

Novo Banco, S.A. announces Sale and Purchase Agreement of Non-Performing Loans and related exposures

Novo Banco, SA (“novobanco”) announces that following a competitive bid process the Bank signed Sale and Purchase Agreement for the sale of a portfolio of fully unsecured non-performing loans (“NPL”) and related exposures.

The completion of this transaction under the agreed terms is expected to enhance asset quality ratios, reducing the NPL stock by approximately €100 million and bringing the pro-forma Gross NPL Ratio to around 3.5% as of December 2024. This marks a significant milestone for novobanco, supporting its strategy to align with the EU average.

The portfolio sale, for €30.7million, is expected to positively impact the 2024 income statement, contributing approximately €6 million to Earnings Before Taxes and leading to a 6bps increase in Capital Ratios.

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, 23 December 2024
Novo Banco, S.A.