

## **Novo Banco, S.A. informs about notification by Banco de Portugal of its MREL requirements**

Novo Banco, SA (“**novobanco**” or the “Bank”) informs that it has been notified by the Bank of Portugal of its Minimum Requirement for own funds and Eligible Liabilities (“MREL”) requirements, on a consolidated basis, as determined by the Single Resolution Board, under the following terms:

From 1 January 2022, under the intermediate requirement, the target of own funds and eligible liabilities will be equivalent to:

- 14.64% of total risk exposure amount (“TREA”) plus the combined buffer requirement of 3.02% (including LSF Nani O-SII), corresponding to a total requirement of 17.66%;
- 5.91% of the Leverage Ratio Exposure (“LRE”).

From 1 January 2026, the requirement for own funds and eligible liabilities will be equivalent to:

- 23.16% of TREA plus the then applicable combined buffer requirement;
- 5.91% of the Leverage Ratio Exposure (“LRE”).

In addition, **novobanco** notes that, as of today, a minimum subordination requirement was not applied.

The decision on the MREL requirement is based on current legislation and is subject to annual review by the supervisor, therefore these targets replace those previously set.

As of 1 January 2022, **novobanco** complied with the MREL requirement set for that date, both as a percentage of TREA (also including the applicable CBR) and as a percentage of LRE. **novobanco** considers that these requirements are in line with its expectations and consistent with its funding plan, which may be adjusted to reflect the actual balance sheet evolution in the coming years, including the risk-weighted assets.

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, May 25, 2022  
**Novo Banco, S.A.**