

Novo Banco, S.A. informs about Restructuring Funds

Novo Banco, SA (“novobanco” or the “Bank”) informs that, together with other sellers, it has signed a sale and purchase and other agreements with investment funds advised by Davidson Kempner Capital Management LP (“Davidson Kempner”), relating to the sale of equity interests in both Fundo Recuperação Turismo, Fundo de Capital de Risco (“FRT”) and FLIT – PTREL, SICAV-SIF, S.C.A. (“FLIT”), as well as some other hospitality assets currently held by Fundo Recuperação (“FCR”), also known as Project Crow.

As of December 2021, novobanco exposure to Restructuring Funds, which also includes the above-mentioned funds, totalled 524 million euro, with the scope of this transaction comprising c.40% of the Bank’s exposure to such Funds.

Although the completion of this transaction, on agreed terms, is expected to be neutral from a 2022 net income perspective, the reduction of this exposure in the balance sheet is expected to improve novobanco capital ratios by c.25bps. The transaction is expected to conclude by 4Q 2022.

The transaction announced today, along with the sale of its current headquarters and other measures signed in 3Q 2022 to date, to accelerate the sale of non-core assets, are expected to increase novobanco capital ratios by c.65bps versus reported June 2022 figures.

This announcement is being made in accordance and for the purpose 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, August 23rd, 2022
Novo Banco, S.A.