

## **Novo Banco, S.A. informs about Banco de Portugal release on the imposition of a capital buffer on exposures secured by residential real estate**

Novo Banco S.A. (“novobanco” or the “Bank”) hereby informs that it has been notified by the Bank of Portugal regarding the decision to implement a sectoral systemic risk reserve. The implementation of this reserve aims to increase the resilience of institutions to the materialisation of potential systemic risk in the residential real estate market in Portugal. The sectoral systemic risk reserve complements the current prudential recommendation and constitutes a preventive measure to address the potential materialization of risks.

The decision of the Bank of Portugal translates into the requirement for compliance with a sectoral systemic risk reserve of 4% on the amount of risk-weighted exposures on the retail portfolio of loans to individuals collateralized by residential properties located in Portugal, starting from October 1, 2024.

Novobanco informs that the implementation of this measure, which establishes the creation of a reserve for sectoral systemic risk, results in pro-forma estimated increase of c.30 basis points in capital requirements.

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, 17 November 2023  
**Novo Banco, S.A.**