MOODY'S
RATINGS

Rating Action: Moody's Ratings upgrades Hoist Finance AB (publ)'s long-term issuer rating to Baa1, outlook changed to stable

12 Jun 2026

Stockholm, June 12, 2026 -- Moody's Ratings (Moody's) has today upgraded Hoist Finance AB (publ)'s (Hoist) long-term issuer and senior unsecured ratings to Baa1 from Baa2. We also upgraded the following ratings and assessments: the Baseline Credit Assessment (BCA) and Adjusted BCA to ba1 from ba2, the long-term Counterparty Risk Ratings (CRRs) and Counterparty Risk Assessment (CR Assessment) to Baa1 and Baa1(cr), from Baa2 and Baa2(cr), respectively, the senior unsecured MTN program rating to (P)Baa1 from (P)Baa2, the subordinate ratings to Ba1 from Ba2, and the subordinate MTN program rating to (P)Ba1 from (P)Ba2. Finally, we affirmed the Ba1 junior senior unsecured rating, the (P)Ba1 junior senior unsecured MTN program rating, the P-2 short-term issuer rating and short-term CRRs, and the P-2(cr) short-term CR Assessment.

The outlook on the long-term senior unsecured and issuer ratings was changed to stable from positive.

RATINGS RATIONALE

The upgrade of Hoist's long-term issuer, senior unsecured, and subordinated debt ratings reflects the upgrade of the bank's BCA. Our unchanged extremely low loss-given-failure assumptions for Hoist's senior liabilities continue to provide a three-notch uplift to the long-term issuer and senior unsecured ratings. Unchanged moderate loss-given-failure assumptions for the bank's Tier 2 liabilities continue to not result in any uplift to the subordinated debt ratings.

The affirmation of the junior senior unsecured debt ratings reflect the upgrade of Hoist's BCA, and a change in our loss-given-failure assumptions for the bank's senior non preferred liabilities to moderate from low, reflecting relatively high growth of tangible banking assets compared to subordinated liabilities, resulting in no uplift to the junior senior unsecured debt ratings, from a one-notch uplift.

Our unchanged government support assumptions continues to not result in any uplift to any of the ratings.

The upgrade of the BCA to ba1 from ba2 reflects Hoist's sustained improvement in profitability, combined with sound capitalisation and strong execution of the bank's strategic plan, supported by relative stability in the management composition over the past three years and the successful qualification in February 2026 as a Specialised Debt Restructurer (SDR). As an SDR, Hoist is exempt from the prudential backstop regulation that requires banks to provide against problem loans according to a predefined calendar when calculating regulatory capital ratios. The BCA also continues to reflect Hoist's competitive funding costs against its non-performing loan investors peers: as a regulated credit market institution, Hoist has access to insured retail deposits across seven European countries, including the recent launch of the bank's deposit platform HoistSpar in Spain. These strengths are balanced against Hoist's high growth strategy, with the ambition to be the leading investor and manager of non-performing loans in Europe, through a combination of organic and external growth. The strategy is illustrated by the ongoing acquisition of Azzurro Associated, a debt purchaser based in the UK with a portfolio book value of about SEK2.5 billion; the acquired portfolio compares with Hoist's Estimated Remaining Collections (ERC) of SEK58.7 billion and investment portfolio value of SEK34.4 billion as of 31 March 2026.

OUTLOOK

The stable outlook on the long-term senior unsecured debt and issuer ratings reflects our view that Hoist will remain well capitalized, and it will maintain strong recurring profitability and a highly granular non-performing portfolio over the coming 12 to 18 months.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

Hoist's ratings could be upgraded following an upgrade of the bank's BCA. Hoist's junior senior unsecured debt ratings could also be upgraded following an increase in the volumes of loss-absorbing debt relative to tangible banking assets.

The BCA could be upgraded following a combination of strengthened capitalisation and moderating portfolio growth, while maintaining strong collection levels, robust profitability, and a stable management and board composition.

Hoist's ratings could be downgraded if the BCA is downgraded, or in case of a lower buffer of loss-absorbing liabilities.

Hoist's BCA could be downgraded if the bank demonstrates a higher risk appetite, for example, an expansion into less granular problem loans, if recurring profitability falls, or if capital significantly decreases due for example to larger-than-expected impairment losses.

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks published in November 2025 and available at https://ratings.moodys.com/rmc-documents/454566. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

Hoist's "Assigned BCA" score of ba1 is set two notches below the "Financial Profile initial score" of baa2 to reflect our expectation that capitalization will reduce, the issuer's focus on a niche market, and a high growth strategy.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

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