

PRESS RELEASE

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## **Hoist Finance capital positively impacted by reduced risk weights**

The European Commission has published the expected amendments to the regulatory technical standards as regards the specification of the calculation of credit risk adjustments. This is positive for Hoist Finance from a capital adequacy perspective. As previously communicated, the reduced risk weight translates to an approximate increase in Hoist Finance's Common Equity Tier 1 capital ratio (CET 1) of 260 basis points.

Changes include that purchase price discounts are treated as credit risk adjustments equivalent to write-downs and will effectively decrease the risk weight applicable to Hoist Finance's unsecured non-performing loans from 150 per cent to 100 per cent.

The European Commission motivates the changes with a desire to remove any regulatory impediments to the creation of a secondary market for non-performing loans, taking into account the possibility of increased volumes of defaulted loans in the wake of the pandemic.

The changes will become effective on 11 July 2022.

To read more about the decision from the European Commission, please visit: [https://eur-lex.europa.eu/eli/reg\\_del/2022/954/oj](https://eur-lex.europa.eu/eli/reg_del/2022/954/oj)

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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 almost 1500 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).