Hoist Finance has received commitment from a CarVal Investors fund for an unrated securitisation

Hoist Finance has transferred, on a non-recourse basis, an Italian portfolio of EUR 225m of non-performing unsecured monetary receivables (NPL) to a newly established Italian securitisation company (SPV) under article 3 of Italian law no. 130 of 30 April 1999, in connection with the set-up of an unrated securitisation.

The SPV will fund 95% of the net purchase price of the receivables via senior notes and the remaining 5% via issuance of junior notes. A fund managed and advised by CarVal Investors, LLC, a global alternative investment manager, has committed to subscribe for the senior tranche and Hoist Finance will retain the junior tranche.

Hoist Finance will make a full CET1 deduction corresponding to its investment in the junior tranche. Hoist Finance assesses that such a structure can adequately address the future effects of the newly adopted so-called NPL backstop regulation.

We are expecting to close the transaction in August 2019 with a fund or funds managed and advised by CarVal Investors, LLC, a well-reputed international market player. This investor may be a strategic partner for Hoist Finance going forward.

Completion of the transaction is expected to result in a CET1 capital relief of approximately 60 bps corresponding to incremental investment capacity of at least EUR 100m.

- As we communicated in conjunction with our fourth quarter 2018 results, one of our key mitigating actions to address both increased risk weights as well as the prudential NPL backstop regulation is to securitise part of the NPLs. We have made substantial progress during the spring and today we are taking our first important step in the transition into the post NPL backstop environment, says Klaus-Anders Nysteen, CEO of Hoist Finance.

In conjunction with our Q2 result telephone conference on July 30th at 09:30 CET we will give an update on the above-mentioned first step of our mitigating actions. The meeting will be held in English hosted by Klaus-Anders Nysteen, CEO and Christer Johansson, CFO and can be followed live at: https://financialhearings.com/event/11524.

Dial-in details for the conference call:

SE: +46850558357
UK: +443333009260
US: +18335268383

Questions can be asked via teleconference or in writing via the audio broadcast. The presentation will be available at www.hoistfinance.com at 07.30 CET on 30 July 2019.

This information is information that Hoist Finance AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 21.45 CET on 29 July 2019.

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About Hoist Finance
Hoist Finance is a trusted debt restructuring partner to international banks and financial institutions. We are specialised in serving banks in handling non-performing loans, and supporting individuals in becoming debt free. Through expertise and rigorous compliance we earn the banks' trust. Through respect, honesty and fairness we earn the trust of our customers. For further information, please visit hoistfinance.com.