

# Hoist Finance successfully completes the first-ever Italian investment grade rated securitisation backed by a portfolio comprising only unsecured NPLs

Hoist Finance has successfully completed the securitisation of a portfolio of Italian unsecured non-performing loans ("**NPLs**") with a gross book value of EUR 5.0 billion (the "**Transaction**") that was announced on 5 November 2019.

This Transaction is a landmark representing the first-ever Italian investment grade rated securitisation backed by a portfolio comprising only unsecured NPLs. The loans were extended to both corporations and individuals, representing 42.6% and 57.4% of the asset pool by gross book value, respectively.

The Transaction involves the issuance of EUR 337m notes across three tranches issued by the Italian securitisation vehicle Marathon SPV S.r.l. to finance the purchase of the NPL portfolio. The senior notes – representing 85% of the issued amount – are retained by Hoist Finance and have received the following ratings; (i) BBB(sf) by DBRS; (ii) Baa2(sf) by Moody's; and (iii) BBB+<sub>SF</sub> by Scope. The mezzanine and junior notes – representing the remaining 15% of the issued amount – have to 95% been subscribed by funds managed by an alternative investment manager, CarVal Investors, L.P. and 5% have been retained by Hoist Finance in order to comply with the risk retention requirements of the Securitisation Regulation. The mezzanine notes have also received ratings; (i) B(high)(sf) by DBRS; (ii) B1(sf) by Moody's; (iii) and BB <sub>SF</sub> by Scope, while the junior notes are unrated.

The senior notes carry an interest rate equal to 1.8% while the subordinated notes have a combined capped IRR of 15%. All the notes were placed at par. Excess collections from the assets will serve as credit support to all outstanding notes and thereafter be paid to Hoist Finance as deferred purchase price. In connection with the closing of the Transaction, the notes of the unrated securitisation, closed in August, have been redeemed in full and its assets refinanced via the Transaction completed today.

The Transaction is structured with a view to achieve significant risk transfer in accordance with Article 244 of Regulation (EU) No 575/2013 (as amended) on prudential requirements for credit institutions and investment firms.

Deutsche Bank and UBS acted as Arrangers of the Transaction and White & Case acted as legal advisor to Hoist Finance. Costs in relation to the establishment of the securitisation programme and the Transaction, including effects from unwinding the August EUR 225m securitisation, is estimated at EUR 6m, some of which is expected to be accounted for as amortised costs over the life of the Transaction.

- This transaction is further proof of Hoist Finance's strategy to make the securitisation programme an integral part of our long-term business model. The underwriting in our assets and organisation, which an investment grade rating implies, is a very positive signal. We are strongly committed to further develop our securitisation strategy to support growth targets while maintaining a sound risk level and an efficient capital usage, says Klaus-Anders Nysteen, CEO of Hoist Finance.

***This information is information that Hoist Finance AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication by Andreas Lindblom at 10:15 P.M. CET on 5 December 2019.***

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## **About Hoist Finance**

Hoist Finance is a trusted debt resolution partner to individuals, companies and banks in eleven European countries. With over 1600 dedicated colleagues, smart digital solutions and a deep understanding of individual financial circumstances, we help over six million customers keep their commitments. This is achieved by agreeing on sustainable repayment plans so that everyone is included within the financial ecosystem. Hoist Finance has a diverse portfolio of asset classes and our online savings platform in Sweden and Germany enables our unique funding model. Hoist Finance was founded in 1994 and is today a public company listed on Nasdaq Stockholm. For more information, please visit [hoistfinance.com](http://hoistfinance.com).