

Novo Banco, S.A. informs about multi-notch rating upgrade by DBRS Morningstar

Novo Banco, SA (“novobanco” or the “Bank”) informs that DBRS Morningstar upgraded novobanco’s Long-Term Deposits and Long-Term Issuer Ratings by 2 notches, to BBB (low) from BB, and to BB (high) from BB (low), respectively. The Bank’s Intrinsic Assessment has also been upgraded to BB (high), with the trend on all credit ratings remaining Stable.

The rating action announced today reflects novobanco’s “significant improvement in earnings and capital that exceeded DBRS Morningstar’s expectations, supported by higher interest rates as well as the successful completion of the turnaround process which has led to a material reduction in the stock of legacy problem assets”.

The Stable Trend reflects DBRS Morningstar’s “expectation that the Bank will maintain sound capital buffers and an adequate liquidity position as well as consolidating the improvements achieved in terms of recurrent profitability and asset quality”.

Following the announcement, novobanco ratings are:

	To:	From:
Bank’s Intrinsic Assessment (IA)	BB (high)	BB (low)
Long-Term Issuer Rating	BB (high)	BB (low)
Short-Term Issuer Rating	R-3	R-4
Long-Term Deposit (Investment Grade)	BBB (low)	BB
Long-Term Critical Obligations (Investment Grade)	BBB	BB (high)
Senior Debt	BB (high)	BB (low)
Subordinated Debt	BB (low)	B

This announcement is made in accordance and for the purpose of article of article 29-Q, No. 3 of the Portuguese Securities Code and the article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council.

Lisbon, 13 December 2023
Novo Banco, S.A.