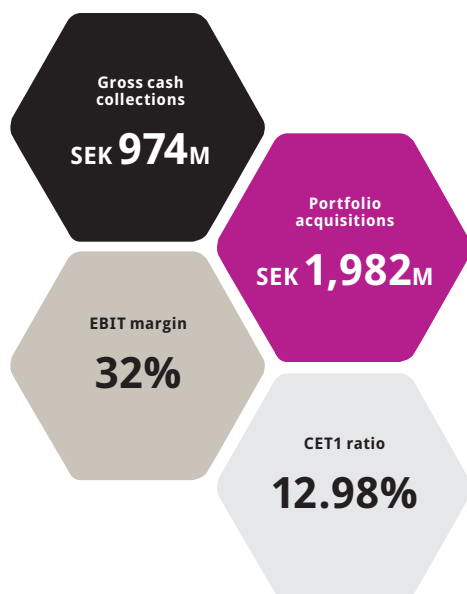


Interim report January – September 2015

Third quarter



July–September year-on-year

- Gross cash collections increased 52 per cent to SEK 974m (640)
- Total revenue increased 40 per cent to SEK 590m (422)
- EBIT totalled SEK 187m (127)
- The EBIT margin was 32 per cent (30)
- Profit before tax totalled SEK 94m (65)
- Portfolio acquisitions totalled SEK 1,982m (353)
- Basic earnings per share were SEK 0.93 (0.85)
Diluted earnings per share were SEK 0.91 (0.72)²⁾
- Financial net amounted to an expense of SEK 93m (–62).

30 September year-on-year

- Carrying value of acquired loans increased 42 per cent to SEK 10,639m (7,504)³⁾
- Gross 120-month ERC (Estimated Remaining Collections) increased 43 per cent to SEK 18,082m (12,657)
- The total capital ratio improved to 15.66 per cent (12.52)
- The CET1 ratio was 12.98 per cent (9.02)

SEK million	Quarter 3 2015	Quarter 3 2014	Change %	Jan–Sep 2015	Jan–Sep 2014	Change %
Gross cash collections	974	640	52	2,599	1,791	45
Net revenue from acquired loan portfolios	539	367	47	1,450	1,020	42
Total revenue	590	422	40	1,626	1,181	38
EBIT ¹⁾	187	127	48	464	380	22
EBIT margin, per cent	32	30	2 pp	29	32	–3 pp
Profit before tax	94	65	44	154	171	–10
Net profit/loss	76	49	54	124	132	–6
Basic earnings per share, SEK ²⁾	0.93	0.85	N/A	1.54	2.36	N/A
Diluted earnings per share, SEK ²⁾	0.91	0.72	N/A	1.51	1.99	N/A
Portfolio acquisitions	1,982	353	461	2,920	1,683	73

	30 Sep 2015	30 Sep 2014	Change %	31 Dec 2014
Carrying value of acquired loans, SEK ³⁾	10,639	7,504	42	8,921
Gross 120-month ERC, SEK ⁴⁾	18,082	12,657	43	15,576
Return on equity, per cent	9	17	–8 pp	16
Total capital ratio, per cent	15.66	12.52	3 pp	12.17
CET1 ratio, per cent	12.98	9.02	4 pp	9.35
Liquidity ratio, per cent	47	47	0 pp	50
Number of employees (FTEs)	1,399	918	52	1,077

1) Includes listing expenses totalling SEK 46m for the Jan–Sep 2015 period, which have a negative impact on EBIT.

2) Includes effect of 929,627 outstanding warrants.

3) Including run-off consumer loan portfolios and portfolios held in joint venture.

4) Excluding run-off consumer loan portfolios and portfolios held in joint venture.

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. Hence, Hoist Finance produces financial statements in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. In order to assess the operational performance of the debt purchasing and collection operations and to facilitate comparison with our competitors, Hoist Finance supplements its statutory financial statements with an operating income statement. The operating income statement is prepared based on the accounting and valuation principles used in the statutory financial statements, with no amendments or adjustments thereto.

The information in this interim report has been published pursuant to the Swedish Securities Market Act and/or Swedish Financial Instruments Trading Act. This information was submitted for publication on 29 October 2015 at 8.00 A.M. (CET).

Strong earnings trend and high acquisition rate



Hoist Finance continues its positive, stable development, with record high acquisition volumes during the third quarter. Gross cash collections as well as total revenue saw considerable growth. This is primarily due to the contribution of portfolio acquisition made in 2014 and our dynamically improving operational leverage.

EBIT is up 48 per cent year-on-year. The EBIT margin has improved to 32 per cent notwithstanding transaction costs for the acquisition of Compello and negative portfolio revaluations; with the majority relating to Poland.

High market activity and increased presence in attractive debt segment

The quarter was distinguished by a high acquisition level, with transactions on several markets. A large proportion of the volume acquired this quarter is attributed to the acquisition of Compello Holding Ltd. As we have previously communicated, the acquisition includes a diversified portfolio of claims on banks, comprised of over one million non-performing loans from 19 financial institutions and an established call centre with 178 employees.

As with some of our previous portfolio acquisitions, parts of Compello will initially involve a higher share of legal collections, which increases our operating expenses in the short term. This is a natural part of our operations and fully in line with our strategy regarding certain portfolios, aimed at optimising profitability over time.

We also strengthened our position in the non-consumer segment with the acquisition of an SME portfolio in Italy in early October. We have previously managed this type of debt, albeit on a smaller scale, and we believe that this is an emerging asset class that fits well with our other loan portfolios. The transaction is well aligned with our strategy to enhance collaboration with our partners.

A more efficient organisational structure

We have decided to divide operational activities into three regions in order to improve organisational efficiency and strengthen our position in Europe. This will better equip Hoist Finance to achieve its long-term goals and benefit from opportunities available in the market, and will involve a new method of segment reporting next year.

Opportunities in a growing market

The long-term market for non-performing consumer loans and other debt segments is growing steadily. With our many years of experience, broad geographic presence and well-developed collaborations with several major European banks, we see very good opportunities for growth in coming years. Our focus remains on growing and developing the markets where we currently operate while actively evaluating various business opportunities in other Europe areas.

Outlook

Hoist Finance continues to defend and strengthen its position as a leading debt restructuring partner to major international banks. Developments to date, reinforce our confidence in our ability to deliver our medium term financial targets.

We also see good prospects in 2015 for achieving a total acquisition volumes that well exceeds last year's.

Jörgen Olsson

CEO

Hoist Finance AB (publ)

Third quarter 2015

Unless otherwise specified, all market, financial and operational comparisons refer to the third quarter of 2014. The analysis below follows the operating income statement.

Revenue

Total revenue totalled SEK 590m (422). Gross cash collections increased to SEK 974m (640), primarily due to the large portfolio acquisitions made in late 2014 and the acquisition of Compello Holding Ltd. Increase in revenue remains stable due to the contribution of previously acquired portfolios and the continued strong flow of new acquisition volumes. Portfolio acquisitions totalled SEK 1,982m (353) during the quarter, mainly attributable to the acquisition of Compello Holding Ltd in the UK and portfolio acquisitions in Poland, the Netherlands and France, which generated revenue as of the third quarter.

Portfolio amortisation increased 54 per cent to SEK 438m (285). The increase is mainly attributable to the increased volume of acquired loan portfolios and an improved collection rate in the Netherlands, as well as revaluations of SEK –35m. In line with loan amortisation, interest income from the run-off consumer loan portfolio decreased during the period to SEK 3m (12). Net revenue from acquired loan portfolios consequently increased 48 per cent to SEK 539m (367).

Fee and commission income increased 3 per cent to SEK 38m (37). While the greater part of this income is attributable to the UK operations, the increase is due to acquired operations in Poland, for which a large part of Q4 2014 revenues relate to third-party cash collection.

Profit from participation in the joint venture in Poland decreased 31 per cent to SEK 11m (16), as no further investments are being made within the scope of the joint venture.

Operating expenses

Personnel expenses increased 36 per cent to SEK 166m (122) in line with the increase in the number of Group full-time employees: 1,299 (918). This is due primarily to the expansion of Hoist Finance's self-run collection platforms in Italy, Poland and the UK following company acquisitions in those regions.

Other operating expenses increased 34 per cent during Q3 2015 to SEK 223m (166). The increase is mainly attributable to the acquisition of Compello Holding Ltd. The remaining increase is a result of acquisitions and greater business volumes, with some portfolios accounting for a higher share of legal collection expenses (a natural part of operations).

Depreciation and amortisation of tangible and intangible fixed assets totalled SEK 14m (7). The increase is attributable to production systems included in acquired companies and to continued investments in Group IT systems.

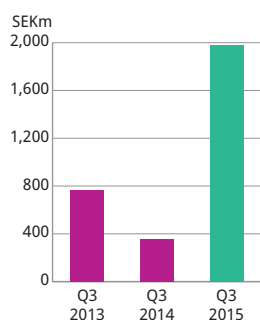
Financial items

Financial items as per the Company's segment reporting totalled SEK –93m (–62). Due to the low interest rate level, interest income (exclusive of run-off consumer loan portfolio) totalled SEK 0m (21).

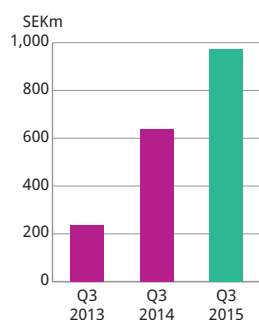
Interest expense totalled SEK 90m (85) and is mainly comprised of interest expense related to HoistSpar deposits and interest expenses for issued bonds. Interest expense for HoistSpar deposits decreased year-on-year to SEK 45m (53), and the interest rates Hoist Finance offer are on a par with the prevailing market situation. Interest expenses for Company-issued bonds increased to SEK 27m (21), attributable to the bond issued during Q4 2014. Deposit guarantee expenses of SEK 3m (3) are also reported as interest expense.

Net income from financial transactions, including financing costs, totalled SEK –3m (3), generated primarily from the hedging of currencies and interest rates via derivatives. Hoist Finance hedges interest rate risk on a continuous basis, currently in the short and medium term.

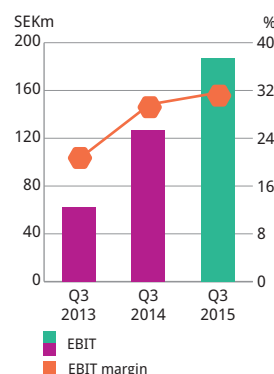
Portfolio acquisitions



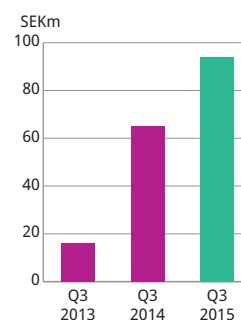
Gross cash collections



EBIT and EBIT margin



Profit before tax



Cash flow

SEK thousand	Quarter 3 2015	Quarter 3 2014	Jan-Sep 2015	Jan-Sep 2014
Cash flow from operating activities	-1,336	1,060	104	-733
Cash flow from investing activities	982	-965	-465	-1,126
Cash flow from financing activities	-185	1	543	375
Cash flow for the period	-538	97	182	-1,484

Cash flow from operating activities totalled SEK -1,336m (1,060), mainly due to the portfolio acquisition through Compello Holdings Ltd, which is deemed a portfolio acquisition as regards cash flow. HoistSpar deposit volumes increased SEK 22m during the third quarter, attributable entirely to the inflow of non-fixed deposits.

Cash flow of gross cash collections increased to SEK 974m (640) due to the loan portfolios' increased volume. Portfolio acquisitions totalled SEK 2,054m (430), including the acquisition of Compello Holdings Ltd.

Cash flow from investing activities totalled SEK 982m (-965). The change is due to a reallocation of bonds and other securities in preparation for a large acquisition in Italy in early October and for other loan portfolio acquisitions made during the third quarter.

Cash flow from financing activities totalled SEK -185m (1) and is comprised of a SEK 184m securities buy-back and a SEK 1m warrant buy-back.

Total cash flow for the quarter totalled SEK -538m, as compared with SEK 97m in Q3 2014.

Balance sheet

Total assets increased 36 per cent year-on-year to SEK 17,412m (12,799). The change is attributable to a SEK 602m (46 per cent) increase in lending to credit institutions, a SEK 3,195m (45 per cent) increase in loan portfolio carrying value, and a SEK 747m (65 per cent) increase in Treasury bills and Treasury bonds. These increases are offset by a SEK -76m (-3 per cent) reduction in bonds and other securities.

The acquisition of shares in Compello Holdings Ltd had a balance sheet impact of SEK 1,256m in new net assets, primarily in the form of acquired loan portfolios. The purchase price paid upon acquisition totalled SEK 1,256m.

Total liabilities amount to SEK 15,187m (11,549). The change is mainly due to a SEK 2,836m (28 per cent) increase in deposit volumes.

Financing and capital debt

SEKm	30 Sep 2015	30 Sep 2014	Change %	31 Dec 2014
Deposits	12,815	9,979	28	10,987
Subordinated liabilities	336	332	1	333
Issued bonds	1,296	741	75	1,493
Total interest-bearing liabilities	14,447	11,052	31	12,813
Other liabilities	739	497	49	852
Shareholders' equity	2,226	1,250	78	1,397
Total liabilities and shareholders' equity	17,412	12,799	36	15,062
Cash and interest-bearing securities	6,080	4,807	26	5,560
Other assets	11,332	7,992	42	9,502
Total assets	17,412	12,799	36	15,062
Liquidity ratio, %	47	47	0 pp	50
CET1 ratio, %	12.98	9.02	4 pp	9.35
Total capital ratio, %	15.66	12.52	3 pp	12.17
Acquired loans				
Portfolio acquisitions	2,920	1,683	73	3,227
Carrying value of acquired loans ¹⁾	10,639	7,504	42	8,921
Gross 120-month ERC ²⁾	18,082	12,657	43	15,576

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.

Hoist Finance funds its operations through deposits from the public and through the bond market. Deposits from the public total SEK 12,815m (9,979). Of this amount, SEK 5,203m is attributable to fixed term deposits of 12-, 24- and 36-month durations. In line with its funding structure diversification strategy, Hoist Finance issued a bond denominated in EUR in Q4 2014. As at 30 September 2015, outstanding bond debt totalled SEK 1,296m.

Group equity totals SEK 2,226m (1,205). The capital base was strengthened substantially through the new share issues in 2014 and the new share issue in connection with the listing.

The total capital ratio improved to 15.66 per cent (12.52) and the CET1 ratio to 12.98 per cent (9.02). The Company is thus well capitalised for further expansion in the acquisition of non-performing consumer loans.

Cash and interest-bearing securities total SEK 6,080m (4,807). The liquidity ratio is 47 per cent (47) of deposits from the public.

Basic earnings per share total SEK 0.93 (0.85). Interest on subordinated liabilities is included in the calculation.

Risk development

Loan portfolio credit risk is deemed to have increased during Q3 2015 proportionally with the volume of acquired loans. Portfolio credit quality is still deemed good.

Operational risks increased (although at a lower rate than growth) as a result of acquisitions and greater business volumes. The main reasons for the increase are deemed to stem from increased risks associated with the integration of acquired companies and legal and tax-related risks associated with running cross-border operations in Europe. Hoist Finance works continuously to improve the quality of internal process to minimise operational risks.

Hoist Finance's capital position in terms of the CET1 ratio was 12.98 per cent (9.02) during the third quarter, exceeding the capital target of 12 per cent. The company is thus well capitalised to continue expanding through the acquisition of non-performing consumer loans.

The liquidity ratio is 47 per cent (47). The liquidity ratio exceeds the target established by the company, and the liquidity risk therefore remains low.

Other information

Employees

The Group had 1,399 (918) FTEs during Q3 2015. The year-on-year increase is mainly attributable to the acquisitions in Poland (182 FTEs) and the UK (178 FTEs).

Parent Company

The Parent Company reported a pre-tax profit of SEK 5m (2).

Events after the end of the quarter

No significant events have taken place after the end of the reporting period.

The share and shareholders

Hoist Finance was listed on the NASDAQ Stockholm Mid Cap List on 25 March 2015. The price per share was set at SEK 58, corresponding to a market capitalisation of SEK 4,555m. As at 30 September 2015 the share price closed at SEK 61 and the number of shares totalled 78,532,684. A breakdown of the ownership structure is presented in the table below.

Ownership structure

Name	Capital and votes, %
Swedbank Robur Fonder AB	9.1
Toscafund Asset Management LLP	9.1
Carve Capital AB	9.0
Olympus Investment S.à.r.l.	7.5
Beagle Investments S.A.	7.0
Deciso AB	6.1
Thoupos Costas	4.2
Norges Bank Investment Management	4.0
Zenit funds	3.9
SHB funds	3.5
Carnegie funds	2.6
Svenskt Näringsliv	1.9
Per Josefsson Invest AB	1.9
Echiquier funds	1.9
Holberg funds	1.4
Other shareholders	26.9
Total	100.0

Source: SIS Ownership Service, 30 September 2015

Pursuant to issued instructions, the Nominating Committee is to be comprised of the three largest owners. Toscafund A M waived its seat on the committee; accordingly, the Nominating Committee is comprised of the Chairman of the Board of Directors and representatives appointed by Swedbank Robur Fonder AB, Carve Capital AB and Olympus Investment S.à.r.l.

Review

This interim report has been reviewed by the company's auditor.

Quarterly overview

Segment reporting

SEK thousand	Quarter 3 2015	Quarter 2 2015	Quarter 1 2015	Quarter 4 2014	Quarter 3 2014
Gross cash collections	973,978	834,098	790,735	750,218	640,091
Portfolio amortisation and revaluation	-437,968	-360,477	-358,925	-339,425	-284,861
Interest income from run-off consumer loan portfolio	2,513	2,994	3,118	5,640	11,907
Net revenue from acquired loan portfolios	538,523	476,615	434,928	416,433	367,137
Fee and commission income	37,990	41,747	47,617	39,467	36,881
Profit from shares and participations in joint ventures	10,674	14,946	15,350	17,918	15,671
Other income	2,894	3,439	1,546	5,904	2,227
Total revenue	590,081	536,747	499,441	479,722	421,916
Personnel expenses	-165,959	-153,016	-145,666	-132,298	-122,225
Other operating expenses	-223,365	-211,764	-227,743	-188,042	-166,043
Depreciation and amortisation of tangible and intangible assets	-13,550	-10,859	-10,753	-9,623	-6,880
Total operating expenses	-402,874	-375,639	-384,162	-329,963	-295,148
EBIT	187,207	161,108	115,279	149,759	126,768
Interest income excl. run-off consumer loan portfolio	-154	-12,111	4,746	7,526	21,462
Interest expense	-90,101	-92,876	-92,621	-93,437	-85,498
Net income from financial transactions	-2,857	-3,779	-20,260	-16,321	2,507
Total financial items	-93,112	-108,766	-108,135	-102,233	-61,529
Profit before tax	94,095	52,342	7,145	47,527	65,239

Key ratios, segment reporting

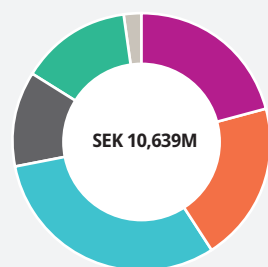
SEK million	Quarter 3 2015	Quarter 2 2015	Quarter 1 2015	Quarter 4 2014	Quarter 3 2014
EBIT margin, %	32	30	23	31	30
Portfolio acquisitions	1,982	665	273	1,544	353
Carrying value of acquired loans	10,639	9,040	8,827	8,921	7,504
CET1 ratio, %	12.98	12.58	14.33	9.35	9.02
Gross 120-month ERC ¹⁾	18,082	15,316	15,238	15,576	12,657

1) Excluding run-off consumer loan portfolio and portfolios held in joint venture.

Segment overview

Hoist Finance purchases and manages receivables in eight European countries, all of which have different traditions for providing financial services, different legislative frameworks and different attitudes with respect to past due receivables and repayment patterns.

Carrying value,
acquired loan portfolios per market,
30 September 2015



Germany/Austria 21%
Belgium, Netherlands, France 20%
UK 31%
Italy 12%
Poland 14%
Joint Venture in Poland 2%

Quarter 3 2015

SEK thousand	Germany and Austria	Belgium, the Netherlands and France	UK	Italy	Poland	Central Functions and Eliminations	Group
Net revenue from acquired loan portfolios	95,714	84,942	198,594	98,193	61,080	–	538,523
Total revenue	101,371	86,723	223,190	99,527	70,122	9,148	590,081
Total operating expenses	–60,399	–53,953	–145,159	–43,003	–34,407	–65,953	–402,874
EBIT	40,972	32,770	78,031	56,524	35,715	–56,805	187,207
EBIT margin, %	40	38	35	57	51	–	32
Carrying value of acquired loan portfolios	2,199,060	2,148,308	3,326,198	1,251,607	1,496,277	217,102	10,638,552
Gross 120-month ERC, ¹⁾ SEKm	3,560	3,292	6,043	2,376	2,810	–	18,082

1) Excluding run-off consumer loan portfolio and portfolios held in joint venture.

The earnings trend for each operating segment (excluding Central Functions and Eliminations), based on the operating income statement, is set forth below.

Germany and Austria

SEK thousand	Quarter 3 2015	Quarter 3 2014	Change %	Jan-Sep 2015	Jan-Sep 2014	Change %	Full year 2014
Gross cash collections	202,281	184,110	10	664,187	493,682	35	724,044
Portfolio amortisation and revaluation	-109,080	-85,531	28	-374,003	-239,954	56	-348,873
Interest income from run-off consumer loan portfolio	2,513	11,907	-79	8,625	32,540	-73	38,180
Net revenue from acquired loan portfolios	95,714	110,486	-13	298,809	286,268	4	413,351
Fee and commission income	1,749	5,242	-67	5,844	14,303	-59	17,889
Other income	3,908	2,312	69	8,435	6,455	31	14,294
Total revenue	101,371	118,040	-14	313,088	307,026	2	445,534
Personnel expenses	-35,432	-33,881	5	-107,108	-98,373	9	-133,245
Other operating expenses	-24,069	-23,971	0	-70,220	-59,328	18	-85,272
Depreciation and amortisation of tangible and intangible assets	-898	-729	23	-2,642	-2,145	23	-2,940
Total operating expenses	-60,399	-58,581	3	-179,970	-159,846	13	-221,457
EBIT	40,972	59,459	-31	133,118	147,180	-10	224,077
<i>EBIT margin, %</i>	<i>40</i>	<i>50</i>	<i>-10 pp</i>	<i>43</i>	<i>48</i>	<i>-5 pp</i>	<i>50</i>
Expenses/Gross cash collections, %	27	26	1 pp	25	26	-1 pp	25
Carrying value of acquired loan portfolios ¹⁾	2,199,060	2,123,871	4	N/A	N/A	-	2,350,392
Gross 120-month ERC, SEK ²⁾	3,560	3,433	4	N/A	N/A	-	3,817

1) Including run-off consumer loan portfolio.

2) Excluding run-off consumer loan portfolio.

Operating income

Third quarter gross cash collections increased 10 per cent to SEK 202m (184), mainly due to large portfolio acquisitions made during Q4 2014 and Q2 2015. Portfolio amortisation totalled SEK 109m (86) during the quarter, with the increase following the higher collection rate on current portfolios. Income from run-off consumer loan portfolios fell to SEK 3m (12) in pace with portfolio amortisation. Fee and commission income declined year-on-year, due primarily to the acquisition of a significant portfolio that was previously administered by Hoist Finance on behalf of a third party.

Operating expenses

Operating expenses increased marginally to SEK 60m (59). The increase is primarily attributable to higher personnel expenses.

EBIT

The segment's EBIT totalled SEK 41m (59) for the quarter with a corresponding EBIT margin of 40 per cent (50). The EBIT decline is due mainly to reduced revenues from the mentioned consumer finance portfolios in pace with amortisation.

Acquisitions

Acquisition activity was lower during the quarter year-on-year. The carrying value of acquired loan portfolios totalled SEK 2,199m (2,124) as at 30 September 2015.

Other

Austria currently comprises a small part of the segment but remains an interesting market for Hoist Finance. Although no acquisitions were made in Austria during the third quarter, the country's revenue contribution is on a par with the corresponding period last year.

Belgium, the Netherlands and France

SEK thousand	Quarter 3 2015	Quarter 3 2014	Change %	Jan-Sep 2015	Jan-Sep 2014	Change %	Full year 2014
Gross cash collections	241,372	177,510	36	653,409	527,678	24	733,474
Portfolio amortisation and revaluation	-156,430	-113,854	37	-407,929	-334,084	22	-484,991
Net revenue from acquired loan portfolios	84,942	63,656	33	245,480	193,594	27	248,483
Fee and commission income	1,805	1,756	3	5,256	5,129	2	6,989
Other income	-24	73	-133	-32	73	-144	218
Total revenue	86,723	65,485	32	250,704	198,796	26	255,690
Personnel expenses	-23,178	-24,878	-7	-69,009	-65,260	6	-86,886
Other operating expenses	-30,224	-34,236	-12	-81,155	-78,394	4	-102,656
Depreciation and amortisation of tangible and intangible assets	-551	-1,024	-46	-1,871	-2,890	-35	-4,679
Total operating expenses	-53,953	-60,138	-10	-152,035	-146,544	4	-194,221
EBIT	32,770	5,347	513	98,669	52,252	89	61,469
<i>EBIT margin, %</i>	38	8	30 pp	39	26	13 pp	24
Expenses/Gross cash collections, %	22	33	-11 pp	22	27	-5 pp	25 ¹⁾
Carrying value of acquired loan portfolios	2,148,308	2,129,558	1	N/A	N/A	-	2,194,000
Gross 120-month ERC, SEKm	3,292	3,406	-3	N/A	N/A	-	3,512

1) Excluding non-recurrent expenses.

Operating income

Third quarter gross cash collections increased 36 per cent to SEK 241m (178) and portfolio amortisation increased to SEK 156m (114). The Netherlands is responsible for a large part of the increase in both gross cash collections and portfolio amortisation, with large VAT recoveries contributing to high collection levels. Fee and commission income originated from third-party services offered via the French operations.

Operating expenses

Operating expenses for the third quarter totalled SEK 54m (60). The comparative figure for Q3 2014 was impacted by the SEK 13m restructuring reserve set aside by the French operation. Adjusted for this the increase in expenses during Q3 2015 is SEK 7m, impacted primarily by higher Other operating expenses attributable to increased collections in the Netherlands. As of Q3 2015, the migration of the French office from Guyancourt to Lille is essentially completed, at a cost in line with amount previously set aside.

EBIT

The segment's EBIT totalled SEK 33m (5) for the quarter with a corresponding EBIT margin of 38 per cent (8). The EBIT improvement is due to the charging of restructuring costs in France to Q3 2014 and to good collection levels in the Netherlands.

Acquisitions

The segment's acquisitions during Q3 2015 were conducted primarily in the Netherlands and France. Overall, the segment's acquired volumes are higher year-on-year. The carrying value of acquired loan portfolios totalled SEK 2,148m (2,130) at 30 September 2015. Gross ERC for the same period declined to SEK 3,292m (3,406).

Other

A portfolio revaluation was conducted in the segment during the quarter. This is included in the portfolio amortisation and revaluation reported during the quarter, which increased SEK 12m.

UK

SEK thousand	Quarter 3 2015	Quarter 3 2014	Change %	Jan-Sep 2015	Jan-Sep 2014	Change %	Full year 2014
Gross cash collections	251,904	126,338	99	566,048	384,236	47	527,346
Portfolio amortisation and revaluation	-53,310	-60,322	-12	-112,563	-167,189	-33	-200,802
Net revenue from acquired loan portfolios	198,594	66,016	201	453,485	217,047	109	326,544
Fee and commission income	24,443	29,883	-18	84,992	94,323	-10	128,344
Other income	153	166	-8	1,235	724	71	2,686
Total revenue	223,190	96,065	132	539,712	312,094	73	457,574
Personnel expenses	-52,819	-32,087	65	-131,468	-95,479	38	-134,502
Other operating expenses	-90,573	-28,864	214	-241,484	-100,108	141	-137,601
Depreciation and amortisation of tangible and intangible assets	-1,767	-734	141	-3,493	-3,815	-8	-4,588
Total operating expenses	-145,159	-61,685	135	-376,445	-199,402	89	-276,691
EBIT	78,031	34,380	127	163,267	112,692	45	180,883
<i>EBIT margin, %</i>	35	36	-1 pp	30	36	-6 pp	40
Expenses/Gross cash collections, %	48	25	23 pp	51	27	24 pp	28 ¹⁾
Carrying value of acquired loan portfolios	3,326,198	1,430,905	132	N/A	N/A	-	1,797,520
Gross 120-month ERC, SEKm	6,043	2,571	135	N/A	N/A	-	3,391

1) Excluding non-recurrent expenses.

Operating income

Third quarter gross cash collections totalled SEK 252m (126). The change is attributable to the acquisition of Compello Holdings Ltd during Q3 and to loan portfolios acquired during the second half of 2014. Favourable exchange rate movement also had a positive impact. Portfolio amortisation totalled SEK 53m (60). The depreciation rate remained relatively low during the quarter due to the initial planned legal collection measures involved in the acquisition of a large portfolio in late 2014 and the acquisition of Compello.

Fee and commission income, derived from services offered to third parties, has declined as the UK operations have been adapted to Hoist Finance's strategy focused on loan portfolio acquisitions.

Operating expenses

Operating expenses increased 135 per cent year-on-year to SEK 145m (62). Increased personnel expenses are a consequence of Hoist Finance taking over 178 FTEs through the acquisition of Compello Holdings Ltd. The increase in Other operating expenses is mostly attributable to a rise in legal collection expenses, a natural component of the business

model. Other operating expenses were also charged with transaction costs associated with the acquisition of Compello Holdings Ltd and with (from a cost perspective) negative exchange rate movement.

EBIT

The segment's EBIT totalled SEK 78m (34) for the quarter with a corresponding EBIT margin of 35 per cent (36).

Acquisitions

The significant acquisition of Compello Holdings Ltd was completed during the third quarter. The carrying value of acquired loan portfolios totalled SEK 3,326m (1,431) at 30 September 2015. Gross ERC for the same period increased to SEK 6,043m (2,571).

Other

A positive portfolio revaluation, with an aggregate effect of SEK 1m, was conducted during the third quarter.

Italy

SEK thousand	Quarter 3 2015	Quarter 3 2014	Change %	Jan-Sep 2015	Jan-Sep 2014	Change %	Full year 2014
Gross cash collections	137,432	60,418	127	388,384	171,338	127	260,828
Portfolio amortisation and revaluation	-39,239	-22,971	71	-126,965	-69,409	83	-91,324
Net revenue from acquired loan portfolios	98,193	37,447	162	261,419	101,929	156	169,504
Fee and commission income	1,023	-	-	3,935	-	-	-
Other income	311	727	-57	986	727	36	311
Total revenue	99,527	38,174	161	266,340	102,656	159	169,815
Personnel expenses	-12,652	-6,176	105	-39,991	-6,176	548	-17,854
Other operating expenses	-28,668	-23,393	23	-82,729	-46,861	77	-86,028
Depreciation and amortisation of tangible and intangible assets	-1,683	-307	448	-4,867	-307	-	-2,340
Total operating expenses	-43,003	-29,876	44	-127,587	-53,344	139	-106,222
EBIT	56,524	8,298	581	138,753	49,312	181	63,593
<i>EBIT margin, %</i>	<i>57</i>	<i>22</i>	<i>35 pp</i>	<i>52</i>	<i>48</i>	<i>4 pp</i>	<i>37</i>
Expenses/Gross cash collections, %	30	48	-18 pp	32	31	1 pp	41
Carrying value of acquired loan portfolios	1,251,607	499,635	151	N/A	N/A	-	1,181,210
Gross 120-month ERC, SEKm	2,376	1,147	107	N/A	N/A	-	2,407

Operating income

Third quarter gross cash collections increased 127 per cent to SEK 137m (60). The increase is essentially attributable to the significant portfolio acquisition conducted in December 2014. Portfolio amortisation during Q3 totalled SEK 39m (23), with the increase primarily due to the above-referenced December 2014 acquisition. Fee and commission income and Other income, totalling SEK 1m (-), relate to services rendered by the business integrated during Q3 2014.

Operating expenses

The substantial change in operating expenses, which increased 44 per cent to SEK 43m (30), reflects the fact that Hoist Finance now operates its own collection platform in Italy, with 152 FTEs. Integration of the business and associated IT systems acquired in 2014 also resulted in Hoist Finance's depreciation of tangible and intangible assets in Italy. Additionally, Hoist Finance is now implementing extensive collection activities, both in-house and via external partners, for the substantial loan portfolios acquired in 2014. Other operating expenses increased 23 per cent during the second quarter to SEK 29m (23) and are primarily comprised of expenses related to increased volumes attributable to the large acquisition conducted during Q4 2014.

EBIT

The segment's EBIT totalled SEK 57m (8) for the quarter with a corresponding EBIT margin of 57 per cent (22).

Acquisitions

Year-on-year acquisition activity was somewhat lower during the quarter, although a significant SME debt portfolio was acquired on 2 October 2015. The portfolio is comprised of around 9,000 loans with a nominal value of approximately SEK 8,940m and 120-month estimated remaining collections (ERCs) of approximately SEK 680m.

The carrying value of acquired loan portfolios totalled SEK 1,252m (500) at 30 September 2015. Gross ERC for the same period increased to SEK 2,376m (1,147).

Other

A positive portfolio revaluation, with an aggregate effect of SEK 4m, was conducted during the third quarter.

Poland

SEK thousand	Quarter 3 2015	Quarter 3 2014	Change %	Jan-Sep 2015	Jan-Sep 2014	Change %	Full year 2014
Gross cash collections	140,989	91,715	54	326,783	214,159	53	295,619
Portfolio amortisation and revaluation	-79,909	-2,183	-	-135,910	7,041	-	-17,030
Net revenue from acquired loan portfolios	61,080	89,532	-32	190,873	221,200	-14	278,589
Fee and commission income	8,970	-	-	27,327	-	-	-
Other income	72	0	-	168	0	-	0
Total revenue	70,122	89,532	-22	218,368	221,200	-1	278,589
Personnel expenses	-5,994	-557	975	-16,398	-1,435	-	-2,035
Other operating expenses	-27,499	-28,286	-3	-57,069	-56,425	1	-74,812
Depreciation and amortisation of tangible and intangible assets	-914	27	-	-2,659	0	-	0
Total operating expenses	-34,407	-28,816	19	-76,126	-57,860	32	-76,847
EBIT	35,715	60,716	-41	142,242	163,340	-13	201,742
<i>EBIT margin, %</i>	<i>51</i>	<i>68</i>	<i>-17 pp</i>	<i>65</i>	<i>74</i>	<i>-9 pp</i>	<i>72</i>
Expenses/Gross cash collections, %	18	31	-13 pp	15	27	-12 pp	26
Carrying value of acquired loan portfolios	1,496,277	1,106,014	35	N/A	N/A	-	1,182,459
Gross 120-month ERC, SEKm	2,810	2,100	34	N/A	N/A	-	2,449

Operating income

Third quarter gross cash collections increased 54 per cent to SEK 141m (92). The rate of increase in portfolio amortisation (considerably higher than the increase in gross cash collections) is mainly attributable to a large portfolio acquired in 2013. The amortisation rate has normalised with the increase in this portfolio's cash flow. Portfolio amortisation also includes negative revaluations of SEK 28m.

Fee and commission income is generated entirely by services offered to third parties by Navi Lex, acquired by Hoist Finance during Q4 2014.

Operating expenses

Operating expenses increased 19 per cent to SEK 34m (29) during the third quarter. The increase is mainly attributable to personnel expenses, which increased gradually during the year in pace with the acquisition of large portfolios in 2015. Employees in Poland also perform services for third parties, although the emphasis has shifted as the management of Hoist Finance's portfolios has been gathered in the in-house platform. Accordingly, expenses that were previously Other external operating expenses are shifting to Personnel expenses.

EBIT

The segment's EBIT totalled SEK 36m (61) for the quarter with a corresponding EBIT margin of 51 per cent (68). The increase in the cash flow of a large portfolio acquired in 2013 normalised the amortisation rate, which affects the EBIT margin. Portfolio revaluations of SEK 28m had a significant impact on the EBIT margin. Taking these revaluations into account, the EBIT margin is on a par with last year.

Acquisitions

Acquisition activity has picked up following a cautious start to the year. The total acquisition volume for the third quarter exceeds the corresponding period for 2014. The carrying value of acquired loan portfolios at 30 September 2015 totalled SEK 1,496m (1,106).

Other

Cash flow forecasts for several portfolios were amended during the third quarter, producing negative portfolio revaluations of SEK 28m. Prior to establishing in-house operations in Poland, Hoist Finance made a number of small portfolio purchases on the Polish market. These acquisitions enabled an evaluation of several service partners and various types of loan portfolios. Results for one of these portfolio acquisitions (comprised of accounts receivable) deviated from expectations and collaboration with that service partner was terminated. Most of the Polish portfolio revaluations during the third quarter are attributable to the lower cash flow forecast for this portfolio.

Financial statements

Consolidated income statement

SEK thousand	Note	Quarter 3 2015	Quarter 3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Net revenues from acquired loan portfolios	1	536,010	355,230	1,441,441	987,498	1,398,291
Interest income		2,359	33,369	1,106	76,565	89,731
Interest expense		-90,101	-85,498	-275,598	-251,532	-344,969
Net interest income		448,268	303,101	1,166,949	812,531	1,143,053
Fee and commission income		37,990	36,881	127,354	113,755	153,222
Net income from financial transactions		-2,857	2,507	-21,598	-1,398	-17,719
Other income		2,894	2,227	7,878	6,315	12,219
Total operating income		486,295	344,716	1,280,583	931,203	1,290,775
General administrative expenses						
Personnel expenses		-165,959	-122,225	-464,641	-340,902	-473,200
Other operating expenses		-223,365	-166,043	-662,872	-439,425	-627,467
Depreciation and amortisation of tangible and intangible assets		-13,550	-6,880	-35,162	-20,658	-30,281
Total operating expenses		-402,874	-295,148	-1,162,675	-800,985	-1,130,948
Profit before credit losses		83,421	49,568	117,908	130,218	159,827
Net credit losses		-	-	-5,298	-	-
Earnings from participations in joint ventures		10,674	15,671	40,971	40,744	58,662
Profit before tax		94,095	65,239	153,581	170,962	218,489
Income tax expense		-18,327	-15,899	-30,009	-39,421	-38,386
Profit for the period		75,768	49,340	123,572	131,541	180,103
Profit attributable to						
Owners of Hoist Finance AB (publ)		75,768	49,340	123,572	131,541	180,103
Basic earnings per share ¹⁾		0.93	0.85	1.54	2.36	9.21
Diluted earnings per share ^{1) 2)}		0.91	0.72	1.51	1.99	8.16

1) A 1:3 split was conducted in February 2015.

2) Includes the effect of 929,627 outstanding warrants.

Consolidated statement of comprehensive income

SEK thousand	Quarter 3 2015	Quarter 3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Profit for the period	75,768	49,340	123,572	131,541	180,103
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Revaluation of defined benefit pension plan	-	-	-	-	-1,710
Revaluation of remuneration after terminated employment	-	-	-	-	-1,120
Tax	-	-	-	-	872
Total items that will not be reclassified to profit or loss	-	-	-	-	-1,958
<i>Items that may be reclassified subsequently to profit or loss</i>					
Currency translation differences on foreign operations	5,899	-10,785	-4,409	25,700	-23,154
Hedging of currency risk in foreign operations	-3,760	5,888	-5,611	-25,705	32,584
Total items that may be reclassified subsequently to profit or loss	2,139	-4,897	-10,020	-5	9,430
Other comprehensive income for the period	2,139	-4,897	-10,020	-5	7,472
Total comprehensive income for the period	77,907	44,443	113,552	131,536	187,575
Profit attributable to					
Owners of Hoist Finance AB (publ)	77,907	44,443	113,552	131,536	187,575

Consolidated balance sheet

SEK thousand	Note	30 Sep 2015	31 Dec 2014	30 Sep 2014
ASSETS				
Cash		233	340	291
Treasury bills and Treasury bonds		1,889,093	2,316,110	1,142,493
Lending to credit institutions		1,901,839	1,292,711	1,299,615
Lending to the public		90,604	157,232	201,356
Acquired loan portfolios	2	10,350,587	8,586,782	7,155,808
Bonds and other securities		2,289,222	1,951,241	2,365,075
Participations in joint ventures		217,102	215,347	213,894
Intangible fixed assets		241,999	171,048	99,686
Tangible fixed assets		37,688	32,000	29,479
Other assets		243,462	209,941	183,524
Deferred tax assets		62,668	70,885	66,111
Prepaid expenses and accrued income		87,735	58,192	41,518
Total assets		17,412,232	15,061,829	12,798,850
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Deposits and borrowing from the public		12,815,397	10,987,289	9,979,222
Tax liabilities		34,408	52,326	34,376
Other liabilities		307,795	555,186	212,284
Deferred tax liabilities		168,883	50,419	67,839
Accrued expenses and prepaid income		171,859	124,797	105,842
Provisions		56,247	68,704	76,054
Senior unsecured debt		1,296,324	1,493,122	741,353
Subordinated liabilities		335,814	332,796	331,858
Total liabilities and provisions		15,186,727	13,664,639	11,548,828
Shareholders' equity				
Share capital		26,178	21,662	17,207
Other contributed equity		1,755,676	1,003,818	905,045
Reserves		-12,832	-2,812	-12,247
Retained earnings including profit for the period		456,483	374,522	340,017
Total shareholders' equity		2,225,505	1,397,190	1,250,022
Total liabilities and shareholders' equity		17,412,232	15,061,829	12,798,850
Pledged assets		1,129	1,903	1,836
Commitments		712,154	229,944	209,240

Consolidated statement of changes in shareholders' equity

SEK thousand	Share capital	Other contributed capital	Reserves Translation reserve	Retained earnings including profit for the period	Total shareholders' equity
Opening balance 1 Jan 2015	21,662	1,003,818	-2,812	374,522	1,397,190
Comprehensive income for the period					
Profit for the period				123,572	123,572
Other comprehensive income			-10,020		-10,020
Total comprehensive income for the period			-10,020	123,572	113,552
Transactions reported directly in equity					
New share issue	4,516	745 545 ¹⁾			750,061
Warrants, repurchased and cancelled		-842		-3,177	-4,019
Interest paid on capital contribution				-7,500	-7,500
Acquisition of minority shareholding in subsidiary				-32,584	-32,584
Tax effect on items reported directly in equity		7,155		1,650	8,805
Total transactions reported directly in equity	4,516	751,858		-41,611	714,763
Closing balance 30 Sep 2015	26,178	1,755,676	-12,832	456,483	2,225,505

1) Nominal amount of SEK 778,068,000 has been reduced by transaction costs of SEK 32,523,000.

SEK thousand	Share capital	Other contributed capital	Reserves Translation reserve	Retained earnings including profit for the period	Total shareholders' equity
Opening balance 1 Jan 2014	15,488	590,370	-12,242	221,826	815,442
Comprehensive income for the period					
Profit for the period				180,103	180,103
Other comprehensive income			9,430	-1,958	7,472
Total comprehensive income for the period			9,430	178,145	187,575
Transactions reported directly in equity					
New share issue	6,174	508 310 ²⁾			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 reported directly in equity				3,301	3,301
Total transactions reported 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

2) Nominal amount of SEK 527,160,000 has been reduced by transaction costs of SEK 18,850,000.

SEK thousand	Share capital	Other contributed capital	Reserves Translation reserve	Retained earnings including profit for the period	Total shareholders' equity
Opening balance 1 Jan 2014	15,488	590,370	-12,242	221,826	815,442
Comprehensive income for the period					
Profit for the period				131,541	131,541
Other comprehensive income			-5		-5
Total comprehensive income for the period			-5	131,541	131,536
Transactions reported directly in equity					
New share issue	1,719	313 331 ³⁾			315,050
Capital contribution					
Interest paid on capital contribution				-15,000	-15,000
Paid-in premium for warrants		1,344			1,344
Tax effect on items reported directly in equity				1,650	1,650
Total transactions reported directly in equity	1,719	314,675		-13,350	303,044
Closing balance 30 Sep 2014	17,207	905,045	-12,247	340,017	1,250,022

3) Nominal amount of SEK 331,244,000 has been reduced by transaction costs of SEK 17,913,000.

Consolidated cash flow statement

SEK thousand	Quarter 3 2015	Quarter 3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
OPERATING ACTIVITIES					
Gross cash collections	973,978	640,091	2,598,811	1,791,093	2,541,310
Paid-in interest	38,406	44,682	37,152	76,565	89,731
Provisions received	37,990	36,881	127,354	113,755	153,222
Other operating income	2,894	2,226	7,879	6,315	12,220
Interest paid	-64,638	-60,616	-182,399	-134,934	-274,982
Operating expenses	-369,426	-269,409	-1,110,201	-768,967	-1,093,078
Net cash flow from financial transactions	-2,857	2,507	-21,598	-1,398	-17,719
Capital gain on redemption of joint venture certificates	14,290	13,181	29,963	15,645	27,941
Income tax paid	-9,019	-11,019	-28,881	-51,462	-52,292
Total	621,618	398,524	1,458,080	1,046,612	1,386,353
Increase/decrease in acquired loans incl. translation differences	-2,053,844	-429,798	-2,921,175	-1,961,468	-3,731,866
Increase/decrease in joint venture certificates	4,849	6,737	10,540	8,066	13,544
Increase/decrease in lending to the public	12,240	9,303	61,330	127,595	171,719
Increase/decrease in deposits from and lending to the public	21,551	1,020,307	1,734,909	161,122	1,215,800
Increase/decrease in other assets	31,747	-3,160	-19,536	-70,368	-94,502
Increase/decrease in other liabilities	-72,199	34,448	-303,643	-19,326	307,124
Increase/decrease in provisions	-2,000	28,705	-12,457	-18,583	-25,933
Change in other balance sheet items	100,185	-5,123	96,292	-7,047	-310
Total	-1,957,471	661,419	-1,353,740	-1,780,009	-2,144,424
Cash flow from operating activities	-1,335,853	1,059,943	104,340	-733,397	-758,071
INVESTING ACTIVITIES					
Investments in intangible assets	-9,581	-38,235	-28,294	-48,787	-64,286
Investments in property, plant & equipment	-7,713	-7,028	-12,013	-10,296	-14,247
Investments in subsidiaries	-	-	-50,569	-	-49,434
Investments in/divestments of bonds and other securities	999,423	-919,367	-374,027	-1,067,398	-653,564
Cash flow from investing activities	982,129	-964,630	-464,903	-1,126,481	-781,531
FINANCING ACTIVITIES					
New share issue	-	-	750,061	315,050	414,484
Paid-in premium for warrants	-	1,344	-	1,344	5,139
Warrants, repurchased and cancelled	-748	-	-4,019	-	-
Issued bonds	-	-	-	74,000	1,013,053
Issued bonds, repurchased and cancelled	-184,000	-	-195,975	-	-182,046
Interest paid on capital contribution	-	-	-7,500	-15,000	-28,750
Cash flow from financing activities	-184,748	1,344	542,567	375,394	1,221,880
Cash flow for the period	-538,472	96,657	182,004	-1,484,484	-317,722
Cash at the beginning of the period	4,329,637	2,345,742	3,609,161	3,926,883	3,926,883
Cash at the end of the period¹⁾	3,791,165	2,442,399	3,791,165	2,442,399	3,609,161

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

Parent Company income statement

SEK thousand	Quarter 3 2015	Quarter 3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Net sales	38,329	36,335	109,810	119,688	171,684
Other external expenses	-31,946	-30,711	-144,533	-110,395	-151,509
Depreciation and amortisation	-1,873	-1,688	-5,420	-5,029	-6,762
Total operating expenses	-33,819	-32,399	-149,953	-115,424	-158,271
Operating profit	4,510	3,936	-40,143	4,264	13,413
Other interest income	273	-772	-3,985	-185	1,254
Interest expense	-224	-305	-714	-1,035	-1,315
Total income from financial items	49	-1,077	-4,699	-1,220	-61
Appropriations	-	-720	-	-877	-535
Profit/loss before tax	4,559	2,139	-44,842	2,167	12,817
Income tax expense	-1,277	-475	9,197	-579	-353
Profit/loss for the period¹⁾	3,282	1,664	-35,645	1,588	12,464

1) Profit/loss for the period corresponds to "comprehensive income for the period".

Parent Company balance sheet

SEK thousand	30 Sep 2015	31 Dec 2014	30 Sep 2014
ASSETS			
Non-current assets			
Licences and software	37,777	31,871	32,012
Total intangible assets	37,777	31,871	32,012
Equipment	3,244	2,232	2,269
Total tangible assets	3,244	2,232	2,269
Shares and participations in subsidiaries	1,687,989	928,986	728,997
Deferred tax assets	16,353	–	–
Total financial assets	1,704,342	928,986	728,997
Total non-current assets	1,745,363	963,089	763,278
Current assets			
Receivables, Group companies	7,344	47,506	31,244
Other receivables	1,425	4,353	1,687
Prepaid expenses and accrued income	4,143	17,174	1,654
Total current receivables	12,912	69,033	34,585
Cash and bank	23,264	43,519	34,161
Total current assets	36,176	112,552	68,746
Total assets	1,781,539	1,075,641	832,024
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital	26,178	21,662	17,207
Statutory reserve	3,098	3,098	3,098
Total restricted equity	29,276	24,760	20,305
Non-restricted equity			
Other contributed equity	1,661,136	909,278	710,505
Retained earnings	–18,775	–28,062	–28,062
Profit/loss for the period	–35,645	12,464	1,588
Total non-restricted equity	1,606,716	893,680	684,031
Total shareholders' equity	1,635,992	918,440	704,336
Untaxed reserves	535	535	877
Provisions			
Pension provisions	38	49	59
Total provisions	38	49	59
Non-current liabilities			
Intra-Group loan	40,100	40,100	40,100
Total non-current liabilities	40,100	40,100	40,100
Current liabilities			
Accounts payable	6,526	9,856	1,722
Tax liabilities	485	353	579
Liabilities, Group companies	97,777	103,535	83,683
Other current liabilities	0	0	246
Accrued expenses and prepaid income	86	2,773	422
Total current liabilities	104,874	116,517	86,652
Total shareholders' equity and liabilities	1,781,539	1,075,641	832,024
Pledged assets	none	none	none
Commitments	none	none	none

Parent Company statement of changes in shareholders' equity

SEK thousand	Restricted equity		Non-restricted equity			Total shareholders' equity
	Share capital	Statutory reserve	Other contributed equity	Retained earnings	Profit for the period	
Opening balance 1 Jan 2015	21,662	3,098	909,278	-28,062	12,464	918,440
Transfer of previous year's net profit/loss				12,464	-12,464	-
Comprehensive income for the period						
Profit for the period					-35,645	-35,645
Total comprehensive income for the period					-35,645	-35,645
Transactions reported directly in equity						
New share issue	4,516		745 545 ¹⁾			750,061
Warrants, repurchased and cancelled			-842	-3,177		-4,019
Tax effect on items reported directly in equity			7,155			7,155
Total transactions reported directly in equity	4,516		751,858	-3,177		753,197
Closing balance 30 Sep 2015	26,178	3,098	1,661,136	-18,775	-35,645	1,635,992

1) Nominal amount of SEK 778,068,000 has been reduced by transaction costs of SEK 32,523,000.

SEK thousand	Restricted equity		Non-restricted equity			Total shareholders' equity
	Share capital	Statutory reserve	Other contributed equity	Retained earnings	Profit for the period	
Opening balance 1 Jan 2014	15,488	3,098	395,830	-23,111	-4,951	386,354
Transfer of previous year's net profit/loss				-4,951	4,951	-
Comprehensive income for the period						
Profit for the period					12,464	12,464
Total comprehensive income for the period					12,464	12,464
Transactions reported directly in equity						
New share issue	6,174		508 310 ²⁾			514,484
Paid-in premium for warrants			5,138			5,138
Total transactions reported 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

2) Nominal amount of SEK 527,160,000 has been reduced by transaction costs of SEK 18,850,000.

SEK thousand	Restricted equity		Non-restricted equity			Total shareholders' equity
	Share capital	Statutory reserve	Other contributed equity	Retained earnings	Profit for the period	
Opening balance 1 Jan 2014	15,488	3,098	395,830	-23,111	-4,951	386,354
Transfer of previous year's net profit/loss				-4,951	4,951	-
Comprehensive income for the period						
Profit for the period					1,588	1,588
Total comprehensive income for the period					1,588	1,588
Transactions reported directly in equity						
New share issue	1,719		313 331 ³⁾			315,050
Paid-in premium for warrants			1,344			1,344
Total transactions reported directly in equity	1,719		314,675			316,394
Closing balance 30 Sep 2014	17,207	3,098	710,505	-28,062	1,588	704,336

3) Nominal amount of SEK 331,244,000 has been reduced by transaction costs of SEK 17,913,000.

Parent Company cash flow statement

SEK thousand	Quarter 3 2015	Quarter 3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
OPERATING ACTIVITIES					
Paid-in interest	1	8	9	21	32
Other operating income	38,329	36,335	109,810	119,688	171,684
Interest paid	-224	-305	-714	-1,035	-1,314
Operating expenses	-30,575	-43,201	-134,188	-110,369	-164,652
Net cash flow from financial transactions	272	-781	-3,995	-207	1,221
Income tax paid	-35	-35	-104	-104	-5
TOTAL	7,768	-7,979	-29,182	7,994	6,966
Increase/decrease in intra-Group transactions	-10,666	28,859	34,403	51,731	55,322
Increase/decrease in other assets	-6	3,696	3,164	144	-2,621
Increase/decrease in other liabilities	-2,389	-2,251	-3,330	-8,968	-1,081
Changes in other balance sheet items	-3	-10	-11	-18	-28
Total	-13,064	30,294	34,226	42,889	51,592
Cash flow from operating activities	-5,296	22,315	5,044	50,883	58,558
INVESTING ACTIVITIES					
Investments in intangible assets	-3,033	-4,826	-10,564	-5,272	-6,622
Investments in property, plant & equipment	-380	-100	-1,774	-368	-574
Investments in subsidiaries	-	-	-759,003	-332,963	-432,952
Cash flow from investing activities	-3,413	-4,926	-771,341	-338,603	-440,148
FINANCING ACTIVITIES					
New share issue	-	-	750,061	315,050	414,484
Paid-in premium for warrants	-	1,344	-	1,344	5,138
Warrants, repurchased and cancelled	-748	-	-4,019	-	-
Cash flow from financing activities	-748	1,344	746,042	316,394	419,622
Cash flow for the period	-9,457	18,733	-20,255	28,674	38,032
Cash at the beginning of the period	32,721	15,428	43,519	5,487	5,487
Cash at the end of the period¹⁾	23,264	34,161	23,264	34,161	43,519

1) Consists of cash and bank.

Accounting principles

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 thereof as adopted by the European Union. The accounting follows the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulations and general guidelines issued by the Swedish Financial Supervisory Authority, Annual Reports in Credit institutions and Securities Companies (FFFS 2008:25). The Swedish Financial Board's RFR 1, Supplementary Accounting Rules for Groups, has also been applied.

The Parent Company's accounts were prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the regulations and general guidelines issued by the Swedish Financial Supervisory Authority, Annual Reports in Credit institutions and Securities Companies (FFFS 2008:25). The Swedish Financial Board's RFR 2, Accounting

for Legal Entities, was also applied. The Parent Company otherwise applied the accounting principles and methods of estimation presented in the 2014 annual report.

IFRIC 21 Levies is to be applied as from financial year 2015. The interpretation includes guidance on debt accounting within IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The interpretation is effective for financial years 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, provided that the company conducts banking activities at the end of the year. The new interpretation is not deemed to have any significant impact on the Group's financial statements or capital adequacy.

No other IFRICs or IFRIC Interpretations that are not yet effective are expected to have any significant impact on the Group.

Exchange rates

1 EUR = SEK	Quarter 3 2015	Full year 2014	Quarter 3 2014
Income statement (average)	9.3718	9.0931	9.0356
Balance sheet (at end of the period)	9.4119	9.5155	9.1815
1 GBP = SEK			
Income statement (average)	12.8852	11.2794	11.1289
Balance sheet (at end of the period)	12.6993	12.1388	11.7713
1 PLN = SEK			
Income statement (average)	2.2557	2.1737	2.1641
Balance sheet (at end of the period)	2.2241	2.2124	2.1984

Notes

Note 1 Segment reporting

Consolidated income statement

SEK thousand	Quarter 3 2015	Quarter 3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Revenues from acquired loan portfolios	536,010	355,230	1,441,441	987,498	1,398,291
Of which, gross cash collections	973,978	640,091	2,598,811	1,791,093	2,541,311
Of which, portfolio amortisation and revaluation	-437,968	-284,861	-1,157,370	-803,595	-1,143,020
Interest income	2,359	33,369	1,106	76,565	89,731
Of which, interest income from run-off portfolio of consumer loans	2,513	11,907	8,625	32,540	38,180
Of which, interest income excl. run-off loan portfolio	-154	21,463	-7,519	44,025	51,551
Interest expense	-90,101	-85,498	-275,598	-251,532	-344,969
Net interest income	448,268	303,101	1,166,949	812,531	1,143,053
Fee and commission income	37,990	36,881	127,354	113,755	153,222
Net income from financial transactions	-2,857	2,507	-21,598	-1,398	-17,719
Other income	2,894	2,227	7,878	6,315	12,219
Total operating income	486,295	344,716	1,280,583	931,203	1,290,775
General administrative expenses					
Personnel expenses	-165,959	-122,225	-464,641	-340,902	-473,200
Other operating expenses	-223,365	-166,043	-662,872	-439,425	-627,467
Depreciation and amortisation of tangible and intangible assets	-13,550	-6,880	-35,162	-20,658	-30,281
Total operating expenses	-402,874	-295,148	-1,162,675	-800,985	-1,130,948
Profit before loan losses	83,421	49,568	117,908	130,218	159,827
Net loan losses	-	-	-5,298	-	-
Profit from shares and participations in joint ventures	10,674	15,671	40,971	40,744	58,662
Profit before tax	94,095	65,239	153,581	170,962	218,489

Operating income statement based on segment reporting

SEK thousand	Quarter 3 2015	Quarter 3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Gross cash collections	973,978	640,091	2,598,811	1,791,093	2,541,311
Portfolio amortisation and revaluation	-437,968	-284,861	-1,157,370	-803,595	-1,143,020
Interest income from run-off consumer loan portfolio	2,513	11,907	8,625	32,540	38,180
Net revenue from acquired loan portfolios	538,523	367,137	1,450,066	1,020,038	1,436,471
Fee and commission income	37,990	36,881	127,354	113,755	153,222
Profit from shares and participations in joint ventures	10,674	15,671	40,971	40,744	58,662
Other income	2,894	2,227	7,878	6,315	12,219
Total revenue	590,081	421,916	1,626,269	1,180,852	1,660,574
Personnel expenses	-165,959	-122,225	-464,641	-340,902	-473,200
Other operating expenses	-223,365	-166,043	-662,872	-439,425	-627,467
Depreciation and amortisation of tangible and intangible assets	-13,550	-6,880	-35,162	-20,658	-30,281
Total operating expenses	-402,874	-295,148	-1,162,675	-800,985	-1,130,948
EBIT	187,207	126,768	463,594	379,867	529,626
Interest income excl. run-off consumer loan portfolio	-154	21,462	-7,519	44,025	51,551
Interest expense	-90,101	-85,498	-275,598	-251,532	-344,969
Net income from financial transactions	-2,857	2,507	-26,896	-1,398	-17,719
Total financial items	-93,112	-61,529	-310,013	-208,905	-311,137
Profit before tax	94,095	65,239	153,581	170,962	218,489

Segment reporting has been prepared based on the manner in which executive management monitors operations. This differs from statutory account preparation; 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
- other income
- Total financial items include interest income from sources other than acquired loan portfolios, interest expense and net income from financial transactions.

Note 1

Segment reporting, cont.

Group costs for 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 portfolio 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. Other assets and liabilities are not monitored on a segment-by-segment basis.

Income statement Quarter 3 2015

	Germany and Austria ¹⁾	Belgium, the Netherlands and France ²⁾	UK	Italy	Poland	Central Functions/ Eliminations	Group
Gross cash collections							
Portfolio amortisation and revaluation	202,281	241,372	251,904	137,432	140,989	–	973,978
Interest income from run-off consumer loan portfolio	–109,080	–156,430	–53,310	–39,239	–79,909	–	–437,968
Net revenue from acquired loan portfolios	2,513	–	–	–	–	–	2,513
Fee and commission income	95,714	84,942	198,594	98,193	61,080	–	538,523
Profit from shares and participations in joint ventures	1,749	1,805	24,443	1,023	8,970	–	37,990
Other income	–	–	–	–	–	10,674	10,674
Other income	3,908	–24	153	311	72	–1,526	2,894
Total revenue	101,371	86,723	223,190	99,527	70,122	9,148	590,081
Personnel expenses	–35,432	–23,178	–52,819	–12,652	–5,994	–35,884	–165,959
Other operating expenses	–24,069	–30,224	–90,573	–28,668	–27,499	–22,332	–223,365
Depreciation and amortisation of tangible and intangible assets	–898	–551	–1,767	–1,683	–914	–7,737	–13,550
Total operating expenses	–60,399	–53,953	–145,159	–43,003	–34,407	–65,953	–402,874
EBIT	40,972	32,770	78,031	56,524	35,715	–56,805	187,207
Interest income excl. run-off portfolio of consumer loans	51	16	25	0	320	–566	–154
Interest expense	–	–19	76	0	–3	–90,155	–90,101
Net income from financial transactions incl. financing expenses	–27,833	–26,586	–42,414	–15,809	–18,839	128,624	–2,857
Total financial items	–27,782	–26,589	–42,313	–15,809	–18,522	37,903	–93,112
Profit before tax	13,190	6,181	35,718	40,715	17,193	–18,902	94,095

1) Total revenue for Germany of SEK 98,646,000 is included in the revenue for Germany and Austria.

2) Total revenue for the Netherlands of SEK 79,635,000 is included in the revenue for Belgium, the Netherlands and France.

Income statement Quarter 3 2014

SEK thousand	Germany and Austria ¹⁾	Belgium, the Netherlands and France ²⁾	UK	Italy	Poland	Central Functions/ Eliminations	Group
Gross cash collections	184,110	177,510	126,338	60,418	91,715	–	640,091
Portfolio amortisation and revaluation	–85,531	–113,854	–60,322	–22,971	–2,183	–	–284,861
Interest income from run-off consumer loan portfolio	11,907	–	–	–	–	–	11,907
Net revenue from acquired loan portfolios	110,486	63,656	66,016	37,447	89,532	–	367,137
Fee and commission income	5,242	1,756	29,883	–	–	–	36,881
Profit from shares and participations in joint ventures	–	–	–	–	–	15,671	15,671
Other income	2,312	73	166	727	0	–1,051	2,227
Total revenue	118,040	65,485	96,065	38,174	89,532	14,620	421,916
Personnel expenses	–33,881	–24,878	–32,087	–6,176	–557	–24,646	–122,225
Other operating expenses	–23,971	–34,236	–28,864	–23,393	–28,286	–27,293	–166,043
Depreciation and amortisation of tangible and intangible assets	–729	–1,024	–734	–307	27	–4,113	–6,880
Total operating expenses	–58,581	–60,138	–61,685	–29,876	–28,816	–56,052	–295,148
EBIT	59,459	5,347	34,380	8,298	60,716	–41,432	126,768
Interest income excl. run-off portfolio of consumer loans	2	15	5	0	0	21,440	21,462
Interest expense	6	–18	–2	–2	0	–85,482	–85,498
Net income from financial transactions incl. financing expenses	–26,783	–26,264	–17,827	–6,313	–14,645	94,339	2,507
Total financial items	–26,775	–26,267	–17,824	–6,315	–14,645	30,297	–61,529
Profit before tax	32,684	–20,920	16,556	1,983	46,071	–11,135	65,239

1) Total revenue for Germany of SEK 114,335,000 is included in the revenue for Germany and Austria.

2) Total revenue for the Netherlands of SEK 38,931,000 is included in the revenue for Belgium, the Netherlands and France.

Note 1

Segment reporting, cont.

Income statement Jan–Sep 2015

SEK thousand	Germany and Austria ¹⁾	Belgium, the Netherlands and France ²⁾	UK	Italy	Poland	Central Functions/ Eliminations	Group
Gross cash collections	664,187	653,409	566,048	388,384	326,783	–	2,598,811
Portfolio amortisation and revaluation	–374,003	–407,929	–112,563	–126,965	–135,910	–	–1,157,370
Interest income from run-off consumer loan portfolio	8,625	–	–	–	–	–	8,625
Net revenue from acquired loan portfolios	298,809	245,480	453,485	261,419	190,873	–	1,450,066
Fee and commission income	5,844	5,256	84,992	3,935	27,327	–	127,354
Profit from shares and participations in joint ventures	–	–	–	–	–	40,971	40,971
Other income	8,435	–32	1,235	986	168	–2,914	7,878
Total revenue	313,088	250,704	539,712	266,340	218,368	38,057	1,626,269
Personnel expenses	–107,108	–69,009	–131,468	–39,991	–16,398	–100,667	–464,641
Other operating expenses	–70,220	–81,155	–241,484	–82,729	–57,069	–130,215	–662,872
Depreciation and amortisation of tangible and intangible assets	–2,642	–1,871	–3,493	–4,867	–2,659	–19,630	–35,162
Total operating expenses	–179,970	–152,035	–376,445	–127,587	–76,126	–250,512	–1,162,675
EBIT	133,118	98,669	163,267	138,753	142,242	–212,455	463,594
Interest income excl. run-off portfolio of consumer loans	388	44	25	0	1,226	–9,202	–7,519
Interest expense	–	–53	76	–8	–112	–275,501	–275,598
Net income from financial transactions incl. financing expenses	–84,463	–79,102	–89,559	–44,396	–49,615	320,239	–26,896
Total financial items	–84,075	–79,111	–89,458	–44,404	–48,501	35,536	–310,013
Profit before tax	49,043	19,558	73,809	94,349	93,741	–176,919	153,581

1) Total revenue for Germany of SEK 302,727,000 is included in the revenue for Germany and Austria.

2) Total revenue for the Netherlands of SEK 193,999,000 is included in the revenue for Belgium, the Netherlands and France.

Income statement Jan-Sep 2014

SEK thousand	Germany and Austria ¹⁾	Belgium, the Netherlands and France ²⁾	UK	Italy	Poland	Central Functions/ Eliminations	Group
Gross cash collections	493,682	527,678	384,236	171,338	214,159	–	1,791,093
Portfolio amortisation and revaluation	–239,954	–334,084	–167,189	–69,409	7,041	–	–803,595
Interest income from run-off consumer loan portfolio	32,540	–	–	–	–	–	32,540
Net revenue from acquired loan portfolios	286,268	193,594	217,047	101,929	221,200	–	1,020,038
Fee and commission income	14,303	5,129	94,323	–	–	–	113,755
Profit from shares and participations in joint ventures	–	–	–	–	–	40,744	40,744
Other income	6,455	73	724	727	0	–1,664	6,315
Total revenue	307,026	198,796	312,094	102,656	221,200	39,080	1,180,852
Personnel expenses	–98,373	–65,260	–95,479	–6,176	–1,435	–74,179	–340,902
Other operating expenses	–59,328	–78,394	–100,108	–46,861	–56,425	–98,309	–439,425
Depreciation and amortisation of tangible and intangible assets	–2,145	–2,890	–3,815	–307	0	–11,501	–20,658
Total operating expenses	–159,846	–146,544	–199,402	–53,344	–57,860	–183,989	–800,985
EBIT	147,180	52,252	112,692	49,312	163,340	–144,909	379,867
Interest income excl. run-off portfolio of consumer loans	20	57	238	0	0	43,710	44,025
Interest expense	52	–72	–93	–2	0	–251,417	–251,532
Net income from financial transactions incl. financing expenses	–76,561	–73,652	–51,201	–16,377	–36,762	253,155	–1,398
Total financial items	–76,489	–73,667	–51,056	–16,379	–36,762	45,448	–208,905
Profit before tax	70,691	–21,415	61,636	32,933	126,578	–99,461	170,962

1) Total revenue for Germany of SEK 299,260,000 is included in the revenue for Germany and Austria.

2) Total revenue for the Netherlands of SEK 120,469,000 is included in the revenue for Belgium, the Netherlands and France.

Note 1

Segment reporting, cont.

Income statement Full year 2014

SEK thousand	Germany and Austria ¹⁾	Belgium, the Netherlands and France ²⁾	UK	Italy	Poland	Central Functions/ Eliminations	Group
Gross cash collections	724,044	733,474	527,346	260,828	295,619	–	2,541,311
Portfolio amortisation and revaluation	–348,873	–484,991	–200,802	–91,324	–17,030	–	–1,143,020
Interest income from run-off consumer loan portfolio	38,180	–	–	–	–	–	38,180
Net revenue from acquired loan portfolios	413,351	248,483	326,544	169,504	278,589	–	1,436,471
Fee and commission income	17,889	6,989	128,344	–	–	–	153,222
Profit from shares and participations in joint ventures	–	–	–	–	–	58,662	58,662
Other income	14,294	218	2,686	311	0	–5,290	12,219
Total revenue	445,534	255,690	457,574	169,815	278,589	53,372	1,660,574
Personnel expenses	–133,245	–86,886	–134,502	–17,854	–2,035	–98,678	–473,200
Other operating expenses	–85,272	–102,656	–137,601	–86,028	–74,812	–141,098	–627,467
Depreciation and amortisation of tangible and intangible assets	–2,940	–4,679	–4,588	–2,340	–	–15,734	–30,281
Total operating expenses	–221,457	–194,221	–276,691	–106,222	–76,847	–255,510	–1,130,948
EBIT	224,077	61,469	180,883	63,593	201,742	–202,138	529,626
Interest income excl. run-off portfolio of consumer loans	96	170	241	0	0	51,044	51,551
Interest expense	–678	–90	–179	–2	0	–344,020	–344,969
Net income from financial transactions incl. financing expenses	–105,135	–100,481	–72,627	–25,292	–52,232	338,048	–17,719
Total financial items	–105,717	–100,401	–72,565	–25,294	–52,232	45,072	–311,137
Profit before tax	118,360	–38,932	108,318	38,299	149,510	–157,066	218,489

1) Total revenue for Germany of SEK 437,105,000 is included in the revenue for Germany and Austria.

2) Total revenue for the Netherlands of SEK 199,747,000 is included in the revenue for Belgium, the Netherlands and France.

Acquired loans at 30 Sep 2015

SEK thousand	Germany and Austria	Belgium, the Netherlands and France	UK	Italy	Poland	Central Functions/ Eliminations	Group
Run-off portfolio of consumer loans	70,863						70,863
Acquired loan portfolios	2,128,197	2,148,308	3,326,198	1,251,607	1,496,277		10,350,587
Shares and participations in joint ventures						217,102	217,102
Acquired loans	2,199,060	2,148,308	3,326,198	1,251,607	1,496,277	217,102	10,638,552

Acquired loans at 31 Dec 2014

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

Acquired loans at 30 Sep 2014

SEK thousand	Germany and Austria	Belgium, the Netherlands and France	UK	Italy	Poland	Central Functions/ Eliminations	Group
Run-off portfolio of consumer loans	134,175						134,175
Acquired loan portfolios	1,989,696	2,129,558	1,430,905	499,635	1,106,014		7,155,808
Shares and participations in joint ventures						213,894	213,894
Acquired loans	2,123,871	2,129,558	1,430,905	499,635	1,106,014	213,894	7,503,877

Note 2 Financial instruments

SEK thousand	GROUP			Of which, reported at fair value	SEK thousand	GROUP		
	30 Sep 2015	31 Dec 2014	30 Sep 2014			30 Sep 2015	31 Dec 2014	30 Sep 2014
Opening balance	8,586,782	5,997,935	5,997,935		Opening balance	1,460,229	1,607,061	1,607,061
Acquisitions	2,919,625	3,226,795	1,682,861		Translation differences	-16,810	94,594	9,513
Translation differences	1,550	505,071	278,607					
Changes in value				Changes in value				
Based on opening balance forecast (amortisation)	-1,113,447	-1,128,103	-803,595	Based on opening balance forecast (amortisation)	-131,183	-188,953	-145,297	
Based on revised estimates (revaluation)	-43,923	-14,916	-	Based on revised estimates (revaluation)	-5,386	-52,473	-	
Carrying value	10,350,587	8,586,782	7,155,808	Carrying value	1,306,850	1,460,229	1,471,277	
Changes in carrying value reported in the income statement	-1,157,370	-1,143,020	-803,595	Changes in carrying value reported in the income statement	-136,569	-241,426	-145,297	

Sensitivity analysis

While Hoist Finance considers the assumptions made in assessing fair value to be reasonable, the application of other methods and assumptions may produce a different fair value. For Level 3 fair value, a reasonable change in one or several assumptions would have the following impact on earnings:

SEK thousand	GROUP		
	30 Sep 2015	31 Dec 2014	30 Sep 2014
Carrying value of loan portfolios	10,350,587	8,586,782	7,155,808
A 5% increase in estimated cash flow over the forecast period (10 years) would increase the carrying value by	503,993	424,369	350,940
<i>Of which, valued at fair value</i>	65,342	72,804	75,208
A 5% decrease in estimated cash flow over the forecast period would reduce the carrying value by	-506,679	-424,369	-350,940
<i>Of which, valued at fair value</i>	-65,342	-72,804	-75,208
Carrying value of loan portfolios acquired prior to 1 July 2011	1,306,850	1,460,229	1,471,277
A 1% decrease in the market rate of interest would increase the carrying value by	39,374	46,058	44,716
A 1% increase in the market rate of interest would reduce the carrying value by	-37,276	-43,483	-42,335
Shortening the forecast period by 1 year would reduce the carrying value by	-52,161	-48,622	-60,794
Lengthening the forecast period by 1 year would increase the carrying value by	36,225	43,413	42,404

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 after that date are valued at amortised cost. Information on the portfolios is provided internally to Group Management on this basis. 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.

The primary influencing factors in assessing fair value are:

- the gross collections forecast
- the cost level
- the market discount rate

The Group monitors and evaluates its valuation methods on a regular basis in order to adequately track fluctuations in portfolio value.

The Group monitors the coming ten years' net collection forecasts for all portfolios on a monthly basis and discounts the forecasts accordingly. The portfolio forecast curve initially used in fair value calculations is the portfolio's acquisition curve. These forecast curves serve as the basis for calculating the fair value for each portfolio. The result then represents the portfolio's new fair value.

Note 2 Financial instruments, cont.

The discount rate corresponding to the market rate of return is updated regularly and reflects actual rates of return on relevant and comparable market transactions. 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 based on the input data used in the valuation approach, as per the following:

Level 1) Quoted prices (unadjusted) on active markets for identical instruments.

Level 2) Based on directly or indirectly observable market inputs 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 traded on markets that are not active, or other valuation techniques in which all important input data is directly or indirectly observable in the market.

Level 3) According to inputs that are not based on observable market data. This category includes all instruments for which the valuation technique is based on data that is not observable and has a substantial impact upon the valuation.

The following table presents the financial instruments referenced in the balance sheet for informational purposes and thus measured at fair value:

Group, 30 Sep 2015

SEK thousand	Loan portfolios	Financing	Carrying value	Fair value	Level 1	Level 2	Level 3
Treasury bills and Treasury bonds		1,889,093	1,889,093	1,889,093	1,889,093		
Acquired loan portfolios							
Of which, carried at fair value	1,306,850		1,306,850	1,306,850			1,306,850
Of which, carried at amortised cost	9,043,737		9,043,737	9,197,156			9,197,156
Bonds and other securities ¹⁾		2,264,222	2,264,222	2,264,222	2,264,222		
Derivatives		71,332	71,332	71,332		71,332	
Total assets	10,350,587	4,224,647	14,575,234	14,728,653	4,153,315	71,332	10,504,006
Additional purchase price liability		69,613	69,613	69,613			69,613
Derivatives		29,993	29,993	29,993		29,993	
Senior loans		1,296,324	1,296,324	1,330,986		1,330,986	
Subordinated liabilities		335,814	335,814	416,733		416,733	
Total liabilities		1,731,744	1,731,744	1,847,325		1,777,712	69,613

1) Bonds and other securities include SEK 25m in shares. The shares are reported at acquisition cost as there are no quoted market prices, and it has not been possible to estimate a reliable fair value using accepted valuation methods.

Group, 31 Dec 2014

SEK thousand	Loan portfolios	Financing	Carrying value	Fair value	Level 1	Level 2	Level 3
Treasury bills and Treasury bonds		2,316,110	2,316,110	2,316,110	2,316,110		
Acquired loan portfolios							
Of which, carried at fair value	1,460,229		1,460,229	1,460,229			1,460,229
Of which, carried at amortised cost	7,126,553		7,126,553	7,311,207			7,311,207
Bonds and other 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 loans		1,493,122	1,493,122	1,681,899		1,681,899	
Subordinated liabilities		332,796	332,796	386,750		386,750	
Total liabilities		2,072,642	2,072,642	2,315,373		2,315,373	

1) Bonds and other securities include SEK 25m in shares. The shares are reported at acquisition cost as there are no quoted market prices, and it has not been possible to estimate a reliable fair value using accepted valuation methods.

Note 2 Financial instruments, cont.

Group, 30 Sep 2014

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

1) Bonds and other securities include SEK 25m in shares. The shares are reported at acquisition cost as there are no quoted prices, and it has not been possible to estimate a reliable fair value using accepted valuation methods.

For acquired loan portfolios, the valuation approach, key input data and valuation sensitivity for material changes thereto are described in the same note.

Derivatives used for hedging have been model-valued using interest and currency market rates as input data. Bonds are valued based on quoted rates. Fair value of financing of issued bonds and other subordinated liabilities is determined with reference to amortised cost. Bond buy-backs are reported net solely on the liability side.

Carrying amount for accounts receivable and accounts payable are deemed approximations of fair value. The fair value of current loans corresponds to their carrying value due to the limited impact of discounting.

No transfers between any of the levels took place during the period.

Note 3 Business combinations

On 1 July 2015 Hoist Finance acquired a substantial, diversified loan portfolio in Great Britain by acquiring all shares in Compello Holdings Limited, a debt restructuring company with self-owned portfolios operating in the UK and head-quartered in Milton Keynes. The acquisition will further strengthen Hoist Finance's market position. The total purchase price of SEK 1,256,408 thousand was paid in cash upon completion of the acquisition. The portfolio value at acquisition was SEK 1,501,787 thousand and the outstanding capital claim totalled SEK 33 billion.

Acquired company's net assets at acquisition date:

SEK thousand	
Cash and cash equivalents	23,306
Property, plant and equipment	3,965
Accounts receivable and other receivables	1,506,716
Accounts payable and other liabilities	-131,159
Non-current liabilities to Group companies	-146,419
Total identifiable net assets	1,256,408

The acquisition balance sheet included SEK 1,256,408 thousand in net assets, including SEK 23,306 thousand in cash and cash equivalents. Acquisition-related expenses are estimated at SEK 17,800 thousand and include a stamp tax of approximately SEK 6,2 million. Compello Holdings Limited had SEK 104,289 thousand in income during the first six months of 2015 and an operating profit of SEK 26,152 thousand. The acquisition will not give rise to any acquisition goodwill, as the entire purchase price is related to the debt portfolios and other current receivables. Compello Holdings Limited has been consolidated into Hoist Finance Group as of July 2015. The acquisition calculation is preliminary.

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 remained unsettled. The amount was paid during the first quarter of 2015.

Since the acquisition took place as late as 30 December 2014, additional consideration was not included in the acquisition analysis. Adjustments made to the acquisition analysis in first quarter 2015, have taken into account additional consideration, which may range between SEK 0 million and SEK 83 million and be paid during the period 2015-18. Management's assessment is that the maximum additional purchase consideration will be payable, which is why SEK 81,409 thousand is referenced in the acquisition analysis. The discount effect of the additional purchase price totals SEK 4,976 thousand and gives rise to an additional surplus value of SEK 76,433 thousand. Of the additional consideration, SEK 9,436 thousand has been paid. The entire amount is attributable to goodwill. Goodwill is primarily attributable to the Group's base and organisation being well suited for further expansion on the Polish NPL market. Navi Lex has an experienced management team and an efficient organisation with excellent market knowledge and a network of contacts for acquiring portfolios and managing collection operations. The Navi Lex collection system and call centre infrastructure is also well invested. External collection agencies were used for the Polish portfolios prior to the acquisition; this is now done internally via Navi Lex, which significantly reduces collection costs.

Hoist Kredit acquired Cruz's 10 per cent minority shareholding in Hoist Kredit's subsidiary Hoist Finance UK Ltd for a total purchase price of SEK 40,100 thousand, of which SEK 32,584 thousand was cash-based.

Note 4 Related-party transactions

The information below is presented from the perspective of Hoist Finance and reflects how transactions with related parties have affected Hoist Finance's financial information.

Group

SEK thousand	Other related parties		
	30 Sep 2015	31 Dec 2014	30 Sep 2014
Assets			
Other assets	0	–	2,513
Liabilities			
Other liabilities	–	58	–

Group

SEK thousand	Other related parties				
	Quarter 3 2015	Quarter 3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Operating income					
Interest income	–	1,620	–	1,773	153
Operating expenses					
Other expenses	–	818	–	1,316	2,433

Parent Company

SEK thousand	Group companies			Other related parties		
	30 Sep 2015	31 Dec 2014	30 Sep 2014	30 Sep 2015	31 Dec 2014	30 Sep 2014
Current receivables						
Receivables, Group companies	7,344	47,506	31,244	–	–	–
Other receivables	–	–	–	–	–	658
Non-current liabilities						
Intra-Group loans	40,100	40,100	40,100	–	–	–
Current liabilities						
Liabilities, Group companies	97,777	103,535	83,683	–	–	–

Parent Company

SEK thousand	Group companies					Other related parties				
	Quarter 3 2015	Quarter 3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014	Quarter 3 2015	Quarter 3 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Net sales	38,329	36,335	109,810	119,688	171,684	–	–	–	–	–
Operating expenses										
Other external expenses	23,375	29,715	70,079	89,566	121,904	–	–	–	–	–
Profit from financial items										
Interest expenses	222	305	712	982	1,262	–	–	–	–	–

Note 5 Capital adequacy

This note provides information required to be disclosed under the provisions of FFFS 2008:25 regarding annual reports for credit institutions and FFFS 2014:12 regarding prudential requirements and capital buffers. The information relates to Hoist Finance on a consolidated basis ("Hoist Finance") and Hoist Kredit AB ("Hoist Kredit"), 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: EU regulation No 575/2013 on prudential requirements for credit institutions and investment firms; Swedish law 2014:968, Supervision of credit institu-

tions and securities companies; and 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. The regulations specify that the capital base shall cover capital requirements, including minimum capital requirements (capital requirements for credit risk, market risk and operational risk), and capital requirements for all other essential risks (i.e. Pillar 2 risks).

Own funds

The table below shows own funds for Hoist Finance and for the regulated institution Hoist Kredit that are used to meet capital adequacy requirements.

Capital adequacy assessment

Own funds, SEK thousand	Hoist Finance consolidated situation			Hoist Kredit AB (publ)		
	30 Sep 2015	31 Dec 2014	30 Sep 2014	30 Sep 2015	31 Dec 2014	30 Sep 2014
Common Equity Tier 1, share of equity	2,132,123	1,304,189	1,057,022	2,094,696	1,182,658	895,897
Proposed dividend, Tier 1 capital contribution	-3,750	-	-7,500	-3,750	-	-7,500
Intangible assets	-241,999	-171,048	-99,687	-43,603	-45,273	-34,136
Deferred tax assets	-62,668	-70,885	-66,111	-1,523	-1,249	-1,600
Regulatory dividend deduction	-37,072	-5,000	-3,750	-37,072	-	-
Common Equity Tier 1	1,786,634	1,057,257	879,974	2,008,748	1,136,136	852,661
Additional Tier 1 capital instruments	93,000	93,000	193,000	93,000	93,000	193,000
Additional Tier 1 capital, regulatory adjustments	-	-	-46,644	-	-	-56,114
Additional Tier 1 capital contribution	93,000	93,000	146,356	93,000	93,000	136,886
Total Tier 1 capital	1,879,634	1,150,257	1,026,330	2,101,748	1,229,136	989,547
Tier 2 capital instruments	335,814	332,796	331,858	335,814	332,796	331,858
Tier 2 capital, regulatory adjustments	-60,557	-106,655	-136,717	-71,507	-111,814	-149,343
Tier 2 capital	275,257	226,141	195,141	264,307	220,982	182,515
Total own funds for capital adequacy purposes	2,154,891	1,376,398	1,221,471	2,366,055	1,450,118	1,172,061
Total risk-weighted exposure amount	13,762,833	11,307,052	9,757,037	13,222,858	11,049,076	9,125,741

Capital requirements

The table below shows minimum capital requirements per risk category for Hoist Finance and the regulated institution Hoist Kredit.

Own funds requirement, SEK thousand	Hoist Finance consolidated situation			Hoist Kredit AB (publ)		
	30 Sep 2015	31 Dec 2014	30 Sep 2014	30 Sep 2015	31 Dec 2014	30 Sep 2014
Institutions	47,575	39,165	33,676	27,596	9,293	26,068
– of which, counterparty credit risk	2,738	1,701	1,583	2,738	1,701	1,583
Corporates	11,606	11,702	10,767	695,688	425,346	351,201
Retail	4,252	8,222	8,771	4,252	7,849	8,771
Exposures in default	847,202	707,040	588,775	219,231	234,038	232,649
Covered bonds	14,612	15,410	14,954	14,612	15,410	14,954
Other items	29,847	18,641	25,465	42,975	139,936	50,591
Credit risk (standardised approach)	955,094	800,180	682,408	1,004,354	831,872	684,234
Operational risks (basic indicator approach)	140,220	93,379	93,379	47,761	41,049	41,049
Foreign exchange risk	5,713	11,005	4,524	5,713	11,005	4,524
Credit valuation adjustment (standardised approach)	-	-	252	-	-	252
Total own funds requirement	1,101,027	904,564	780,563	1,057,829	883,926	730,059

Note 5

Capital adequacy, cont.

Capital requirements and capital buffers

Regulation (EU) 575/2013 of the European Parliament and the Council, which took effect on 1 January 2014, requires credit institutions to maintain Common Equity Tier 1 capital of at least 4.5 per cent, Tier 1 capital of at least 6 per cent, and a total capital ratio (capital in relation to risk-weighted exposure amount) of 8 per cent. On 2 August 2014, when Swedish implementation of the Capital Requirements Directive entered into force, credit institutions became required to maintain specific capital buffers. Hoist Finance is currently required to maintain

an institution-specific capital conservation buffer of 2.5 per cent of the total risk-weighted exposure amount and a countercyclical buffer of 0.2 per cent of the total risk-weighted exposure amount. The table below shows CET1 capital, Tier 1 capital and the total capital ratio for Hoist Finance and for the regulated institution Hoist Kredit. The table also shows the total regulatory requirements for each Pillar.

All capital ratios exceed the minimum requirements and the capital buffer requirements by a good margin of safety.

Capital ratios and capital buffers, %	Hoist Finance consolidated situation			Hoist Kredit AB (publ)		
	30 Sep 2015	31 Dec 2014	30 Sep 2014	30 Sep 2015	31 Dec 2014	30 sep 2014
Common Equity Tier 1 capital ratio	12.98	9.35	9.02	15.19	10.28	9.34
Tier 1 capital ratio	13.66	10.17	10.52	15.89	11.12	10.84
Total capital ratio	15.66	12.17	12.52	17.89	13.12	12.84
Institution-specific buffer requirements for CET I capital	7.02	7.00	7.00	7.04	7.00	7.00
of which, capital conservation buffer requirement	2.50	2.50	2.50	2.50	2.50	2.50
of which, countercyclical buffer requirement	0.02	–	–	0.04	–	–
Common Equity Tier 1 capital available to meet buffers¹⁾	7.66	4.17	4.52	9.89	5.12	4.84

1) CET1 capital ratio as reported, less minimum requirement of 4.5 per cent (excluding buffer requirements) and less any CET1 items used to meet the Tier 1 and total capital requirements.

Internally assessed capital requirement

The internally assessed capital requirement for Hoist Finance consolidated situation totalled SEK 1,314m at 30 September 2015 (826m), of which SEK 213m (46m) is attributable to Pillar 2. The capital requirement was increased following the adjustment of methods for assessing capital requirements.

Note 5

Capital adequacy, cont.

Liquidity risk

Liquidity risk is the risk being unable to meet payment obligations due to insufficient liquidity. Liquidity risk for Hoist Finance is associated primarily with the Group's financing, which is based on deposits from the public and outflows of deposits on short notice. Hoist Finance's liquidity risk is low due to the fact that

- deposits are well-diversified
- more than 99 per cent of deposits are covered by state-provided deposit guarantee scheme
- the amount of deposits is managed by adjusting reference interest rates, and
- fixed-rate financing covers over 80 per cent of Hoist Finance's non-current assets (acquired loan portfolios)

Pursuant to Swedish Financial Supervisory Authority regulations regarding management of liquidity risks in credit institutions and investment firms (FFFS 2010:7), Hoist Kredit and Hoist Finance consolidated situation shall maintain a separate reserve of high-quality liquid assets to secure their 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 Finance consolidated situation and Hoist Kredit is comprised of unencumbered assets that enable rapid liquidity creation 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.

Liquidity position, SEK thousand	Hoist Finance consolidated situation			Hoist Kredit AB (publ)		
	30 Sep 2015	31 Dec 2014	30 Sep 2014	30 Sep 2015	31 Dec 2014	30 Sep 2014
Deposits and borrowing from the public	12,815,397	10,987,289	9,979,222	12,815,397	10,987,289	9,979,222
Liquidity reserve ¹⁾	5,535,535	5,348,625	4,005,984	4,440,782	4,394,508	3,553,279
Available liquidity, minimum of SEK 2,544m ²⁾	5,973,734	5,531,632	4,700,698	4,878,982	4,577,515	4,247,993
Liquidity reserve/deposits and borrowing from the public, %	43.19	48.68	40.14	34.65	40.00	35.61
Available liquidity/deposits and borrowing from the public, %	46.61	50.35	47.10	38.07	41.66	42.57

1) Defined as cash at credit institutions available the next day and fixed income instruments which are liquid and eligible for refinancing via the Swedish Central Bank.

2) Defined as liquidity available within three days.

Liquidity funding, SEK thousand	Hoist Finance consolidated situation			Hoist Kredit AB (publ)		
	30 Sep 2015	31 Dec 2014	30 Sep 2014	30 Sep 2015	31 Dec 2014	30 Sep 2014
Deposits and borrowing from the public, flexible	7,612,070	7,559,043	7,251,161	7,612,070	7,559,043	7,251,161
Deposits and borrowing from the public, fixed	5,203,327	3,428,246	2,728,061	5,203,327	3,428,246	2,728,061
Senior unsecured debt	1,296,324	1,493,122	741,353	1,296,324	1,493,122	741,353
Convertible debt instruments	93,000	93,000	193,000	93,000	93,000	193,000
Subordinated liabilities	335,814	332,796	331,858	335,814	332,796	331,858
Shareholders' equity	2,132,505	1,304,189	1,057,022	2,094,696	1,182,658	895,897
Other	739,192	851,433	496,395	268,529	503,268	193,984
Balance sheet total	17,412,232	15,061,829	12,798,850	16,903,760	14,592,133	12,335,314

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, 29 October 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 no. 556012-8489

Introduction

We have reviewed the summary interim financial information (the interim report) for Hoist Finance AB (publ) as at 30 September 2015 and the nine-month period ending on that date. The Board of Directors and the CEO are responsible for the preparation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies with respect to the Group, and with the Swedish Annual Accounts Act with respect to the Parent Company. Our responsibility is to express an opinion on this interim report based on our review.

Focus and 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 has a different focus and a substantially smaller scope than an audit conducted in accord-

ance with International Standards on Auditing 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, our review opinion provides a lower level of assurance than an audit opinion.

Conclusion

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

Stockholm, 29 October 2015

KPMG AB
Anders Bäckström
Authorised Public Accountant

Definitions

Acquired loans	The total of acquired loan portfolios, run-off consumer loan portfolios and shares and participations in joint ventures.
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	The ratio numerator is the sum of shares issued by the company, share premium reserve, retained earnings, other income, and other reserves after deductions for primary deferred tax assets, intangible fixed assets and goodwill. The ratio denominator is the company's risk-weighted exposure amount.
Cost/Gross cash collections on acquired loan portfolios	Operating expenses less fee and commission income and other income, divided by the sum of gross cash collections and income from run-off consumer loan portfolios.
Earnings per share	Profit for the period attributable to parent company shareholders in relation to the average number of outstanding shares.
EBIT	Earnings Before Interest and Tax
EBIT margin	EBIT (operating earnings) divided by total revenue.
Fee and commission income	Commission generated from third-party collection services.
FTE, Full-time equivalent	Average number of employees during the year, based on working hours for which the company pays salary or other compensation. Calculation is based on number of hours worked divided by standard work hours per year.
Gross cash collections	Gross cash flow from the Group's customers on loans included in the Group's acquired loan portfolios.
Gross 120-month ERC	"Estimated Remaining Collections" - i.e. the estimated remaining gross collection amount on acquired loan portfolios for the coming 120 months.
Liquidity ratio	Cash in bank accounts and high-grade liquid bonds that can be made liquid within three days, divided by total deposits from the public.
Net revenue from acquired loans	The sum of gross cash collections from acquired loan portfolios and income from run-off consumer loan portfolios, less portfolio amortisation and portfolio revaluation.
Non-performing loans	An originator's loan is non-performing as at the balance sheet date if it is past due or will be due shortly.
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.
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 CET1 capital, additional Tier 1 capital and Tier 2 capital divided by the company's risk-weighted exposure amount.
Total revenue	Total of net revenue from acquired loan, fee and commission income, profit from joint ventures and other income.

Our Mission – Your Trust

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

In Sweden, we offer the HoistSpar retail deposit service with approximately 83,000 active accounts.

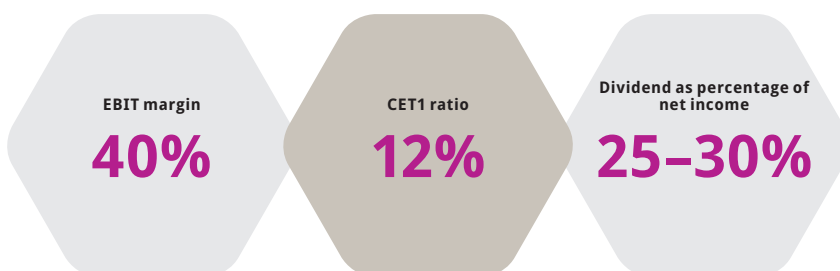
Our business model



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.

Our medium-term financial targets



Our strategies

- Strengthen and expand position in current markets and grow in selected new markets
- Maintain acquisition model and focus on core assets
- Build on our status as a regulated credit institution
- Develop debt management models focused on amicable in-house collection
- Leverage existing economies of scale
- Maintain and develop unique funding base and leverage on solid capital and liquidity positions

Information

Financial calendar 2015

Year-end report Q4

10 February 2016

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The interim report and investor presentation are available on www.hoistfinance.com