

Novo Banco, S.A. announces 1 notch upgrade by Fitch

Novo Banco, SA (“novobanco”) announces that Fitch Ratings (“Fitch”) upgraded today novobanco’s Long-Term Issuer Default Rating (IDR) by 1 notch to ‘BBB’ from ‘BBB-’ and Viability Rating (VR) to ‘bbb’ from ‘bbb-’. The Outlook on the Long-Term IDR remains Stable.

The upgrade reflects Fitch's improved assessment of the operating environment for Portuguese banks' to 'bbb+/Stable' from 'bbb/Positive' coupled with novobanco’s finalised business model restructuring and its strengthened financial profile.

According to Fitch, novobanco's ratings reflect its strong franchise in Portugal and a stable business model focused on retail and corporate banking, delivering “healthy profitability and satisfactory regulatory capital buffers”. The ratings also highlight novobanco's solid domestic presence, sound cost-efficiency, stable and increasingly diversified funding profile, and improving asset quality. Asset quality is expected to continue improving, supported by the recent termination of the Contingent Capital Agreement (“CCA”) with the Portuguese Resolution Fund.

Following the announcement, novobanco ratings are:

Rating Type		New Rating	Previous
Intrinsic	Viability Rating	bbb	bbb-
	Support	ns	ns
LT / ST	Issuer Default Rating LT/ST	BBB/F3	BBB-/F3
	Deposits LT/ST	BBB+/F2	BBB/F3
	Senior Debt LT/ST	BBB/F3	BBB-/F3
	Outlook	Stable	Stable

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 2024
Novo Banco, S.A.