Mar 2014	31 Mar 2015	31 Dec 2014	31 Mar 2014
Core primary capital in capital adequacy	1,995,937	1,304,189	647,642	1,877,457	1,182,658	552,920
Intangible fixed assets	-249,524	-171,048	-63,085	-47,895	-45,273	-22,937
Deferred tax assets	-66,045	-70,885	-56,607	-3,696	-1,249	-1,990
Result of period ¹⁾	-	-	-38,504	-	-	-21,155
Regulatory dividend deduction	-1,092	-5,000	-1,250	-	-	-
Core primary capital	1,679,276	1,057,257	488,197	1,825,867	1,136,136	506,839
Tier I capital	93,000	93,000	193,000	93,000	93,000	193,000
Regulatory adjustments	-	-	-64,156	-	-	-71,350
Additional Tier I capital	93,000	93,000	128,844	93,000	93,000	121,650
Total Tier I capital	1,772,276	1,150,257	617,041	1,918,867	1,229,136	628,489
Tier II capital instruments	333,768	332,796	330,076	333,768	332,796	330,076
Regulatory adjustments	-99,426	-106,655	-158,283	-110,110	-111,814	-167,876
Tier II capital	234,342	226,141	171,793	223,658	220,982	162,200
Total capital for capital adequacy purpose	2,006,618	1,376,398	788 834	2,142,525	1,450,118	790,689

1) Unaudited, i.e. cannot be included in the calculation of the core primary capital.

Capital requirement

The table below shows 8 per cent of the capital requirements per risk category and risk exposure amounts of Hoist Kredit and Hoist Finance on a consolidated basis.

Capital requirement, SEK thousand	Hoist Finance consolidated situation			Hoist Kredit AB (publ)		
	31 Mar 2015	31 Dec 2014	31 Mar 2014	31 Mar 2015	31 Dec 2014	31 Mar 2014
Institutions	58,261	54,575	37,745	41,493	24,704	31,807
– of which counterparty risk	1,482	1,701	1,088	1,482	1,701	1,088
Corporate	10,307	11,702	12,051	519,612	425,346	294,745
Retail	6,419	8,222	10,446	6,419	7,849	11,848
Exposures in default	699,378	707,040	518,757	225,837	234,038	214,389
Other items	19,781	18,641	12,915	50 509	139,936	53,084
Credit risk (standardised approach)	794,146	800,180	591,914	843,870	831,872	605,873
Operational risks (basic indicator approach)	140,220	93,379	93,379	47,761	41,049	41,049
Foreign exchange risk	3,002	11,005	1,828	3,002	11,005	1,828
Credit valuation adjustment (standardised approach)	-	-	51	-	-	51
Total capital requirement	937,367	904,564	687,172	894,632	883,926	648,800
Total risk-weighted amount	11,717,092	11,307,052	8,589,655	11,182,898	11,049,076	8,110,005

Note 5 Capital adequacy, continued

Capital ratios and capital buffers

When the Capital Requirements Regulation entered into force on 1 January 2014, credit institutions were required to uphold at least 4.5 per cent Common Equity Tier 1 Capital, 6 per cent Tier 1 Capital and 8 per cent Total Capital, as a percentage of the Risk Exposure Amount. On 2 August 2014, when the Swedish implementation of the Capital Requirements Directive entered into force, credit institutions became required to uphold certain capital buffers. Currently Hoist Finance is

only required to uphold a capital conservation buffer of 2.5 per cent of the Risk Exposure Amount. The table below shows Hoist Finance's consolidated situation and the Hoist Kredit AB (publ) regulated entity's Common Equity Tier 1, Tier 1 and Total Capital as a percentage of the Total Risk Exposure Amount. It also shows the total regulatory requirements in each capital tier.

All capital ratios are above the minimum requirements and the capital buffer requirements are within a margin of safety.

Capital requirement and capital buffers, %	Hoist Finance consolidated situation			Hoist Kredit AB (publ)		
	31 Mar 2015	31 Dec 2014	31 Mar 2014	31 Mar 2015	31 Dec 2014	31 Mar 2014
Common equity Tier I ratio	14.33	9.35	5,68	16.33	10.28	6.25
Tier I capital ratio	15.13	10.17	7,18	17.16	11.12	7.75
Total capital ratio	17.13	12.17	9,18	19.16	13.12	9.75
Institution specific requirement on common equity Tier I capital	7.00	7.00	4.50	7.00	7.00	4.50
whereof: Pillar I common equity Tier I capital requirement	4.50	4.50	4.50	4.50	4.50	4.50
whereof: Capital conservation buffer requirement	2.50	2.50	-	2.50	2.50	-
whereof: Contra cyclical capital buffer requirement	-	-	-	-	-	-
Pillar II common equity Tier I capital requirement	0.65	0.61	0.18	0.68	0.62	0.19
Total common equity Tier I capital requirement	7.65	7.61	4.68	7.68	7.62	4.69
Surplus common equity Tier I capital	6.68	1.75	1.00	8,65	2.66	1.56
Surplus Tier I capital	5.98	1.07	1.00	7,98	2.00	1.56
Surplus total capital	5.98	1.07	1.00	7,98	2.00	1.56

Pillar II risks

Since the Pillar I capital requirements or Risk Exposure Amounts are calculated according to the definitions defined by regulatory requirements and not by specific analysis of the particular risk situation, Hoist Finance has chosen to validate the results of the Pillar I capital requirements or Risk Exposure Amounts with the use of stress tests particular to Hoist Finance's business. This is in order to customise the capital requirements analysis with the specific risks that Hoist is exposed to. With this exercise, Hoist tests the validity of the regulatory capital requirements. The method consist of the following steps:

1. Definition of a very conservative stress test for the particular risk factor corresponding to a 99 per cent VaR (Value-at-Risk) confidence level or a stress of the magnitude of what one could observe once in a 100 year period.
2. Simulate the stress test on Hoist Finance's actual Income Statement and Balance Sheet.

3. If the stress loss would show a higher loss figure than the capital requirement calculated by the regulatory method, Hoist Finance would put the difference in a Pillar II requirement.

This practice of validation of Pillar I risks has the sole purpose of checking the relevancy of the Pillar I capital requirements since they are calculated according to very standardised methods as stipulated by regulation. Pillar II capital requirement can also result as a consequence of identification of risk categories that are not considered in the Pillar I capital requirements. These risks are also stressed to a magnitude of what one could observe once in a 100 year period. Capital is thereafter reserved to cover the outcome of the test.

The Pillar II risks below are expressed as a capital requirement figure which are to be covered with CET 1-capital.

Pillar II-risks, SEK thousand	Hoist Finance consolidated situation			Hoist Kredit AB (publ)		
	31 Mar 2015	31 Dec 2014	31 Mar 2014	31 Mar 2015	31 Dec 2014	31 Mar 2014
Credit risk	-	-	-	-	-	-
Market risk (Currency risk)	437	2,925	489	437	2,925	491
Liquidity risk	-	-	-	-	-	-
Concentration risk	20,880	9,360	-	20,880	9,360	-
Reputational risk	15,316	15,316	1,089	15,316	15,316	1,089
Interest rate risk	36,113	37,550	13,804	36,113	37,550	13,804
Strategic risk	3,300	3,300	332	3,300	3,300	332
Operational risk	-	-	-	-	-	-
Capital requirement according to Pillar II	76,047	68,451	15,714	76,047	68,451	15,716

Note 5 Capital adequacy, continued

Liquidity risk

Liquidity risk is the risk of difficulties in obtaining financing and thus, not being able to meet payment obligations at maturity without significant higher financing costs. Liquidity risk in Hoist stems first and foremost from the risk of unexpected and sudden outflow of deposits. Liquidity risk at Hoist Finance is low due to the fact that

- deposits are well diversified,
- more than 99 per cent of deposits are under state-guaranteed deposit insurance,
- the amount of deposits is managed by altering given interest rates and
- term-funding covers Hoist Finance's fixed assets (acquired loan portfolios) to more than 90 per cent.

In accordance with the SFSA's regulations regarding management of liquidity risks in credit institutions and securities companies (FFFS 2010:7), Hoist Kredit and the Hoist Finance consolidated situation shall hold a separate reserve of high-quality liquid assets to secure its short-term capacity to meet payment obligations in the event of lost or impaired access to regularly available funding sources. The liquidity

reserve of Hoist Kredit and the Hoist Finance consolidated situation consists of unencumbered assets that enable the rapid creation of liquidity at foreseeable values, including:

- cash at credit institutions;
- deposits with other credit institutions available the following day; and
- other assets that are both liquid on private markets and eligible for refinancing by central banks.

Pursuant to Hoist Finance's Treasury Policy, the Hoist Finance Group shall maintain an available liquidity (liquidity available within three business days) of 30 per cent and a liquidity reserve (liquidity available within one business day) of 10 per cent of Hoist Finance's deposits. As 31 March 2015, the total available liquidity of Hoist Finance consolidated situation amounted to 61.11 per cent and the liquidity reserve amounted to 58.31 per cent. The liquidity difference between available liquidity and liquidity reserve mainly consists of investments in highly-rated bank bonds with good liquidity and cash available at institutions, which could be withdrawn within a few days.

Liquidity position, SEK thousand	Hoist Finance consolidated situation			Hoist Kredit AB (publ)		
	31 Mar 2015	31 Dec 2014	31 Mar 2014	31 Mar 2015	31 Dec 2014	31 Mar 2014
Deposit from the public	12,317,254	10,987,289	9,099,543	12,317,254	10,987,289	9,099,543
Liquidity reserve, minimum 10% of deposited volumes ¹⁾ , %	58.31	48.68	42.81	50.16	40.00	39.14
Available liquidity, minimum 30% of deposited volumes ²⁾ , %	61.11	50.35	48.23	52.96	41.66	44.55

1) Defined as cash at credit institutions available the next day and fixed income instruments which are liquid and possible to refinance through the Swedish Central Bank.

2) Defined as liquidity available within three days.

Liquidity funding, SEK thousand	Hoist Finance consolidated situation			Hoist Kredit AB (publ)		
	31 Mar 2015	31 Dec 2014	31 Mar 2014	31 Mar 2015	31 Dec 2014	31 Mar 2014
Deposits from the public, flexible	7,454,529	7,559,042	6,761,168	7,454,529	7,559,042	6,761,168
Deposits from the public, fixed	4,862,725	3,428,246	2,338,375	4,862,725	3,428,246	2,338,375
Senior unsecured loans	1,463,821	1,493,122	729,037	1,463,821	1,493,122	729,037
Convertible loans	93,000	93,000	193,000	93,000	93,000	193,000
Subordinated loans	333,768	332,796	330,076	333,768	332,796	330,076
Shareholders' equity	2,032,654	1,304,190	655,142	1,913,791	1,182,659	522,401
Other	608,343	851,432	459,871	285,834	503,268	363,352
Balance sheet, total	16,848,840	15,061,829	11,466,669	16,407,468	14,592,133	11,237,410

Assurance

The Board of Directors and the CEO hereby give their assurance that the interim report provides a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Stockholm, 5 May 2015

Ingrid Bonde
Chair of the Board

Liselotte Hjorth
Board member

Annika Poutiainen
Board member

Per-Eric Skotthag
Board member

Costas Thoupou
Board member

Gunilla Wikman
Board member

Jörgen Olsson
CEO
Board member

Review report

Hoist Finance AB (publ)
Corp. id. 556012-8489

Introduction

We have reviewed the summary interim financial information (interim report) of Hoist Finance AB (publ) as of 31 March 2015 and the three-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies for the Group and in accordance with the Annual Accounts Act for the Parent Company. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in

scope than an audit conducted in accordance with International standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 5 May 2015

KPMG AB
Anders Bäckström
Authorized Public Accountant

Definitions

Acquired loans	The total of acquired loan portfolios, run-off consumer loan portfolios and shares and participations in joint venture.
Acquired loan portfolios	An acquired loan portfolio consists of a number of defaulted consumer loans or debts that arise from the same originator.
Common Equity Tier 1 ratio	Consists of common shares issued by the company, retained earnings, other comprehensive income, other disclosed reserves after deduction for primarily deferred tax assets, intangible assets and goodwill in the numerator. The denominator of the ratio consists of the company's Risk Exposure Amount.
Cost/Gross cash collections on acquired loans	Operating expenses less fee and commission income, and other income divided by a total of gross cash collections and income from run-off consumer loan portfolios.
EBIT	Earnings Before Interest and Tax.
EBIT margin	EBIT divided by Total revenue.
Fee and commission income	Commission generated from third-party collection services.
FTE, Full-time equivalent	Average number of employees, based on working hours for which the company pays salary or other remuneration as compensation for work, paid holiday, sick leave, leave of absence. However, overtime is not included. The calculation is based on hours worked on a yearly basis.
Gross cash collections	Gross cash flow from the Group's customers on loans included in the Group's acquired loan portfolios.
Gross ERC 120 months	"Estimated Remaining Collections", i.e. the estimated remaining gross collections amount on acquired loan portfolios for the coming 120 months.
Liquidity ratio	Cash at banks and high-grade liquid securities where liquidity is available within three days.
Net revenue from acquired loans	Gross cash collections from acquired loan portfolios, income from run-off consumer loan portfolios less portfolio amortisation and portfolio revaluation.
Non performing loans	A non-performing loan on the balance sheet of the originator is a loan that is in default or close to being in default.
Portfolio amortisation	The share of gross cash collections that will be used for amortising the carrying value of acquired loan portfolios.
Portfolio revaluation	Changes in the portfolio value based on revised estimated remaining collections for the portfolio.
Basic earnings per share	The result of the period in relation to the basic weighted average number of shares outstanding.
Return on assets	Net profit for the period divided by average total assets.
Return on shareholders' equity	Net profit for the period divided by average shareholders' equity during the period.
Total capital ratio	The company's CET 1-capital, additional Tier 1 capital and Tier 2 capital divided by the company's Risk Exposure Amount.
Total revenue	Total of net revenue from acquired loans, fee and commission income, profit from joint venture and other income.
Return on shareholders' equity	Net profit for the year divided by average shareholders' equity during the year.
Total capital ratio	Net profit attributable to parent company shareholders in relation to average number of outstanding shares.

Information

Financial calendar 2015

Interim report Q2
31 July 2015

Interim report Q3
29 October 2015

Year-end-report Q4
10 February 2016

Contact

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Communications and IR
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Presentation of the Interim report

The interim report and investor presentation are available on www.hoistfinance.com. The report is commented by the CFO Pontus Sardal on 6 May 2015 at 9.30 A.M. (CET). The presentation can be viewed live on www.hoistfinance.com or on www.financialhearings.com. To participate, please dial +46 8 566 426 61 (SE), +44 203 428 14 10 (UK) or +1 855 753 22 36 (US).

The information in this interim report has been published pursuant to the Swedish Securities Market Act (Sw. lag om värdepappersmarknaden) and/or Swedish Financial Instruments Trading Act (Sw. lagen om handel med finansiella instrument). This information was released for publication on 6 May 2015 at 8.00 A.M. (CET).

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Additional information is available on www.hoistfinance.com

Our Mission– Your Trust

Hoist Finance is a leading debt restructuring partner to international banks. We offer a broad spectrum of flexible and tailored solutions for the acquisition and management of non-performing unsecured consumer loans and are present in eight countries across Europe.

In Sweden, we offer a retail deposit service, HoistSpar, with approximately than 65,000 active accounts.

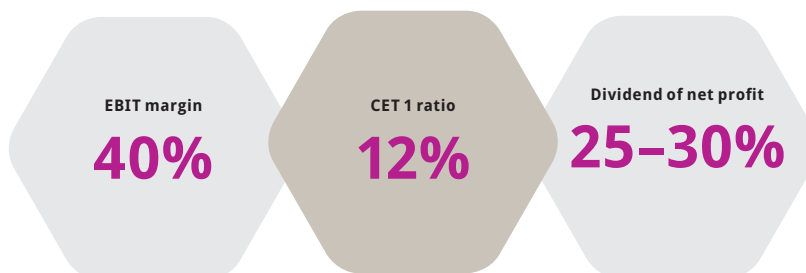
Our business model



Specialisation, experience and a data-driven acquisition strategy allow Hoist Finance to acquire attractive portfolios of non-performing unsecured consumer loans.

Our proven model for amicable settlements generates stable, predictable and long-dated cash flows.

Medium-term financial targets



Strategies

- Strengthen and expand in current markets, and grow in selected new markets
- Maintain underwriting discipline and focus on core assets
- Build upon our status as a regulated credit institution
- Develop collection strategies with emphasis on amicable and in-house collection
- Leverage existing benefits of scale
- Maintain and develop unique funding base and leverage on solid capital and liquidity positions

This report is also published in Swedish. The English version is a translation from Swedish. In case of discrepancy, the Swedish version shall prevail.