

## **Novo Banco, S.A. informs about multi-notch rating upgrade from Moody's, maintaining positive outlook**

Novo Banco, SA ("novobanco" or the "Bank") informs that Moody's Investors Service ("Moody's") upgraded novobanco's senior unsecured debt and senior unsecured medium-term note (MTN) programme by 3 notches from B3 to Ba3. The outlook on the long-term deposit and senior unsecured debt ratings remains positive.

The upgrade reflects novobanco's "significantly improved credit profile as a result of a de-risking strategy pursued over several years in accordance with a restructuring plan agreed with the European Commission, which has been successfully completed". Moody's added that "the upgrade of Novo Banco's BCA to ba3 from b2 reflects the Bank's significantly improved solvency metrics, in particular its enhanced asset quality levels, strong profitability and improved loss absorption capacity following the far reaching restructuring of the bank's operations". The rating agency also stated that Novo Banco's profitability significantly improved in 2022 and expects "this trend to continue as loans reprice at higher rates while the cost of funding grows more slowly. This will more than offset the negative pressure stemming from high inflation on operating costs and higher cost of risk".

Moody's also upgraded the Bank's long-term deposit ratings by 2 notches from Ba3 to Ba1.

Following the announcement, novobanco ratings are:

	Long-term	Short-Term
Baseline Credit Assessment (BCA)	ba3 (from b2)	
Adjusted Baseline Credit Assessment (BCA)	ba3 (from b2)	
Counterparty Risk Rating	Baa3 (from Ba2)	Prime-3
Counterparty Risk Assessment	Baa3(cr) (from Ba2(cr))	Prime-3(cr)
Deposits	Ba1 (from Ba3) outlook remains Positive	NP
Senior unsecured debt	Ba3 (from B3) outlook remains Positive	
Subordinated debt	B1 (from B3)	

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, 19 April 2023  
**Novo Banco, S.A.**