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CREDIT OPINION
31 May 2023

Update

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RATINGS

Hoist Finance AB (publ)

Domicile	Sweden
Long Term CRR	Baa3
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Baa3
Type	Senior Unsecured - Fgn Curr
Outlook	Negative
Long Term Deposit	Not Assigned

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Hoist Finance AB (publ)

Update to credit analysis

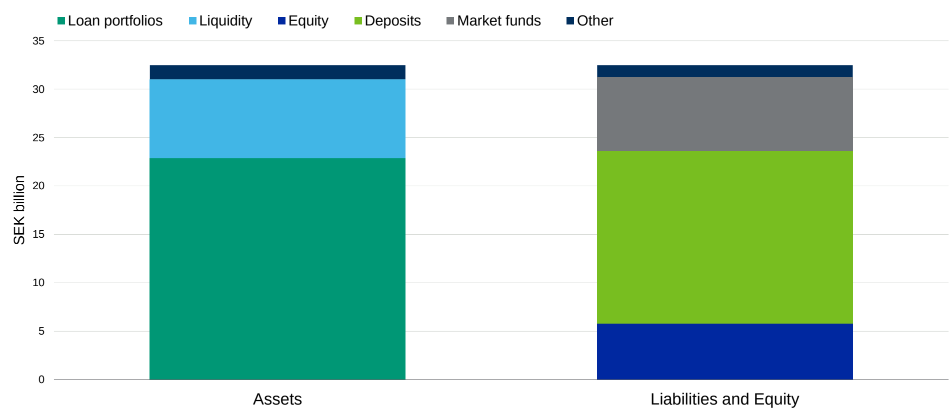
Summary

We assign a ba3 Baseline Credit Assessment (BCA), Baa3 long-term (LT) issuer and senior unsecured debt ratings, along with (P)Ba2 junior senior (often referred to as senior non-preferred) and Ba3 subordinate debt ratings to Hoist Finance AB (publ) (Hoist). The LT issuer and senior unsecured debt ratings carry a negative outlook.

Hoist's ba3 BCA incorporates the company's regulated nature, with prudential capital and liquidity requirements, providing stability and predictability and the bank's updated strategy aimed at restoring profitability. This is, however, balanced against weak financial performance during the pandemic, with high impairments and limited new business. The BCA also includes one negative adjustment for corporate behavior reflecting Hoist's dependence on exogenous factors in growing its loan book, such as banks' willingness to offload non-performing credits, in line with peers in the debt purchasing industry, as well as the heightened risks of governance failures. The BCA also reflects the issuer's monoline business model.

Hoist's LT debt ratings incorporate the results of our Advanced Loss Given Failure (LGF) analysis, which takes into account the severity of loss faced by different liability classes in resolution, and our expectation of a low probability of government support.

Exhibit 1
Hoist's balance sheet structure as of Mar 2023
Hoist has a large deposit base and liquidity reserve



Source: Company's financial report

Credit strengths

» Solid and diversified market position in the European debt-purchaser niche

» Adequate capitalisation underpinned by regulatory capital requirements, which strengthen its risk profile versus peers

» Strong funding profile, driven by a large and low cost deposit base

» Large liquidity portfolio, which provides enhanced financial flexibility

Credit challenges

» Elevated corporate governance risk, reflect by the ousting of the Board of Directors in February 2022

» Bank regulation puts Hoist at a disadvantage compared to non-regulated peers in terms of taking on nonperforming loans (NPLs) due to backstop regulation, meaning full provisioning of fresh NPL's.

» Model risk associated with the valuation and pricing of the purchased portfolios

» Modest profitability, negatively impacted by the coronavirus pandemic and difficulties in implementing cost cutting efforts

» Event risk arising from potential litigation or legislative actions, and complexity of operations

Outlook

The negative outlook reflects Moody's mounting concern that the multiple changes to the board of directors and executive management are signs of governance weaknesses and inability to address some of the strategic challenges, including high cost to collect and operational inefficiencies, that the company faces.

The outlook period will be used to assess the execution of the updated strategy and whether it will improve profitability without increasing risk appetite.

Factors that could lead to an upgrade

An upgrade is unlikely due to the negative outlook, but a stabilization of the outlook could be triggered by managerial continuity coupled with successful execution of cost efficiency measures and improved performance, including: (1) improving recurring profitability, (2) maintaining adequate capital levels above regulatory requirements, (3) not expanding into riskier assets or jurisdictions, and (4) minimizing conduct risk and ad hoc provisions.

Factors that could lead to a downgrade

Hoist's BCA could be downgraded if (1) further substantive changes to strategy or management are made, (2) its recurring profitability remains at current low levels, (3) its capital decreases, (4) its reliance on market funding materially increases; or (5) our assessment of Hoist's asset risk deteriorates.

In terms of the issuer, senior unsecured, junior senior unsecured MTN program and subordinated debt ratings, a downward movement is likely in the event of a downgrade of Hoist's BCA or a lower notching from our Advanced LGF analysis.

Key indicators

Exhibit 2
Hoist Finance AB (publ) (Consolidated Financials) [1]

	03-23[2]	12-22[2]	12-21[2]	12-20[2]	12-19[2]	CAGR/Avg.[3]
Total Assets (SEK Million)	32,474.0	32,499.0	30,372.0	31,864.0	34,387.0	(1.7)[4]
Total Assets (USD Million)	3,131.7	3,119.1	3,357.2	3,879.9	3,673.4	(4.8)[4]
Tangible Common Equity (SEK Million)	5,187.0	5,028.0	3,948.0	4,137.0	3,826.0	9.8[4]
Tangible Common Equity (USD Million)	500.2	482.6	436.4	503.7	408.7	6.4[4]
Problem Loans / Gross Loans (%)	97.3	97.3	97.0	96.6	96.3	96.9[5]
Tangible Common Equity / Risk Weighted Assets (%)	18.7	19.1	11.4	12.3	10.1	14.3[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	433.4	418.0	478.2	481.7	669.4	496.1[5]
Net Interest Margin (%)	8.2	7.5	5.8	8.3	9.1	7.8[5]
PPI / Average RWA (%)	0.6	0.8	-0.3	1.1	1.4	0.7[6]
Net Income / Tangible Assets (%)	0.7	1.0	-0.8	-0.1	1.6	0.5[5]
Cost / Income Ratio (%)	94.2	89.8	105.8	85.0	82.1	91.4[5]
Market Funds / Tangible Banking Assets (%)	21.0	17.8	17.3	20.3	17.5	18.8[5]
Liquid Banking Assets / Tangible Banking Assets (%)	24.7	28.7	25.2	28.6	25.2	26.5[5]
Gross Loans / Due to Customers (%)	127.7	116.4	120.1	118.2	111.6	118.8[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Investors Service and company filings

Profile

Hoist Finance AB (publ) (Hoist) is one of the largest debt purchasers in Europe, with SEK35.5 billion (€3.1 billion) in estimated remaining collections (ERC) over the next 180 months as of March 2023. Hoist is a credit market company regulated by the Swedish Financial Supervisory Authority (SFSA). The company manages debt receivables in 13 countries across Europe.

Hoist primarily funds itself by accepting retail internet deposits in Sweden (Aaa stable), in Germany (Aaa stable) and since 2021 also in the United Kingdom (Aa3 negative).

Recent developments

High turnover of top management and Board of Directors in the last two years

Between April 2021 and February 2022, the composition of the board of directors was changed twice, reflecting the dominance of the two largest owners. Management is implementing a cost reduction and growth strategy which includes shedding inefficient operations in order to improve profitability.

There are, however, indications of more stability going forward, with the appointment of a permanent CEO, Harry Vranjes on 1 January 2023, and the latest interim CEO, Lars Wollung, returning to the board of directors as Chairman.

In March 2022, management set out a new [1] cost reduction and growth strategy, which includes shedding of inefficient operations, such as selling the UK unsecured operations[2] and investing in portfolios yielding higher long-term risk-adjusted returns. The company has set the following long-term targets:

» 15% return on equity

» 15% annual earnings per share growth

» 2.3 – 3.3 percentage points CET1 ratio above the regulatory requirements

Hoist entered the Swedish NPL market during the first quarter 2023 with an agreement to purchase a portfolio of SEK 1.2bn.

In the end of March 2022, Hoist acquired a €2.1 billion Greek portfolio of non-performing loans from Alpha Bank, previously announced on 28 December 2021, comprising of unsecured consumer loans and a small share of SME loans and secured loans.

Detailed credit considerations

Status as a regulated credit institution supports credit profile, but also creates challenges

We consider the supervision by the SFSA a credit strength. The regulatory scrutiny imposed by the SFSA is similar to that of other Swedish banks, and Hoist is required to report its capital adequacy and liquidity performance on a regular basis.

The regulatory status also creates challenges for Hoist, such as the European Union's (EU) non-performing loans (NPL) prudential backstop legislation, introduced in April 2019. It requires unsecured NPLs originated after 26 April 2019 to be written down in full after three years from when the loan became non-performing (NPLs secured on movable collateral need to be written down in full after seven years). At the same time, the prudential backstop forces has positive effects on the volume of NPLs available on the market as it pushes banks to divest their NPLs.

Hoist has taken a number of actions to mitigate the effects of the backstop rules, including the implementation of a securitisation programme. In 2019, Hoist completed its first securitisations backed by existing portfolios of unsecured NPLs, and in Q1 2021 it announced a partnership agreement with an investment manager, Magnetar Capital, that covers new unsecured NPL portfolio acquisitions[3].

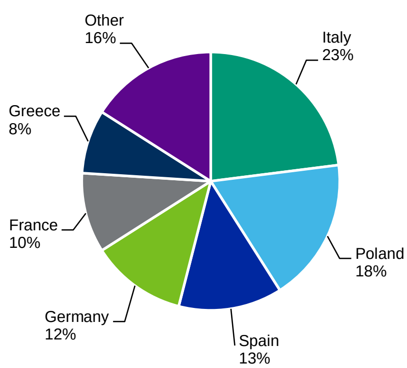
Hoist was previously also constrained by high risk weights on purchased debt, but since July 2022, this is no longer an issue. At that time the regulatory technical standards (RTS) was changed to allow 100% risk weight for unsecured NPLs from the previous 150%.

Solid and diversified market position in the European debt-purchasing business, but limited product offering constrains the rating

Hoist is well diversified geographically, with presence in 13 European countries. Hoist's operating environment is primarily influenced by developments in the markets in which it acquires debt portfolios, with the overall Macro Profile for Hoist being Strong-, as it balances countries with Strong+ Macro Profiles such as France, Germany and Sweden with exposures in several countries with weaker Macro Profiles, such as Italy (Moderate+) and Poland (Moderate+).

Its main markets of Italy, Poland, Spain, Germany, and France, collectively accounted for 76% of its acquired loan portfolios as of end of first quarter 2023 (see Exhibit 3). However, considering the acquisition of the Greek portfolio (Greece Macro Profile is Moderate-) and the divestment of the UK unsecured portfolio, the geographical distribution has changed, triggering a lowering of the weighted macro profile to Strong- from Strong. This does not trigger a change in the Financial Profile of ba1 or the BCA of ba3.

Exhibit 3
Breakdown of Hoist's acquired loan portfolios, end of March 2023
Carrying amount, share of total in %



Source: Company report

Hoist's debt-purchasing business primarily focuses on the acquisition and collection of nonperforming unsecured consumer receivables originated through financial services institutions. Since 2018 however, and partly as a response to the higher risk weights for unsecured NPLs, Hoist has developed in capacity in other asset classes also, mainly secured NPLs, which as of March 2023 represented 27% of book value.

Despite its strong market position in various geographies and higher flexibility accorded by its evolving business model, Hoist's ratings are constrained by the company's monoline business activities. Most of the company's revenue is generated by its debt-purchasing businesses, driving us to apply a negative notch for business diversification. Furthermore, new acquisitions are to a large extent dependent on external factors, such as banks willingness to offload non-performing credits, affecting Hoist's ability to grow and replenish amortising loans. This strategic challenge is incorporated through a negative corporate behavior adjustment in the BCA.

High cyclicality of collections poses an elevated risk despite Hoist's strong track record as a debt purchaser

Hoist has developed a robust database over the last 25 years, which has historically contributed to it achieving a high degree of pricing accuracy, but the company has taken large provisions during the pandemic, showing the inherent riskiness of the business. The pricing of receivables is based on a comprehensive modelling and analytical approach. The successful operating performance of the business is dependent upon this accuracy, and a material mispricing of purchased portfolios could potentially lead to underperformance or even losses. The pandemic caused a lag in collections due to closure of courts in some countries, which, together with operational inefficiences, resulted in losses and lower efficiency.

The asset risk score of ba3 is in line with the Industry Risk score for most European debt purchasers, taking into account the high cyclicality of collections, giving rise to high impairments during downturns, and track record across jurisdictions. While an elevated stock of NPLs is inherent to a debt-purchasing business model, Hoist's asset risk weighs on its overall creditworthiness.

The receivables that Hoist acquires are, or have been, in arrears and are therefore speculative in nature. In addition to this, we note three key risks inherent in the business model: (1) model risk in relation to the valuation and pricing of its purchased receivables; (2) concentration risk related to suppliers (that is, debt originators or vendors); and (3) event risk arising from potential litigation or legislative actions.

Adequate capital mitigates risk

Our assigned baa2 Capital score reflects our view that Hoist's capitalisation, with tangible common equity (TCE) to risk-weighted assets (RWA) of 18.7% as of March 2023, is a strength. Hoist's nominal leverage ratio, calculated as TCE to total assets, was 16.0% as of March 2023. Although Hoist's leverage ratio is significantly higher than that of most other banks we rate in Sweden (because Hoist is subject to similar capital requirements as commercial banks), we believe that it is a reflection of the risks inherent to the debt-purchasing business.

Hoist reported a Common Equity Tier 1 (CET1) capital ratio of 15.01% as of March 2023, which gives a 695 basis points buffer to the regulatory requirement of 8.06%. Under normal conditions, the company aims to have a CET1 ratio that is 2.3-3.3 percentage points above the regulatory requirement. This means that capital is not a constraint for growth during the next 12 to 18 months. While downside risks remain in the operating environment, Hoist has adequate buffers to withstand further deterioration in its portfolios.

Although regulatory changes since 2018 make it more capital intensive for Hoist to fund its acquisitions in comparison to its unregulated peers, we believe that the issuer's mitigating actions have partly addressed these challenges. We also note that EBA's updated technical standards[4] had a positive effect for Hoist's capitalisation by approximately 260 basis points, lowering its risk weights on legacy unsecured non-performing loans to 100% from 150%.

Hoist's profitability likely to improve as rejuvenation program takes effect and interest rates increase

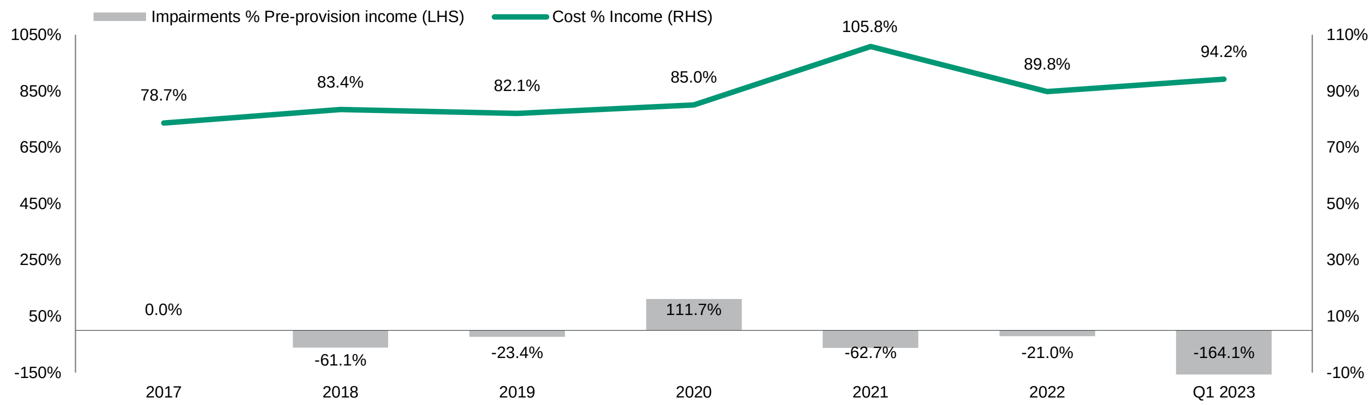
Our assigned ba1 Profitability score reflects our base case scenario that Hoist's profitability will remain above a net income to tangible assets ratio of 0.7% during the next 12 to 18 months due to improvements in efficiency and higher business volumes, partly offset by higher impairments. Furthermore, Hoist's ability to take retail deposits is a comparative advantage to peers as interest rates increase and funding conditions tighten in the sector.

During 2022 Moody's adjusted net income to tangible assets ratio was 0.98%, an improvement from a negative 0.85% during 2021, due to the sale of the UK operations and lower impairments.

During first three months of 2023, net income decreased to SEK93 million, from SEK179 million in first quarter of 2022. Adjusting for the divested UK operations and the introduction of hedge accounting on 1 July 2022, the first quarter 2022 net income was SEK 60 million.

We expect that the cost reduction and growth strategy, will lead to improved profitability by shedding inefficient operations. However, Moody's views the deteriorating macro environment in Europe increases uncertainties, which could potentially drive impairments and reduce earnings. During the first quarter 2023, Hoist's collection performance was 105 per cent, despite headwinds in Spain where the courts were on strike for most of the quarter, which delays collections.

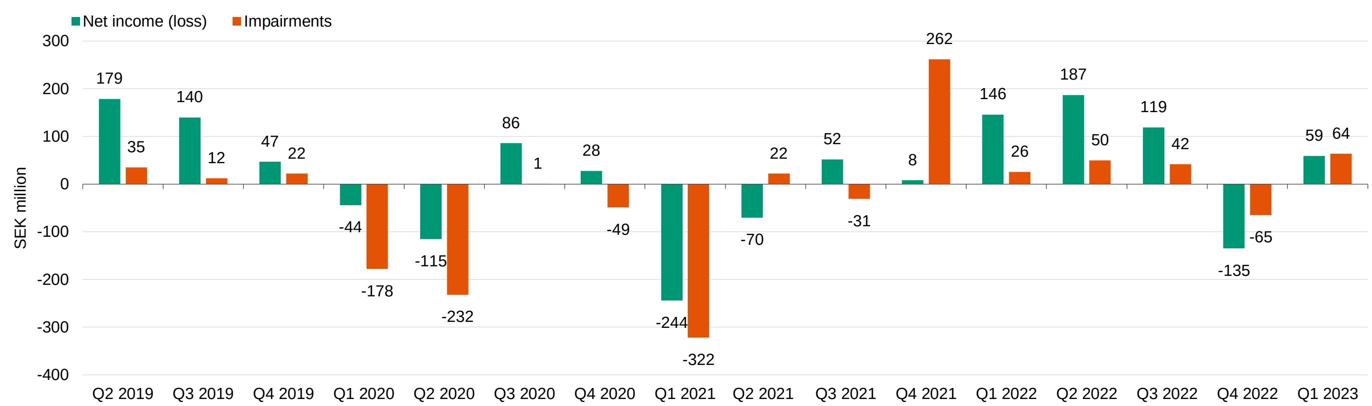
Exhibit 4
Cost efficiency is likely to improve gradually



Source: Moody's Investors Service

During the first three months of 2023, net interest income increased to SEK670 million (from SEK490 million during the same period in 2022), up 37% year-on-year. The increase in net interest income was mainly driven by larger portfolio and higher interest rates.

Exhibit 5
Further impairments and a tax risk provision drove the losses during Q1 and Q2 2021
Net income and impairment gains and losses, SEK million



Net income is adjusted to include payments to Additional Tier 1 holders.
Source: Moody's Investors Service

We expect profitability to improve in 2022 due to the new management's strong focus on costs and improving efficiency, and stronger collection performance.

Hoist deposit funded model is a relative strength, although reliance on debt markets is increasing

We consider Hoist's funding profile a relative strength for the company. Hoist primarily funds itself through deposits, with retail deposits in Sweden, Germany and in the United Kingdom, providing a significantly cheaper funding than other debt purchasers. Our assigned Funding Structure score of baa3 also reflects the fact that the deposits are collected through internet platforms, which we view as a potentially more volatile and less sticky form of funding than conventional bank deposits. Nevertheless, the deposit base is granular with 99.98% of deposits benefiting from deposit insurance.

Hoist has managed to remain attractive to savers, with retail deposits adding up to SEK17.9 billion as of March 2023 (equivalent to 64% of non-equity funding). Hoist launched a euro-denominated deposit-taking programme in Germany in September 2017 and launched deposit taking activities in the United Kingdom in June 2021.

Although Hoist primarily funds itself through deposits, wholesale debt has increased in significance, reflecting the company's funding strategy and favourable market conditions in past years, with the proportion of market funds to tangible assets reaching 21% as of March 2023. Nonetheless, we do not expect a material change in the funding profile of Hoist in the near term.

Large liquidity portfolio provides flexibility

We view Hoist's strong liquidity (around 25% of tangible banking assets as of March 2023) as one of its strengths. As a deposit-taking entity with liquidity requirements similar to those of regular banks, Hoist has to hold a large stock of liquid assets. However, the company does not have the same regulatory status as a bank and does not have access to central bank liquidity. Hoist has built up a significant liquidity portfolio of high-quality Treasury bills and Treasury bonds, overnight deposits with banks and covered bonds to offset this.

We view positively the fact that the large liquidity reserve gives Hoist the flexibility to acquire small debt portfolios without seeking additional funding or increasing leverage. It also enables the company to withstand stressed scenarios when wholesale refinancing would be more expensive or unavailable.

The lack of access to central bank liquidity, along with expected volatility in the liquidity reserve, is reflected in our assigned Liquidity score of baa3.

ESG considerations

Hoist Finance AB (publ)'s ESG Credit Impact Score is Highly Negative CIS-4

Exhibit 6
ESG Credit Impact Score

CIS-4
Highly Negative

For an issuer scored CIS-4 (Highly Negative), its ESG attributes are overall considered as having a discernible negative impact on the current rating. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-3.

Source: Moody's Investors Service

Hoist's ESG Credit Impact Score is highly negative (**CIS-4**) reflecting the negative rating impact of the bank's overall highly negative governance risk, incorporated in the one-notch negative adjustment of the rating for corporate behaviour. Social risks also have a highly negative impact on the current rating. Environmental factors have a limited credit impact on the rating to date.

Exhibit 7
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-2	S-4	G-4
Neutral-to-Low	Highly Negative	Highly Negative

Source: Moody's Investors Service

Environmental
Hoist faces neutral-to-low environmental risk, specifically in relation to carbon transition risks. This is because of its loan composition which only indirectly exposes the bank to industries facing carbon transition risks. Hoist faces low other environmental risks, such as physical climate risks, water risks, waste and pollution, and natural capital risks.

Social
Hoist faces highly negative industry-wide social risks related to regulatory and litigation risks, requiring high compliance standards. These risks are mitigated by developed policies and procedures. High cyber and customer data risks are mitigated by ongoing IT investments and organisational measures to prevent data breaches.

Governance
Hoist faces highly negative governance risks, associated with event risks, and concerns that repeated changes to the board of directors and executive management are signs of governance weaknesses and inability to address some of the strategic challenges, including high cost of collection and operational inefficiencies, that the company has faced. Furthermore, inherent risks related to the subprime debt collection industry raise governance risks. These risks are partly mitigated by the company's regulated nature, with prudential capital and liquidity requirements.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support
The ratings assigned to Hoist do not incorporate any uplift from affiliate support.

Loss Given Failure (LGF) analysis
We apply our Advanced LGF analysis to Hoist because the company is a regulated credit market company and, in the event of failure, we expect it to be subject to the EU Bank Recovery and Resolution Directive, which we consider an operational resolution regime. For this analysis, we assume a residual TCE of 3% and post-failure losses of 8% of total banking assets and a 5% run-off in preferred deposits, and assign a 25% probability to deposits being preferred to senior unsecured debt. These are in line with our standard assumptions. Particularly for Hoist, we assume that Hoist does not source deposits considered junior, compared with the standard assumption of 26% of total deposits, as the company fully relies on a retail deposit base.

Hoist's senior unsecured, junior senior and subordinated debt ratings reflect our Advanced LGF analysis of the company's balance-sheet structure. Hoist's senior unsecured creditors are likely to face extremely low loss-given-failure because of the loss absorption provided by its own volume and the amount of debt subordinated to it. This results in three notches of uplift from Hoist's Adjusted BCA for senior unsecured debt.

Hoist's junior senior unsecured programme rating is positioned one notch higher than the Adjusted BCA, indicating a low loss given failure.

Hoist's subordinated debt ratings are positioned at the same level as the Adjusted BCA, indicating a moderate loss given failure.

Counterparty Risk (CR) Assessment

Hoist's CR Assessment is Baa3(cr)/Prime-3(cr)

We assign a CR Assessment of Baa3(cr)/Prime-3(cr), three notches above the BCA of ba3. The CR Assessment is driven by the bank's BCA and by the considerable amount of subordinated instruments likely to shield counterparty obligations from losses.

Counterparty Risk Ratings (CRRs)

Hoist's CRRs are Baa3/Prime-3

The CRRs are three notches above Hoist's Adjusted BCA of ba3, reflecting extremely low loss given failure from the high volume of instruments that are subordinated to CRR liabilities.

Government support

Because we expect the probability of government support for Hoist's senior liabilities to be low, the ratings do not incorporate any uplift from government support and the final issuer ratings are positioned at Baa3.

Rating methodology and scorecard factors

Exhibit 8

Hoist Finance AB (publ)

Macro Factors							
Weighted Macro Profile	**Strong -**	**100%**					

Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	97.3%	caa3	↔	ba2	Long-run loss performance	
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	18.7%	aa3	↓↓	baa2	Expected trend	
Profitability						
Net Income / Tangible Assets	0.2%	b2	↑↑	ba1	Expected trend	
Combined Solvency Score		ba2		ba1		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	17.8%	baa2	↔	baa3	Deposit quality	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	28.7%	baa2	↔	baa3	Expected trend	
Combined Liquidity Score		baa2		baa3		
Financial Profile				ba1		
Qualitative Adjustments				Adjustment		
Business Diversification				-1		
Opacity and Complexity				0		
Corporate Behavior				-1		
Total Qualitative Adjustments				-2		
Sovereign or Affiliate constraint				Aaa		
BCA Scorecard-indicated Outcome - Range				ba2 - b1		
Assigned BCA				ba3		
Affiliate Support notching				0		
Adjusted BCA				ba3		

Balance Sheet	in-scope (SEK Million)	% in-scope	at-failure (SEK Million)	% at-failure
Other liabilities	4,518	14.0%	5,412	16.8%
Deposits	17,880	55.6%	16,986	52.8%
Preferred deposits	17,880	55.6%	16,986	52.8%
Senior unsecured bank debt	6,654	20.7%	6,654	20.7%
Dated subordinated bank debt	930	2.9%	930	2.9%
Preference shares (bank)	1,239	3.9%	1,239	3.9%
Equity	966	3.0%	966	3.0%
Total Tangible Banking Assets	32,187	100.0%	32,187	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	30.4%	30.4%	30.4%	30.4%	3	3	3	3	0	baa3
Counterparty Risk Assessment	30.4%	30.4%	30.4%	30.4%	3	3	3	3	0	baa3 (cr)
Senior unsecured bank debt	30.4%	9.7%	30.4%	9.7%	3	3	3	3	0	baa3
Junior senior unsecured bank debt	9.7%	9.7%	9.7%	9.7%	1	1	1	1	0	ba2
Dated subordinated bank debt	9.7%	6.9%	9.7%	6.9%	0	0	0	0	0	ba3

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	baa3	0	Baa3	Baa3
Counterparty Risk Assessment	3	0	baa3 (cr)	0	Baa3(cr)	
Senior unsecured bank debt	3	0	baa3	0	Baa3	Baa3
Junior senior unsecured bank debt	1	0	ba2	0		(P)Ba2
Dated subordinated bank debt	0	0	ba3	0		Ba3

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 9

Category	Moody's Rating
HOIST FINANCE AB (PUBL)	
Outlook	Negative
Counterparty Risk Rating	Baa3/P-3
Baseline Credit Assessment	ba3
Adjusted Baseline Credit Assessment	ba3
Counterparty Risk Assessment	Baa3(cr)/P-3(cr)
Issuer Rating	Baa3
Senior Unsecured	Baa3
Junior Senior Unsecured MTN	(P)Ba2
Subordinate	Ba3
ST Issuer Rating	P-3

Source: Moody's Investors Service

Endnotes

1 Announced 13 March 2022, please see link to press release

2 On 13 April 2022 Hoist announced the sale of its UK unsecured business, including operations, to Lowell. The UK unsecured business has been the least profitable business in terms of pre-provision income in recent years due to limited scale and has been the main driver for impairments. Please see link to press release.

3 Ratings can be found on the landing page of Marathon SPV S.r.l.

4 On June 24, 2021 EBA launched a public consultation on amending the technical standards for the calculation of the risk weight of defaulted exposures under the Standardised Approach. This follows up on the European Commission's Action Plan to tackle non-performing loans in the aftermath of the COVID-19 pandemic, which indicated the need for a revision of the treatment of defaulted exposures under the Standardised Approach. According to EBA, the update is necessary to ensure the prudential framework does not create disincentives to the sale of non-performing assets.

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Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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