

Novo Banco, S.A. informs about issuance of senior preferred debt

Novo Banco, SA (“novobanco” or the “Bank”) informs that it has today launched a senior preferred bond (“the notes”) in the amount of € 500 million, with maturity on 8 March 2028 and an early redemption option by the Bank at the end of year 3. The notes were subscribed at 99.782% price and have an annual coupon of 4.25% in the first 3 years, resetting to 3-month Euribor plus a margin of 130bps thereafter. The notes are expected to be rated Ba1 by Moodys and BBB- by Fitch.

The Bank announced in the morning the intention to issue € 500 million senior preferred debt, gathering strong interest from the market. At peak, the order book reached € 1.5 billion. This transaction will allow the Bank to achieve, as of today, a MREL ratio above 27% (December 2023 pro-forma).

The notes were placed entirely with institutional and professional investors following a virtual roadshow on 27 February, gathering interest from c.90 accounts. The final allocation comprises a geographically diversified base investors, including UK/Ireland (34%), France (20%), Italy (20%), Iberia (8%) and Nordics (7%). The notes were mostly placed with high quality accounts including asset managers (78%) and banks (10%). Settlement will take place on 8 March 2024.

Bank of America, Citi, Crédit Agricole CIB, Deutsche Bank and Nomura acted jointly as Joint Lead Managers and Joint Bookrunners.

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, 28 February 2024
Novo Banco, S.A.