SUPPLEMENT DATED 15 February 2024
BASE PROSPECTUS dated 30 November 2023

NOVO BANCO, S.A.

(incorporated with limited liability in Portugal)

€10,000,000,000

COVERED BONDS PROGRAMME

This supplement (the "**Supplement**") to the base prospectus dated 30 November 2023 (the "**Base Prospectus**") constitutes a "supplement" for the purposes of Articles 8 and 23 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended from time to time (the "**Prospectus Regulation**") and is prepared in connection with the €10,000,000,000 Covered Bonds Programme (the "**Programme**") established by Novo Banco, S.A. ("**Novo Banco**", "**Bank**" or "**Issuer**").

This Supplement has been approved by the Comissão do Mercado de Valores Mobiliários, the Portuguese securities exchange commission (the "**CMVM**"), as competent authority under the Prospectus Regulation. The CMVM only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Covered Bonds.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

The Issuer is responsible for the information contained in this Supplement. To the best of the knowledge of the Issuer the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

I. PURPOSE OF THE SUPPLEMENT

The purpose of this Supplement is (i) to update the information on Issuer's ratings and capital requirements in the "*Risk Factors*" section, (ii) to incorporate by reference the Issuer's press release regarding its unaudited consolidated financial statements for the year ended 31 December 2023 and update the "*Documents Incorporated by Reference*" (iii) to update the section "*Description of the Issuer and of the Group*", namely, subsection L "*Management and Supervisory Corporate Bodies*" to reflect the cessation of duties of Donald Quintin from the General Supervisory Board, subsection P "*Rating*" to reflect changes to the Issuer's ratings, and subsection S "*Recent Developments*" to reflect updates to the Issuer's rating and regulatory capital requirements and (iv) to update the "*Taxation*" section to reflect changes in the law regarding the disclosure of items of income.

II. RISK FACTORS

On page 34 of the Base Prospectus, the first paragraph of the risk factor titled "*A reduction in novobanco's credit ratings would increase its cost of funding and adversely affect the Group's financial condition and results of operations*" of sub-section B. "*Risks relating to the Issuer's Business*", of the "*Risk Factors*" section, shall be replaced by the following:

"Credit ratings affect the cost and other terms upon which the Group is able to obtain funding, including the availability of certain funding instruments. Rating agencies regularly evaluate the Issuer, and its long-term credit ratings are based on a number of factors, including its financial strength, the credit rating of Portugal and the conditions affecting the financial services industry generally and the Portuguese banking system in particular. The Issuer's long-term credit ratings are the following: "Ba1" for long term senior unsecured debt with a positive outlook and "Baa2" for long term deposits with a positive outlook by Moody's, and "BB (high)" for issuer rating and long-term senior debt rating with a stable trend and "BBB (low)" for long-term deposits rating with a stable trend by DBRS. On 1 February 2024, Fitch Ratings Ltd assigned an Investment Grade rating to the Issuer with "BBB-" issuer rating and long-term senior debt rating and "BBB" for long-term deposits rating with a stable outlook. Despite the recent upgrades and positive outlook on the Issuer's credit ratings, there can be no assurance that the rating agencies will maintain the current ratings or outlooks."

On page 40 of the Base Prospectus, on the sixth paragraph of the risk factor titled "*Risks relating to regulatory requirements*" of sub-section C "*Legal and Regulatory Risks*", of the "*Risk Factors*" section, as well as on Page 144 of the Base Prospectus, after the last paragraph of the wording under the caption "*Capital Management*" the following wording shall be added:

"In December 2023, the Issuer was notified by the European Central Bank that the Pillar 2 requirement (P2R) applicable would be 2.85% as of 1 January 2024 onwards, which represents a decrease of 15bps. Therefore the minimum prudential requirements applicable from 1 January 2024 onwards, calculated at the time were as follows: CET1: 8.72% (of which 4.5% corresponds to Pillar 1, 1.60% corresponds to Pillar 2 and 2.62% corresponds to the applicable Buffers), Tier 1: 10.76% (of which 6.0% corresponds to Pillar 1, 2.14% corresponds to Pillar 2 and 2.62% corresponds to the applicable Buffers) totalling a minimum prudential requirement of 13.47% (of which 8.00% corresponds to Pillar 1, 2.85% corresponds to Pillar 2 and 2.62% corresponds to the applicable Buffers). As disclosed on the press release regarding the Group's unaudited consolidated financial statements for the year ended 31 December 2023, which is incorporated by reference to the Base Prospectus pursuant to this supplement, the applicable Buffers have since been recalculated to 2.60%, reducing the required CET to 8.70% (from 8.72%), the required Tier 1 to 10.74% (from 10.74%)and the required total to 13.45% (from 13.47%). These requirements do not include: i) Phased regime for the introduction of a 0.5% O-SII reserve as a percentage of RWAs to start on 1-Jul-24 with 50% of the reserve (0.25% of RWAs), and 100% of the reserve starting on 1st July 2025 (0.50% of RWAs), as announced on 30-Nov-23; ii) Starting on 1-Oct-24, a buffer on exposures secured by residential real estate, expected to be ~30bps, as announced on 17-Nov-23. There can be no assurance that the SREP review to be conducted in the following years will not increase the minimum own funds requirement, including as a result of past or future stress test exercises conducted by the supervisory authorities."

On pages 40 and 41 of the Base Prospectus, the seventh paragraph of the risk factor titled "*Risks relating to regulatory requirements*" of sub-section C "*Legal and Regulatory Risks*", of the "*Risk Factors*" section, shall be replaced by the following:

"In addition, credit institutions identified as other systemically important institutions ("O-SIIs") are subject to an additional buffer requirement (the "O-SII Buffer"). According to Banco de Portugal's decision, the O-SII buffer was not applicable to the Issuer since 2020 (but rather applicable to its indirect controlling shareholder

LSF Nani Investments S.à r.l.). On 30 November 2023, the Bank of Portugal notified the Issuer of its decision to identify it as O-SII establishing a phased regime for the introduction of a 0.5% reserve as a percentage of the total risk-weighted assets ("**RWAs**") until 1st July 2025. The Issuer noted that this decision was in line with the Issuer's expectations and consistent with its ongoing funding plan, given that the O-SII buffer of 0.5% previously set at LSF Nani level was already considered under the Issuer's Minimum Requirement for Own Funds and Eligible Liabilities ("**MREL**"). On 15 November 2023, the Bank of Portugal, as the macroprudential authority, introduced a 4% sectoral systemic risk buffer, applicable to institutions using the IRB approach, on the risk exposure amount of all retail exposures to natural persons secured by residential real estate located in Portugal, starting from 1 October 2024. On 17 November 2023, the Issuer informed that the implementation of this measure would result, in a pro-forma basis, of an estimated increase of c.30 basis points in capital requirements. There can be no assurance that this or other capital buffers will not be applicable or increased in the following years."

III. DOCUMENTS INCORPORATED BY REFERENCE

On 2 February 2024, the Issuer published its results presentation and press release regarding its unaudited consolidated financial statements for the year ended 31 December 2023. A copy of the Issuer's press release regarding its unaudited consolidated financial statements for the year ended 31 December 2023 has been filed with the CMVM and is incorporated in this Supplement, which is supplemental to, and should be read in conjunction with, the Base Prospectus. Copies of documents incorporated by reference in the Base Prospectus can be obtained from the registered offices of the Issuer. Documents referred to above can be viewed electronically and free of charge at the Issuer's website:
Press Release: Novobanco_2023_Results_EN.pdf.coredownload.inline.pdf.

As such, on page 62 of the Base Prospectus, a new paragraph (i) is inserted with the following wording:
"(i) press release regarding the Group's unaudited consolidated financial statements for the year ended 31 December 2023 (which can be viewed online at Novobanco_2023_Results_EN.pdf.coredownload.inline.pdf".

IV. DESCRIPTION OF THE ISSUER AND OF THE GROUP

"*Capital Management*"

On Page 144 of the Base Prospectus, after the last paragraph of the wording under the caption "*Capital Management*" the following paragraph shall be added:

"On 30 November 2023, the Issuer informed that it had been notified by the Bank of Portugal of its decision to identify it as O-SII establishing a phased regime for the introduction of a 0.5% reserve as a percentage of RWAs under the following terms: 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). The Issuer noted that this decision was in line with the Issuer's expectations and also consistent with its ongoing funding plan, given that the O-SII buffer of 0.5% previously set at LSF Nani level was already considered under the Issuer's MREL requirements.

"*Management and Supervisory Corporate Bodies*"

On pages 148 and 149 of the Base Prospectus, following the ninth paragraph under the caption "*General and Supervisory Board*", of the subsection L. "*Management and Supervisory Corporate Bodies*" of section "*Description of the Issuer and of the Group*", the reference to Mr. Donald Quintin on the table listing the members of the General Supervisory Board of the Issuer shall be deemed eliminated by virtue of him ceasing duties at the Issuer.

"*Ratings*"

On page 156 of the Base Prospectus, the sole paragraph of subsection P. "*Ratings*" of section "*Description of the Issuer and of the Group*" shall be replaced by the following:

"The Issuer's long-term credit ratings are the following: "Ba1" for long term senior unsecured debt with a positive outlook and "Baa2" for long term deposits with a positive outlook by Moody's, "BB (high)" for issuer rating and long-term senior debt rating with a stable trend and "BBB (low)" for long-term deposits rating with a stable trend by DBRS. On 1 February 2024, Fitch Ratings Ltd assigned an Investment Grade rating to the Issuer with "BBB-" issuer rating and long-term senior debt rating and "BBB" for long-term deposits rating with a stable outlook."

"Recent Developments"

On page 167 of the Base Prospectus, at the end of subsection S - *"Recent Developments*" of the section "*Description of the Issuer and of the Group*", the following paragraphs are added:

On 30 November 2023, the Issuer informed that it had been notified by the Bank of Portugal of its decision to identify it as O-SII establishing a phased regime for the introduction of a 0.5% reserve as a percentage of RWAs as described in , as described in the section "*Description of the Issuer and the Group*" under the caption "*Capital Management*"..

On 4 December 2023, the Issuer informed that it had been notified by the ECB of its minimum prudential requirements applicable in 2024, as described in the risk factor titled "*Risks relating to regulatory requirements*" of sub-section C "*Legal and Regulatory Risks*", of the "Risk Factors" section and "*Description of the Issuer and the Group*" under the caption "*Capital Management*".

On 13 December the Issuer informed that DBRS upgraded by two notches to the issuer rating and the long-term senior debt rating to "BB (high)" with a stable trend and the long-term deposits rating to "BBB" (low).

On 1 February 2024 informed that Fitch Ratings Ltd assigned an Investment Grade rating to the Issuer with "BBB-" issuer rating and long-term senior debt rating and "BBB" for long-term deposits rating with a stable outlook.

V. TAXATION

On page 178, on the sub-section "*Covered Bonds Not Held Through a Centralised Control System*" of the "*Taxation*" section, the fourth paragraph with the wording "The balance between capital gains and capital losses arising from the disposal of the Covered Bonds which were held for less than 365 days is mandatorily disclosed together with other items of income where the taxable income, including such balance, is equal to or above € 78,834", shall be amended as follows: "The balance between capital gains and capital losses arising from the disposal of the Covered Bonds which were held for less than 365 days is mandatorily disclosed together with other items of income where the taxable income, including such balance, is equal to or above € 78,834 (or € 81,199 in 2024)."

VI. GENERAL

This Supplement includes in respect of the Issuer all information contained within this Supplement together with all documents incorporated herein by reference. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this

Supplement (if any) and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail. Except as disclosed in this Supplement no significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus has arisen or been noted which is capable of affecting the assessment of the Covered Bonds issued under the Programme since the publication of the Base Prospectus. Copies of this Supplement can be obtained from the registered offices of the Issuer. In addition, copies of this Supplement and the Base Prospectus are available for viewing at the official website of the CMVM at www.cmvm.pt.