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9M2019 Results

Unaudited financial information

8 November 2019

As in 2018, NOVO BANCO discloses its results up to 30 September 2019 (unaudited) presenting separately the financial results of NOVO BANCO Recurrent, which include all the core banking activity, and those of NOVO BANCO Legacy. NOVO BANCO considers that differentiating between NOVO BANCO Recurrent and NOVO BANCO Legacy will allow customers and other stakeholders to better understand the progress of the Bank's ongoing restructuring.

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Appendix: Balance Sheet and Income Statement

Glossary

9M2019 Highlights:

- ✓ **Growth of recurrent loan volumes (+4.5%; +€1,034mn), building on the positive trend achieved in first half 2019 (+3.1%; +€713mn), with increases in both retail and corporate portfolios, reflecting a normalization of the Bank's activities.**
Corporate +3.9%; Residential Mortgage +5.5%; Consumer and other +3.1%.
 - ✓ **Increase in total customer funds (+1.0%; +€343mn), driven by off-balance sheet products distributed through the retail network.**
 - ✓ **Progress to sustainable profitability.**
Recurrent net income +€140.1mn; Recurrent net interest income €361.3mn (Sep. 18: €281mn).
 - ✓ **Continued focus on cost control while investing in the core business and in Digital transformation.**
Recurrent operating costs €351.5mn (Sep. 18: €345.6mn).
 - ✓ **Pursuing the strategy of reducing non-performing assets.**
Reduction non-performing loans by €868.0mn (-12.9%) and real estate assets of €662.9mn (-32.6%). In addition, taking into account the progress made in the recent sale of non-performing loans portfolio (NATA II) the non-performing loans ratio would be 16% pro-forma as at September 2019 (Dec. 18: 22.4%).
 - ✓ **NOVO BANCO has completed the sale of GNB Vida to GBIG Portugal, S.A., with an impact of reducing the Group's legacy net assets by €4,076mn.**
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Portuguese Economy – Highlights

Note prepared in October 2019

MAIN ECONOMIC THEMES

- With resilient domestic demand and a positive contribution from net external demand, GDP growth is expected at 1.8%-2% in 2019 vs. 1.1% in the Euro Area (and vs. 2.4% in 2018).
- Unemployment rate at 6.2% in August 2019. Tourism remains strong. Resilient house price growth (10.1% YoY in Q2 2019).
- Resilient economic activity, political stability and improvements in public accounts and in the banking sector have contributed to upward revisions in the sovereign rating, to BBB by S&P and Fitch, Baa3 by Moody's and BBB (high) by DBRS.
- The 10Y PGB yield fell to 0.2% in October (1.7% in December 2018). The 10Y spread vs. Bund stood at 58 bps, below Spain.

OUTLOOK

- After a 1.8%-2% reading in 2019, GDP should grow around 1.5% in 2020, with a lower contribution from domestic demand, only partially compensated by a less negative contribution from net external demand.
- A less supportive external environment should also contribute to a moderation in activity. But favourable financing conditions and strong (even if moderating) tourism activity should continue to support growth. Fiscal policy should remain focused on improving the budget deficit and lowering public debt.
- The economy remains vulnerable to negative external shocks. Growth remains constrained by high indebtedness levels and by ongoing adjustments in the banking sector.

PUBLIC AND EXTERNAL ACCOUNTS

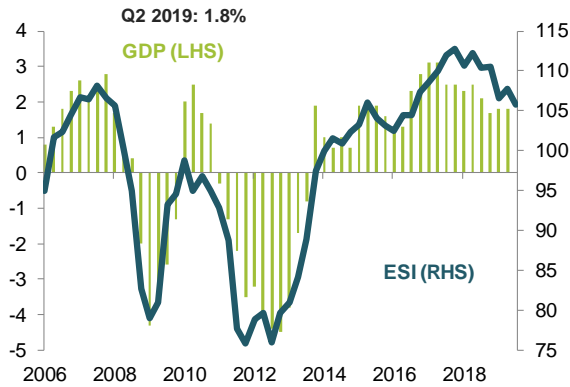
- The budget balance is expected to improve from -0.4% to around 0% of GDP in 2019, or from 0% to around 0.6% excluding one-offs. The primary balance is expected to improve from 2.9% to 3.3% of GDP.
- Public debt should fall from 122% to 118.5% of GDP in 2019. A further decline is expected in 2020, to around 116% of GDP. Close to 90% of 2019 PGB financing needs had been covered by mid-October.
- The external balance stood at 0.4% of GDP (surplus) in the year to Q2 2019, down from 1.2% of GDP in 2018. A further gradual decline is expected, bringing the net external financing capacity to around 0% of GDP in 2019-2020.

MAIN RISKS

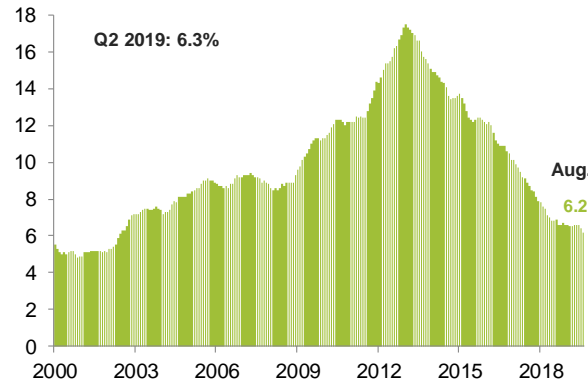
- US-China and/or US-EU trade war. Disruptive Brexit, leading to a recession in the UK and the Euro Area. Higher oil prices.
- Financial market instability. Market correction, with negative confidence and wealth effects. Asset re-pricing in financial and housing markets.
- Domestic political instability, with lack of support to the minority Government in Parliament. Difficulties in achieving further structural fiscal consolidation. Economic and fiscal impacts of the ongoing adjustments in the banking sector.
- Stronger than expected growth could come from short term effects of an expansionary fiscal policy in the Euro Area.

Portuguese Economy – Highlights

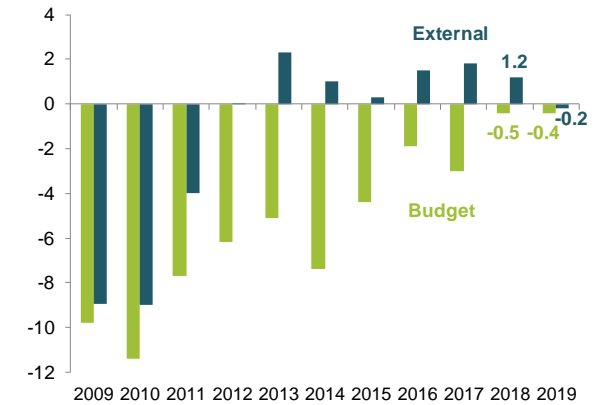
Economic Sentiment Indicator vs. GDP growth (% YoY).



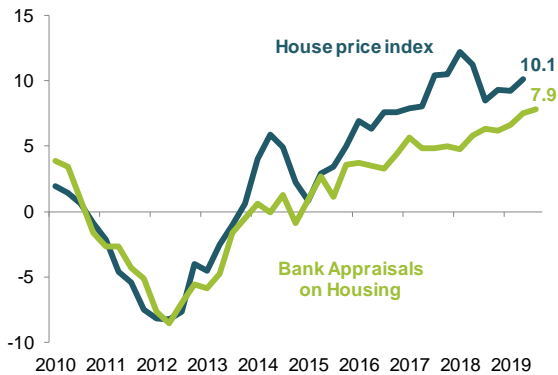
Unemployment rate (% of labour force).



Budget and external balances (% GDP).



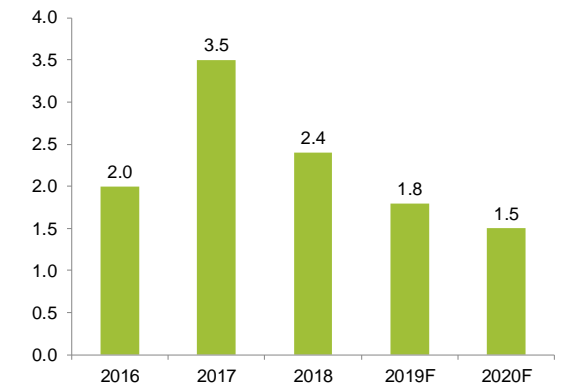
House Price Index (% YoY).



PGB 5Y and 10Y yields (%).



GDP growth (%).



(1) Based on domestic and export order books, industrial production, share prices and unfilled job vacancies. **Sources:** INE, European Commission, Bank of Portugal, Bloomberg, OECD, NB Economic Research.

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NOVO BANCO Recurrent

Net Income amounts to €140.1mn

- Positive Net Income of +€140.1mn, an increase of +€101.3mn compared to the same period of the previous year.

- Main highlights:

- Positive performance of Net Interest Income (+€80.3mn).
- Very significant improvement in fair value reserves were offset by the lower capital markets results.

Income Statement (€mn)	9M2018* (pro-forma)	9M2019	Change	
			absolute	relative
+ Net Interest Income	281.0	361.3	80.3	28.6%
+ Fees and Commissions	233.0	227.3	(5.7)	(2.4%)
= Commercial Banking Income	514.0	588.6	74.6	14.5%
+ Capital Markets Results	28.8	10.3	(18.5)	(64.3%)
+ Other Operating Results	26.8	(25.1)	(51.9)	-
= Banking Income	569.6	573.8	4.2	0.7%
- Operating Costs	345.6	351.5	5.9	1.7%
= Net Operating Income	224.0	222.2	(1.8)	(0.8%)
<i>Core Operating Income**</i>	<i>168.4</i>	<i>237.1</i>	<i>68.7</i>	<i>40.8%</i>
- Net Impairments and Provisions	58.2	94.8	36.6	62.9%
= Income before Taxes	165.8	127.5	(38.4)	(23.1%)
- Tax and Bank Levy	126.1	(12.8)	(138.9)	-
- Non-controlling interest	0.9	0.2	(0.7)	(79.5%)
= Net Income for the Period	38.8	140.1	101.3	-

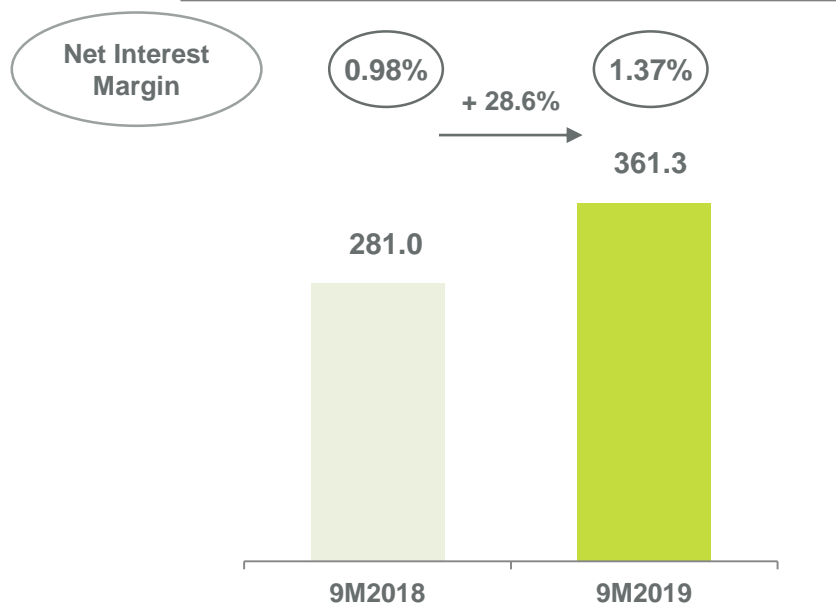
* Data as of 30 September 2018 restated to reflect the change of the initial recognition of liabilities related to the LME operation concluded in the last quarter of 2017.

** Commercial Banking Income minus Operating Costs.

NOVO BANCO Recurrent

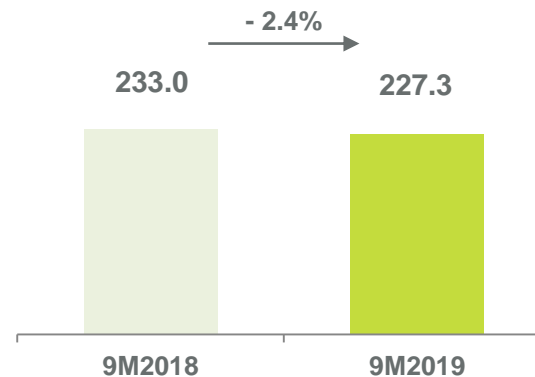
Net interest Income increases by 28.6% YoY

Net Interest Income (NII, €mn)



- NII increased by €80.3mn, to €361.3mn, benefiting from the positive contribution of the optimisation measures implemented in 2018, increase of credit volumes and continued focus on pricing policy.

Fees and Commissions (€mn)



- Fees and Commissions on banking services were stable contributing with €227.3mn which compares with €233.0mn on 30 September 2018.

NOVO BANCO Recurrent

Assets increased by 5.4% in 9M2019

€mn

	Sep-18 * (pro-forma)	Dec-18	Sep-19	YtD Change	
				absolute	relative
Customer loans (net)	22 157	22 465	23 360	895	4.0%
Real estate	354	374	336	- 38	-10.3%
Other assets	18 261	14 777	15 959	1 182	8.0%
Total Net Assets	40 772	37 616	39 655	2 039	5.4%
Total Liabilities and Equity	40 772	37 616	39 655	2 039	5.4%

* Data as at 30 September 2018 restated to reflect the change of the initial recognition of liabilities related to the LME operation concluded in the last quarter of 2017.

- **NOVO BANCO Recurrent** assets increased by €2,039mn (+5.4%) with net customer loans growing by 4.0% (+€895mn) building on the positive trend achieved in the first half of 2019 (+3.1%: +€713mn), with increases in all loan portfolios (loans to individuals and corporate loans).

NOVO BANCO Recurrent

Customer loans (gross) increased by 4.5% in 9M2019



CUSTOMER LOANS	Sep-18 (pro-forma)	Dec-18	Sep-19	YtD Change	
				absolute	relative
Customer Loans (gross)	22 817	23 077	24 111	1 034	4.5%
Corporate	12 251	12 447	12 931	484	3.9%
Residential Mortgage	9 277	9 329	9 840	511	5.5%
Consumer finance and other	1 289	1 301	1 340	40	3.1%
Non-Performing Loans (NPL)*	1 376	1 309	1 406	97	7.4%
Impairment	660	612	751	139	22.7%
NPL Ratio*	5.2%	5.4%	5.6%	0.2 p.p.	...
NPL coverage*	48.0%	46.8%	53.5%	6.7 p.p.	...
Cost of Risk (bps)	- 63	17	72	55	...

■ **Growth of recurrent loan volumes +4.5%:**

Corporate +3.9%; Residential Mortgage +5.5%; Consumer and other +3.1%

- **continued support to domestic companies**, across all economic sectors (including industry, retail, real estate activities and tourism, and services), with a special focus on SMEs.
- in a **competitive market in retail and corporate banking**,
- and **remaining focused on pricing discipline**.

NOVO BANCO Legacy

Income Statement reflects the medium-term strategy of deleverage of legacy assets

- Loss of -€712.4mn, including -€395mn of losses related to the sale of assets (project Sertorius - sale of real estate; project Albatros - sale of real estate and non-performing loans in Spain; project NATA II - sale of non-performing loans and related assets; and GNB Vida).

Income Statement (€mn)	9M2018* (pro-forma)	9M2019	Change	
			absolute	relative
+ Net Interest Income	48.4	40.4	(7.9)	(16.4%)
+ Fees and Commissions	3.6	2.2	(1.4)	(38.2%)
= Commercial Banking Income	51.9	42.6	(9.3)	(17.9%)
+ Capital Markets Results	(21.1)	(54.6)	(33.5)	-
+ Other Operating Results	(44.5)	(171.3)	(126.8)	-
= Banking Income	(13.7)	(183.3)	(169.6)	-
- Operating Costs	17.9	10.2	(7.7)	(42.9%)
= Net Operating Income	(31.6)	(193.5)	(161.9)	-
- Net Impairments and Provisions	398.0	546.1	148.1	37.2%
= Income before Taxes	(429.6)	(739.6)	(310.0)	(72.2%)
- Taxes and Bank Levy	0.0	(11.3)	(11.3)	-
- Non-controlling interest	0.1	(15.9)	(16.0)	-
= Net Income for the Period	(429.8)	(712.4)	(282.7)	(65.8%)

* Data as of 30 September 2018 restated to reflect the change of the initial recognition of liabilities related to the LME operation concluded in the last quarter of 2017.

NOVO BANCO Legacy

Legacy assets decreased by 51.5% in 9M2019

€mn

	Sep-18 * (pro-forma)	Dec-18	Sep-19	YtD Change	
				absolute	relative
Customer loans (net)	2 981	2 289	1 716	- 573	-25.0%
Real estate	1 890	1 661	1 036	- 625	-37.6%
Other assets	6 972	6 708	2 418	-4 290	-63.9%
Total Net Assets	11 843	10 658	5 171	-5 487	-51.5%
Total Liabilities and Equity	11 843	10 658	5 171	-5 487	-51.5%

* Data as at 30 September 2018 restated to reflect the change of the initial recognition of liabilities related to the LME operation concluded in the last quarter of 2017.

- Legacy assets decreased by 51.5% compared to December 2018.** This was underpinned by reductions in the net loan book of circa -€573mn (-25.0%), in real estate assets amounting to -€625mn (-37.6%) and in other assets in -€4,290mn (-63.9%), of which -€4,076mn due to the derecognition of GNB Vida.

NOVO BANCO combined 9M2019 Consolidated Results

- **Net loss of €572.3mn** reflecting the combined effect of a **-€712.4mn loss in legacy activity** and a **€140.1mn gain in recurrent activity**.
- In this period, **NBG recorded losses related to the restructuring process and the deleverage of non-performing assets**, namely projects Sertorius, Albatros, NATA II, and the sale process of GNB Vida, with a negative impact of **-€391mn**.
- **Core Operating Income** increased by 33.1%:**
 - **Increased Commercial Banking Income €631.2mn** (+11.5% YoY), supported by the increase in the net interest income (+22.0%), which made up for the reduction in fees and commissions (-3.0%).
 - **Operating Costs decreased by 0.5% YoY** underpinned by improvements made in simplifying processes and streamlining the organisation.

Income Statement (€mn)	9M2018*	9M2019	Change	
			absolute	relative
+ Net Interest Income	329.4	401.7	72.3	22.0%
+ Fees and Commissions	236.6	229.5	(7.0)	(3.0%)
Commercial Banking Income	565.9	631.2	65.3	11.5%
+ Capital Markets Results	7.8	(44.3)	(52.0)	-
+ Other Operating Results	(17.7)	(196.5)	(178.7)	-
= Banking Income	555.9	390.5	(165.4)	(29.8%)
- Operating Costs	363.5	361.8	(1.7)	(0.5%)
= Net Operating Income	192.4	28.7	(163.7)	(85.1%)
Core Operating Income **	202.4	269.4	67.1	33.1%
- Net Impairments and Provisions	456.2	640.9	184.7	40.5%
= Income before Taxes	(263.8)	(612.2)	(348.4)	-
- Tax and Bank Levy	126.1	(24.1)	(150.2)	-
- Non-controlling interest	1.0	(15.7)	(16.7)	-
= Net Income for the Period	(390.9)	(572.3)	(181.4)	(46.4%)

Note: NOVO BANCO consolidated data.

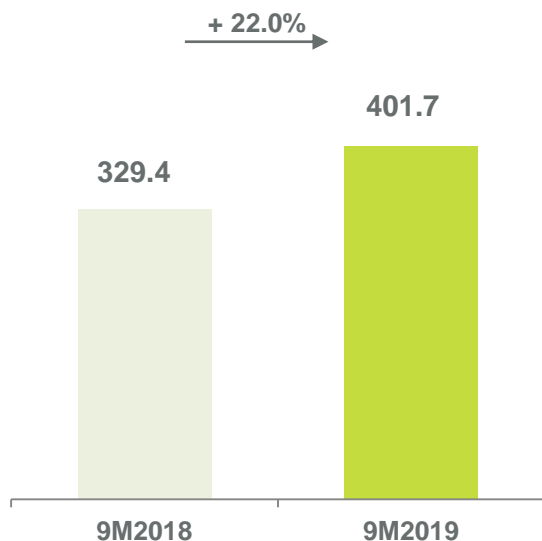
* Restated to reflect the change of the initial recognition of liabilities related to the LME operation concluded in the last quarter of 2017.

** Commercial Banking Income minus Operating Costs.

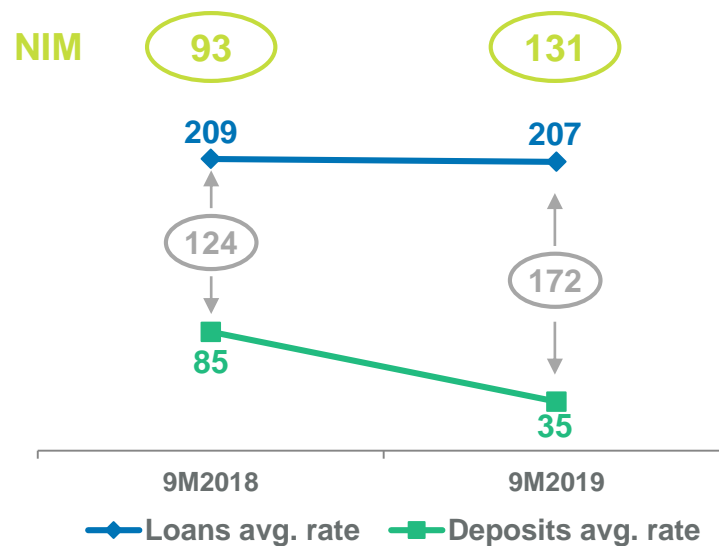
NOVO BANCO combined

Net interest Income increased by 22.0% YoY

Net Interest Income (NII, €mn)



Average Rates and Net Interest Margin (bps)



- NII increased by 22.0% YoY benefiting from:
 - Increase in NIM by 38bps to 1.31%.
 - Reduction in interest rate on liabilities (-30bps).
 - Increase in interest rate on assets by 5bps.

NOVO BANCO combined

NIM* improving reflecting the positive contribution of the optimisation measures implemented in 2018

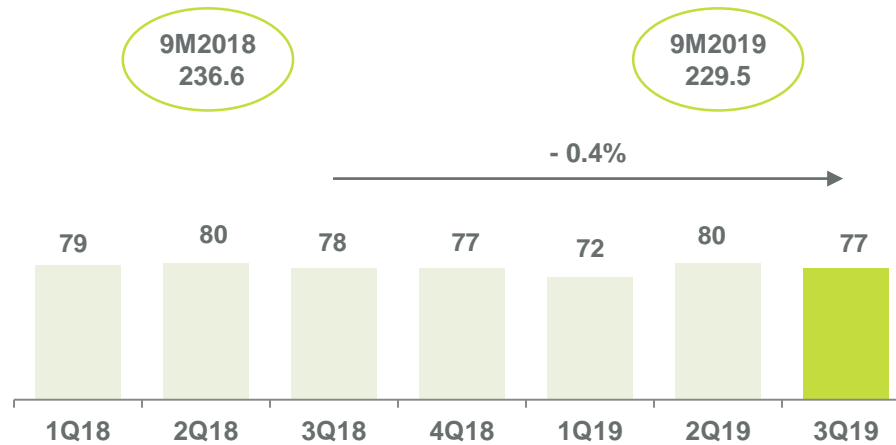
€mn

NET INTEREST INCOME AND NET INTEREST MARGIN	9M2018			9M2019		
	Average Balance	NII	Avg Rate	Average Balance	NII	Avg Rate
INTEREST EARNING ASSETS	42,488	571	1.77%	40,335	558	1.82%
Loans to Customers	30,917	491	2.09%	28,783	452	2.07%
Money Market Placements	2,743	18	0.85%	1,342	14	1.40%
Securities and Other Assets	8,828	62	0.93%	10,210	91	1.18%
INTEREST EARNING ASSETS & OTHER	42,488	571	1.77%	40,335	558	1.82%
INTEREST BEARING LIABILITIES	38,429	254	0.87%	37,719	149	0.52%
Customer Deposits	28,865	187	0.85%	27,930	75	0.35%
Debt Issued and Others	1,105	45	5.39%	1,076	55	6.70%
Money Market Funding and derivatives	8,459	22	0.35%	8,713	19	0.29%
Other non-interest bearing liabilities	4,059	-	-	2,616	-	-
INTEREST BEARING LIABILITIES & OTHER	42,488	254	0.79%	40,335	149	0.49%
NII / NIM (before Stage 3 impairment)		317	0.98%		409	1.34%
Stage 3 impairment		-16	-		-7	-
NII / NIM		301	0.93%		402	1.31%

NIM: Net Interest Margin; NII: Net Interest Income

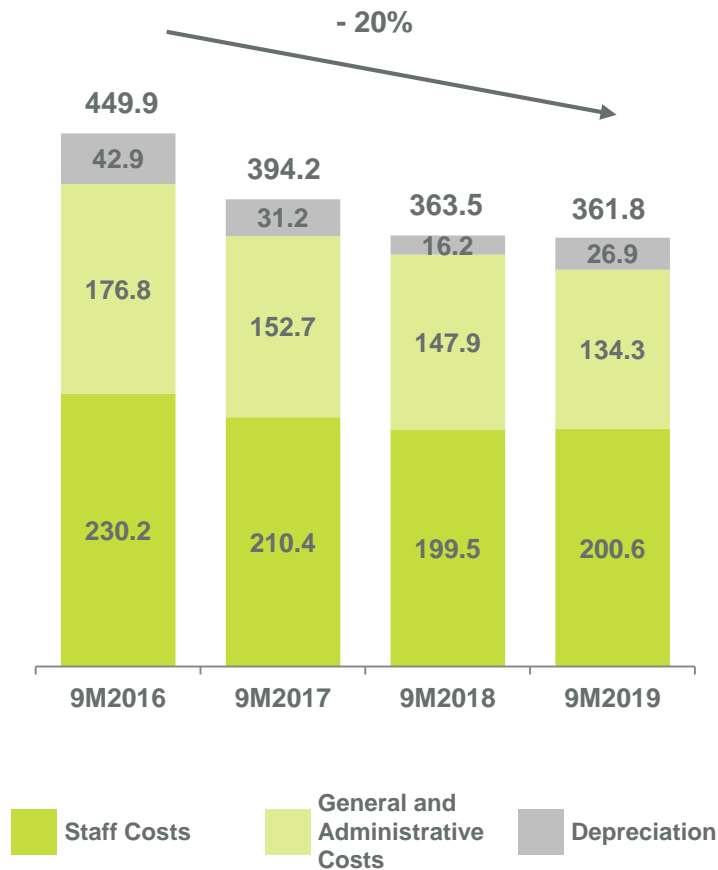
NOVO BANCO combined Fees and Commissions stable QoQ

Fees and Commissions (€mn)

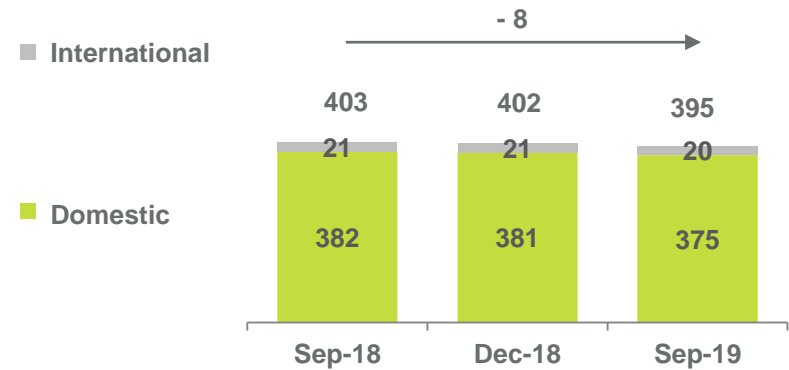


NOVO BANCO combined Operating Costs with a reduction in the 9M2019 reflecting the restructuring implemented

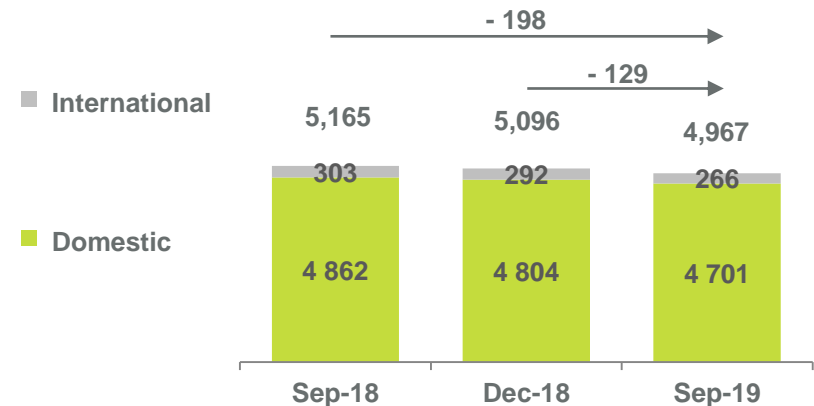
Operating Costs (€mn)



Branch Network



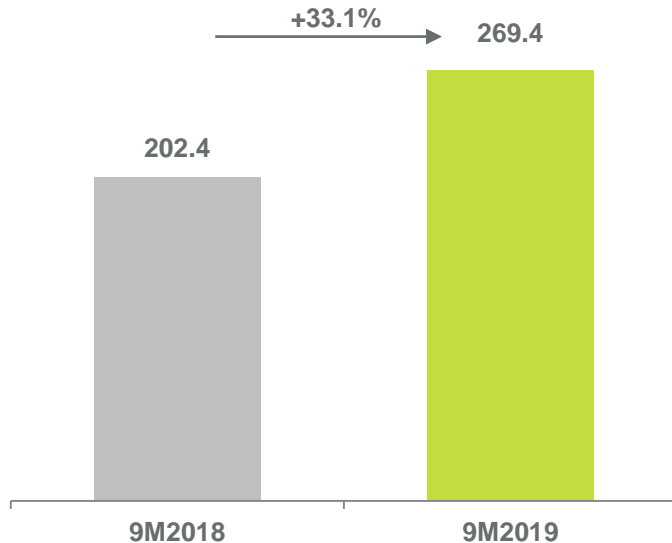
Employees



NOVO BANCO combined Core Operating Income grew by 33.1% YoY

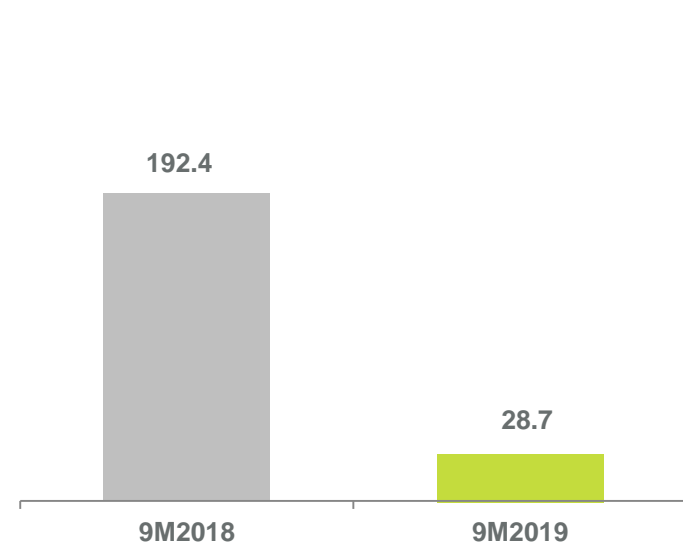
Core Operating Income

(Commercial Banking Income – Operating Costs, €mn)



Net Operating Income

(Banking Income – Operating Costs, €mn)



- Core operating income increasing YoY by 33.1% driven by the commercial banking income increase of 11.5% and decreasing operating costs (-0.5%).
- Positive net operating income (before provisions and taxes) of €28.7mn, but reflecting the deleverage of non-performing assets.

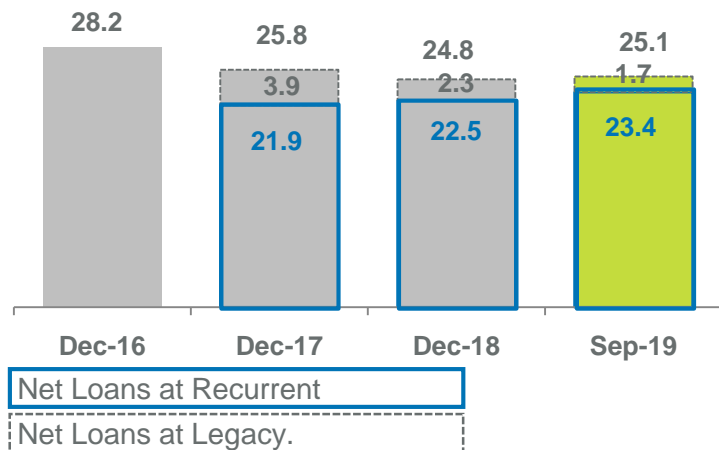
NOVO BANCO combined Consolidated Balance Sheet

Assets (€mn)	Dec-18	Sep-19	YtD Change	
			absolute	relative
Loans and advances to banks	1 401	1 372	- 29	-2.1%
Customer loans	24 754	25 076	322	1.3%
Securities portfolio	10 875	12 412	1 538	14.1%
Non-current assets held for sale (incl. discontinued operations)	4 092	45	-4 047	-98.9%
Current and deferred tax assets	1 203	932	- 271	-22.6%
Other assets	5 949	4 989	- 960	-16.1%
Total Assets	48 274	44 826	-3 448	-7.1%
Liabilities and Equity (€mn)	Dec-18	Sep-19	YtD Change	
			absolute	relative
Due to central banks and banks	8 356	8 762	407	4.9%
Customer deposits	28 350	28 048	- 302	-1.1%
Debt securities	1 104	1 106	2	0.2%
Non-current liabilities held for sale (incl. discontinued operations)	4 438	2	-4 436	-99.9%
Other liabilities	2 104	2 701	598	28.4%
Total Liabilities	44 352	40 620	-3 731	-8.4%
Equity	3 922	4 206	283	7.2%
Total Liabilities and Equity	48 274	44 826	-3 448	-7.1%

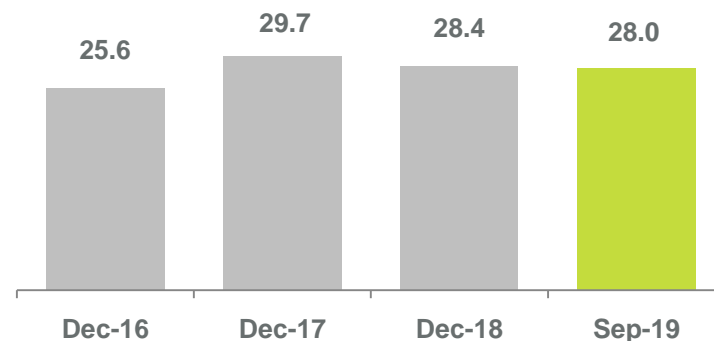
- Net customer loans growth by 1.3% YtD with a growth of 4.0% in the Recurrent activity.
- Deposits (62.6% of Total Funding) decrease slightly by 1.1% while **NOVO BANCO** pursued its policy of lowering the price of the deposits.
- At the end of September 2019, total customer funds amounted to €34.9bn, with Off-Balance Sheet products having increased by 11.9% YtD.

NOVO BANCO combined Comfortable liquidity position

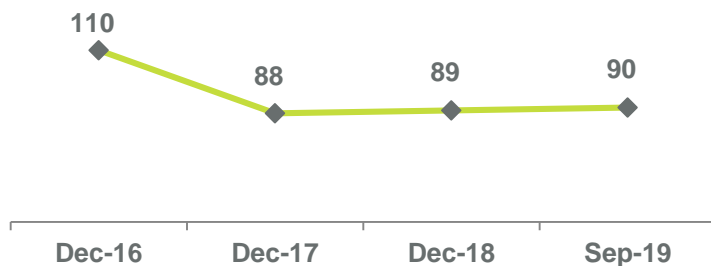
Net Loans (€ billion)



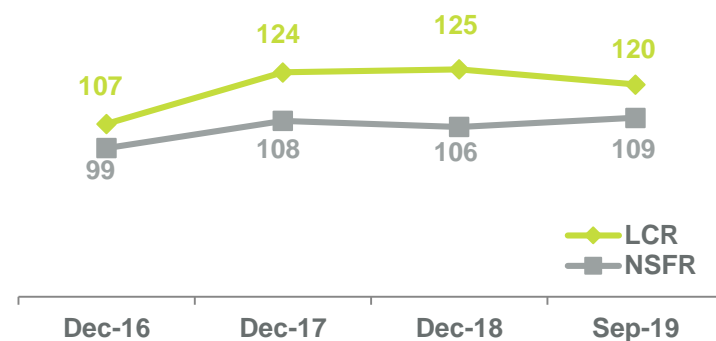
Customer Deposits (€ billion)



Loan to Deposit Ratio (%)

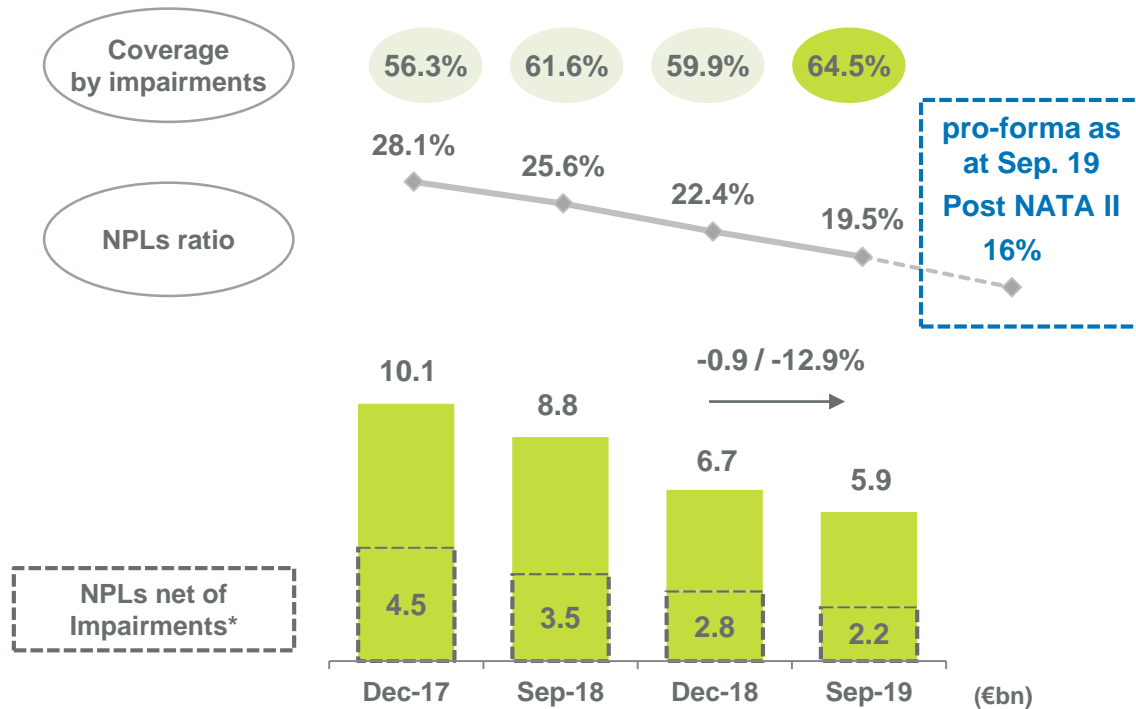


Liquidity Ratios ⁽¹⁾ (%)



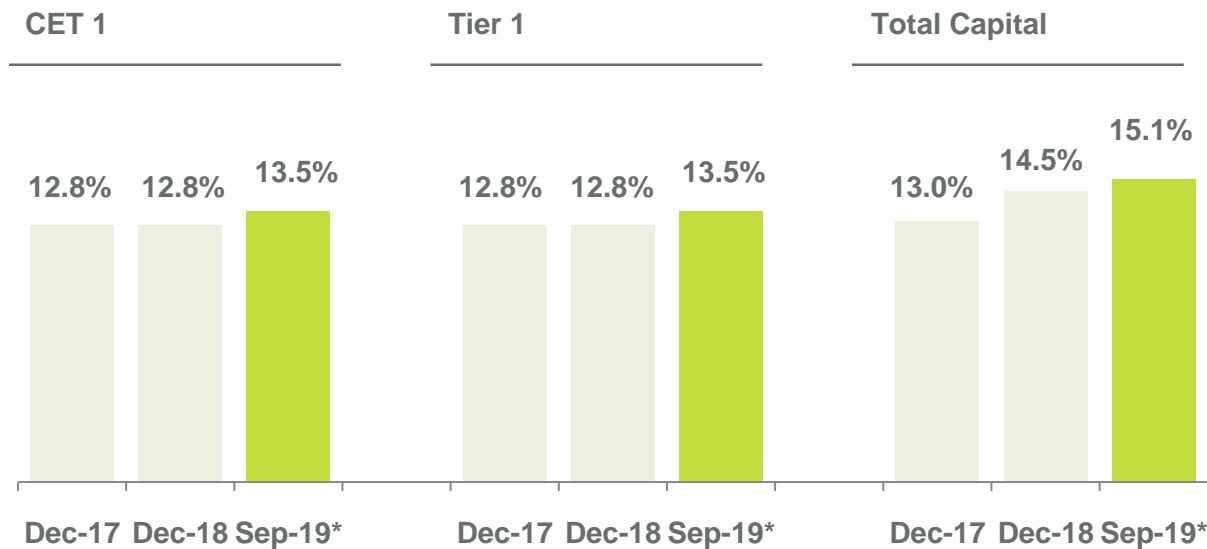
NOVO BANCO combined

Asset quality reflecting the deleveraging strategy



- Non-Performing Loans (NPLs) decreased €0.9bn comparing to Dec-18 to €5.9bn in Sep-19, and with a coverage of NPLs by impairments of 64.5%.
- NPLs ratio improved 6.1pp from Sep-18 to 19.5%.

NOVO BANCO combined Capital Ratios evolution



- As at 30 September 2019, **NOVO BANCO** complied with all capital ratios required by the European Central Bank (ECB) under the Supervisory Review and Evaluation Process (SREP).
- **NOVO BANCO**'s Common Equity Tier 1 (CET1) and Tier 1 ratios are protected up to the amount of losses already recorded on the assets protected by the Contingent Capital Agreement (CCA).

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9M2019 Summary:

- ✓ **Growth of recurrent loan volumes (+4.5%; +€1,034mn), building on the positive trend achieved in first half 2019 (+3.1%; +€713mn), with increases in both retail and corporate portfolios, reflecting a normalization of the Bank's activities.**
 - ✓ **Increase in total customer funds (+1.0%; +€343mn), driven by off-balance sheet products distributed through the retail network.**
 - ✓ **Progress to sustainable profitability.**
Recurrent net income +€140.1mn; Recurrent net interest income €361.3mn (Sep. 18: €281mn).
 - ✓ **Continued focus on cost control while investing in the core business and in Digital transformation.**
 - ✓ **Pursuing the strategy of reducing non-performing assets. NOVO BANCO Legacy assets decreased by 51.5% compared to December 2018 with reduction of net loans (-573mn), real estate assets (€625mn), and in other assets (-€4,290mn, of which -4,076mn due to the sale and derecognition of GNB Vida.**
-

Agenda

Highlights

Portuguese Economy

Results and activity in 9M2019

Summary

Appendix: Balance Sheet and Income Statement

Glossary

Awards and Market Recognition

*Best
Trade Finance Bank
Award*



*Best
Sub-Custodian Bank
Award*



- #1 Best Overall Forecaster – Eurozone
- #2 Best Overall Forecaster – Portugal
- #1 GDP Forecaster – Portugal
- #1 Interest Rate Forecaster – Portugal
- #1 Fiscal Balance Forecaster – Portugal



*2019 Best Domestic
Euro Bond Fund
GNB GA
NB Obrigações Europa
FIMAO*



- Melhor Outro Fundo de Obrigações
NB Euro Bond
- Melhor Fundo PPR com Risco 3
NB PPR
- Melhor Fundo de Pensões Aberto com Risco 2
Multireforma Capital Garantido
- Melhor Fundo de Pensões Aberto com Risco 3
Multireforma

Consolidated Balance Sheet

(€mn)	30 Sep.19	31 Dec.18	30 Sep.19	31 Dec.18
Cash, cash balances at central banks and other demand deposits	910	978		
Financial assets held for trading	876	844		
Financial assets mandatorily at fair value through profit or loss	1,562	1,566		
Financial assets designated at fair value through profit or loss	-	-		
Financial assets at fair value through other comprehensive income	8,887	7,661		
Financial assets at amortised cost	27,125	26,533		
Debt securities	1,658	1,389		
Loans and advances to credit institutions	462	423		
Loans and advances to customers	25,005	24,721		
Derivatives – Hedge accounting	6	1		
Fair value changes to the hedged items in portfolio hedge of interest rate risk	72	34		
Investments in subsidiaries, joint ventures and associates	93	119		
Tangible assets	952	1,241		
Tangible fixed assets	189	142		
Investment properties	763	1,098		
Intangible assets	16	5		
Tax assets	932	1,203		
Current tax assets	3	7		
Deferred tax assets	929	1,197		
Other assets	3,351	3,996		
Non-current assets and disposal groups classified as held for sale	45	4,092		
Total Assets	44,826	48,274		
Financial liabilities held for trading			680	493
Financial liabilities designated at fair value through profit or loss			101	97
Financial liabilities measured at amortised cost			38,596	38,336
Due to banks			8,762	8,356
Due to customers			28,469	28,695
Debt securities issued and subordinated debt and liabilities associated with transferred assets			1,050	1,052
Other financial liabilities			315	234
Derivatives – Hedge accounting			80	36
Provisions			279	426
Tax liabilities			20	18
Current tax liabilities			13	12
Deferred tax liabilities			7	6
Other liabilities			862	507
Liabilities included in disposal groups classified as held for sale			2	4,438
Total Liabilities			40,620	44,352
Capital			5,900	5,900
Other comprehensive income – accumulated			(567)	(791)
Retained earnings			(6,115)	(4,682)
Other reserves			5,523	4,873
Profit or loss attributable to parent company shareholders			(572)	(1,413)
Minority interests (Non-controlling interests)			37	35
Total Equity			4,206	3,922
Total Liabilities and Equity			44,826	48,274

Consolidated Income Statement

(€mn)

	30 Sep. 2019	30 Sep. 2018*
Net interest income	401.7	329.4
Dividend income	9.1	8.9
Fee and commission income	262.1	273.6
Fee and commission expense	(40.0)	(44.0)
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	64.0	33.7
Gains or losses on financial assets and liabilities held for trading	(102.5)	(2.7)
Gains or losses on financial assets mandatorily at fair value through profit or loss	(26.4)	29.5
Gains or losses on financial assets and liabilities designated at fair value through profit and loss	-	(1.1)
Gains or losses from hedge accounting	(17.1)	(47.9)
Exchange differences	23.5	27.9
Gains or losses on derecognition of non-financial assets	(3.0)	24.6
Other operating income	120.2	137.3
Other operating expenses	(330.7)	(215.6)
Operating Income	360.7	553.6
Administrative expenses	(334.9)	(347.3)
Staff expenses	(200.6)	(199.5)
Other administrative expenses	(134.3)	(147.9)
Depreciation	(26.9)	(16.2)
Provisions and impairments	(640.9)	(456.2)
Share of the profit or loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	1.6	4.9
Income before taxes	(640.4)	(261.2)
Tax expenses or income related to profit or loss from continuing operations	51.2	(98.8)
Current tax	(6.4)	(6.1)
Deferred tax	57.6	(92.8)
Profit or loss after tax from continuing activities	(589.2)	(360.0)
Discontinued operations profit or loss	1.1	(29.9)
Profit or loss for the period	(588.0)	(389.9)
Attributable to minority interest (non-controlling interests)	15.7	(1.0)
Net income attributable to shareholders of the Bank	(572.3)	(390.9)

Glossary (1/3)

GLOSSARY

Income Statement

Fees and commissions	Fee and commission income less fee and commission expense
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 results 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.

Glossary (2/3)

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 and cash and deposits with banks and Loans and advances to banks
Non-performing loans coverage ratio	Ratio of impairment on customer loans (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.

Glossary (3/3)

Designations and abbreviations

NB	NOVO BANCO
NBG	NOVO BANCO Group
YTD	Year-to-date
YoY	Year-on-Year
ECB	European Central Bank
QE	Quantitative Easing
NIM	Net Interest Margin
€ , EUR	euro
€mn	millions of euro
€bn	billions of euro
bps	basis points
p.p.	percentage points

Disclaimer

This document may include some statements related to the NOVO BANCO Group that do not constitute a statement of financial results or other historical information. These statements, which may include forward-looking statements, targets, objectives, forecasts, estimates, projections, expected cost savings, statements regarding possible future developments or results of operations, and any forward-looking statement that includes statements such as "believes", "expects", "aims or intends", "may" or similar expressions, constitute or may constitute forward-looking statements.

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 NOVO BANCO 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 contains unaudited information for 2018 and 1st nine months 2019.



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