

Novo Banco, S.A. informs about Bank of Portugal announcement on Other Systemically Important Institutions

Novo Banco, SA (“novobanco” or the “Bank”) informs that it has been notified by the Bank of Portugal of its decision to identify the Bank as Other Systemically Important Institution (“O-SII”), previously only at LSF Nani level, under the following terms:

Phased regime for the introduction of a 0.5% reserve as a percentage of the total risk-weighted assets (“RWAs”):

- 50% of the reserve starting on 1st July 2024 (0.25% of RWAs), and;
- 100% of the reserve starting on 1st July 2025 (0.50% of RWAs).

Novobanco considers that these requirements are in line with expectations, having already today a comfortable capital position versus regulatory requirements. As of September 2023, on a fully loaded basis, CET 1 and Total Capital totalled 16.5% and 19.3%, above current requirements of 8.8% and 13.6%, respectively.

Furthermore, novobanco notes that this decision is consistent with its ongoing funding plan, given that the O-SII buffer of 0.5% set at LSF Nani level was already considered under novobanco’s Minimum Requirement for Own Funds and Eligible Liabilities (“MREL”).

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, 30 November 2023
Novo Banco, S.A.