

novobanco

INVESTOR PRESENTATION & PERFORMANCE REVIEW

October 2022



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By their nature, forward-looking statements are inherently predictive, speculative, and involve risk and uncertainty. There are many factors that can lead to results and developments that differ materially from those expressed or implied in forward-looking statements. These factors include, but are not limited to, changes in economic conditions in countries where the novobanco group has operations, tax or other policies adopted by various governments or regulatory entities in Portugal and in other jurisdictions, levels of competition from other Banks or financial entities, and future exchange rates and interest rate levels.

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This document includes unaudited financial information.

Novo Banco, S.A.

Head Office: Avenida da Liberdade, n.º 195, 1250-142 Lisbon, Portugal

Registered at Lisbon Commercial Registry, under the single registration and tax identification number 513 204 016

Share Capital: 6 054 907 314 Euros represented by 9 954 907 311 shares

AGENDA

Overview of novobanco

1H22 Financial Performance

Annex

novobanco is a Portuguese bank focused on serving the domestic market, which is on track to successfully deliver the restructuring process



~€230bn

Nominal GDP

Expected in 2022

~€250bn

Lending Assets

Banks total assets at €450bn

~10 million

Population

(<15 yrs: 13%; 15-64yrs: 65%; >65yrs: 24%)

~€360bn

Total Deposits

Households: €183mn (51%)
Financial & Non-financial: €84bn

~70%

Top 5 Banks share

Of Total lending assets

10.7%

novobanco market share

% of total loans

novobanco

1.5 million

Number of Clients

as of Jun-22

~€46bn

Total Assets

Leading player in Portuguese market

~€25.5bn

Gross Loan Book

+2.6% YoY

56%

Weight of Corporates

in the loan book

304

Branches

+22 corporate centers

49%

Commercial Cost to Income

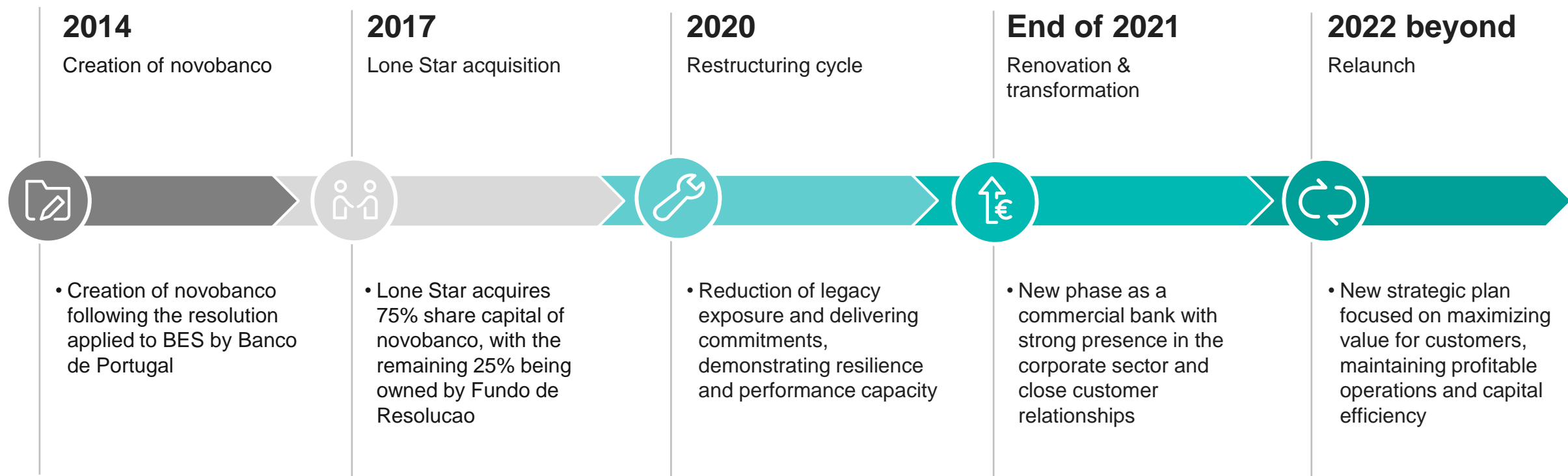
recurrent basis

11.0%

RoTE

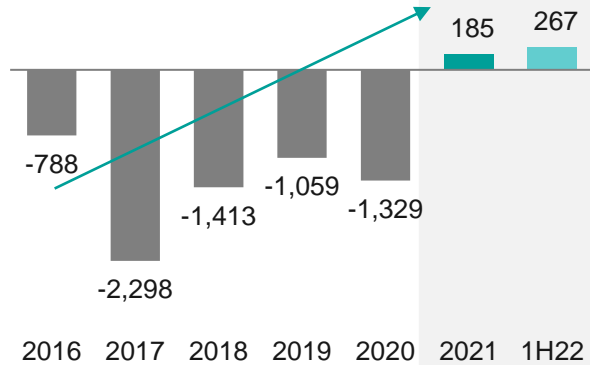
1H22 pre-tax

novobanco is now geared towards commercial transformation after completion of its restructuring process

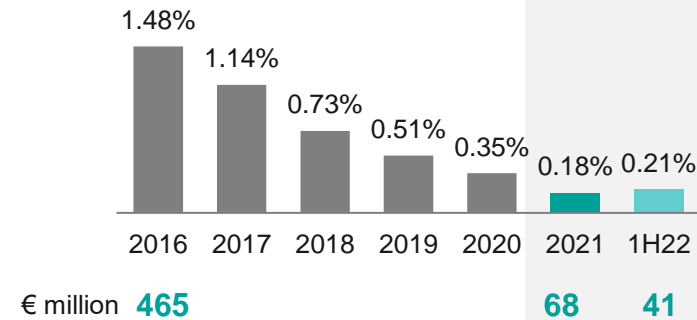


During the restructuring cycle, novobanco maintained strict discipline and, as of 2021, ensures value creation for stakeholders

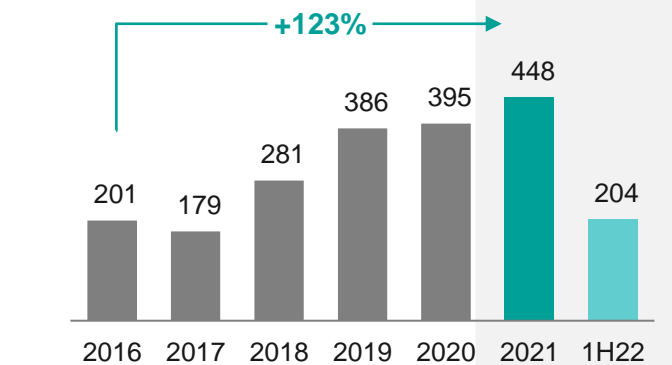
Net Income
(€ million)



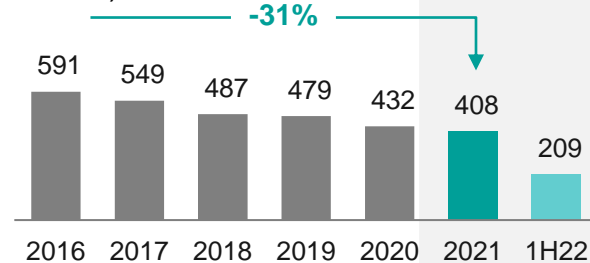
Interest Bearing Liabilities
(%)



Core Banking Income
(€ million)



Operating Costs
(€ million)

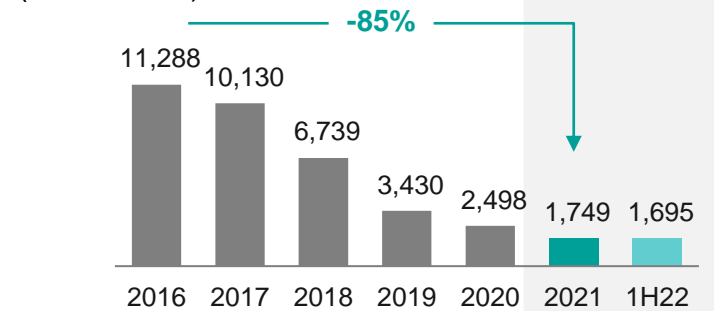


Employees 6 096
Branches 537

-7%
CAGR¹

4 167
304

NPLs
(€ million; %)

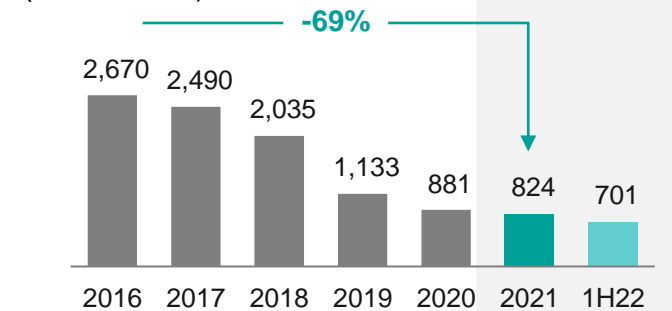


NPL % 33.4%

-31%
CAGR¹

5.7% 5.4%

Real Estate Exposure
(€ million; %)



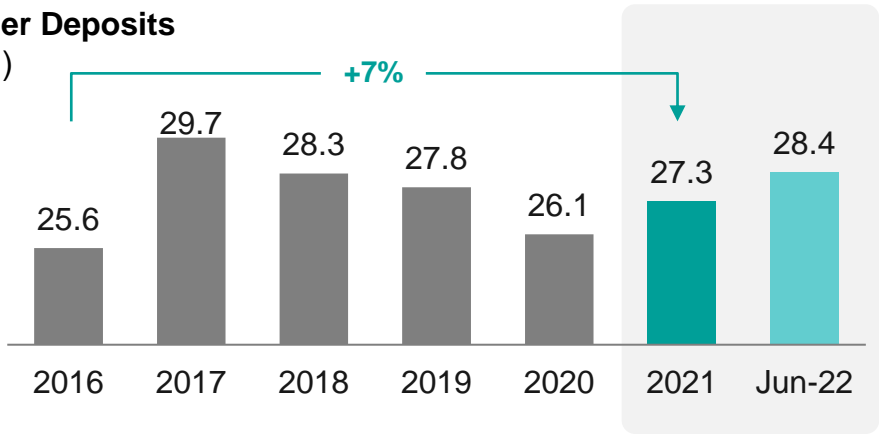
% of Assets² 5.1%

-21%
CAGR¹

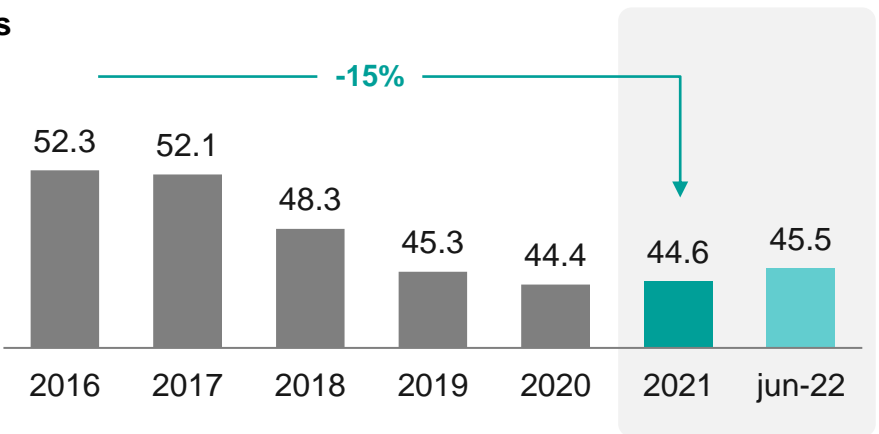
1.8% 1.5%

novobanco maintained its activity constant, despite adjustments in its size

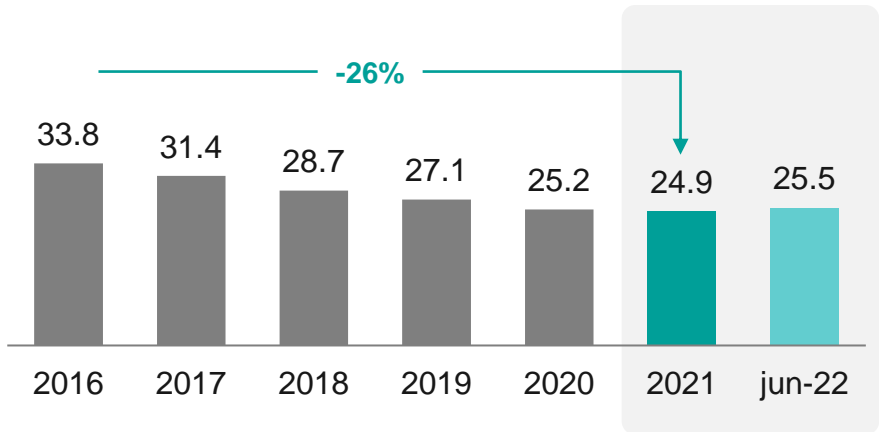
Customer Deposits
(€ billion)



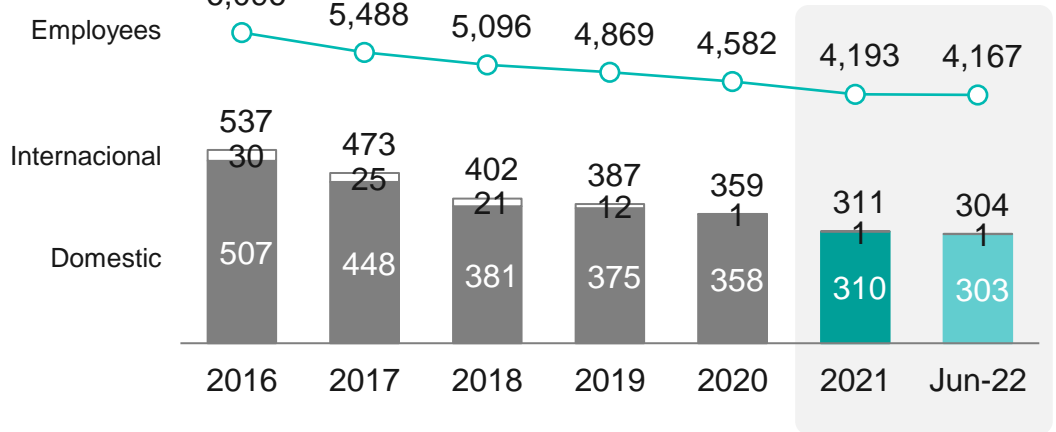
Total Assets
(€ billion)



Customer Loans
(€ billion; gross)



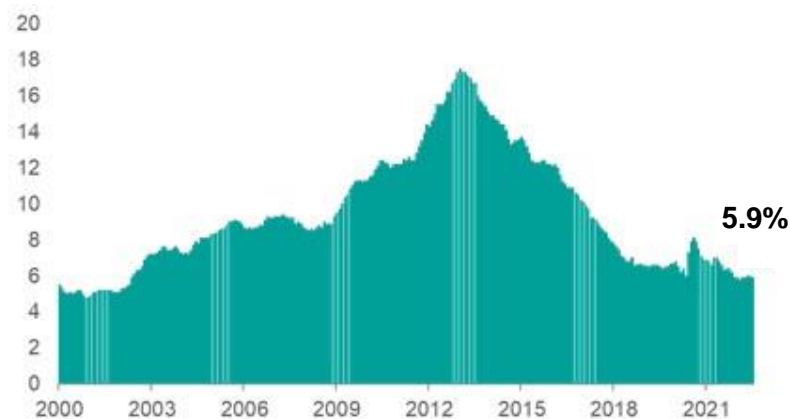
Branches and Employees
(number)



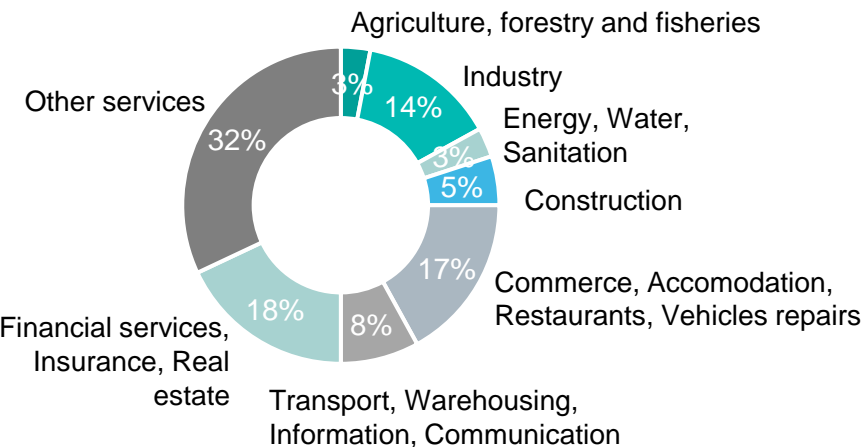
Now well positioned to compete as an independent domestic Portuguese bank...



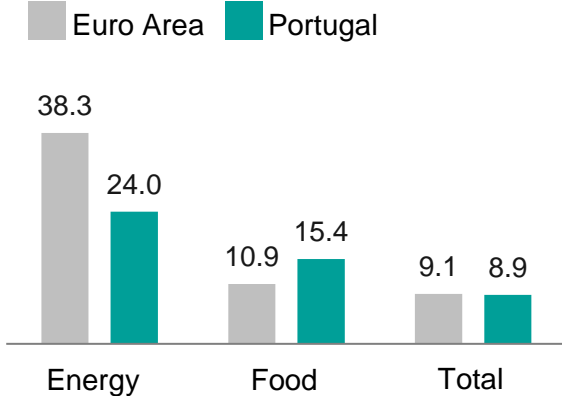
Unemployment rate (% labour force)



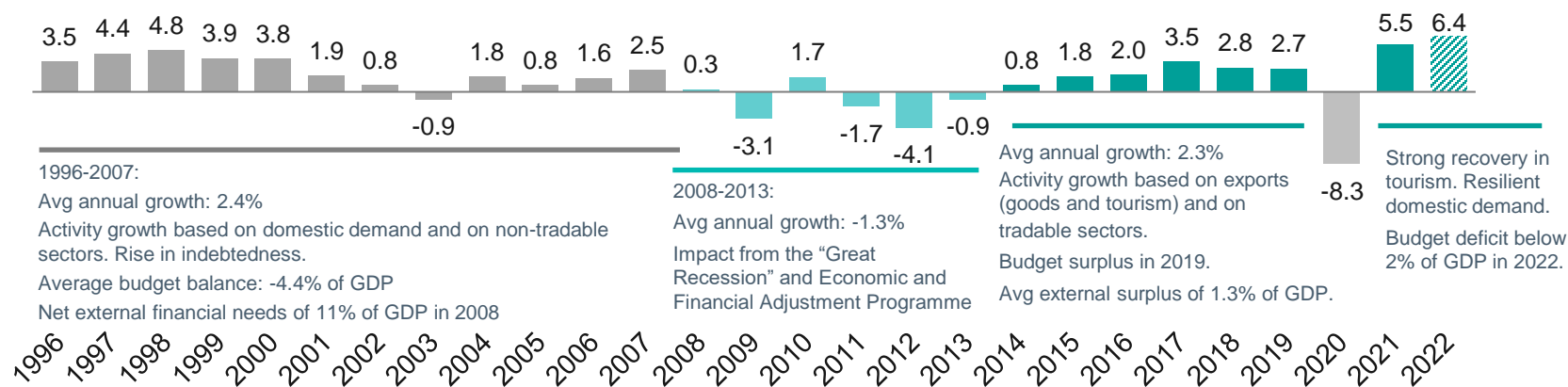
Gross Value Added by sector, 2021 (nominal prices, %)



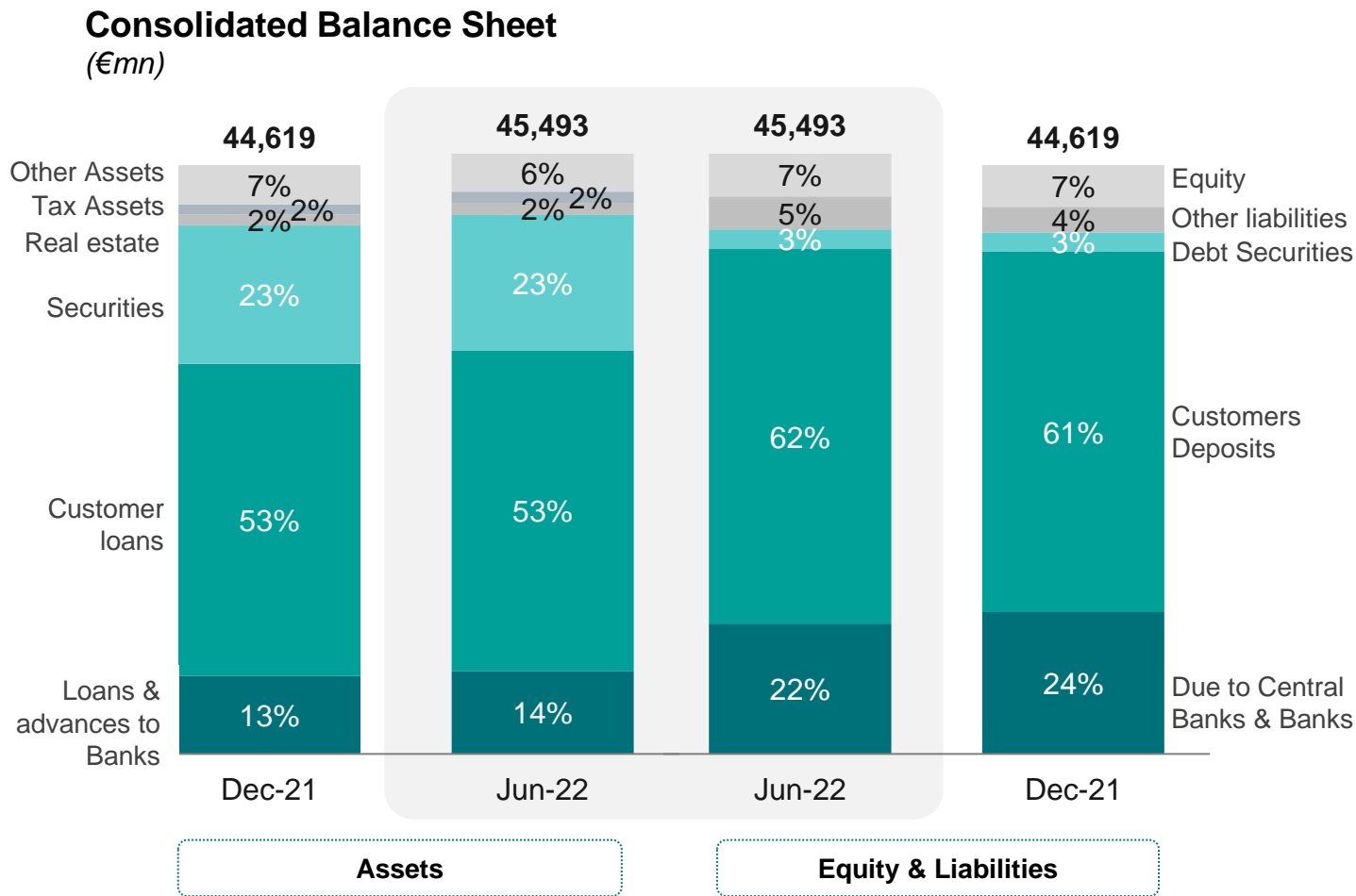
Energy & food CPI Inflation (CPI, % YoY)



Annual real GDP growth (%)



...with a solid Balance Sheet



Assets

- **Net customer loans growth €0.7bn YTD** reflecting the higher pace of origination
 - Performing loan book €23.9bn growing +€0.7bn
 - NPL at €1.7bn, down by 3%
- **Loans & advances to Banks of €6.3bn** includes €5.8bn of Cash at ECB

Liabilities

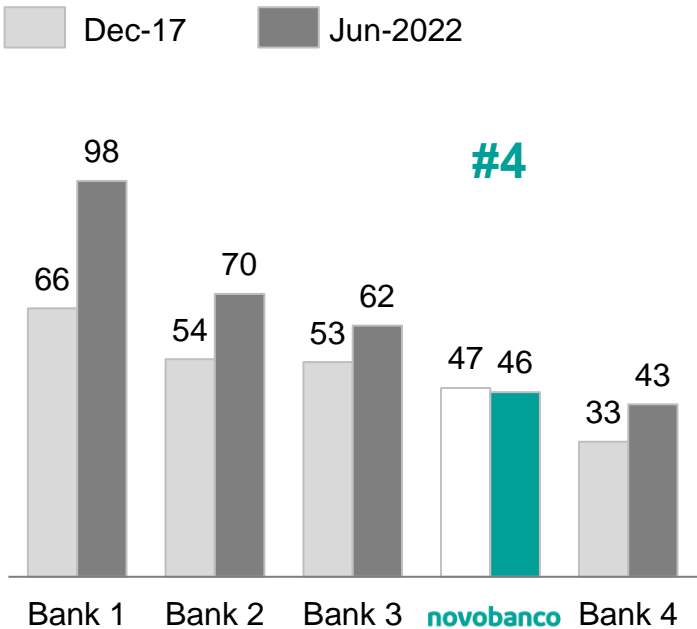
- **Due to Central Banks & Banks of €9.9bn** includes €8.0bn from TLTRO III
- **Customer Deposits growing €1.1bn (+3.9% YTD)**, with the outperformance of the Retail segment;

Capital & Liquidity

- **CET 1 ratio of 11.8%, +100bps capital generation in 2Q**, from organic profitability and acceleration of balance sheet deleverage (disposal of high density RWA);
- **Comfortable liquidity position with LCR at 187% and NSFR at 106%.**

The new strategic plan focused to maximize value for customers, maintaining profitable operations and capital efficiency

A leading player in the Portuguese market
Total Assets – Domestic activity¹
(Portuguese Banks, €bn)



Total Loans Market Share of 10.7%

Customer-centric

Reflecting evolving customer expectations through **distinctive value propositions**

Leveraging **digital and an omnichannel approach** as drivers of **service** and **proximity**

Skilled talent pool

Attracting and developing a team of **skilled, experienced** and **diverse** professionals

Developing a **dynamic, collaborative culture** in an environment adapted to the **new ways of working**

Simple & efficient

Simplifying the banking experience, through a superior usage of **technology and data**

Improving **internal processes** to upgrade **productivity and efficiency**

Sustainable business

Delivering **sustainable returns** through **disciplined risk, capital and funding management**

Strengthening integration of **ESG across business** to support sustainable growth and key stakeholders

1H22 achievements confirm novobanco execution skills and pave the way forward...

1H2022

Customer-centric



1.5 million clients
including 56% of
SMEs in Portugal



€2.0bn
Loans originated
in 1H22



56.5%
Active digital channels;
Production +276% YoY



96.5%
Satisfied & very satisfied
clients - Medium Enterprise

Simple and efficient



43.6%
Forms signed with
phygital



> 65%
Households: % of self-
service transactions



49%
Cost to income
(recurrent basis)



€98.7k (+5% YoY)
Commercial banking
income per avg employee

Skilled talent pool



4 167
Employees of Grupo
novobanco



> 54%
Women



19.2
Average seniority
of employees



17.5
training hours per employee
(average)

Sustainable business



11.0%
Return on Tangible
Equity



19.3%
MREL Ratio (above
binding of 17.66%)



82.8%
Loan to Deposit
Ratio



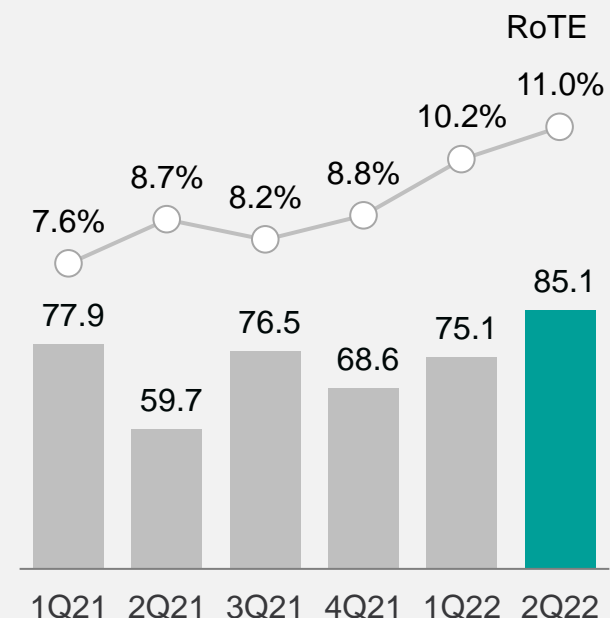
€103.9mn
Financing in green
investment (EU Taxonomy)

...being on track to deliver medium-term guidance with targets to be updated, by year end, to reflect current market environment

	1H21	1H22	Medium-term targets	
Commercial Loan Book (performing)	€22.8bn	€23.8bn (+4.7% YoY)	2-3% per year	<i>Expanding loan book</i>
Net Interest Margin	1.46%	1.30%	[1.30 – 1.50%]	<i>Set to benefit from Euribor repricing</i>
Cost-to-income	48%	49% (recurrent basis)	< 45%	<i>Efficient operations</i>
CoR	68bps	15bps	< 50 bps	<i>Achieving moderate risk profile</i>
NPL ratio	7.3%	5.4%	< 5%	<i>Converging towards EU average</i>
RoTE (pre-tax)¹	8.7%	11.0%	≥ 10%	<i>Delivering organic attractive returns</i>
CET 1	10.9%	11.8%	> 12%	<i>Accelerating capital generation</i>

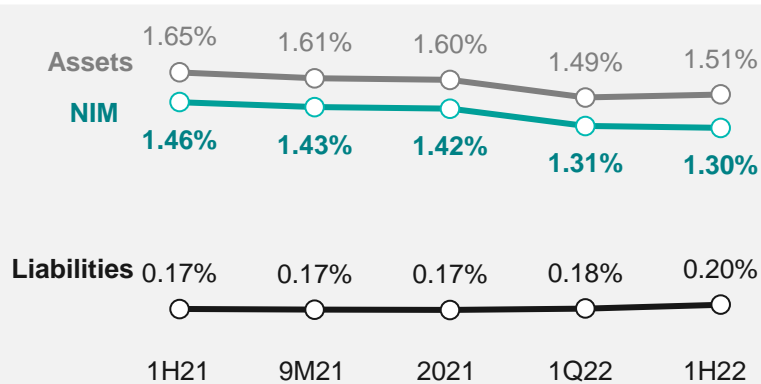
Underlying Profitability (€mn; pre-tax)

○ RoTE (cumulative annualised; 12% RWA)

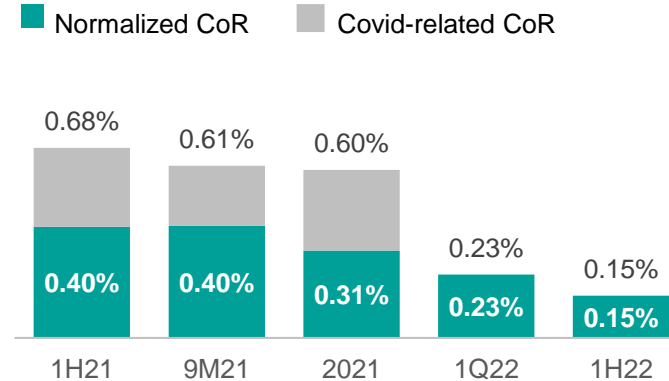


Continuous improvement of underlying performance, further confirming the sustainability of its trajectory

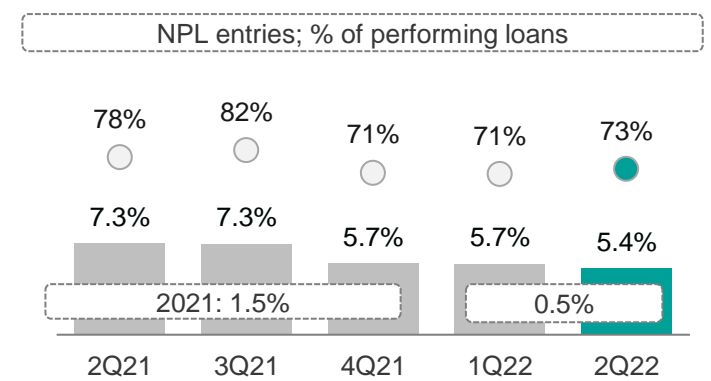
NII (€mn) and NIM (%) evolution



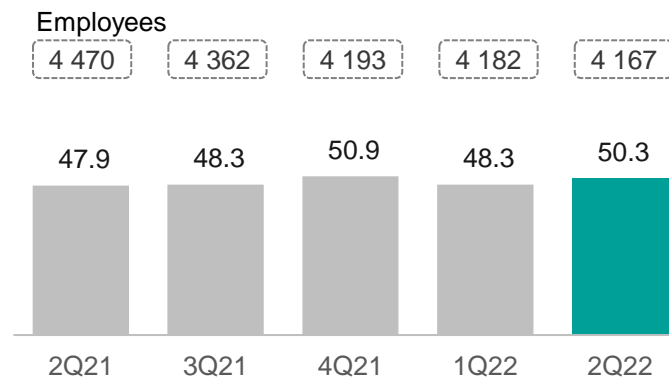
Cost of Risk (annualised; %)



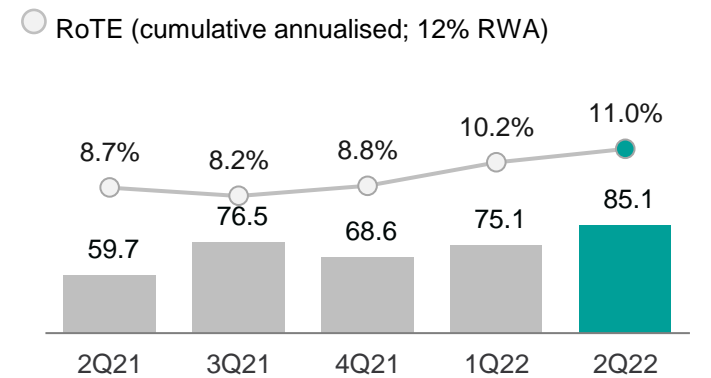
NPL ratio and Coverage (%)



Commercial BI per avg. Employee (€ k; #)

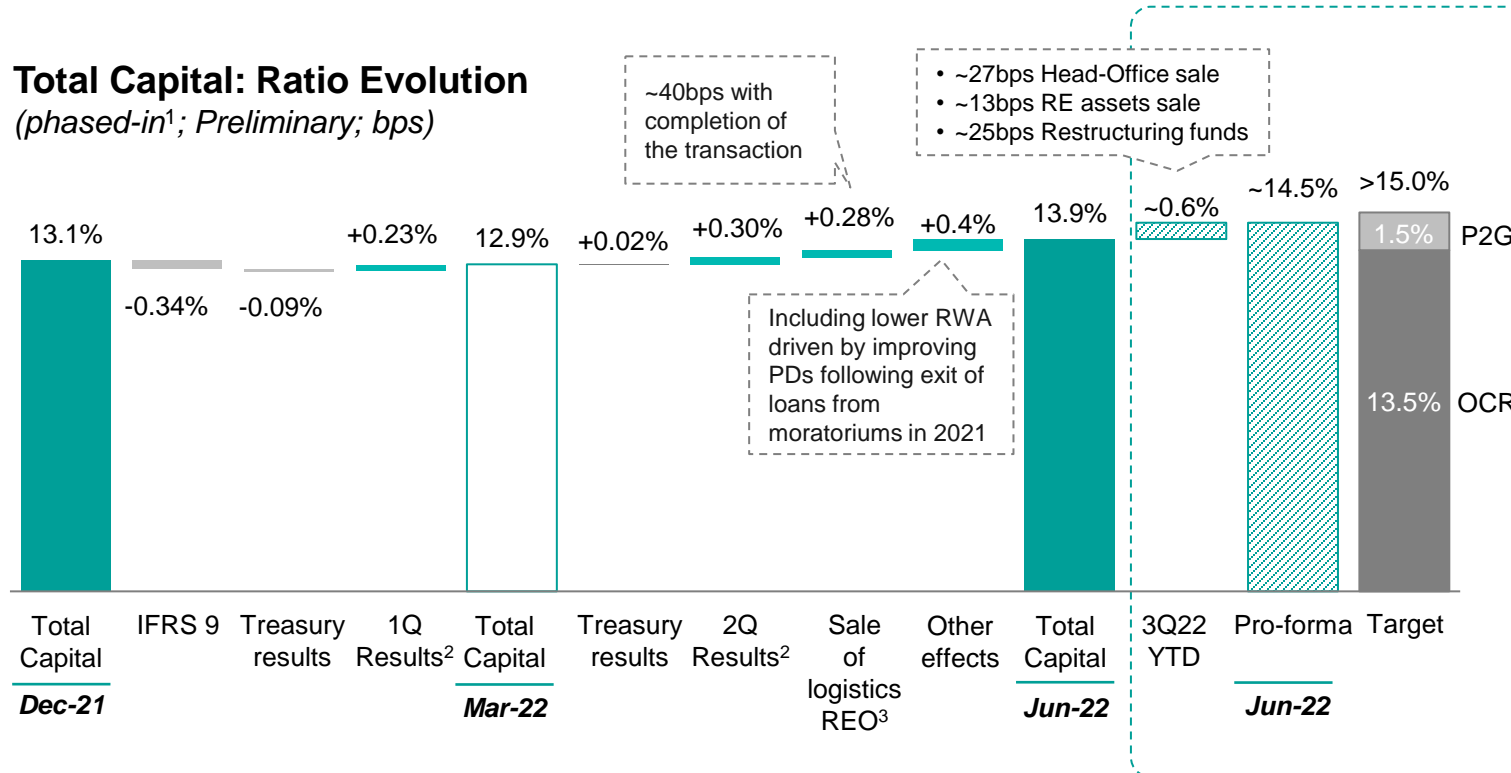


Underlying Profitability (€mn; pre-tax)



Capital increasing by 1.0pp in the 2Q22, driven by capital-accretive business model...

Total Capital: Ratio Evolution (phased-in¹; Preliminary; bps)



> Measures to accelerate the sale of non-core and high-density assets, including:

- **[~27bps]: Sale of Head Office:** SPA signed in Aug-22; moving to a refurbish building outside the city-center;
- **[~35-45 bps]: Real Estate assets:** planned for 2022 (sales processes in advanced stage), before possible anticipation of sales target for 2023/24, of which ~13bps signed 3Q22 to date.
- **[~25 bps]: Restructuring Funds:** sale of ~40% of novobanco's NBV in Restructuring Funds (signed in 3Q22 to date; closing by YE);

> Other possible positive events not considered (potential upside):

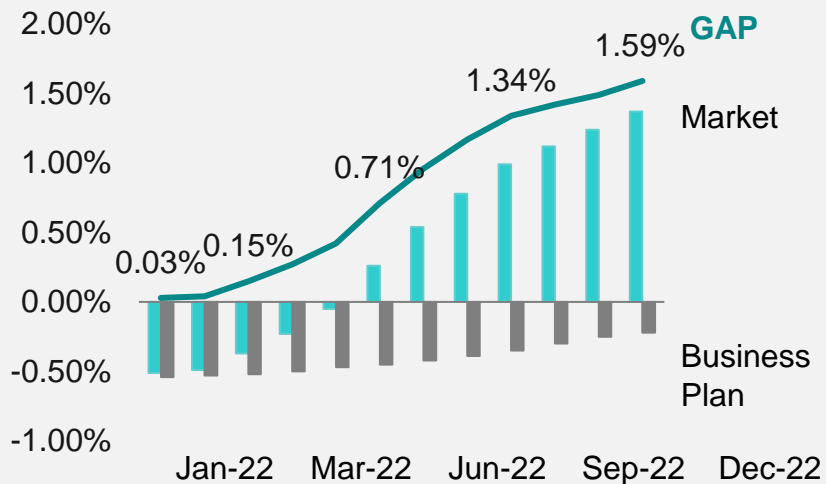
- **CCA Call:** €209mn from 2021 CCA call;
- **RE Tax:** €116mn (~50bps) provision done in 2021 and pending clarification from tax authorities;
- **Arbitrations:** €165mn from 2020 CCA call and IFRS 9 dynamic

...and execution of measures to continue to comply with capital requirements going forward.

With ~90% of the loan book floating, the repricing of Euribor will lead to higher NII

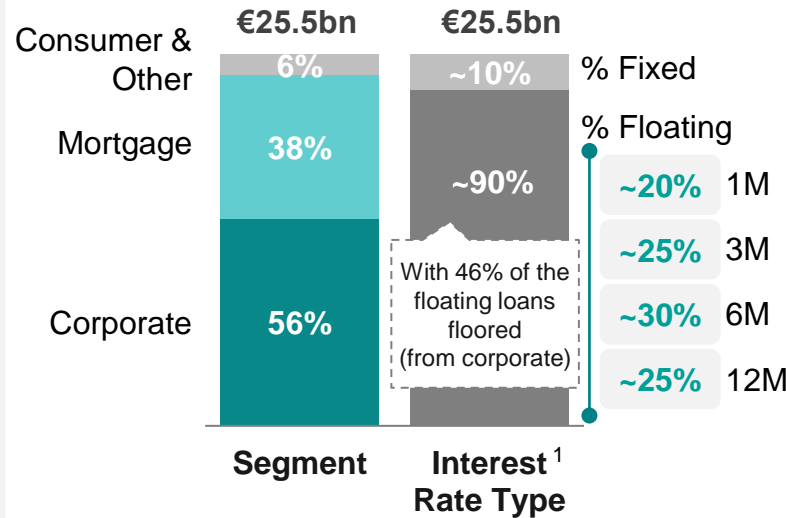
6-months Euribor curve

(%; as of 18-Jul)



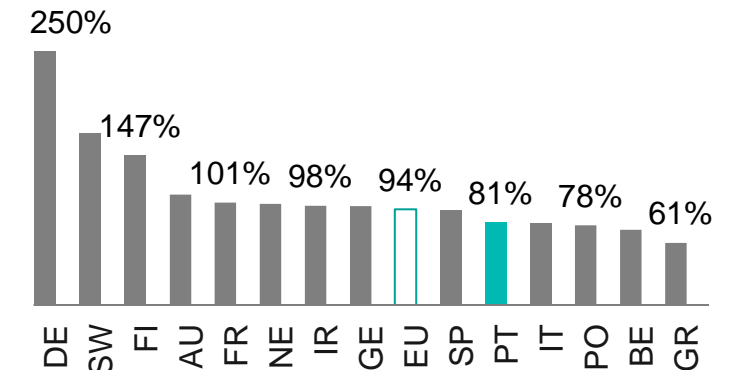
Loans to Customers

(Gross Book Value; €bn)



Loan-to-Deposit ratios in Europe²

(%; March Data)



Ample liquidity in Portuguese banking sector

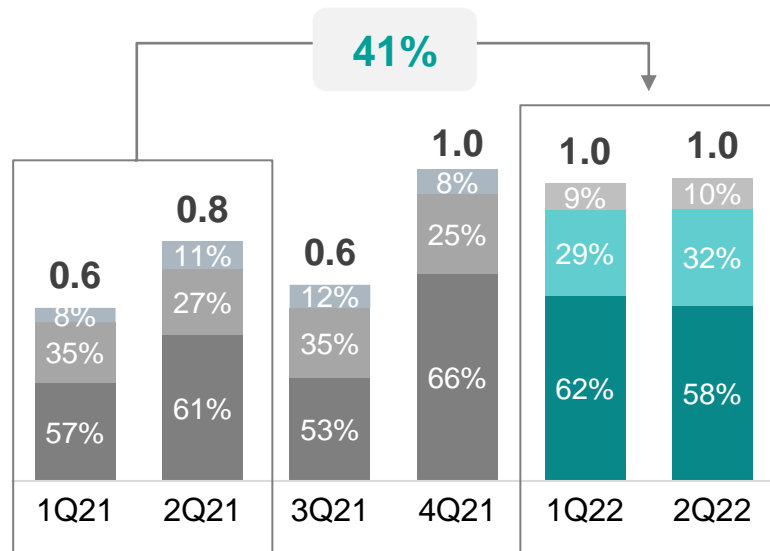
- ~€3.0bn of investment portfolio, yielding ~0.7%, matures within 2 years; investment portfolio at amortised cost is >50% hedged
- No zero Euribor floor on mortgages
- No structural deposits hedges
- No negative rates for retail & corporate deposits in Portugal

Moving towards expanding loan book with €2.0bn customer loans originated YTD

Loans to Customers: Origination

(€bn; %)

■ Corporate ■ Mortgage ■ Consumer & Other



New Distribution Model & Omnichannel

- **Promote customer relationship:** an innovative functional layout focused on customer relationship and an integrated experience (ie: distinctive self-service, employee mobility, digital communication)
- **3-yr nationwide investment** program of ~€120mn

Reconfiguration of Sectorial View

- **Deploying a specialized approach** for priority sectors (ie: Agriculture, Tourism, Manufacturing, Retail & Services)
- **Partnering with specialists** to provide our customers a wide range of solutions (ie: EU-funding)

New Capital allocation model

- **To determine each segment profitability** (with strategic implications);
- **Dynamic allocation of balance sheet growth** between different segments and its capital impact

>165

Branches converted
(~55% of total)

SME

representing
>65% of
Corporate origination

Pricing

of new loans is
subject to
RAROC hurdles

New management team and organization focused to deliver the next stage of novobanco's development, competing as a strong and independent Portuguese corporate and retail bank

Final Remarks

Delivering **improved profitability with consistent profits over the last 6 quarters**, reflecting a solid performance of the top-line together with efficiency measures implemented in recent years.

Expanding the loan book with **business performance in line with expectations** for this first semester, despite the highly challenging environment.

Maintaining a clear profitability turnaround enabled by restructuring efforts over recent years, delivering organic **RoTE of 11.0%** (pre-tax).

Total Capital at 13.9%, increasing by 1.0pp in the quarter driven by strong bottom line profitability and specific measures to ensure compliance with normalised post-pandemic capital requirement.

On track to meet medium term financial targets announced at 2021 Capital Markets Day, with **significant improvements across all KPIs**.

AGENDA

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Continuing to deliver improved profitability...

novobanco announces a net income of €266.7mn (1H21: €137.7mn; 2Q22: €124.0mn) and **RoTE¹ improving to 11.0%**.

The business performance is in line with expectations. The results confirm continued and stable return to profitability along with the de-risking of the balance sheet given the significant restructuring over recent years. These achievements were recently acknowledged by Moody's with 2 notches rating upgrade (BCA from caa1 to b2), maintaining positive outlook.

Moving towards an expanding loan book with €2.0bn customer loans origination in 1H22 (+41% vs 1H21), of which 60% in the corporate segment. **Net customer loans at €24.3bn (+€653mn YTD)** reflecting the growth of the market-leading corporate segment, as well as the mortgage and consumer loan portfolio. **Deposits increasing by 3.9% YTD (€1.1bn)**, driven by the Retail segment.

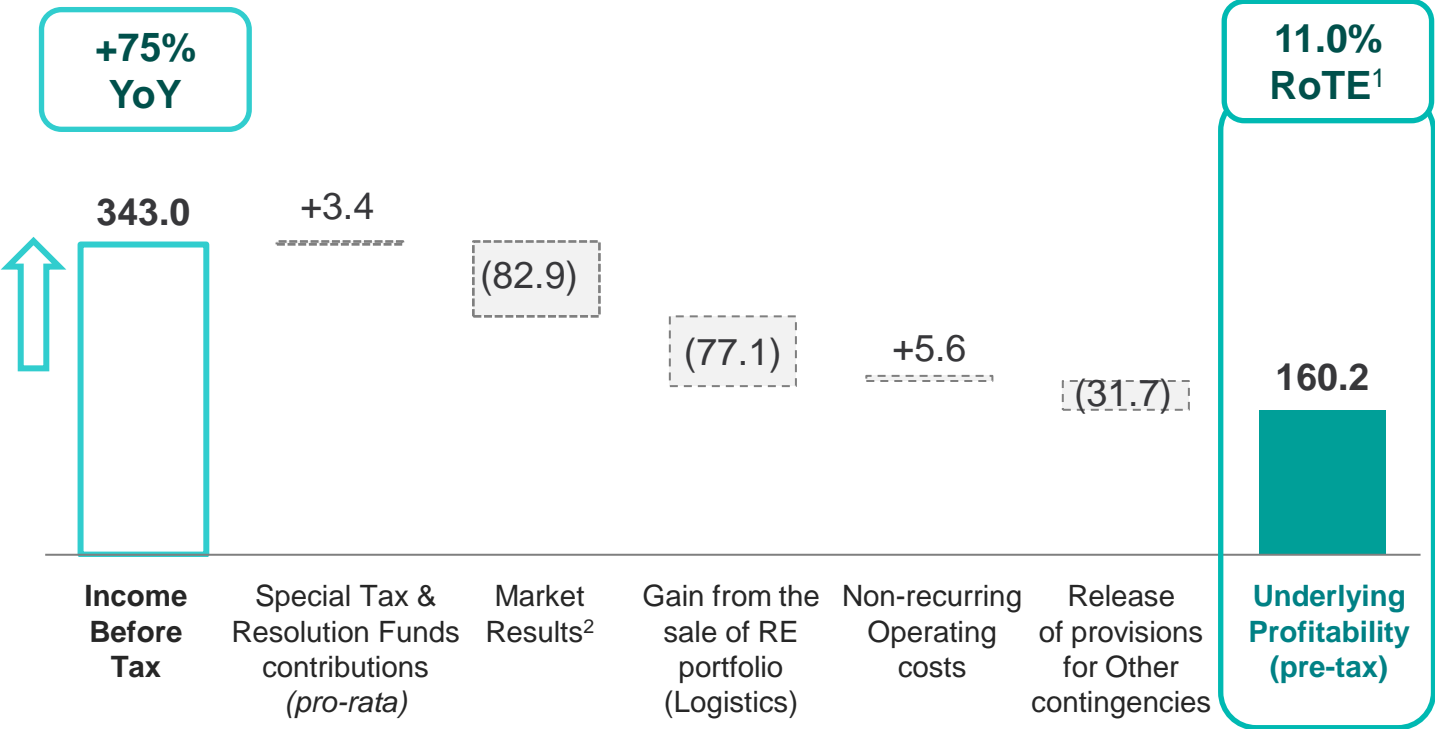
NII was €268.0mn (-7.3% YoY), reflecting the higher funding cost due to senior debt issuance in 4Q21 and negative interest rates on money market placements. Reflecting a strong performance and an improved quarterly trend, **fee income increased by +6.5% YoY**. **Cost/Income ratio² at 49% on a recurrent basis**. (1Q22: 50%; 2Q22: 49% on recurrent basis).

CoR of 15bps (1H21: 68bps or 40bps ex-Covid related provisions) benefiting from successful recovery of moratoria clients and contained macroeconomic impacts. **NPL ratio of 5.4%** (Dec-21: 5.7%; Dec-20: 8.9%) and a **NPL coverage at 73.0%** (Dec-21: 71.4%), given the successful ongoing de-risking strategy. **RE exposure decreasing to 1.5% of total assets** (-0.3pp YTD; once the sale of the logistics portfolio³ is completed).

Driven by strong bottom-line profitability, **CET 1 to increase 1.0pp in the quarter to 11.8%** and **Total capital ratio reached 13.9%** (Mar/22: 12.9%), **already above 13.5% OCR⁴ requirement**. A capital accretive business model, combined with specific capital-generating measures, to ensure early compliance with normalised post-pandemic capital requirements.

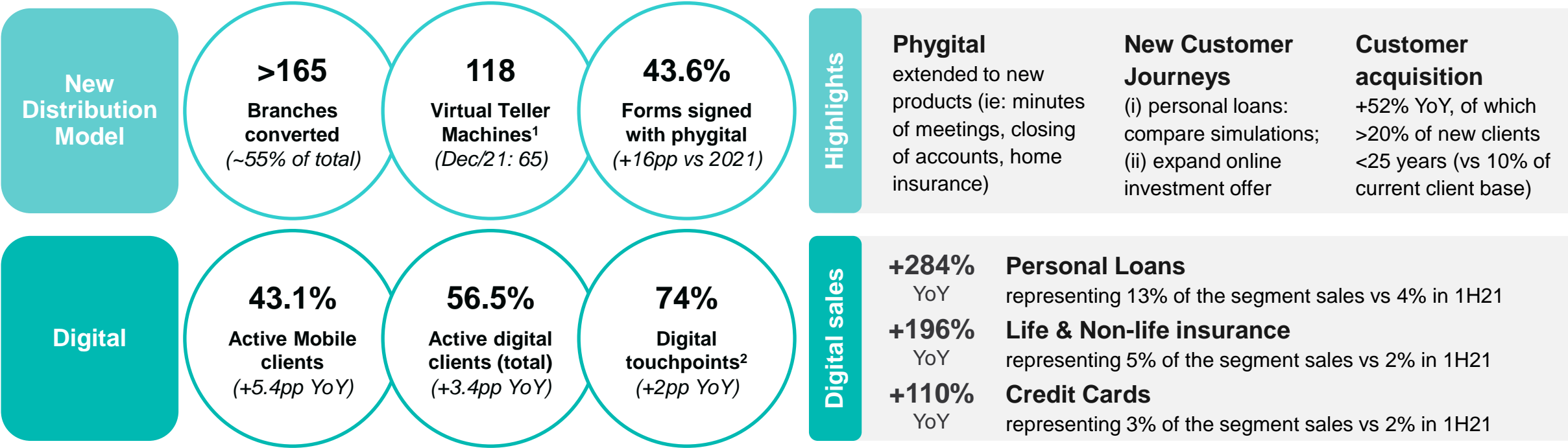
novobanco continued to grow its profitability, reaching a RoTE of 11%, a further confirmation of the sustainability of its trajectory

From Income Before Tax to Underlying Profitability (1H22; €mn)



- **Consolidated income before tax at €343mn up from €196mn in 1H21**, with improvement in the banking income (+€82.4mn) and a lower level of impairments and provisions (-77.8%; -€69.4mn).
- **Underlying profitability (pre-tax) at €160.2mn** after deducting Special Tax on Banks, considering Resolution Funds contributions (*on a pro-rata basis*), excluding positive markets results (€83mn), gains from the sale of the logistics portfolio (€77.1mn), non-recurring costs (€5.6mn) and release of provisions for other contingencies (€31.7mn)
- **A solid business model delivering RoTE¹ at 11.0%**, with further upside driven by increasing interest rates.

Providing an integrated customer experience leveraging on a new distribution/branch model and a best-in-class digital experience



Reconfiguration of Sectorial View: deploying a specialized approach for priority sectors
(ie: Agriculture, Tourism, Manufacturing, Retail & Services)

(1) Featuring physical currency management solutions (for cash withdrawal and deposit); (2) 74% of individual clients' contacts with novobanco were made through the digital channels; 64% mobile and 10% online

Our ESG Priorities and 1H22 achievements...



Sustainable Business

€103.9mn	Green investment production ¹
-13.2%	Electricity Consumption (YoY)
~100%	Of clean electricity consumption; (no CO ₂)
-25.6%	Paper consumption (YoY)
-19.4%	CO ₂ emission (YoY)

Social & Financial Well-being

5.6k	Hours of ESG training to employees
600	Participations in Digital & financial sessions to the general public and senior population
€621k	Incl: voluntary service, donations, partnerships & specific conditions

Responsible Banking

6.0%	Gender pay-gap ² (vs 5.9% in Dec-21)
25.0%	Of women in senior leaders' roles (-0.2pp YoY) ³
44.3%	Of suppliers with Sustainability scoring

ESG/ Sustainable investment:
novobanco undertakes €175mn of sustainable financing operations for Sonae Group

novobanco launches programs:

- 5+ for employees: physical health, mental health, well-being, balance, happiness
- Volunteering: giving employees 1 day/year for community support
- Partnership with “Associação Direito Mental”

2Q22 Highlights

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Continuous improvement of underlying performance

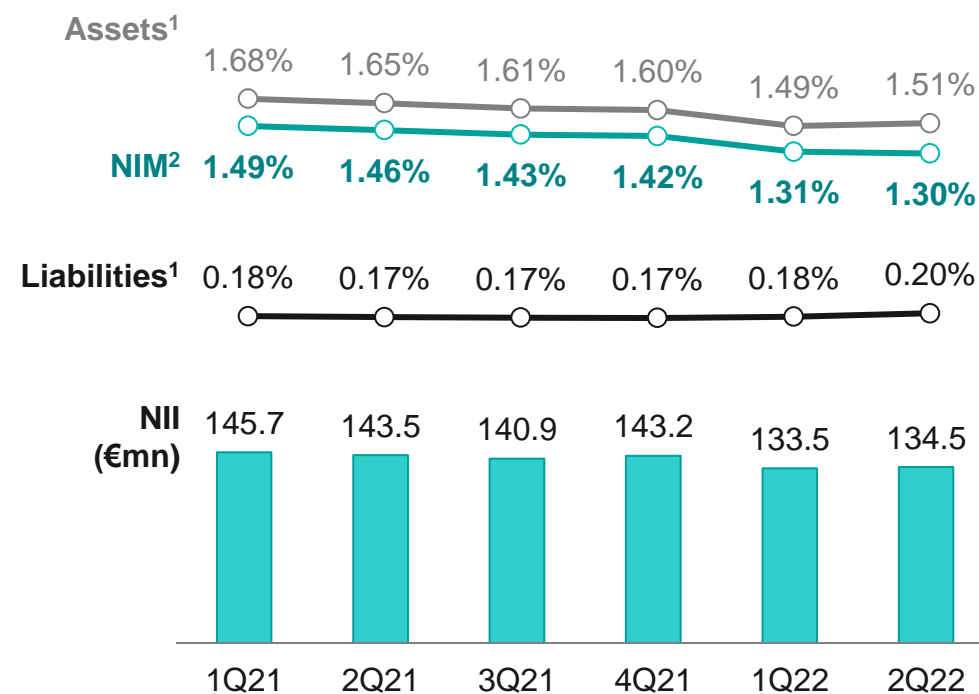
Income Statement (€mn)	1H21	1H22	▲ YoY €mn
Net Interest Income	289.3	268.0	(21.2)
+ Fees & Commissions	135.5	144.4	+8.9
= Commercial Banking Income	424.8	412.4	(12.4)
+ Capital Markets Results	93.3	85.8	(7.6)
+ Other Operating Results	-29.1	73.2	+102.4
= Banking Income	489.0	571.5	+82.4
- Operating Costs	204.1	208.7	+4.6
= Net Operating Income	284.9	362.7	+77.8
- Net Impairments & Provisions	89.2	19.8	(69.4)
= Income Before Tax	195.7	343.0	+147.2
- Corporate Income Tax	21.1	18.9	(2.2)
- Special Tax on Banks	34.2	34.1	(0.1)
= Income after Taxes	140.4	289.9	+149.5
- Non-Controlling Interests	2.7	23.2	+20.5
= Net Income for the period	137.7	266.7	+129.0

- NII at €268mn (-€21mn; -7% YoY) backed by loan book expansion with defending rates and set to benefit from a favorable rate environment. YoY comparison explained by senior debt issuance in 4Q21 and negative interest rates on money market placements;
- Commissions (+€9mn; +7% YoY) driven by increased economic activity and higher volume of transaction and performance of Asset Management and Bancassurance segment;
- Capital Markets Results were positive by €85.8mn (2Q22: -€5.6mn) mostly due to gains from the hedging of interest rate risk, reflecting the volatility of sovereign debt in the market. The fair value reserves decreased by €272mn (2Q22: €28mn);
- Other Operating Results of €73.2mn includes €77.1mn of gains from the sale of real estate assets (logistics; €58.5mn net of non-controlling interests), offsetting €40.9mn of contributions to resolution funds;
- Operating costs evolution (+€4.6mn; +2.2%), reflects the continued optimisation, investment done in the new distribution model, and the reduction of staff costs given the lower number of employees, decreasing by 0.5% YoY on a recurring basis;
- Provisions at €19.8mn (-€69mn; -78% YoY), reflecting the quality of the portfolio after the execution of the restructuring process (Cost of Risk was 0.15%, -0.53% YoY);
- **Net Income of +€267mn (+€129mn; +94% YoY) reflecting a stable performance of commercial activities and lower credit impairments.**

1

Loan book expansion with defending rates, reaching NII of €268mn

Net Interest Income (NII) Net Interest Margin (NIM)	1H21			1H22		
	Avg. Balance	Avg. Rate	Income/ Costs	Avg. Balance	Avg. Rate	Income/ Costs
€ million; %						
Customer Loans	24 994	2.03%	255	25 211	2.02%	256
Corporate loans	13 730	2.35%	162	13 997	2.31%	163
Mortgage lending	9 911	1.06%	53	9 782	1.04%	51
Consumer loans and Others	1 353	5.90%	40	1 432	5.85%	42
Money Market Placements	3 883	0.18%	4	6 013	-0.32%	-10
Securities and Other Assets	10 479	1.27%	67	9 785	1.32%	65
Interest Earning Assets & Other	39 357	1.65%	326	41 009	1.51%	311
Of which: Customer Deposits	26 425	0.20%	27	27 813	0.15%	21
Of which: Money Market Funding	10 390	-0.49%	-26	10 496	-0.50%	-26
Of which: Other Liabilities	949	7.01%	33	1 441	6.38%	46
Interest Bearing Liabilities & Other	39 357	0.17%	35	41 009	0.20%	41
NIM / NII²		1.46%	289		1.30%	268

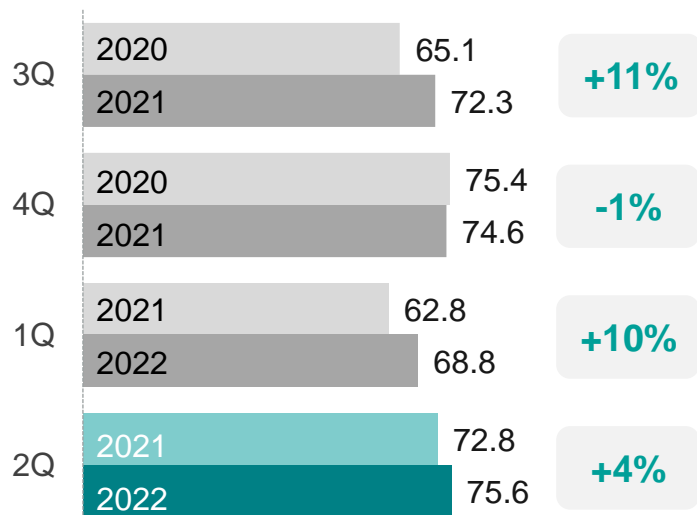


NII YoY comparison explained by senior debt issuance in 4Q21 and money markets negative interest rates.

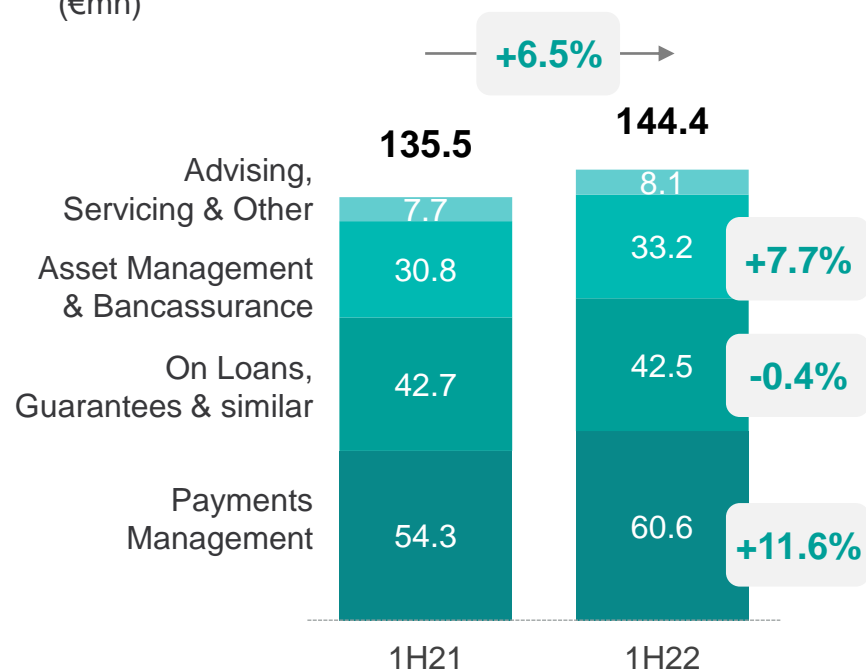
2

Fees grew 6.5% YoY, driven by economic recovery and performance of asset management & bancassurance business

Fees: Quarterly Evolution
(€mn)



Fees: evolution per type
(€mn)



- **Asset management & bancassurance fees** (+€2.4mn; +7.7% YoY): reflecting a more robust commercial activity and performance of Asset Management & Bancassurance segment;
- **Commissions on Loans, Guarantees and similar** (-€0.2mn; -0.4% YoY): reflecting volume of guarantees;
- **Payments management** (+€6.3mn; +12%) due to a higher volume of transactions and new pricing implemented in March for customer accounts.

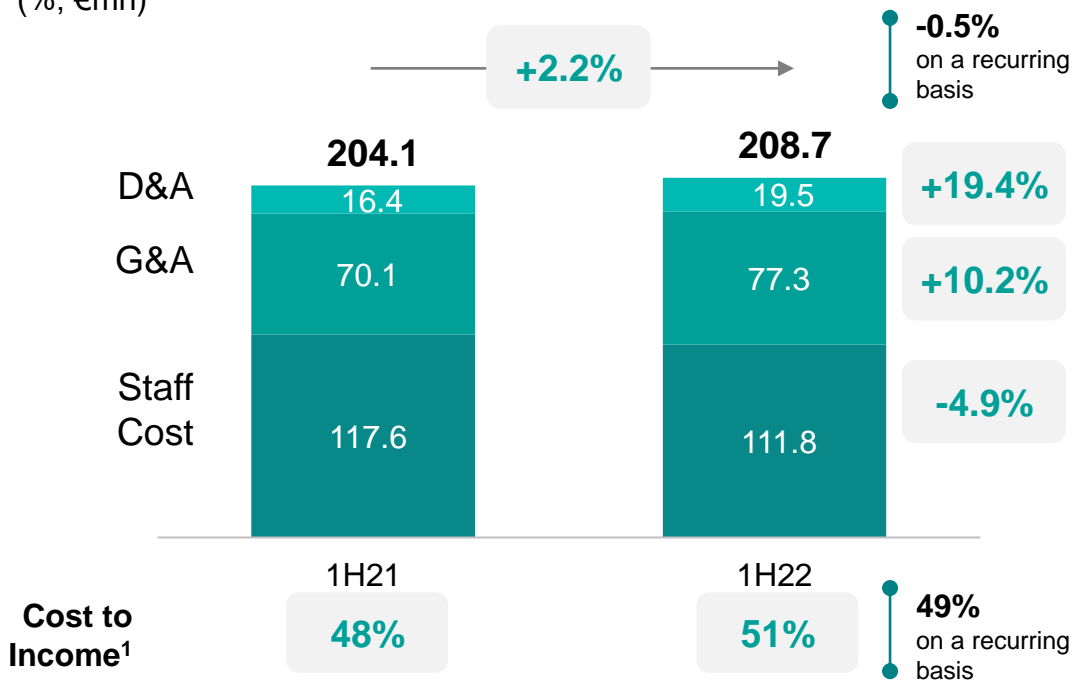
The recovery of economic activity, more transactions, and new business are expected to drive fee income expansion.

3

Stable YoY operating costs reflecting the continued optimisation and simplification of the organisation and its processes,...

Consolidated Operating Costs

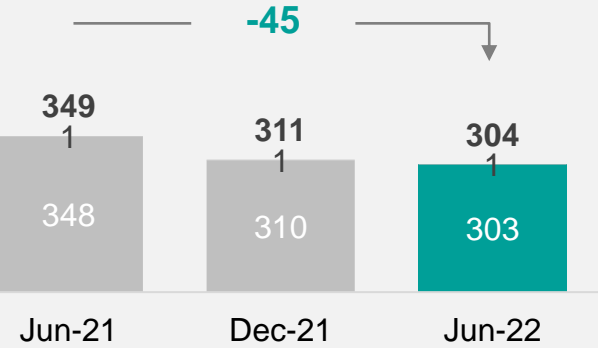
(%; €mn)



Number of branches

International

Domestic

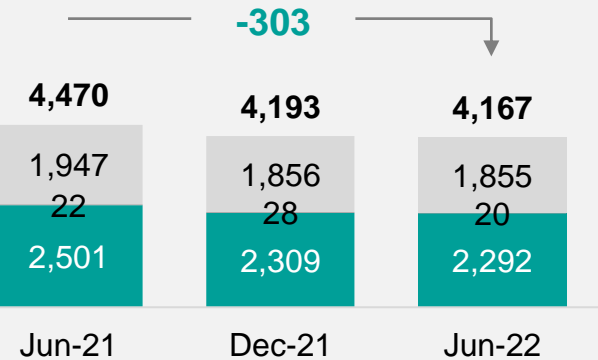


Employees per area (#)

Other areas

International

Commercial Units



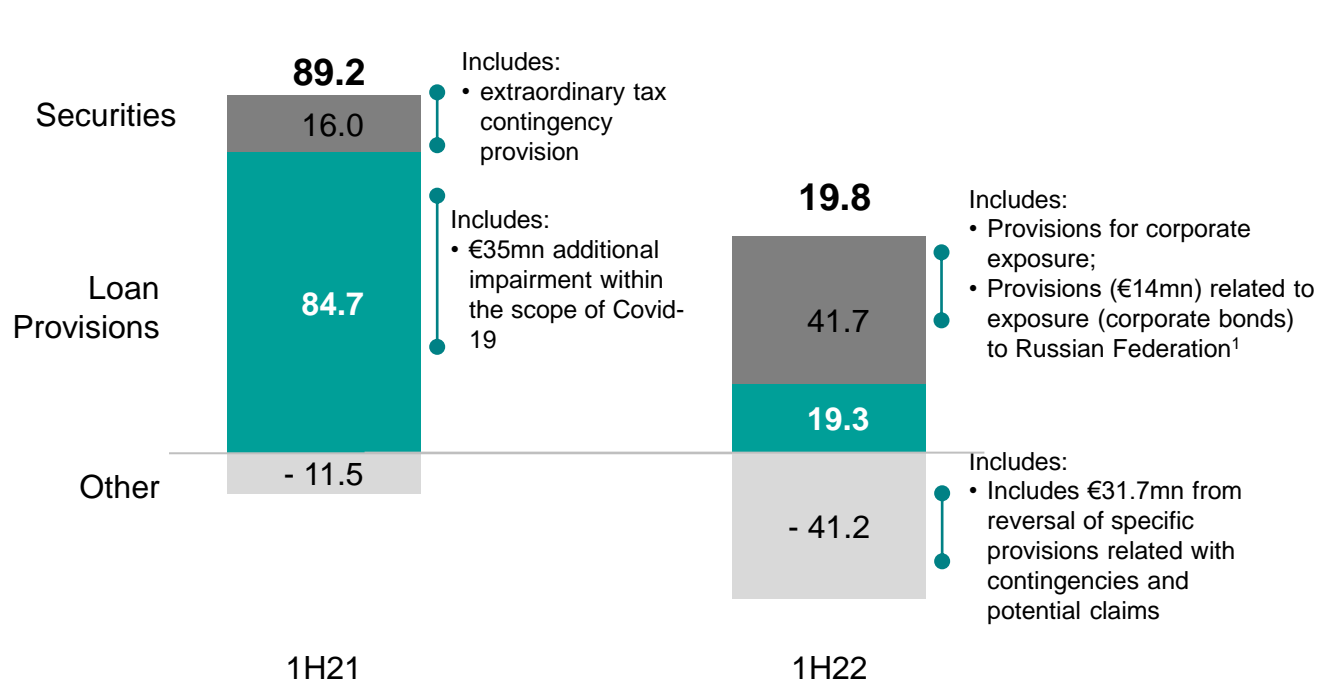
... the reduction of staff costs, and the investment done in the business and new distribution model.

On a recurring basis, operating costs reduced by 0.5% (to €203.1mn).

Provisions below run-rate reflecting a benign economic environment in 1H22

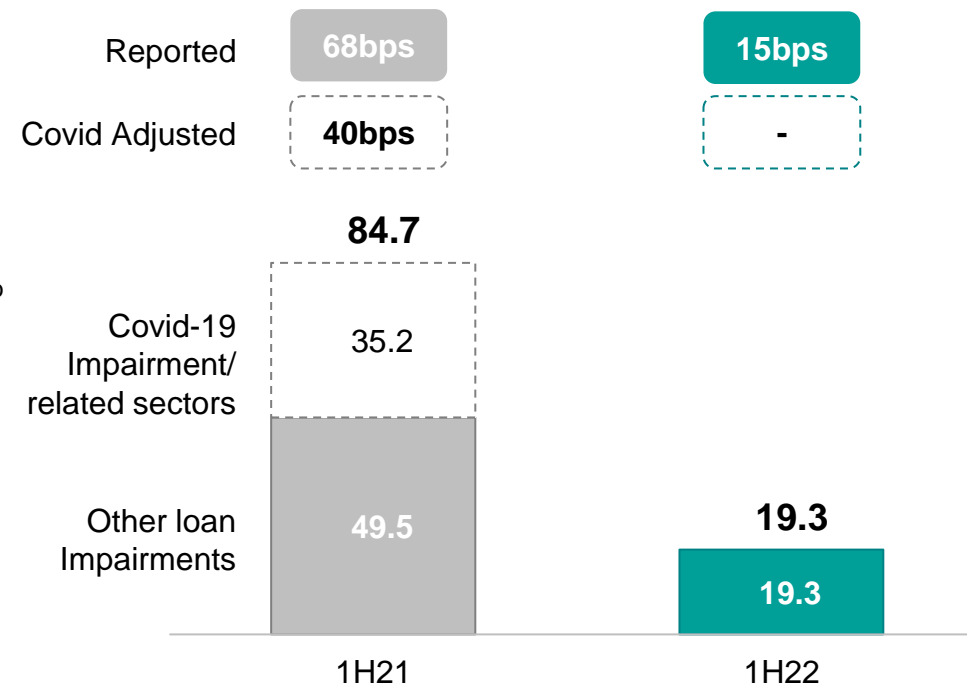
Impairment and Provisions

(€mn; %)



Cost of Risk & Loan Provisions

(€mn; bps)



AGENDA

Overview of novobanco

1H22 Financial Performance

Income Statement

Balance Sheet

Annex

Maintaining a solid Balance Sheet

Balance Sheet (€mn)

	Assets	Dec-21	Jun-22	▲ YTD	
				€mn	%
	Loans and advances to banks	5,922	6,273	351	5.9%
1	Customer loans (net)	23,651	24,304	653	2.8%
2	Real estate	824	909	85	10.3%
3	Securities	10,471	10,278	(193)	-1.8%
	Non-current assets held for sale	9	12	3	27.5%
	Current and deferred tax assets	780	849	69	8.8%
	Other assets	2,962	2,869	(93)	-3.1%
	Total Assets	44,619	45,493	874	2.0%
	Liabilities & Equity	Dec-21	Jun-22	▲ YTD	
				€mn	%
4	Customer deposits	27,315	28,385	1,070	3.9%
	Due to central banks and banks	10,745	9,875	(870)	-8.1%
	Debt securities	1,470	1,498	29	2.0%
	Non-current liabilities held for sale	1	2	1	81.3%
	Other liabilities	1,938	2,481	543	28.0%
	Total Liabilities	41,469	42,241	772	1.9%
5	Equity	3,149	3,252	102	3.2%
	Total Liabilities and Equity	44,619	45,493	874	2.0%

Assets

- **Net customer loans growth €0.7bn YTD** reflecting the higher pace of origination
 - Performing loan book €23.9bn growing +€0.7bn
 - NPL at €1.7bn, down by 3%

Liabilities

- **Customer Deposits growing €1.1bn (+3.9% YTD)**, with the outperformance of the Retail segment;

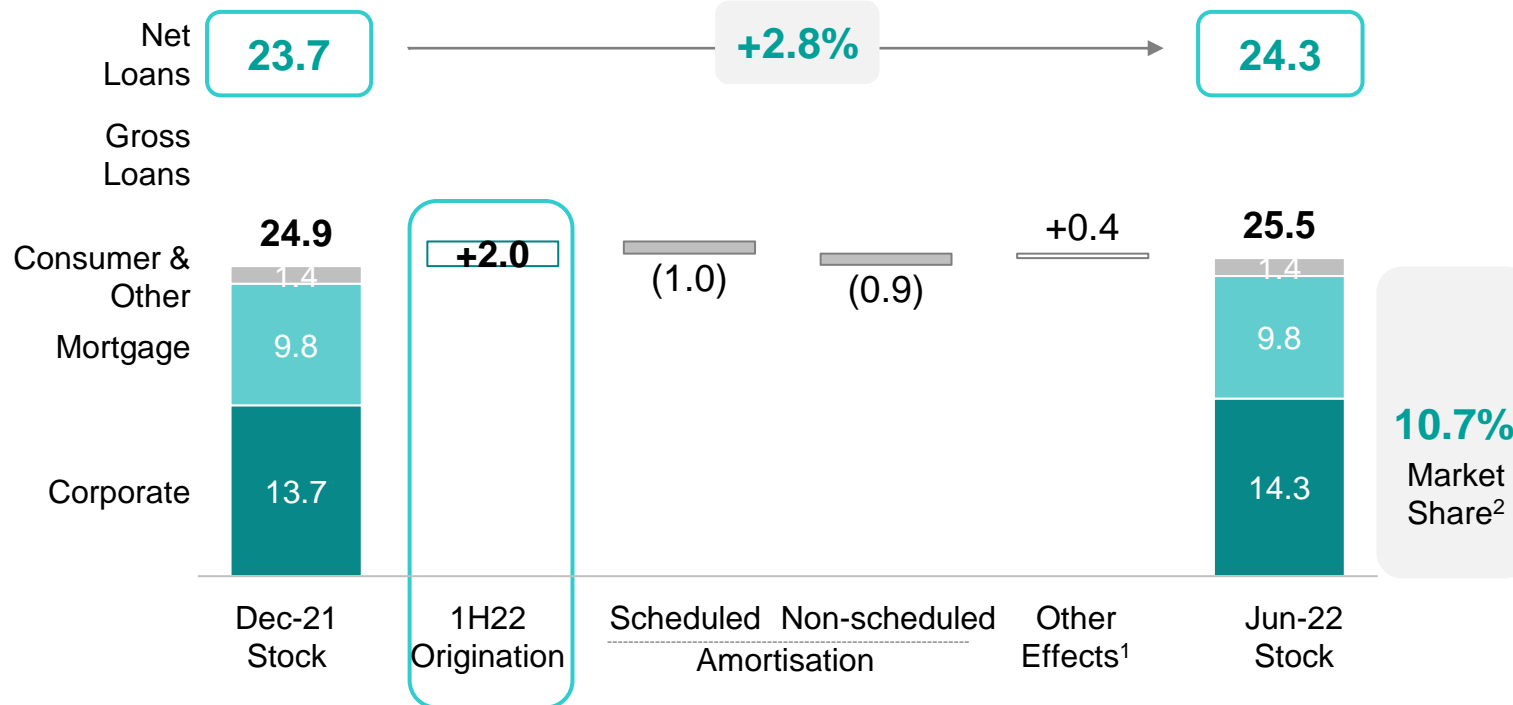
Capital & Liquidity

- **CET 1 ratio of 11.8%, +100bps capital generation in 2Q**, from organic profitability and acceleration of balance sheet deleverage (disposal of high density RWA);
- **Comfortable liquidity position with LCR at 187% and NSFR at 106%.**

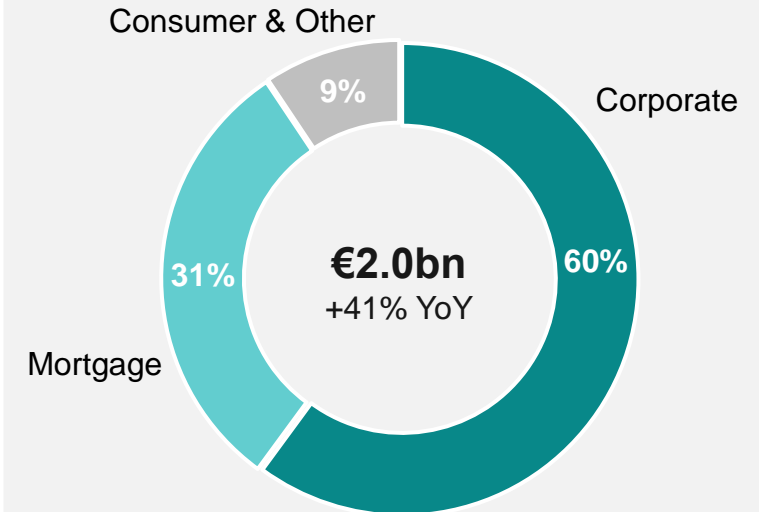
1

Net customer loans +2.8% YTD, confirming trajectory of an expanding loan book in both retail and corporate segments

Loans to Customers – Gross Book Value Evolution
(€bn; %)



Loans to Customers: 1H22 Origination
(€bn; %)

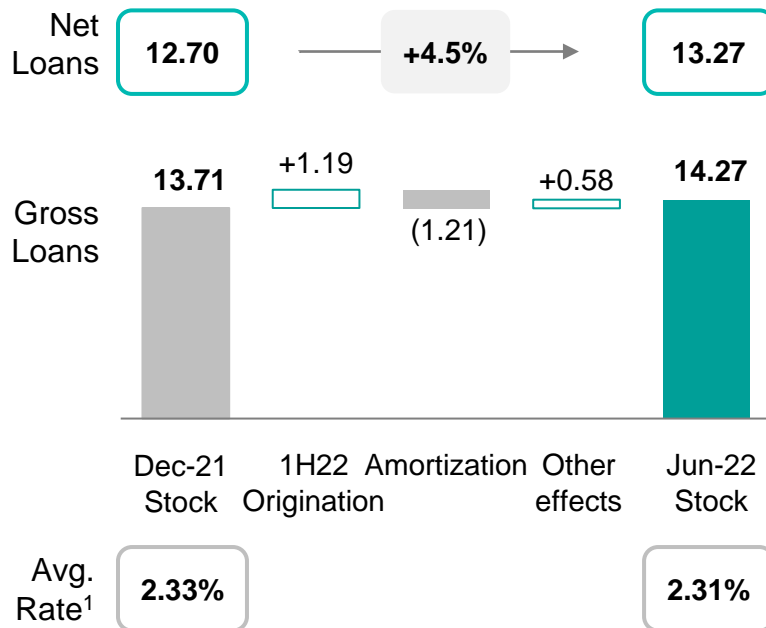


1

Net loan book growing by 2.8% YTD to €24.3bn (+€0.7mn YTD), across all segments

Corporate loans

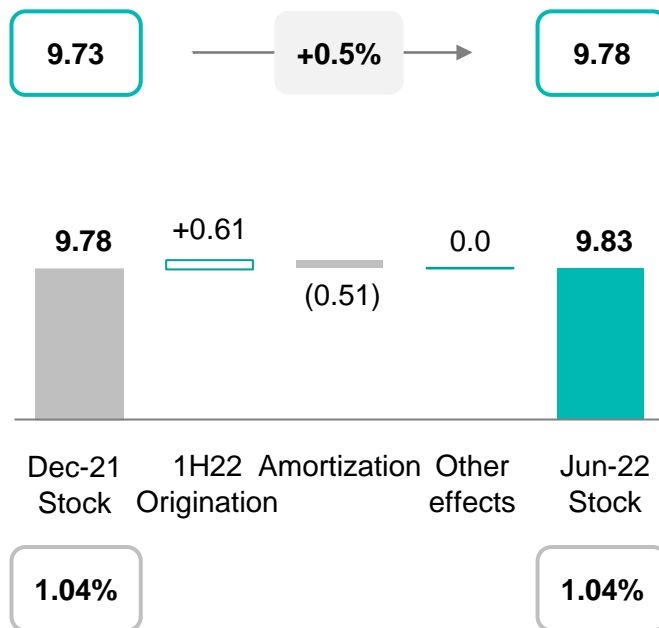
(%; €bn)



- SME representing >65% of origination and Small business > 21%

Mortgage loans

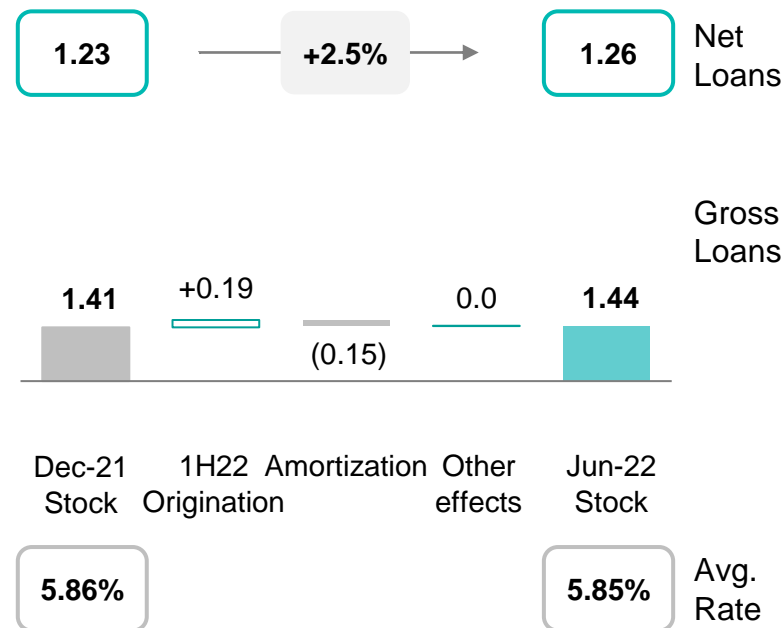
(€bn; %)



- A conservative mortgage portfolio with average LTV < 50%

Consumer loans & Other

(€bn; %)



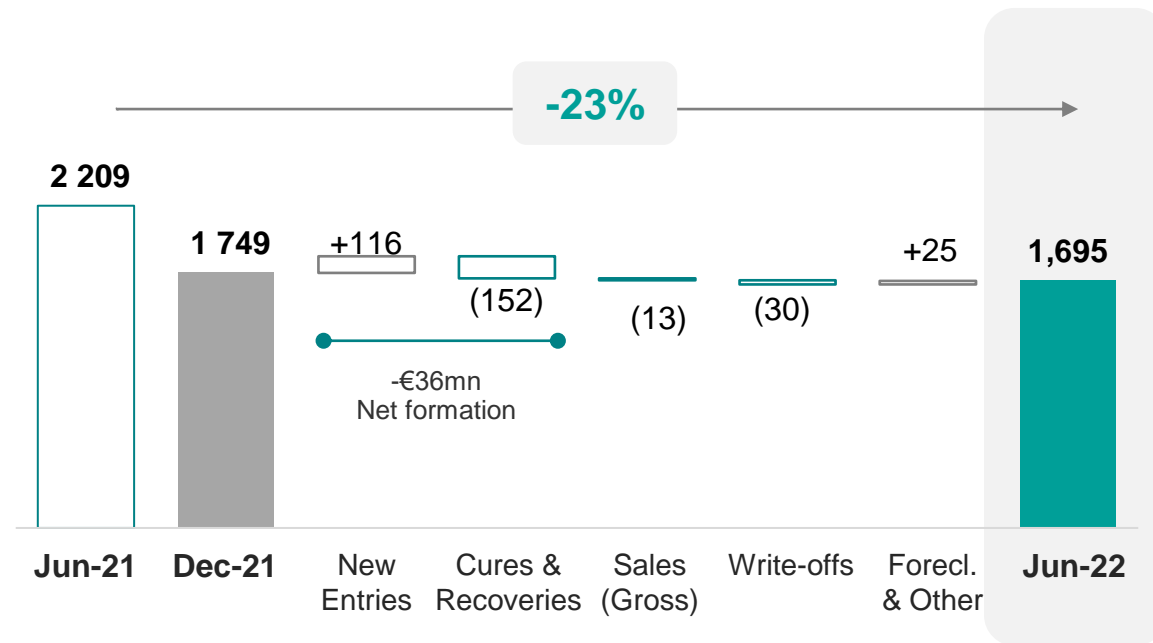
- Growth of the consumer portfolio to leverage on digital experience

1

Stable YTD NPL stock, benefiting from successful recovery of moratoria clients and contained macroeconomic impacts

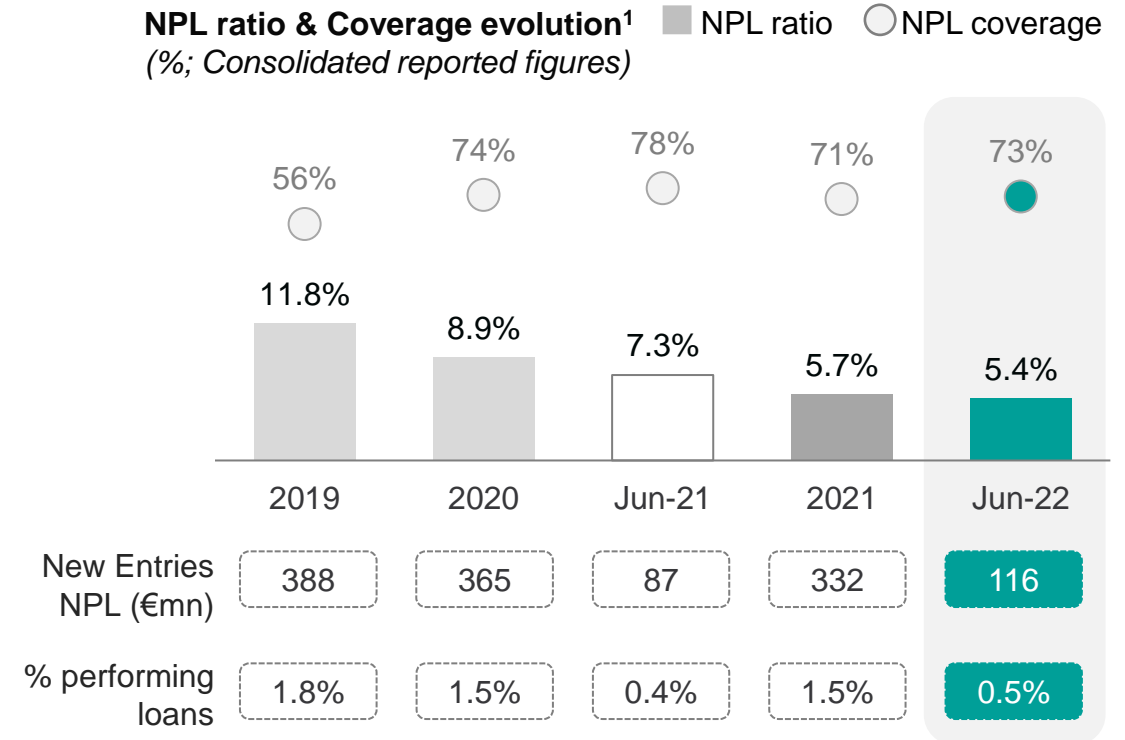
Non-performing Loans Evolution

(%; €mn; Gross NPL¹)



NPL ratio & Coverage evolution¹

(%; Consolidated reported figures)

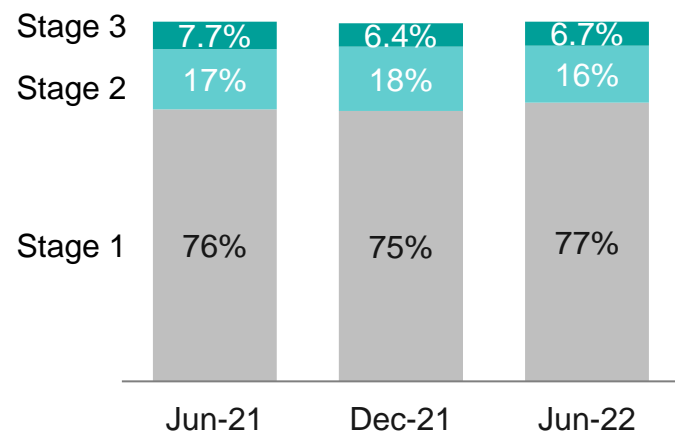


YTD Net formation of NPL at -€36mn and recent NPL reduction benefitting from sale of portfolios, being capital accretive and demonstrating adequacy of NPL coverage

1

Lower YTD stage 2 exposure mainly from debtors with moratorium concessions during 2021 reverting to stage 1

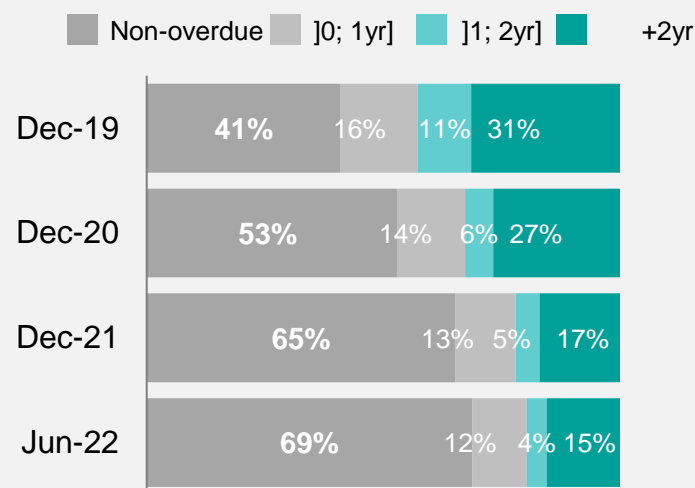
Loan Portfolio¹ by Stages



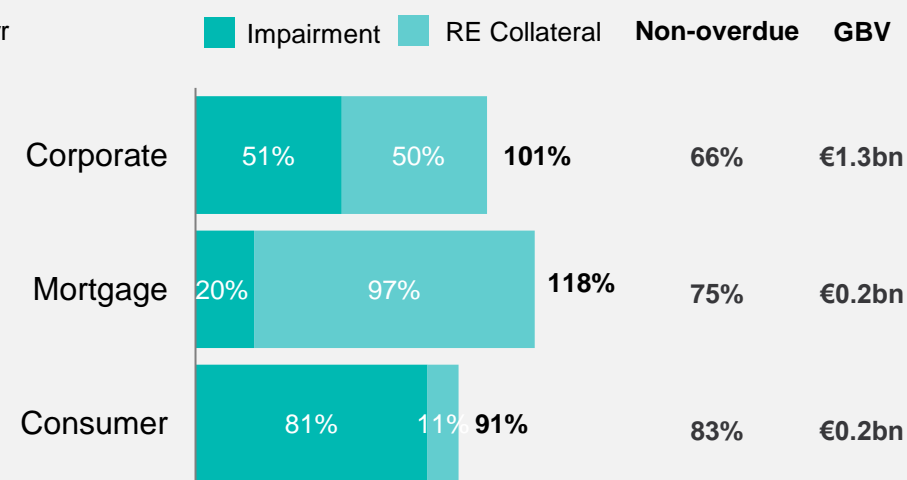
Coverage ratios

Stage 2	8.1%	7.3%	7.4%
Stage 3	55.9%	49.7%	51.0%

Stage 3: Overdue Vintage



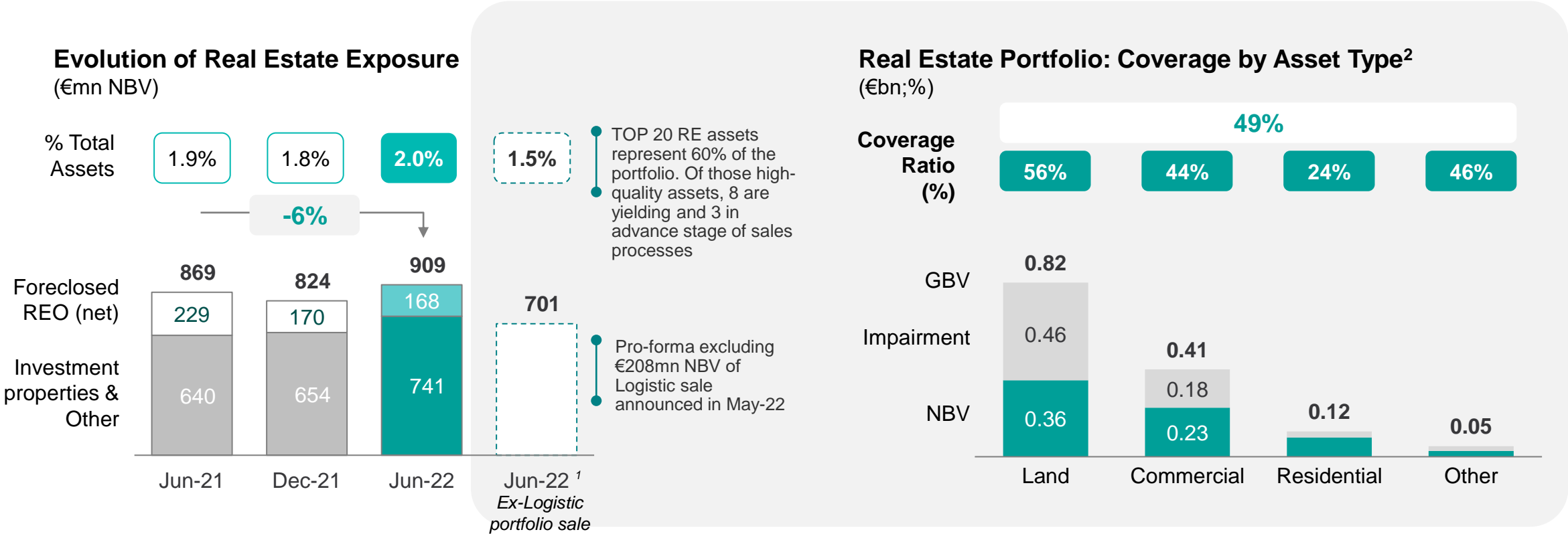
Stage² 3: Coverage by type



Stage 3 at €1.7bn GBV, with 51% coverage², and more than 2/3 of stage 3 loans not overdue

2

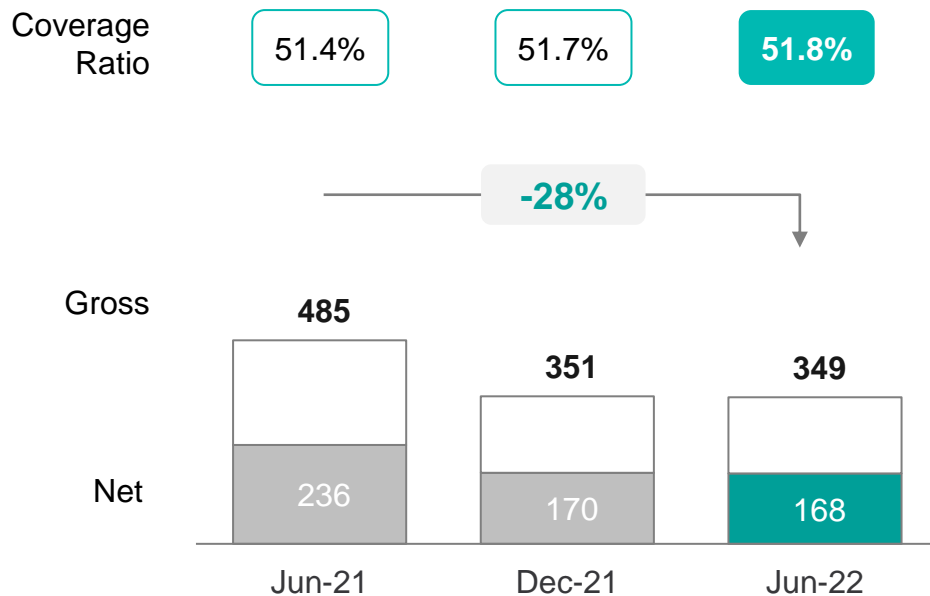
YTD increase of RE exposure to €909mn due to revaluation of the assets based on sale price agreed in SPAs (pro-forma NBV -15%)



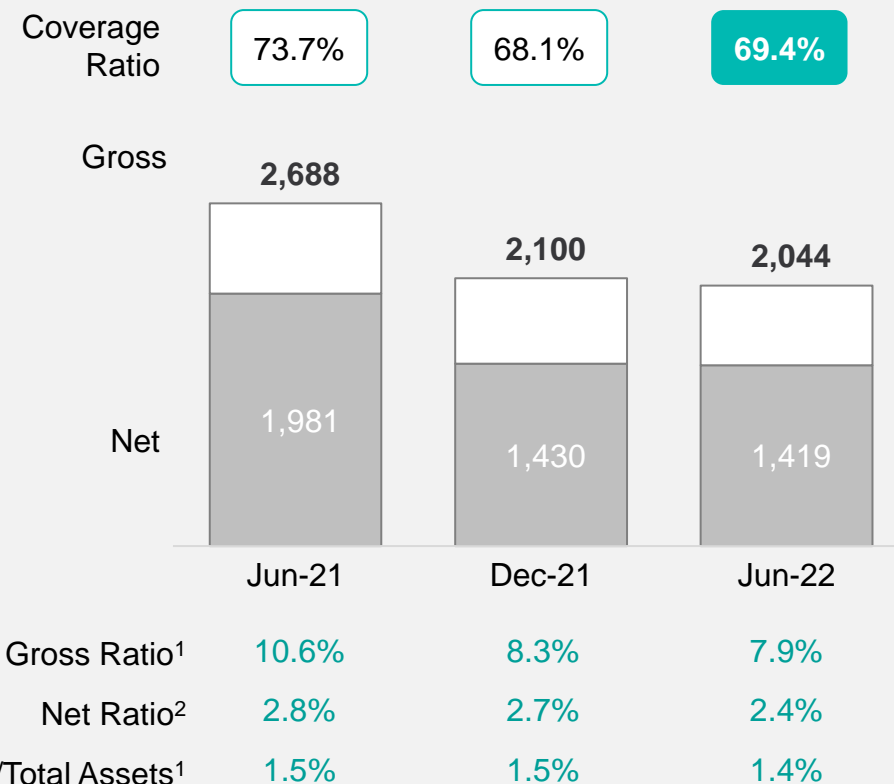
Coverage is supported by a robust appraisal policy, individual asset reviews, market pricing (bids received) and yield performance.

Continuous reduction of foreclosed assets and NPL, benefiting from sale of portfolios

Foreclosed REO Assets (€mn)

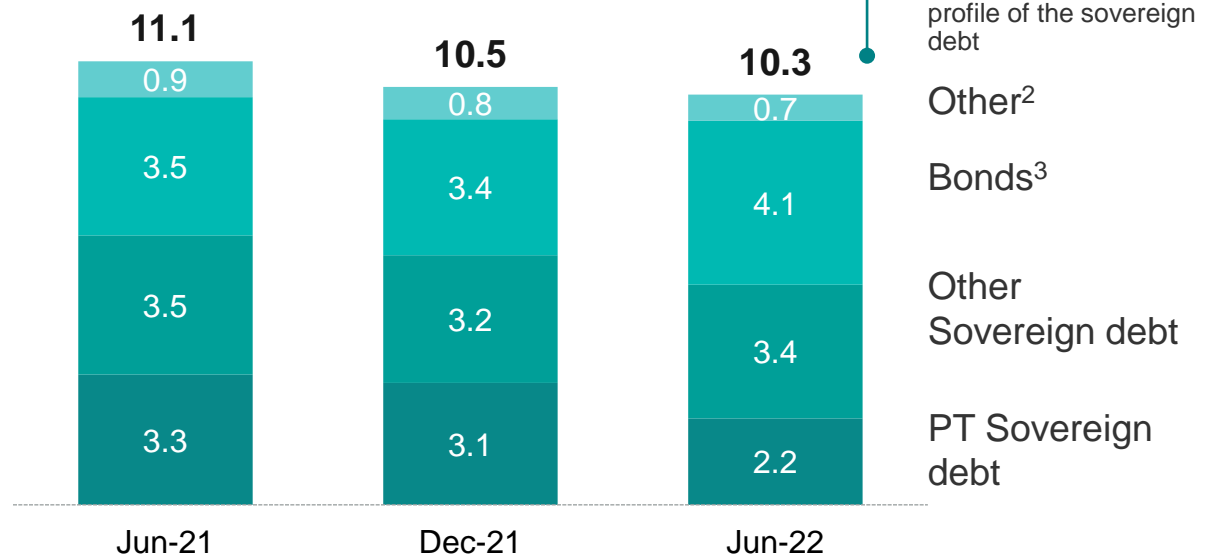


NPL + Foreclosed REO Assets (€mn;%)

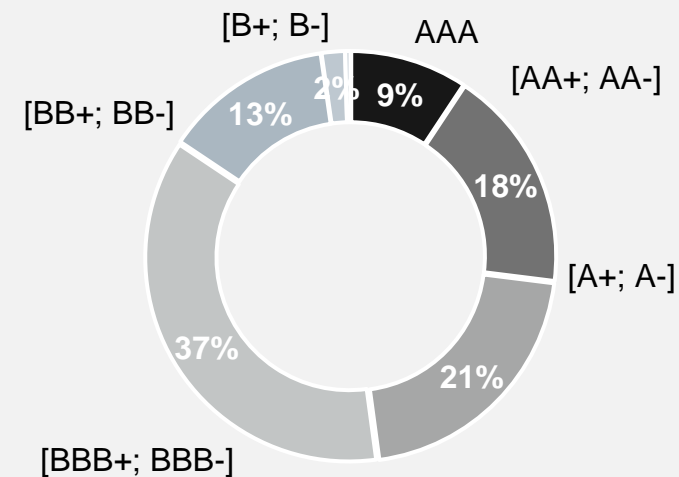


Conservative €10.3bn securities portfolio with HQLA¹ representing ~70%

Securities Portfolio: Breakdown
(€bn)



Securities Portfolio: Ratings⁴
(Jun-22; €bn)



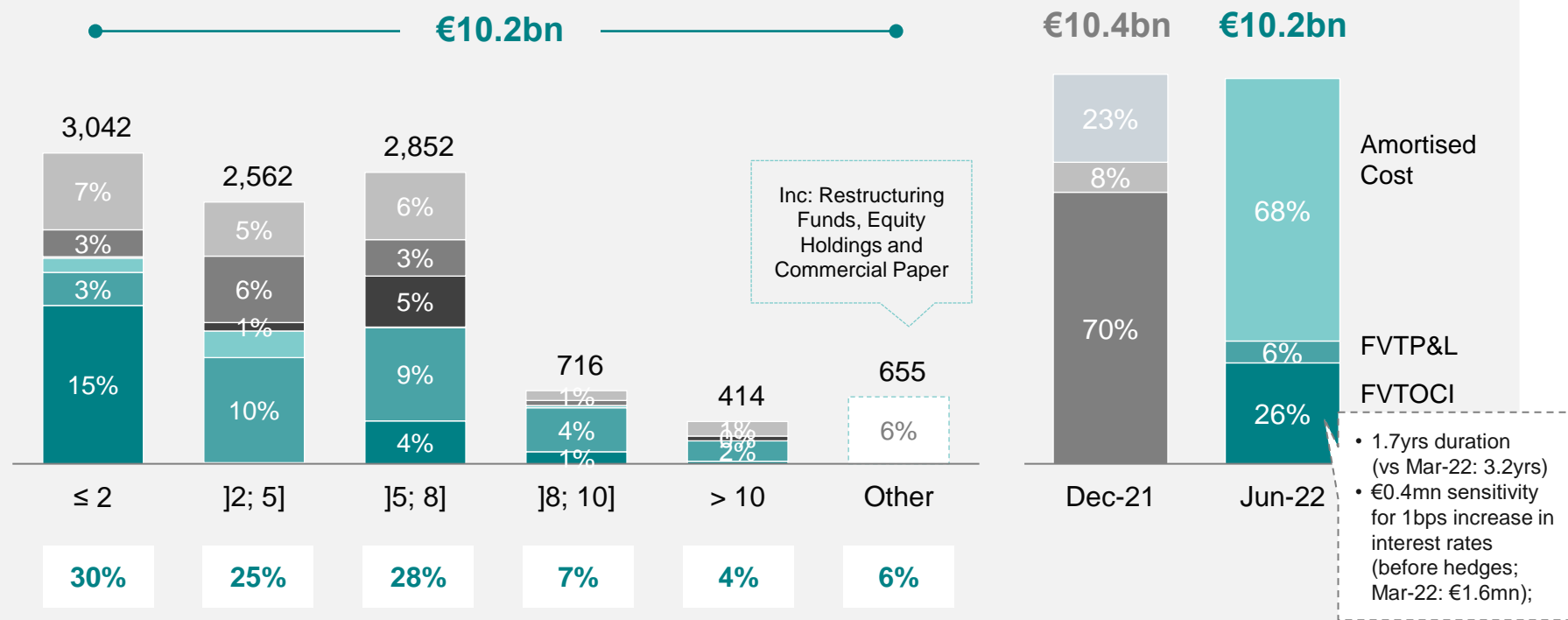
Securities portfolio with an average yield of 1.32%

Investment portfolio with a duration of ~4 yrs

Banking Book

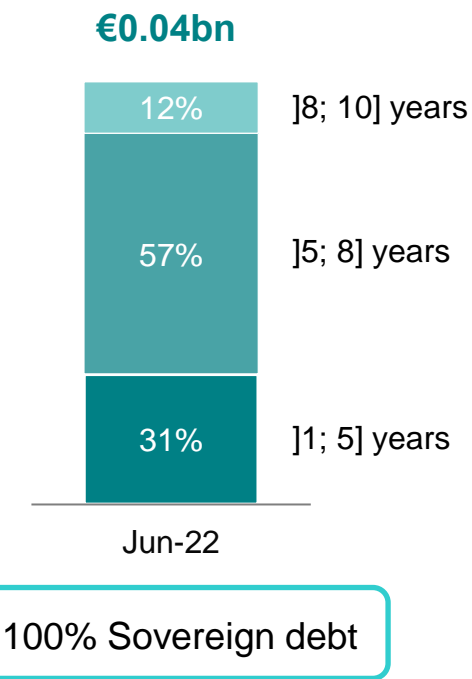
(by maturity; Jun-22; €mn; %)

21%	PT sovereign debt	28%	Other EU sovereign
4%	Other sovereign	6%	Supranational
13%	HQLA ¹ (Corp + Fins)	21%	Non-HQLA

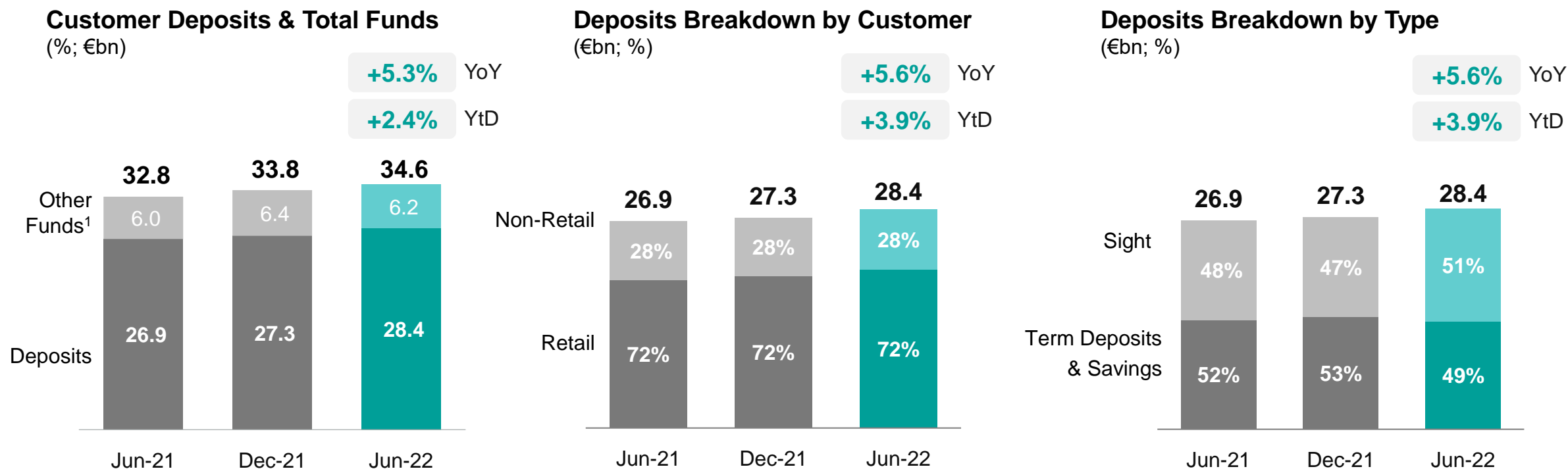


Trading Book

(by maturity; Jun-22; %)



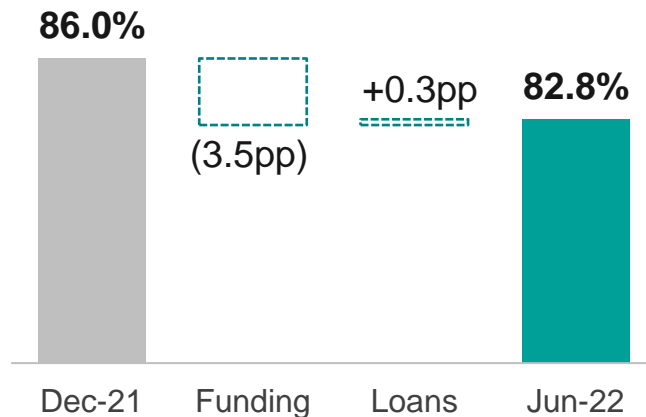
Customer deposits +5.6% YoY and Total Funds +5.3%...



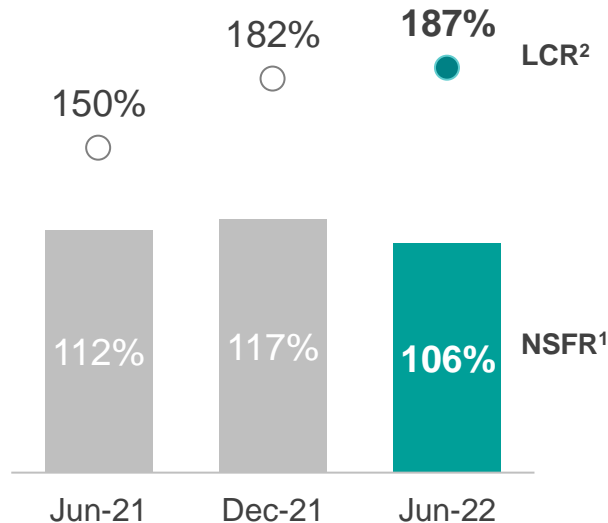
...with evolution reflecting growth of the business despite the low interest rate environment.

Stable deposit base supporting strong liquidity position

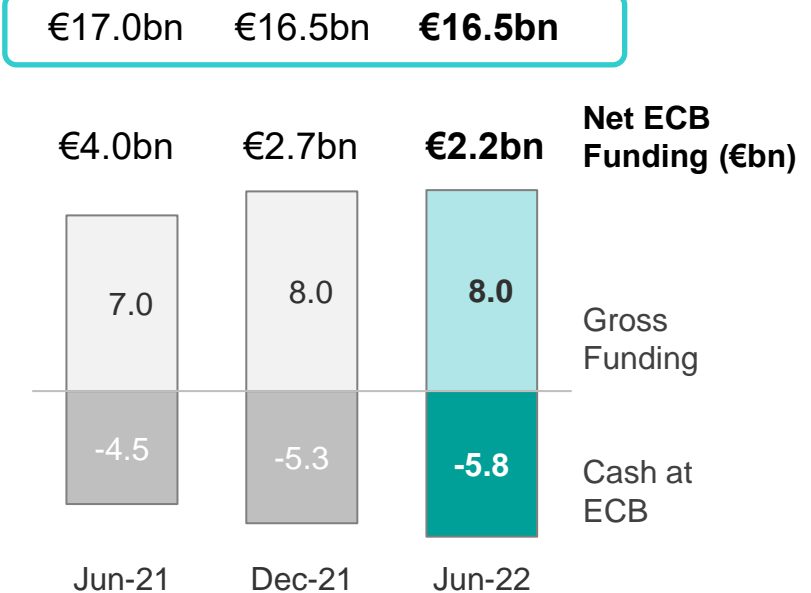
Loan to Deposit Ratio (%)



Liquidity Ratios (%)

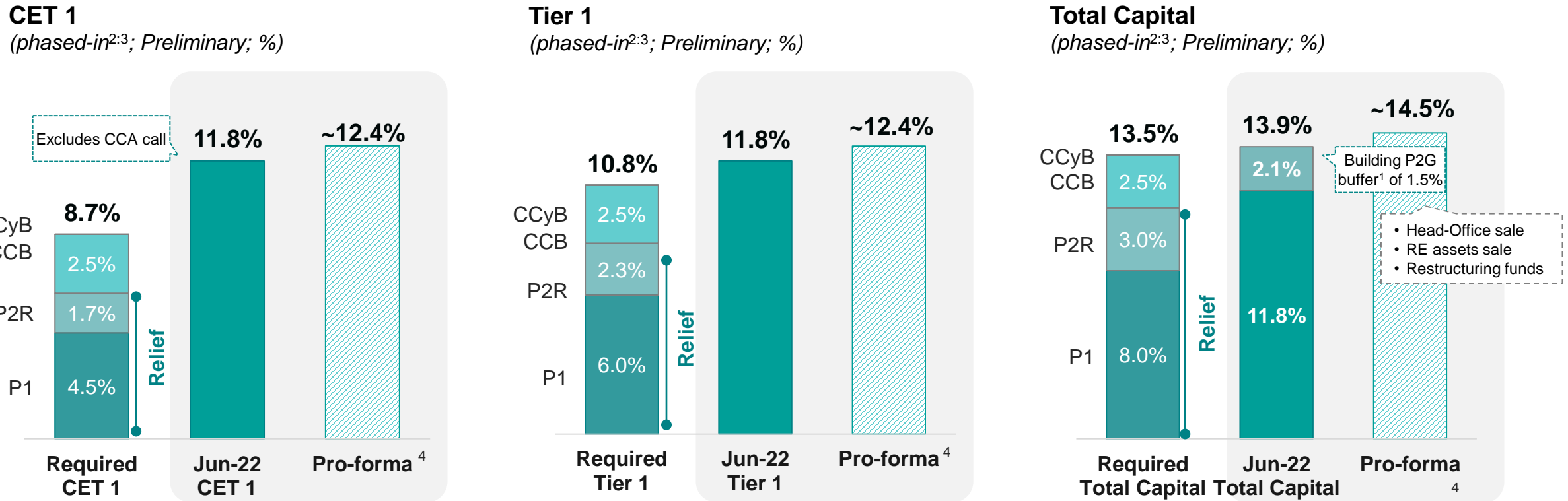


Eligible Assets at the ECB³ (€bn)



Liquidity buffer ~€13.2bn, mostly composed of highly liquid assets (~90%).

Execution of the de-risking strategy delivering already Total Capital ratio above 13.5% OCR requirement and building P2G buffer¹



Organic capital generation and acceleration of balance sheet deleverage
(eg: sale of high-density restructuring funds) to continue strengthen bank's capital position going forward.

Compliant with MREL binding target as of January 1st 2022 and to continue to build MREL going forward

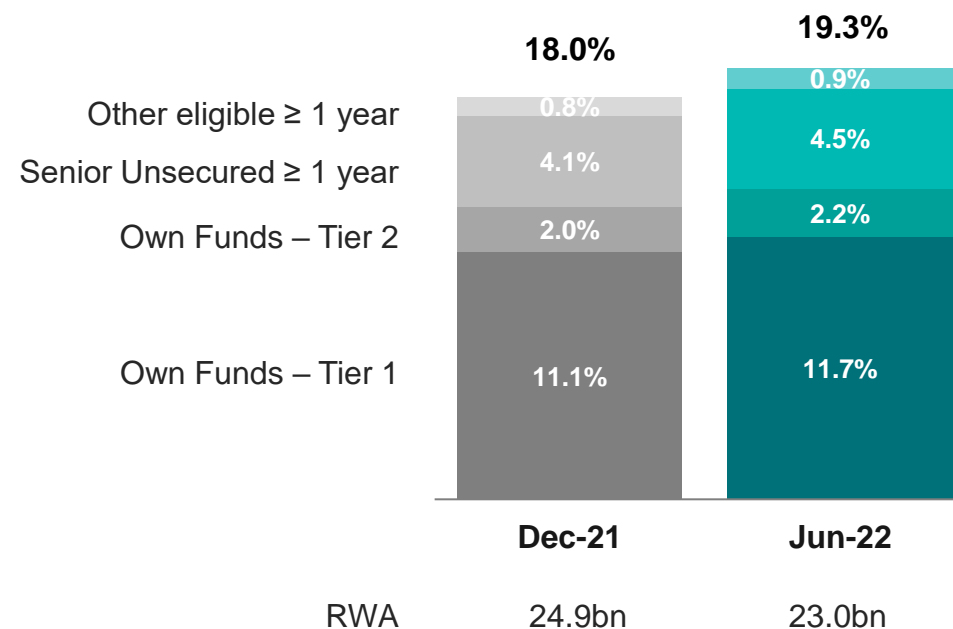
MREL requirements:

(BdP notification of May 2022; %)

	Jan-22	Jan-26
TREA ¹	14.64%	23.16%
Combined Buffer	2.52%	n.a. ³
Total	17.16%	23.16% + CBR
O-SII (LSF Nani)	0.50% ²	
Total + O-SII	17.66%	23.16% + CBR
LRE⁴	5.91%	5.91%

MREL ratio

(% RWA; Preliminary)



Organic capital generation and acceleration of balance sheet deleverage to contribute positively to MREL evolution.

AGENDA

Overview of novobanco
1H22 Financial Performance
Annex

ANNEX

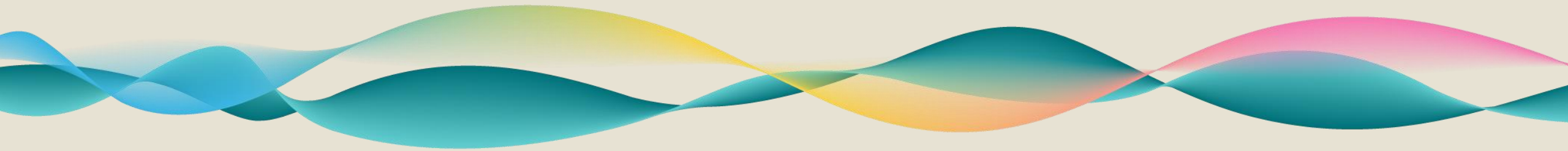
Portuguese macroeconomic environment

Corporate Governance & ESG

1H22 Financial Statements

Ratings

Glossary



Macroeconomic environment

GDP is estimated to have increased around 9% YoY in the first half of 2022, supported by favourable base effects, a strong recovery in tourism, a rise in net exports and resilient private consumption.

GDP increased 2.6% QoQ and 11.9% YoY in 1Q 2022, above the Euro Area average of 0.6% QoQ and 5.4% YoY, due to:

- favorable base effects, given the fall in GDP in 1Q 2021;
- earlier removal of Covid-19 constraints in Portugal, with high Covid vaccination rates;
- strong improvement in tourism activity and higher exports growth;
- resilient private consumption, in part supported by the release of savings accumulated in the pandemic.

GDP is expected to have contracted around 0.3% QoQ in 2Q (+6.9% YoY), following the unusually strong growth in 1Q, and with the indirect impacts of the war in Ukraine.

GDP growth

(% QoQ and YoY)¹



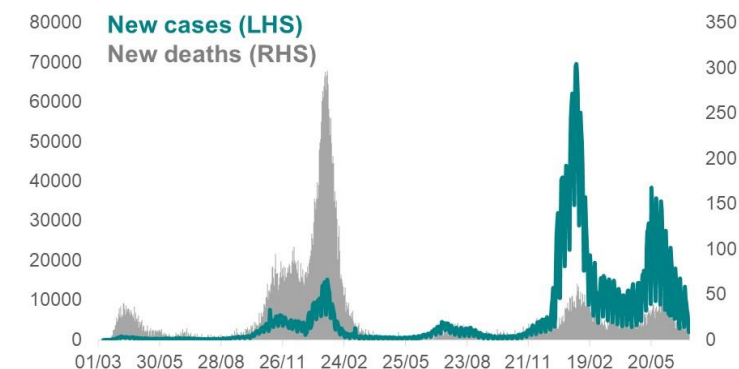
Households' savings rate

(4Q MA, % of disposable income)



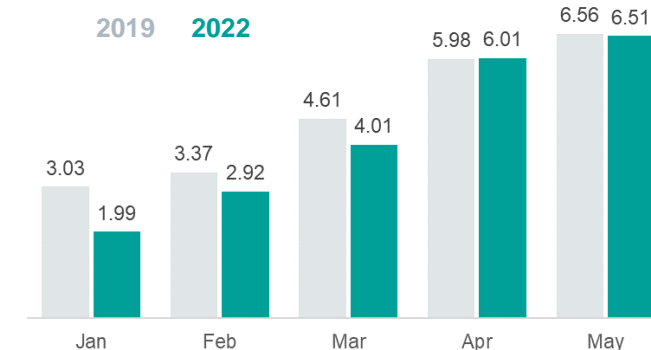
Number of Covid-19 cases and deaths

(daily net change)



Overnight stays in tourist accommodation establishments

(million)



Macroeconomic environment

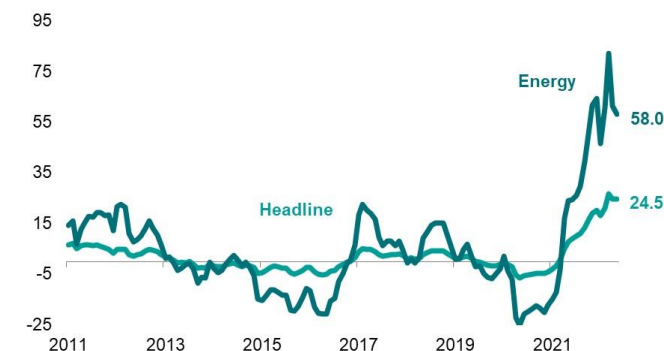
Impacts from the war in Ukraine are mostly indirect, through higher inflation and interest rates.

- Direct exposure of Portugal to Russia and Ukraine is small. In 2021, merchandise exports to Russia and Ukraine amounted to 0.3% and 0.06% of total, respectively. Merchandise imports from Russia were 1.3% of total (mainly gas and fertilisers). Direct investment is also not significant.
- 83% of Portugal's gas is supplied by Africa and the US. More than 50% of electricity is generated by renewable energy sources.
- Impacts of the war in Ukraine are being felt mainly through a rise in producer and consumer inflation and through shortages of materials and intermediate consumptions.
- CPI inflation rose from 3.3% to 8.7% YoY in 1H 2022. Producer prices are up by 24.5% YoY. Energy and Food with major contributions to inflation in 1H 2022.

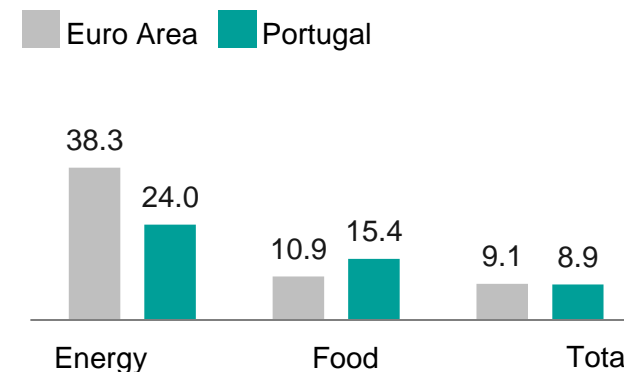
Headline and core inflation rate
(CPI, % YoY)



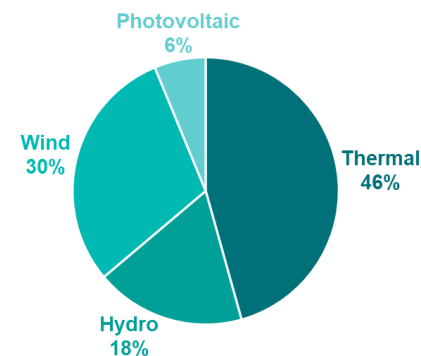
Industrial producer price index
(% YoY)



Energy and food CPI Inflation, Portugal and Euro Area (CPI, % YoY)



Electricity generation by energy source (% of total, May 2022 YTD)

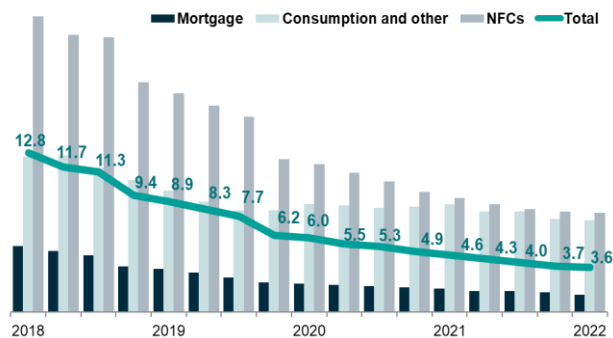


Macroeconomic environment

Improvement in public accounts has allowed for policy measures, mitigating the impacts from the pandemic and from the war in Ukraine. Unemployment, NPLs and sovereign spreads remain contained.

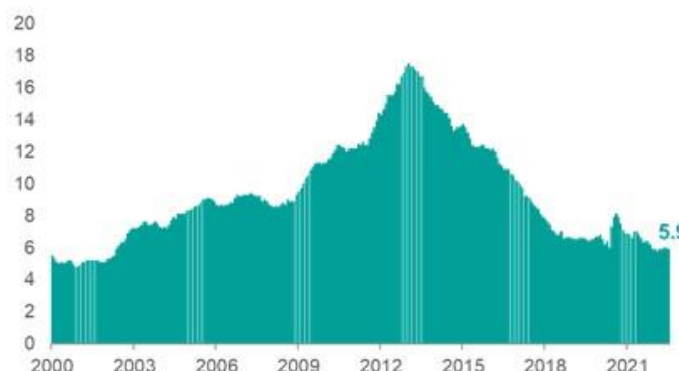
- The improvement in public accounts has allowed for policy measures, mitigating the impacts from the pandemic and from the war in Ukraine. Unemployment and NPLs have remained contained. Resilient growth in house prices, supported by strong external demand.
- Contained rise in sovereign spreads reflects improved fundamentals vs. previous crisis.

Non-performing loans (% of total gross loans)

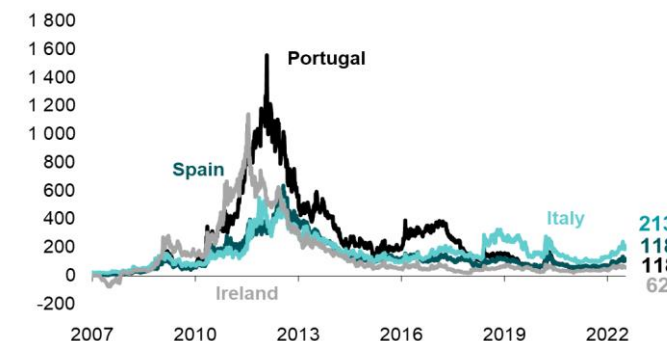


Unemployment rate

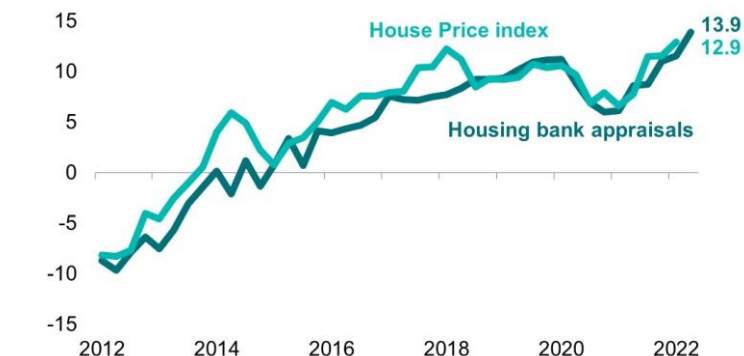
(% labour force)



10Y Periphery Government bond yield spreads vs. Bund (bps)



INE house price index (% YoY) & Housing bank appraisals (median, % YoY)



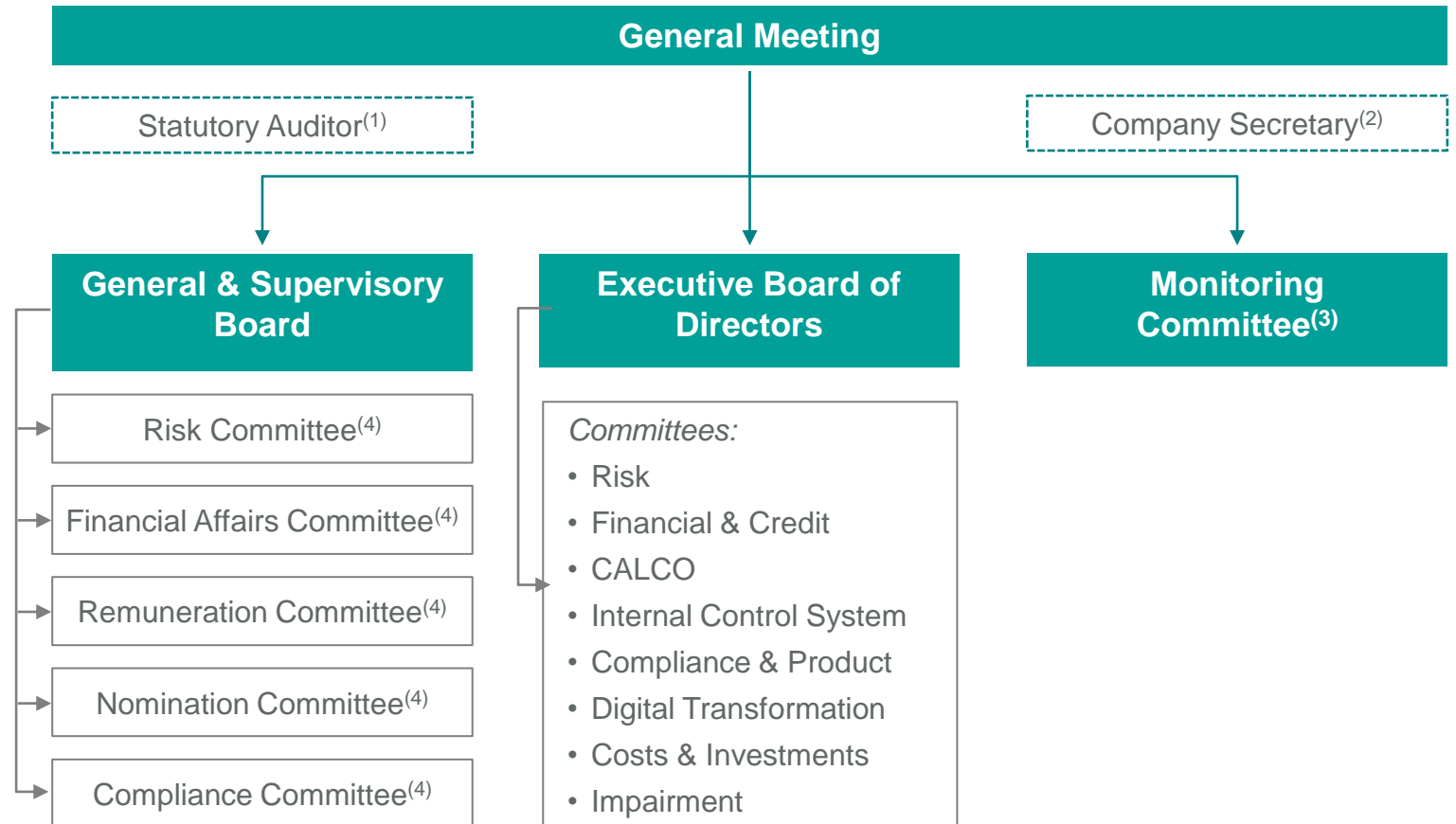
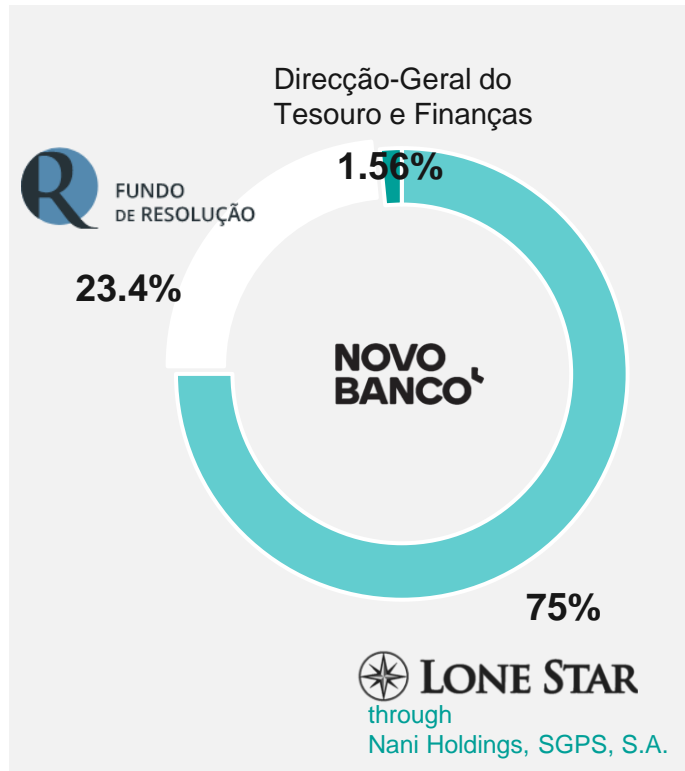
Annual GDP growth (%)



A unique governance model within the Portuguese financial sector...

Shareholder Structure

(March 2022; %)



(1) Elected by the General Meeting upon a proposal of the General and Supervisory Board; (2) The General and Supervisory Board is consulted prior to any proposal of the Executive Board of Directors related to the appointment of the Company Secretary and Alternate Secretary. (3) The Monitoring Committee is composed of three members. The Monitoring Committee is an advisory body for the purposes of the Contingent Capital Agreement entered into between the Company and the Resolution Fund; (4) The Special Committees are composed of members of the General and Supervisory Board. The General and Supervisory Board sets up, appoints the members and approves the internal rules of the Special Committees.

...with 6 out of the 10 GSB members being independent, and since Aug-22, a new composition of the EBD

General and Supervisory Board

4-years term: 2021 to 2024

Chairman

Byron Haynes ⁽¹⁾

Vice-chairman

Karl-Gerhard Eick ⁽¹⁾

GSB Members

Donald Quintin

Kambiz Nourbakhsh

Mark Coker

Benjamin Dickgiesser

John Herbert ⁽¹⁾

Robert A. Sherman ⁽¹⁾

Carla Antunes da Silva ⁽¹⁾

William Henry Newton ⁽¹⁾

Executive Board of Directors

4-years term: 2022 to 2025

Chief Executive Officer

Mark Bourke

Chief Financial Officer

Leigh Bartlett

Chief Commercial Officer (Retail)

Luis Ribeiro

Chief Commercial Officer (Corporate)

Andrés Baltar

Chief Legal and Compliance Officer

Luísa Soares
da Silva

Chief Risk Officer

Carlos Brandão

Chief Credit Officer

Rui Fontes

Monitoring Committee

4-years term: 2021 to 2024

Chairman

José Bracinha Vieira

Members

Pedro Marques e Pereira

Carlos Miguel Roballo

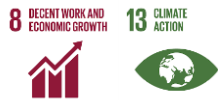
*To monitor the assets included in
the Contingent Capital Agreement*

ESG Strategy | Sustainable Development Goals

Goals aligned to actively contribute to the 2030 SDGs defined by the United Nations Global Compact and with the Paris Agreement.



Sustainable Business



Minimize the negative **environmental impact** of our operations, promoting innovation and digitalization

Incorporating ESG risks and opportunities in our business model and commercial offer

Supporting our customers in the transition to a carbon neutral economy

Social & Financial Well-being



Ensuring equal opportunities and the **well-being** of our employees

Promoting financial and digital literacy among our customers and public in general

Tailoring products to customer needs, integrating social considerations and promoting savings

Responsible Banking



Ensure **ESG integration** into the bank's governance model

Select suppliers based on a sustainability scoring

Ensuring equal gender in the bank's top management staff

Novobanco 2024 commitments

Group novobanco	ESG	+ 4.5 p.p. women in senior leadership positions ¹¹	- 18% GHG emissions (scope 1 e 2) ⁵	+ 50% low emissions vehicles (electric or hybrid)	100% green electricity procurement ¹⁵	
	Sustainable Business	+ €600mn in Green Investment ¹ (vs. 2021)	€0mn financing to excluded sectors ²	30% investment products with ESG characteristics ³	- 30% paper consumption ⁴ (ton, vs. 2021)	-18% CO2 emissions from own operations ⁵ (ton. vs. 2021)
novobanco	Social and Financial Well-being	40% employees benefiting from social well-being program ⁶	+ 3 p.p. employees assessed Healthy (psychosocial assessment ⁷) (vs. 2021)	+ 8 p.p. employees engagement level ⁸ (vs. 2021)	+ 11.8 points in customers' NPS ⁹ (vs. 2021)	+ 9,594 hours from employees volunteering service initiatives ¹⁰ (vs. 2021)
	Responsible Banking	+ 2.5 p.p. women in senior leadership positions ¹¹	- 0.9 p.p. gender pay gap ¹²	+ 3 partnerships with to promote employment of people with disabilities ¹³	90% suppliers with sustainability scoring ¹⁴	+ 39,160 hours ESG training to employees

1. Origination of financing or own portfolio investments in companies whose main economic activity is eligible to the European Taxonomy and origination of financing or own portfolio investments where the use of funds by the borrower or the projects are directed to economic activities eligible to the European Taxonomy or are aimed at investments in energy transition or the transition of the company's business model towards green activities; 2. Economic sectors not financed by novobanco: Weapons, Prostitution, Pornography, Coal (mining and energy production) and Trade in wildlife and endangered species; 3. Investment Funds, Financial Insurance and Structured Products; 4. Reduction of the consumption of photocopy paper, resulting from the implementation of the Phygital program in the commercial network (started in 2019) and the dematerialization of processes in central services; 5. Scope 1 and 2 GHG emissions; 6. Percentage of employees who attended at least 2 program initiatives per year. Programme of initiatives to promote balance between personal and professional life, mental and physical health, healthy living, etc.; 7. Annual psychosocial risk assessment study of novobanco's employee base; 8. Assessment of the level of employee engagement carried through the Pulse survey (average % of employee engagement); 9. Net Promoter Score calculated for Individual Clients - BASEF; 10. Promotion of volunteering actions in strategic areas of social impact of the bank. Each employee can take 1 day leave per year for volunteer work; 11. First line managers and Executive Board of Directors; 12. Gender pay gap weighted by the representativeness of each Performance Function; 13. Number of organisations with active partnerships with the Bank; 14. Suppliers with a continuous relationship with novobanco and annual turnover of over 10 thousand euros; 15. In all locations where the option is available and the contract is held by novobanco.

Income Statement – Quarterly data

(€ million)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	▲ €mn YoY	▲ % YoY
Net Interest Income	145.7	143.5	140.9	143.2	133.5	134.5	(9.0)	(6%)
Fees and Commissions	62.8	72.8	72.3	74.6	68.8	75.6	+2.8	+4%
Commercial Banking Income	208.5	216.3	213.2	217.9	202.3	210.1	(6.2)	(3%)
Capital Markets Results	52.8	40.5	(59.7)	42.2	91.4	(5.6)	(46.1)	(114%)
Other Operating Results	12.2	(41.3)	30.3	39.2	16.7	56.5	+97.8	(237%)
Banking Income	273.5	215.5	183.9	299.3	310.4	261.0	+45.5	+21%
Operating Costs	102.7	101.4	101.6	102.6	103.6	105.1	+3.7	+4%
Staff Costs	58.7	58.9	57.9	57.8	55.7	56.1	(2.8)	(5%)
General and Administrative Costs	35.9	34.2	35.1	35.8	38.2	39.2	+4.9	+14%
Depreciation	8.1	8.2	8.6	9.0	9.8	9.8	+1.6	+19%
Net Operating Income	170.8	114.1	82.3	196.6	206.8	155.9	+41.8	+37%
Net Impairments and Provisions	61.8	27.4	70.4	193.1	21.8	(2.0)	(29.4)	(107%)
Credit	54.9	29.8	30.3	34.4	14.3	5.0	(24.8)	(83%)
Securities	0.9	15.1	1.4	30.4	11.1	30.6	+15.4	+102%
Other Assets and Contingencies	6.0	(17.5)	38.7	128.4	(3.6)	(37.6)	(20.1)	+114%
Income before Taxes	109.0	86.7	11.9	3.5	185.0	157.9	+71.2	+82%
Corporate Income Tax	4.2	16.9	(8.1)	(28.2)	7.4	11.6	(5.3)	(32%)
Special Tax on Banks	32.8	1.5	0.0	(0.1)	34.1	-	(1.5)	(100%)
Income after Taxes	72.0	68.4	20.0	31.8	143.5	146.4	+78.0	+114%
Non-Controlling Interests	1.3	1.4	3.6	1.4	0.9	22.3	+20.9	+1 521%
Net Income for the period	70.7	67.0	16.4	30.4	142.7	124.0	+57.1	+85%

Balance Sheet

(€ thousands)	Dec-21	Jun-22
Cash, cash balances at central banks and other demand deposits	5,871,538	6 225 736
Financial assets held for trading	377,664	200 800
Financial assets mandatorily at fair value through profit or loss	799,592	583 312
Financial assets at fair value through profit or loss, or through other comprehensive income	7,220,996	2 679 702
Financial assets at amortised cost	26,039,902	31 329 794
Debt securities	2,338,697	6 979 236
Loans and advances to credit institutions	50,466	46 916
Loans and advances to customers	23,650,739	24 303 642
Derivatives – Hedge accounting	19,639	344 320
Fair value changes to the hedged items in portfolio hedge of interest rate risk	30,661	-190 983
Investments in subsidiaries, joint ventures and associates	94,590	118 687
Tangible assets	864,132	981 274
Tangible fixed assets	238,945	268 457
Investment properties	625,187	712 817
Intangible assets	67,986	69 539
Tax assets	779,892	848 511
Current tax assets	35,653	36 194
Deferred tax assets	744,239	812 317
Other assets	2,442,550	2 290 356
Non-current assets and disposal groups classified as held for sale	9,373	11 953
Total Assets	44,618,515	45 493 001

	Dec-21	Jun-22
Financial liabilities held for trading	306,054	163 373
Financial liabilities measured at amortised cost	40,215,994	40 898 619
Due to banks	10,745,155	9 874 931
Due to customers	27,582,093	29 030 063
Debt securities issued and subordinated debt and liabilities associated with transferred assets	1,514,153	1 542 850
Other financial liabilities	374,593	450 775
Derivatives – Hedge accounting	19,639	344 320
Provisions	442,834	397 213
Tax liabilities	15,297	11 025
Current tax liabilities	12,262	7 990
Deferred tax liabilities	3,035	3 035
Other liabilities	443,437	754 278
Liabilities included in disposal groups classified as held for sale	968	1 755
Total Liabilities	41,469,044	42 241 245
Capital	6,054,907	6 054 907
Other comprehensive income – accumulated	-1,045,489	-1 183 107
Retained earnings	-8,576,860	-8 577 074
Other reserves	6,501,374	6 670 293
Profit or loss attributable to parent company shareholders	184,504	266 724
Minority interests (Non-controlling interests)	31,035	20 013
Total Equity	3,149,471	3 251 756
Total Liabilities and Equity	44,618,515	45 493 001

Customer loans

€mn	Jun-21	Dec-21	Jun-22	YTD ▲ Consolidated	
				€mn	%
Customer Loans (net)	23 470	23 651	24 304	653	2.8%
Customer Loans (gross)	24 945	24 899	25 541	642	2.6%
Corporate	13 689	13 710	14 268	558	4.1%
Residential Mortgage	9 889	9 782	9 833	51	0.5%
Consumer finance and other	1 367	1 406	1 440	33	2.4%
Non-Performing Loans (NPL)*	2 209	1 749	1 695	- 54	-3.1%
Impairment **	1 474	1 248	1 237	- 11	-0.9%
NPL Ratio*	7.3%	5.7%	5.4%	- 0.3p.p.	
NPL coverage*	78.4%	71.4%	73.0%	1.6p.p.	
Cost of Risk (bps)	68	60	15	- 45	-74.8%
Cost of Risk (bps) - Covid Adjusted	40	31	-	-	-

* Includes Deposits and Loans and advances to Banks and Customer Loans

** Includes impairment for Customer Loans and to Banks

Capital ratios

		mn€					
CAPITAL RATIOS (CRD IV/CRR)		31-Dec-21 (Phased-in)	31-Dec-21 (Fully loaded)	31-Mar-22 (Phased-in)	31-Mar-22 (Fully loaded)	30-Jun-22 * (Phased-in)	30-Jun-22 * (Fully loaded)
Risk Weighted Assets	(A)	24 929	24 689	23 761	23 622	23 058	22 914
Own Funds							
Common Equity Tier 1	(B)	2 768	2 507	2 571	2 419	2 711	2 558
Tier 1	(C)	2 769	2 509	2 572	2 420	2 712	2 559
Total Own Funds	(D)	3 276	3 016	3 076	2 925	3 214	3 061
Common Equity Tier 1 Ratio	(B/A)	11.1%	10.1%	10.8%	10.2%	11.8%	11.2%
Tier 1 Ratio	(C/A)	11.1%	10.1%	10.8%	10.2%	11.8%	11.2%
Solvency Ratio	(D/A)	13.1%	12.2%	12.9%	12.4%	13.9%	13.4%
Leverage Ratio		6.0%	5.4%	5.5%	5.2%	5.7%	5.4%

* preliminary

Pension Funds

Key Figures (€ Millions)

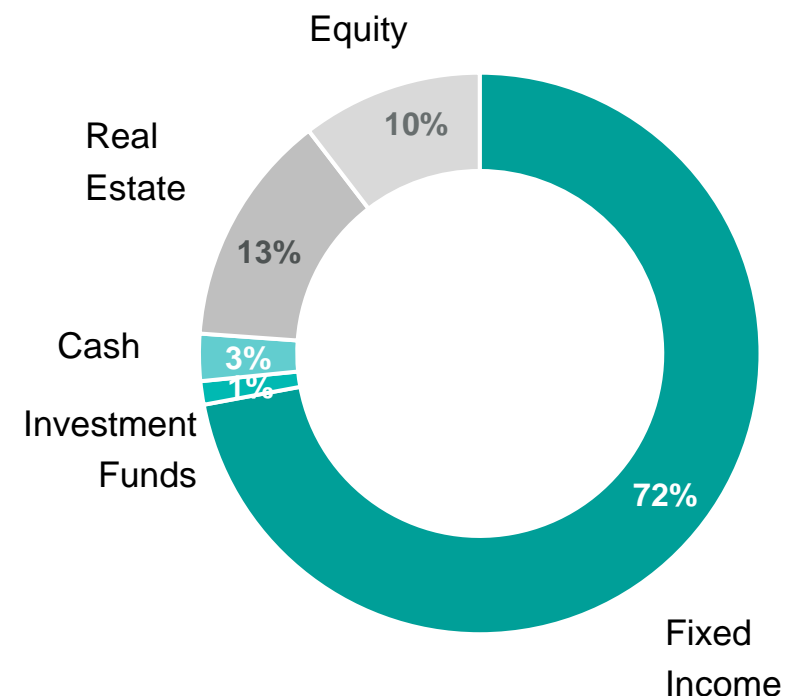
	Dec-20	Dec-21	Jun-22
Retirement Pension Liabilities	1 935	1 929	1 517
Fund Assets	1 908	1 908	1 546
Liabilities Coverage	99%	99%	102%

Actuarial Assumptions

	Dec-20	Dec-21	Jun-22
Project rate of return on plan assets	1.00%	1.35%	3.40%
Discount rate	1.00%	1.35%	3.40%
Pension increase rate	0.25%	0.50%	0.75%
Salary increase rate	0.50%	0.75%	1.00%
Mortality table men	TV 88/90	TV 88/90	TV 88/90
Mortality table women	TV 88/90-2 yrs	TV 88/90-3 yrs	TV 88/90-3 yrs

Pension Fund Portfolio

(Dec-21)



Deferred Tax Assets

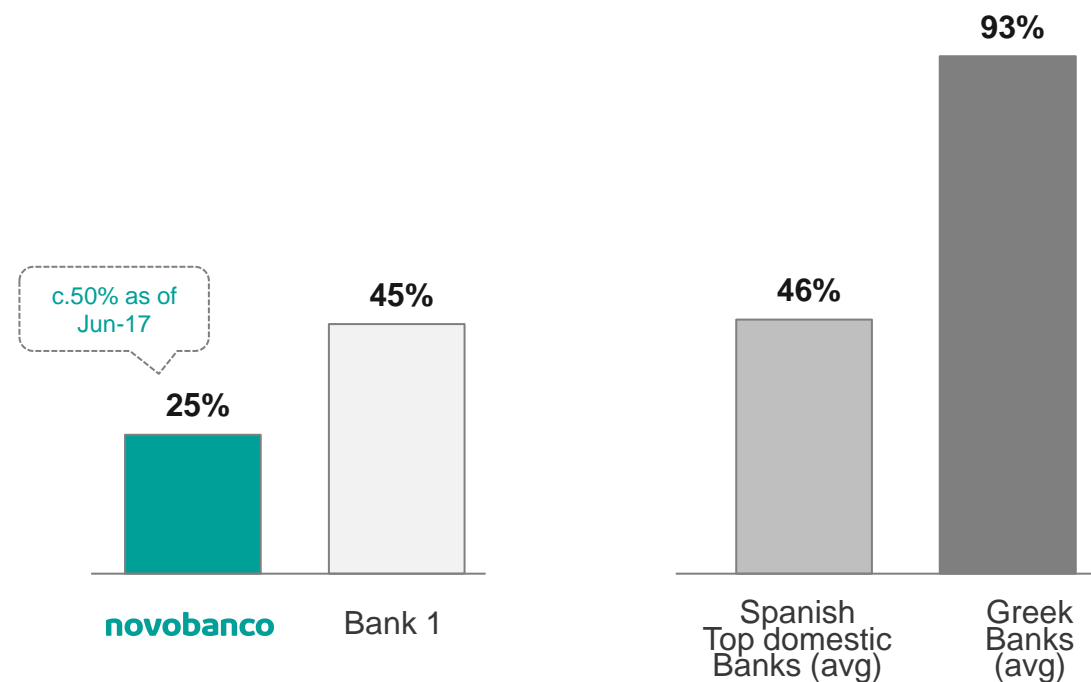
Overview of Deferred Tax Assets

(€ millions)	Dec-21	Jun-22
Timing-Difference DTAs – under Special Regime ⁽¹⁾	267	267
Timing-Difference DTAs – other	473	541
Total DTAs on Balance Sheet	741	809

- Tax losses carried forward are recognised to the extent they are expected to be recovered with future taxable income;
- novobanco conservatively assesses the recoverability of tax losses carried forward considering its projected taxable income over a 5 year period;
- DTAs under Special Regime: YoY decrease reflects the conversion rights relating to 2020 fiscal year.

Deferred Tax Assets as % of Equity¹

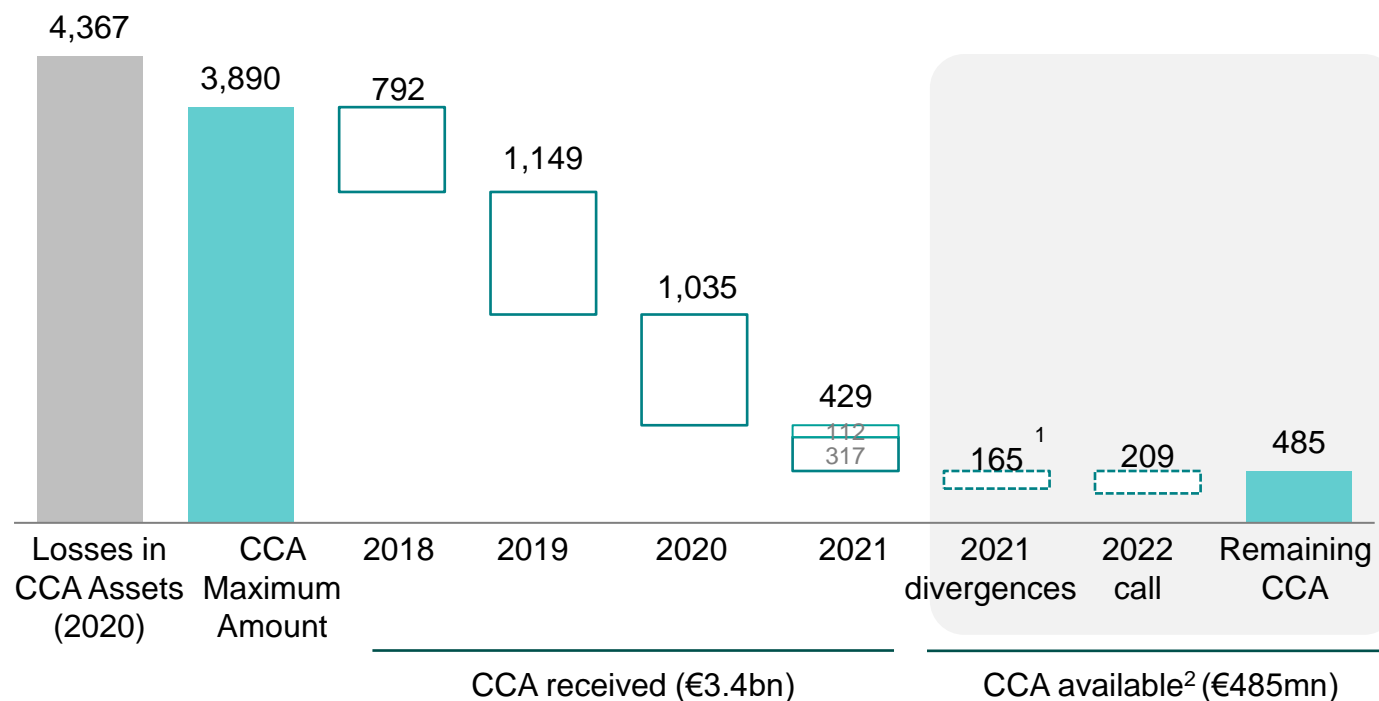
novobanco vs listed banks and average by market



CCA: €485mn available

CCA - Contingent Capital Agreement Compensation amounts

(€ million)



- As agreed during the sale process of novobanco, a Contingent Capital Agreement (“CCA”) was entered into between the Resolution Fund (“FdR”) and the Bank.
- At the time of the sale, a capital injection backstop was agreed between the Portuguese Government and EU.
- novobanco is to be paid up to €3.89bn for losses recognised in a predefined portfolio of assets (“CCA Assets”) and other CCA covered losses (the “CCA Losses”) in case the capital ratios decrease below a pre-defined threshold.

Minimum Capital Condition:

- CET1 or Tier 1 < CET1 or Tier 1 SREP requirement Plus a buffer for the first 3 years (2017 - 2019)
- CET1 < 12%
- The mechanism is in place until Dec-25 (the “CCA Maturity Date”), which date can be extended, under certain conditions, by one additional year.

Moody's and DBRS ratings

June 2022

MOODY'S	Long Term	Short Term
Baseline credit assessment (BCA)	b2	
Adjusted baseline credit assessment (BCA)	b2	
Counterparty risk rating	Ba2	NP
Counterparty risk assessment	Ba2 (cr)	NP (cr)
Deposits	Ba3 Positive Outlook	NP
Senior unsecured debt	B3 Positive Outlook	
Subordinated debt	B3	

April 2022

DBRS	Long Term	Short Term
Intrinsic assessment	B (high)	
Issuer rating	B (high) Trend Stable	R-4 Trend Stable
Deposits	BB (low) Trend Stable	R-4 Trend Stable
Debt	B (high) Trend Stable	R-4 Trend Stable
Critical obligations rating	BB (high) Trend Stable	R-3 Trend Stable
Subordinated Debt	B (low) Trend Stable	

Income Statement	
Fees and commissions	Fees and commissions income less fees and commissions expenses
Commercial banking income	Net interest income and fees and commissions
Capital markets results	Dividend income, gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, gains or losses on financial assets and liabilities held for trading, gains or losses on financial assets mandatorily at fair value through profit or loss, gains or losses on financial assets and liabilities designated at fair value through profit and loss, gains or losses from hedge accounting and exchange differences
Other operating results	Gains or losses on derecognition of non-financial assets, other operating income, other operating expenses, share of the profit or loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method
Banking income	Net interest income, fees and commissions, capital markets result and other results
Operating costs	Staff costs, general and administrative expenses and depreciation and amortisation
Net operating income	Banking income - operating costs
Provisions and impairments	Provisions or reversal of provisions, impairment or reversal of impairment on financial assets not measured at fair value through profit or loss, impairment or reversal of impairment of investment in subsidiaries, joint ventures and associates and impairment or reversal of impairment on non-financial assets
Balance Sheet / Liquidity	
Assets eligible as collateral for rediscount operations with the ECB	The Eurosystem only grants credit against adequate collateral. This collateral consists of tradable financial securities and other types of assets such as nontradable assets and cash. The expression "eligible assets" is used for assets that are accepted as collateral by the Eurosystem.
Securities portfolio	Securities (bonds, shares and other variable-income securities) booked in the trading portfolios at fair value through profit or loss, mandatory at fair value through profit or loss, at fair value through other comprehensive income and at amortised cost.
Due to customers Banco de Portugal Instruction n. 16/2004	Amounts booked under the following balance sheet accounting headings: [#400 - #34120 + #52020 + #53100].
Net ECB funding	Difference between the funding obtained from the European Central Bank (ECB) and the placements with the ECB.
Total Customer Funds	Deposits, other customer funds, debt securities placed with clients and off- balance sheet customer funds.
Off-Balance Sheet Funds	Off-balance sheet funds managed by Group companies, including mutual funds, real estate investment funds, pension funds, bancassurance, portfolio management and discretionary management.
Loan to deposit ratio Banco de Portugal Instruction n. 16/2004	Ratio of [gross loans - (accumulated provisions / impairment for credit)] to customer deposits.

Asset Quality and Coverage Ratios	
Overdue loans ratio	Ratio of overdue loans to total credit.
Overdue loans > 90 days ratio	Ratio of overdue loans > 90 days to total credit.
Overdue loans coverage ratio	Ratio of accumulated impairment on customer loans (on balance sheet) to overdue loans.
Overdue loans > 90 days coverage ratio	Ratio of accumulated impairment on customer loans (on balance sheet) to overdue loans > 90 days.
Coverage ratio of customer loans	Ratio of impairment on customer loans (on balance sheet) to gross customer loans.
Cost of risk	Ratio of credit risk impairment charges accounted in the period to gross customer loans.
Non-performing loans	Total balance of the contracts identified as: (i) in default (internal definition in line with article 178 of Capital Requirement Regulation, i.e., contracts with material overdue above 90 days and contracts identified as unlikely to pay, in accordance with qualitative criteria); and (ii) with specific impairment.
Non-performing loans ratio	Ratio of non-performing loans to the sum of total credit, deposits with banks and Loans and advances to banks
Non-performing loans coverage ratio	Ratio of impairment on customer loans and loans and advances to banks (on balance sheet) to non-performing loans.
Efficiency and Profitability Ratios	
Efficiency (Staff costs / Banking income) Banco de Portugal Instruction n. 16/2004	Ratio of staff costs to banking income (net interest income, securities income, net fees and commissions, capital markets results, income from associated companies and subsidiaries and other operating income and expenses).
Efficiency (Operating costs / Banking income) Banco de Portugal Instruction n. 16/2004	Ratio of operating costs (staff costs, general and administrative expenses and depreciation and amortisation) to banking income (net interest income, securities income, net fees and commissions, capital markets results, income from associated companies and subsidiaries and other operating income and expenses).
Profitability Banco de Portugal Instruction n. 16/2004	Ratio of banking income (net interest income, securities income, net fees and commissions, capital markets results, income from associated companies and subsidiaries and other operating income and expenses) to average net assets.
Return on average net assets Banco de Portugal Instruction n. 16/2004	Ratio of income before tax and non-controlling interests to average net assets.
Return on average equity Banco de Portugal Instruction n. 16/2004	Ratio of income before tax and non-controlling interests to average equity.
Return on tangible equity (RoTE)	Ratio of return for the period and tangible equity. The return corresponds to the annualized result before tax, less the contribution on the banking sector and contributions to resolution funds, being adjusted for events considered extraordinary. Tangible equity calculated as risk weighted assets x 12%.

Designations & abbreviations	
YTD	Year-to-date
YoY	Year-on-Year
ECB	European Central Bank
QE	Quantitative Easing
CRD IV	Capital Requirements Directive 2013
CRR	Capital Requirements Regulation
NIM	Net Interest Margin
€, EUR	euro
€mn	millions of euro
€bn	billions of euro
€k	thousands of euro
bps	basis points
p.p.	percentage points
tCO ₂ e	tonnes of carbon dioxide equivalent
RWA	Risk weighted assets

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