Announcement

Novo Banco, S.A. informs about minimum own funds requirements applicable for 2024

Novo Banco, S.A. ("novobanco" or the "Bank") informs that it has been notified by the European Central Bank of its minimum prudential requirements applicable in 2024. The requirements to be observed are based on the results of the Supervisory Review and Evaluation Process ("SREP"), and calculated relative to the Total Risk Weighted Assets ("RWA"), in the following terms:

		of which			Ratios as of 30-Sep-23[1]
		Pillar 1	Pillar 2	Buffers[2]	
CET 1	**8.72%**	4.50%	1.60%	2.62%	16.5%
Tier 1	**10.76%**	6.00%	2.14%	2.62%	16.5%
Total	**13.47%**	8.00%	2.85%	2.62%	19.3%

The Pillar 2 requirement ("P2R") for novobanco in 2024 is 2.85%, which represents a decrease of 15bps, reflecting an improved perception by the Supervisor of novobanco's overall risk profile, with the acknowledgement, in particular, of the continued capital accretive profitability, which has greatly contributed to improve the capital position of the Bank.
As of 30 September 2023, novobanco's capital ratios already exceed the new minimum requirements for CET 1, Tier 1 and Total Capital with significant margin (7.8pp, 5.7pp and 5.8pp, respectively[1]), evidence of novobanco's robust solvency.

This announcement is made in accordance with and for the purpose of article 29-Q, No. 3 of the Portuguese Securities Code and article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council.

Lisbon, 4 December 2023
Novo Banco, S.A.

[1] On fully-loaded basis;
[2] Current buffer does 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.