MOODY'S
INVESTORS SERVICE

CREDIT OPINION
13 December 2023

Update

Send Your Feedback

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	Positive
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.

Contacts

Niclas Boheman +46.8.5179.1281
VP-Sr Credit Officer
niclas.boheman@moodys.com

Jonathan Stenbaek +46.851.791.297
Ratings Associate
jonathan.stenbaek@moodys.com

Simon James Robin Ainsworth +44 207 772 5347
Associate Managing Director
simon.ainsworth@moodys.com

Hoist Finance AB (publ)

Update following affirmation of ratings

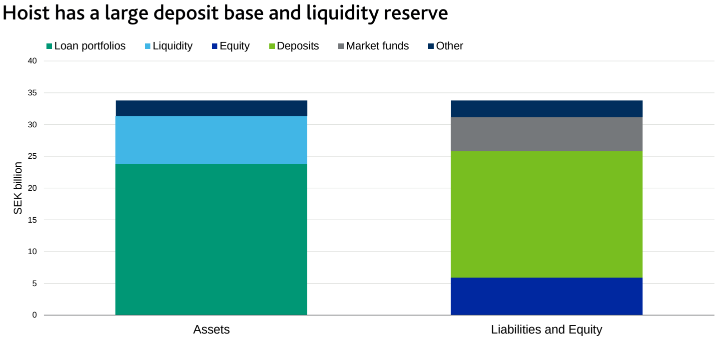
Summary

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 positive outlook.

Hoist's ba3 BCA incorporates the company's regulated nature, with prudential capital and liquidity requirements providing stability and predictability. It also incorporates the bank's improving profitability due to higher net interest income and growing portfolio. The BCA 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. It also reflects the heightened risks of governance failures. This is in line with peers in the debt purchasing industry. 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 Sep 2023
Hoist has a large deposit base and liquidity reserve



Source: Company's financial report

This report was republished on 5 Feb 2024 with updated ratings tables on pages 1 and 12.

Credit strengths

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

» Adequate capitalization 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

» Improving profitability

Credit challenges

» Bank regulation puts Hoist at a disadvantage compared to non-regulated peers due to backstop regulation.

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

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

Outlook

The positive outlook on Hoists long-term debt ratings considers the company's improving performance with stronger earnings and higher capitalization. The higher interest rate environment is a comparative advantage for Hoist compared to other debt purchasers, due to the company's ability to take retail deposits. This benefit will allow Hoist to grow in a market where other debt purchasers need to deleverage their balance sheets, thus also placing Hoist in a strong position to win attractive portfolios.

Factors that could lead to an upgrade

An upgrade of the ratings could be triggered by: (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) substantive changes to strategy or management are made, (2) its recurring profitability falls, (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]

	09-23[2]	12-22[2]	12-21[2]	12-20[2]	12-19[2]	CAGR/Avg.[3]
Total Assets (SEK Million)	33,792.0	32,499.0	30,372.0	31,864.0	34,387.0	(0.5)[4]
Total Assets (USD Million)	3,110.4	3,119.1	3,357.2	3,879.9	3,673.4	(4.3)[4]
Tangible Common Equity (SEK Million)	5,555.0	5,028.0	3,948.0	4,137.0	3,826.0	10.5[4]
Tangible Common Equity (USD Million)	511.3	482.6	436.4	503.7	408.7	6.2[4]
Problem Loans / Gross Loans (%)	96.8	97.3	97.0	96.6	96.3	96.8[5]
Tangible Common Equity / Risk Weighted Assets (%)	18.3	19.1	11.4	12.3	10.1	14.2[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	429.1	418.0	478.2	481.7	669.4	495.3[5]
Net Interest Margin (%)	8.5	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 (%)	1.7	1.0	-0.8	-0.1	1.6	0.6[5]
Cost / Income Ratio (%)	93.8	89.8	105.8	85.0	82.1	91.3[5]
Market Funds / Tangible Banking Assets (%)	13.6	17.8	17.3	20.3	17.5	17.3[5]
Liquid Banking Assets / Tangible Banking Assets (%)	21.9	28.7	25.2	28.6	25.2	25.9[5]
Gross Loans / Due to Customers (%)	119.0	116.4	120.1	118.2	111.6	117.1[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 SEK37.3 billion (€3.2 billion) in estimated remaining collections (ERC) over the next 180 months as of September 2023. Hoist is a credit market company regulated by the Swedish Financial Supervisory Authority (SFSA). The company is present in 13 countries across Europe.

Hoist primarily funds itself by accepting retail internet deposits in Sweden (Aaa stable), Germany (Aaa stable), the United Kingdom (Aa3 stable) and since Q3 2023 in Poland (A2 stable).

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 programme, 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 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

This programme was concluded in September 2023 and Hoist Finance had then achieved an ongoing reported RoE exceeding 19% and a CET ratio 5.76% above regulatory requirements.

Hoist re-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 compared to its non-bank peers. 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 regulation has positive effects on the volume of NPLs available on the market as it pushes banks to divest their NPLs.

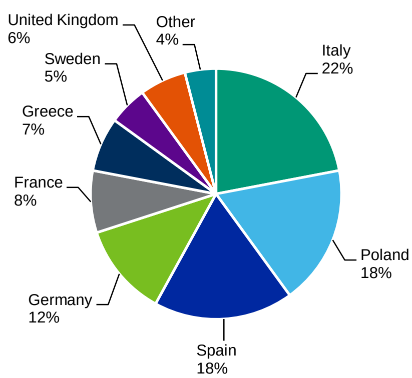
Hoist has taken a number of actions to mitigate the effects of the backstop rules, including the implementation of a securitization programme. In 2019, Hoist completed its first securitizations backed by existing portfolios of unsecured NPLs, and in Q1 2021 it announced a partnership agreement with an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

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, Sweden, Netherlands, and the United Kingdom with exposures in several countries with weaker Macro Profiles, such as Spain (Strong-), Italy (Moderate+), Poland (Moderate+), and Greece (Moderate+).

Its main markets of Italy, Poland, Spain, Germany, and France, collectively accounted for 78% of its acquired loan portfolios as of end of third quarter 2023 (see Exhibit 3). This results in a weighted macro profile of Strong-.

Exhibit 3
Breakdown of Hoist's acquired loan portfolios, end of September 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 September 2023 represented 32% 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 inefficiencies, resulted in losses and lower efficiency.

The asset risk score of ba2 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 baa1 Capital score reflects our view that Hoist's capitalization, with tangible common equity (TCE) to risk-weighted assets (RWA) of 18.3% as of September 2023, is a strength. This ratio has improved from 15.59% in Q3 2022 to 18.3 in Q3 2023. Hoist's nominal leverage ratio, calculated as TCE to total assets, was 16.4% as of September 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 13.86% as of September 2023, which gives a 576 basis points buffer to the regulatory requirement of 8.1%. 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 capitalization 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 strong, with a net income to tangible assets ratio at around 1.5% during the next 12 to 18 months due to improvements in efficiency and higher business volumes, partly offset by higher impairments due to deteriorating operating environment. 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.

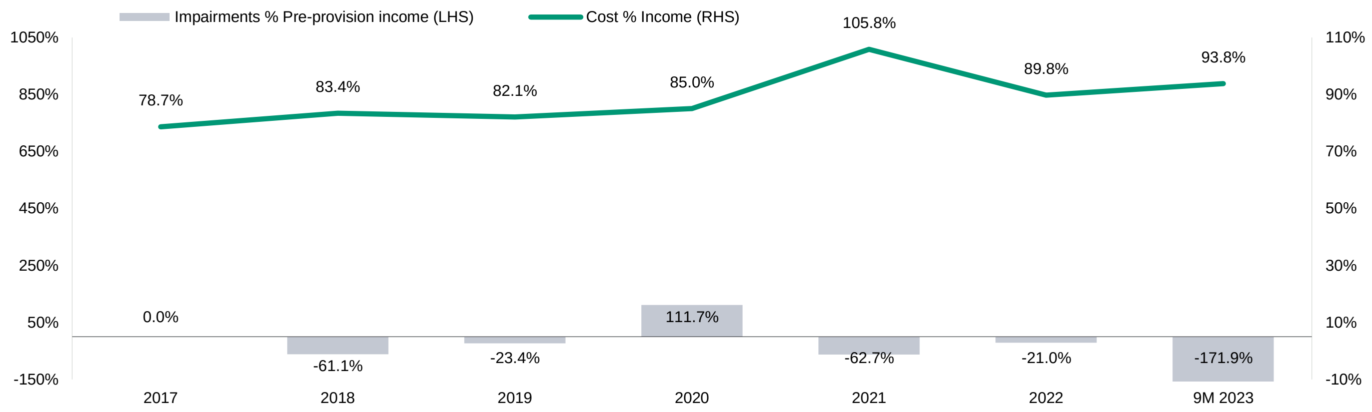
During first nine months of 2023 Moody's adjusted net income to tangible assets ratio was 1.7%, an improvement from 0.98% as of year-end 2022. This is mainly due to an increase in net interest income which has improved from SEK1,484 million in the first 9 months of 2022 to SEK1,970 million during the same period in 2023, a 33% increase.

During first nine months of 2023, adjusted net income increased to SEK416 million, from SEK317 million for the full year of 2022.

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 bring increased uncertainties, which could potentially drive impairments and reduce earnings. During the third quarter 2023, Hoist's collection performance was 103 percent, which supports release of provisions and stronger earnings.

Exhibit. 4

Moody's adjusted cost to income ratio still remains elevated

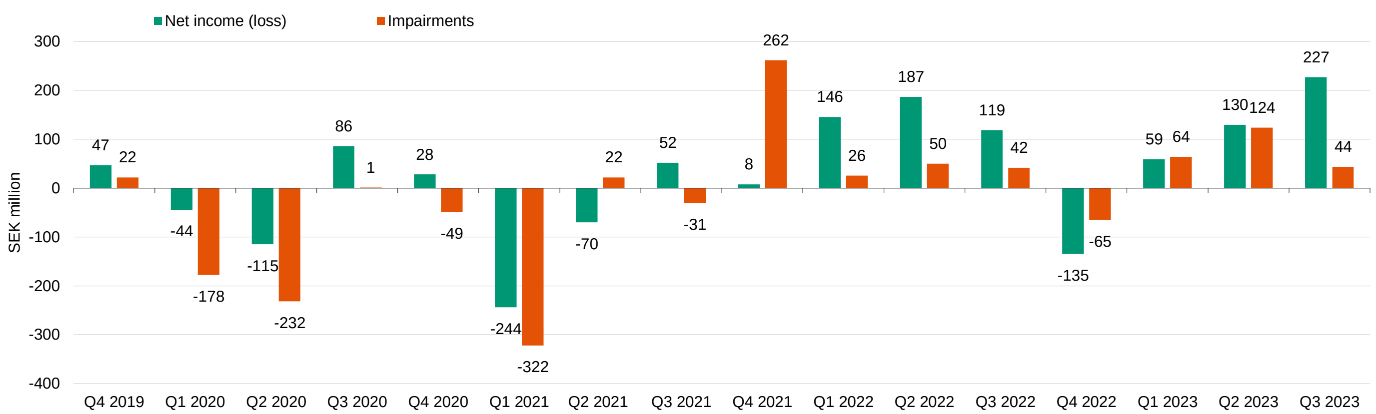


Source: Moody's Investors Service

Exhibit. 5

Hoist's collection performance is improving again

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 during the next 12-18 months 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 retail deposits in Sweden, Germany, the United Kingdom and Poland. This funding source is cheaper than the funding that other debt purchasers have. Our assigned Funding Structure score of ba1 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 more than 99% of deposits benefiting from deposit insurance.

Hoist has managed to remain attractive to savers, with retail deposits adding up to SEK19.8 billion as of September 2023 (equivalent to 68% of non-equity funding). Hoist launched a euro-denominated deposit-taking programme in Germany in September 2017 and launched GBP deposit taking activities in the United Kingdom in June 2021. In November 2023, they also launched Zloty-denominated deposit-taking activities in Poland.

Hoist primarily funds itself through deposits and wholesale debt has decreased in the past years, reflecting the company's funding strategy and favorable market conditions. Wholesale debt will however continue to be an important share of the funding mix going forward. The proportion of market funds to tangible assets reached 13.6% as of September 2023. We do not expect a material change in the funding profile of Hoist in the near term.

Large liquidity portfolio provides flexibility

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 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. Hoist's HQLA portfolio together with their lending to credit institutions in relation to TBA was 21.76% per Q3 2023.

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 ba1.

ESG considerations

Hoist Finance AB (publ)'s ESG credit impact score is CIS-4

Exhibit 6

ESG credit impact score

CIS-4

ESG considerations have a discernible impact on the current rating, which is lower than it would have been if ESG risks did not exist. The negative impact of ESG considerations on the rating is higher than for an issuer scored CIS-3.

Source: Moody's Investors Service

Hoist's **CIS-4** indicates that ESG considerations have a discernable rating impact due to the bank's overall high governance risk, incorporated in a one-notch negative rating adjustment for corporate behaviour. Exposure to high social risks also have an 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

Source: Moody's Investors Service

Environmental

Hoist faces limited exposure to environmental risk, specifically in relation to carbon transition risks. This is because of its portfolio composition as a dedicated debt purchaser and third-party debt collector, mostly in the consumer segment.

Social

Hoist faces high 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.

Hoist has high exposure to customer relations risks. Data security and customer privacy are critical for debt purchasing companies because they access large amounts of personal data. Fines and reputational damage as a result of product mis-selling, misrepresentation and other types of misconduct are also key social risks. Continued investments in technology and the company's track record of handling sensitive customer data, as well as appropriate culture and governance and compliance functions that ensure adherence to regulatory standards, help to manage the associated credit risk.

Governance

Hoist faces high governance risks, associated with event risks and inherent risks related to the subprime debt collection industry raise governance risks. The company's performance has been impacted by high cost of collection and operational inefficiencies. These risks are partly mitigated by the company's regulated nature, with prudential capital and liquidity requirements.

Following changes to the executive management team, the new CEO committed to the cost reduction and growth strategy, which included shedding of inefficient operations and investing in portfolios yielding higher long-term risk-adjusted returns.

The previous management shake-ups and multiple changes in Board of Directors point to previous struggles to find a successful long-term strategy. The management and Board of Directors has remained stable since beginning of 2022 and have not deviated from the rejuvenation plan that was set in 2021. The two largest owners control 39.1% of shares and have a large influence on the composition of the Board of Directors.

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		96,9%	caa3	↔	ba2	Long-run loss performance	
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)		18,3%	aa3	↓↓	baa1	Expected trend	
Profitability							
Net Income / Tangible Assets		0,4%	ba2	↑↑	ba1	Expected trend	
Combined Solvency Score			ba2		baa3		
Liquidity							
Funding Structure							
Market Funds / Tangible Banking Assets		17,8%	baa2	↔	ba1	Deposit quality	
Liquid Resources							
Liquid Banking Assets / Tangible Banking Assets		28,7%	baa2	↔	ba1	Access to committed facilities	
Combined Liquidity Score			baa2		ba1		
Financial Profile					baa3		
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					ba1 - ba3		
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	6 160	18,4%	7 152	21,3%
Deposits	19 835	59,1%	18 843	56,2%
Preferred deposits	19 835	59,1%	18 843	56,2%
Senior unsecured bank debt	4 468	13,3%	4 468	13,3%
Dated subordinated bank debt	917	2,7%	917	2,7%
Preference shares (bank)	1 160	3,5%	1 160	3,5%
Equity	1 006	3,0%	1 006	3,0%
Total Tangible Banking Assets	33 547	100,0%	33 547	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	22,5%	22,5%	22,5%	22,5%	3	3	3	3	0	baa3
Counterparty Risk Assessment	22,5%	22,5%	22,5%	22,5%	3	3	3	3	0	baa3 (cr)
Senior unsecured bank debt	22,5%	9,2%	22,5%	9,2%	3	3	3	3	0	baa3
Junior senior unsecured bank debt	9,2%	9,2%	9,2%	9,2%	1	1	1	1	0	ba2
Dated subordinated bank debt	9,2%	6,5%	9,2%	6,5%	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	Positive
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 Standardized 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 Standardized Approach. According to EBA, the update is necessary to ensure the prudential framework does not create disincentives to the sale of non-performing assets.

REPORT NUMBER 1387817

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

MOODY'S INVESTORS SERVICE