

NOVO BANCO, S.A. informs about MREL requirements

NOVO BANCO, SA (“NOVO BANCO”) 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 (currently 2.88%), corresponding to a total requirement of 17.52%;
- 5.91% of the Leverage Ratio Exposure (“LRE”).

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

- 22.78% of TREA plus the then applicable combined buffer requirement;
- 5.91% of the Leverage Ratio Exposure (“LRE”).

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

As of 31 December 2020, NOVO BANCO had a MREL position¹ of 15.13% of TREA, and already complies with the MREL requirements as percentage of LRE.

NOVO BANCO 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.

The decision on the MREL requirement is based on current legislation and is subject to review by the supervisor over time, including changes such as Pillar 2 Requirement evolution.

This announcement is made in accordance and for the purpose of article 248-A of the Portuguese Securities Code.

Lisbon, 23 June 2021
NOVO BANCO, S.A.

(1) Considers Total Owns Funds of € 3 415mn, corresponding to €317mn received under the Contingent Capital Agreement.