



Results Presentation 1Q20

Unaudited financial information

05 June 2020

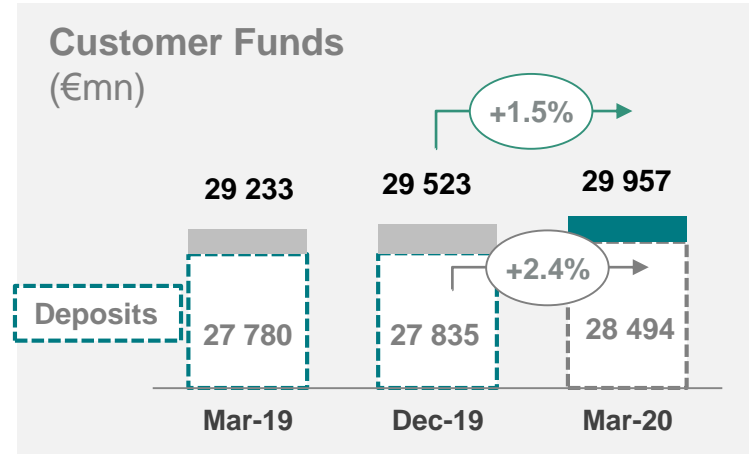
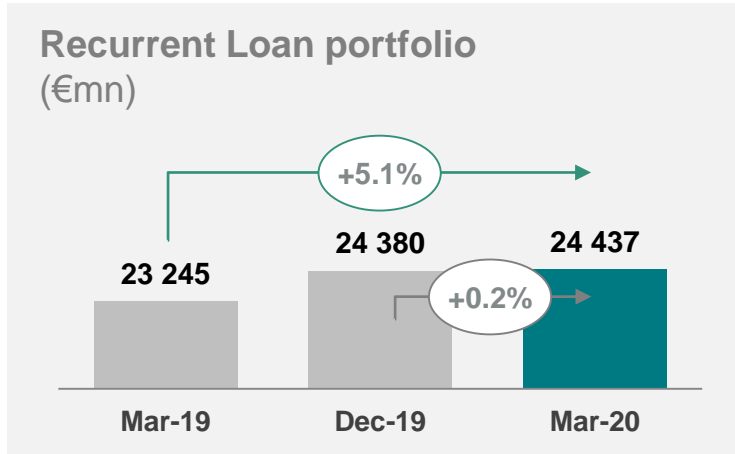


Agenda

1. 1Q20 Highlights
2. Covid-19: Opened to the economy
3. Results and Activity 1Q20
4. Appendix

Core Operating Income increases by 20.1% YoY

NOVO BANCO is well capitalized with strong liquidity and is well positioned to support its retail and business customers

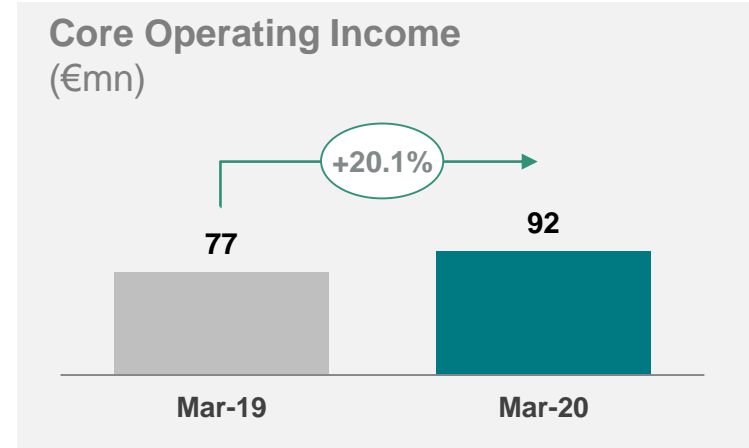


Recurrent Commercial Banking Income (€mn)

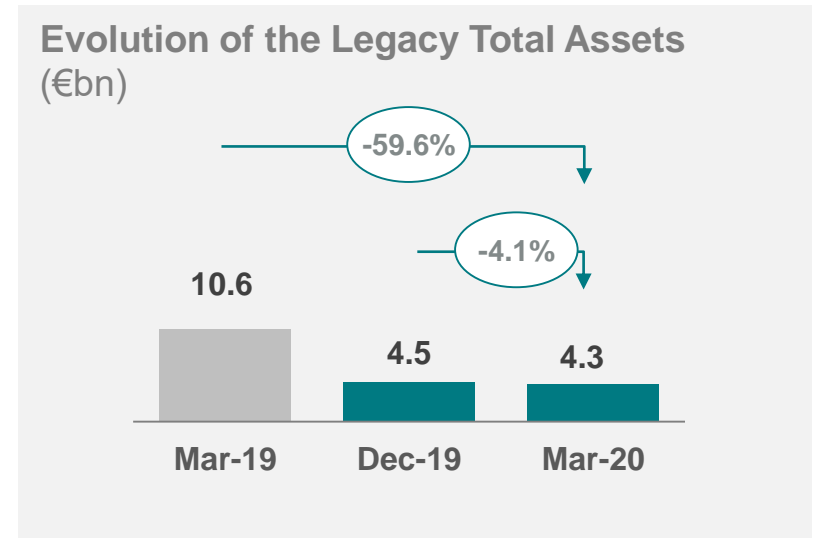
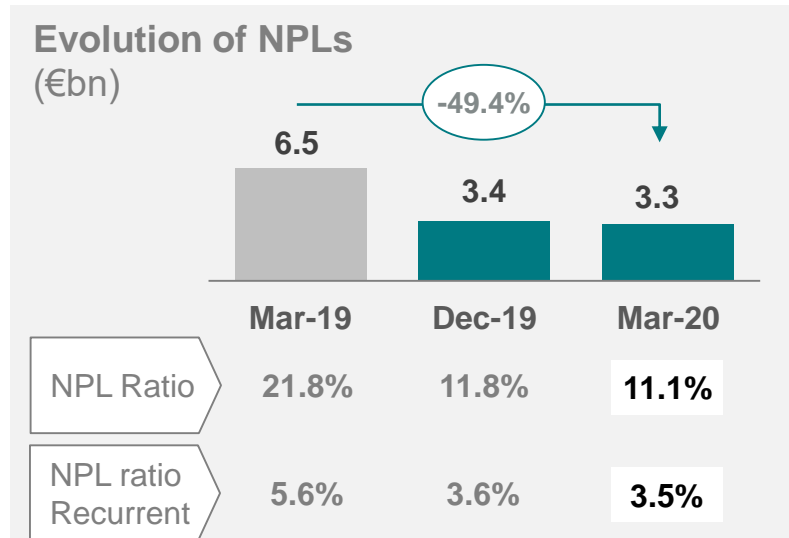
Mar-19	Mar-20	% YoY
188	197	+4.8%

Recurrent Operating Costs (€mn)

Mar-19	Mar-20	% YoY
116	114	-2.3%



1Q20 impacted by Covid-19 while continuing reducing NPLs and Legacy assets



Covid-19 impact in 1Q20 results and activity:

The resulting banking activity slowdown and market volatility led to:

- €70mn additional Covid-19 driven impairments implying an higher cost of risk. This elevated level of impairment is expected to continue in the coming quarters;
- €59mn losses due to interest rate hedges in sovereign debt portfolio taken through P&L and €61mn reduction in unrealized profits.

Excluding these impacts, the recurrent bank was profitable in the first quarter of 2020.

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Opened to the future and the economy: NOVO BANCO's response to Covid-19

Since the beginning of the Covid-19 pandemic, NOVO BANCO has assumed the fundamental role of supporting the Portuguese economy and society, leveraging on its strategic axes:

- . essential
- . convenient
- . proximity
- . innovative

With a transversal approach to the lives of families and companies and to our clients' businesses, **"We are Open"**, ensuring:

**Promptness
and availability**

to present concrete and effective solutions to the challenges of the current context

**Economic
recovery support**

recognizing that each individual, family, company and community is part of the country's productive capacity



Support measures for clients and the economy

Financial support and waiving of fees

Financial support

- Legal moratoriums and State guaranteed credit lines;
- Set of liquidity and financing support solutions
- Sectoral loan moratoriums (APB protocol)
- Funding solutions for payment of salaries for companies in Simplified Lay-off regime.

€1.2bn in COVID credit lines*
(18.3% market share)

56,000 approved moratoriums*
(€6.1bn nominal amount)

Waiving of Fees

Launch of a temporary package of products and services, including:

- cost exemption for POS transactions and low value payments;
- cost exemption on digital channels
(eg: interbank transfers, service payments, cash advance and MBWay transfers, 1st annuity exemptions).

Support measures for clients and the economy

Digital channels and streamlining processes

Branches, digital channels and ATMs have remained operational since the beginning of the pandemic, continuing to serve and respond quickly to customer needs.

Strong customer adoption to remote and digital channels:

Anticipating the increased use of digital and remote channels:

- Reinforcement of technological support for transactions through electronic means of payment;
- Release of new forms of remote formalization;
- Call center service strengthening capacity, with the inclusion of 20 branches in the service

4.7
Best rated application
in app stores *

+52%
digital sales
until may 2020

Call center
team reinforcement
and creation of
dedicated email

+45%
of online transfers
between the 1st and
2nd half of March

Protection of clients, employees and support to the community

Clients & Employees

- Adoption of Health Authorities recommendations and provision of personal protective equipment;
- ~100% of the branches remained open with controlled access for protection of customers;
- Implementation of new ways of working that allowed to maintain service levels without disruption, including home office and the allocation of critical teams to various locations;
- Provision of a package of financial and health support for the specific needs of employees/households;
- Creation of new internal communication channels increasing the proximity among employees.

Community

- Donations:
 - APB* initiative to purchase 100 ventilators (€ 230k);
 - AEP* initiative for the acquisition of protective material in partnership with the *Ordem dos Médicos* (€ 30k),
 - COVID Tools Access Accelerator Initiative promoted by the EU* (€500k);
- Prompt payment to suppliers;
- Creation of *NB Marketplace*, a free platform that provides digital and remote services for small businesses in a region;
- Innovation in communication with the community, sharing useful information, and economic trends and perspectives (eg: publications, radio programs and digital videos).

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NOVO BANCO Recurrent

Delivering continued progress in underlying bank with positive evolution in the commercial activity

mn€

- Sustainable increase of Commercial Banking Income by 4.8% YoY, supported by:

- Growth of Net Interest Income (+€10mn YoY; +8.8%);

- Stable fees and commissions (-€1mn YoY; -1.9%);

- Reflecting the effects of Covid-19 pandemic:

- Capital markets results (-€111mn YoY);

- Impairments and provisions (+€32mn YoY)

- Net Income totalled -€75mn (-€128mn YoY)

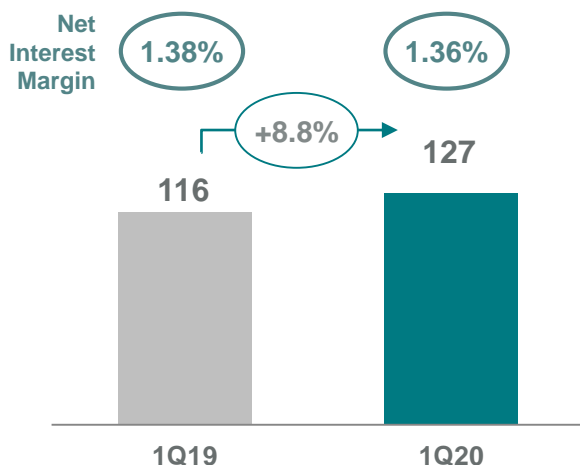
Income Statement	Recurrent		Change	
	31-Mar-19	31-Mar-20	absolute	%
Net Interest Income	116.4	126.6	10.3	8.8%
+ Fees and Commissions	71.4	70.1	- 1.3	-1.9%
= Commercial Banking Income	187.8	196.7	8.9	4.8%
+ Capital Markets Results	31.3	- 79.6	- 111.0	...
+ Other Operating Results	3.9	3.0	- 0.9	-23.0%
= Banking Income	223.0	120.0	-103.0	-46.2%
- Operating Costs	116.2	113.5	- 2.6	-2.3%
= Net Operating Income	106.8	6.5	-100.3	-93.9%
- Net Impairments and Provisions	21.6	53.5	32.0	...
Credit	22.3	51.1	28.9	...
Securities	- 1.1	2.1	3.2	...
Other Assets and Contingencies	0.4	0.3	- 0.1	- 0.3
= Income before Taxes	85.3	-47.0	-132.3	...
- Corporate Income Tax and Special Tax on Banks	31.4	28.1	-3.4	-10.8%
- Non-Controlling Interests	1.2	0.1	-1.1	-92.2%
= Net Income for the period	52.7	-75.1	-127.8	...

NOVO BANCO Recurrent

Net interest income increasing +8.8% YoY and Fees & Commissions reaching €70mn

Net Interest Income

(NII, €mn)



mn€

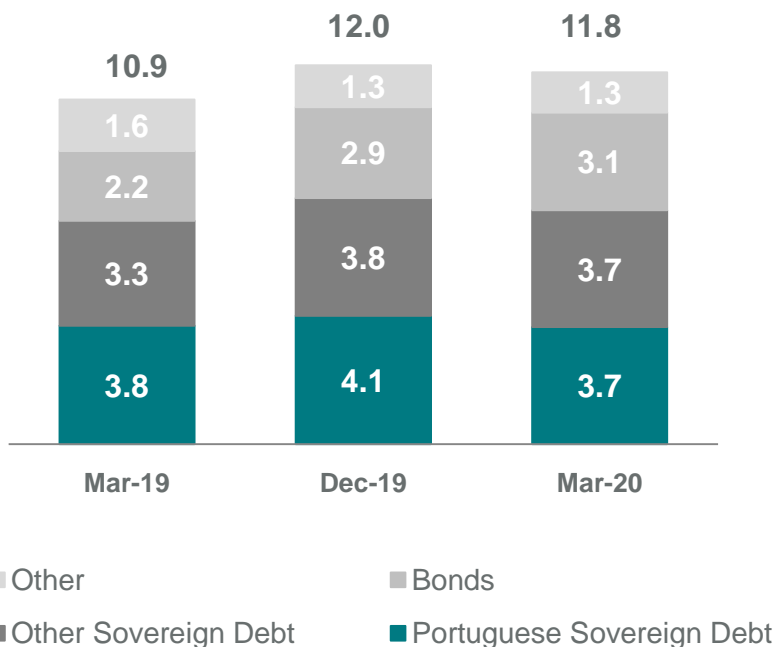
NET INTEREST INCOME (NII) AND NET INTEREST MARGIN (NIM)	31-Mar-19			31-Mar-20		
	Avg. Balance	Avg. Rate	Income / Costs	Avg. Balance	Avg. Rate	Income / Costs
INTEREST EARNING ASSETS	33 681	1.90%	160	36 897	1.82%	170
Customer Loans	23 505	2.27%	133	24 380	2.19%	135
Money Market Placements	744	0.10%	0	2 491	0.00%	0
Securities and Other Assets	9 432	1.12%	26	10 025	1.38%	35
INTEREST EARNING ASSETS AND OTHER	33 681	1.90%	160	36 897	1.82%	170
INTEREST BEARING LIABILITIES AND OTHER	33 681	0.50%	42	36 897	0.44%	41
NIM / NII (without stage 3 impairment adjustment)		1.40%	118		1.38%	129
Stage 3 impairment			- 2			- 2
NIM / NII		1.38%	116		1.36%	127

- NII increased by +€10mn, to €127mn (+8.8% YoY), with a Net interest margin of 1.36%, benefiting from the positive contribution of the optimisation measures implemented and continued focus on pricing policy.
- Fees and Commissions totalled +€70mn (-1.9% YoY), with the quarter recording a decrease in payment management fees due to lower levels of transactions, while bancassurance and asset management remained stable.

NOVO BANCO Recurrent

Capital Markets Results and Other Operating Results

Securities Portfolio (€bn)



	€mn		
	31-Mar-19	31-Mar-20	Change absolute
Capital Markets Results	31.3	- 79.6	- 111.0
Other Operating Results	3.9	3.0	- 0.9

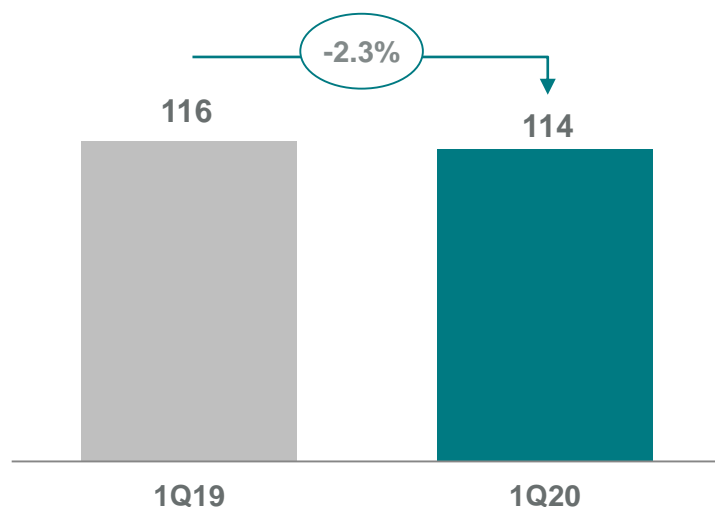
- The securities portfolio totalled €11.8bn**, including €6.8bn of sovereign debt that is marked to market with changes in fair value booked in reserves. As part of this portfolio is hedged, €58.6mn of losses were recognized through net income. In Mar-20 the unrealized gains of this portfolio totalled €270mn (Dec.19: €331mn).
- Capital markets results of -€79.6mn** also comprises losses on the sale and revaluation of securities, in part given to Covid-19 impact in market volatility,

NOVO BANCO Recurrent

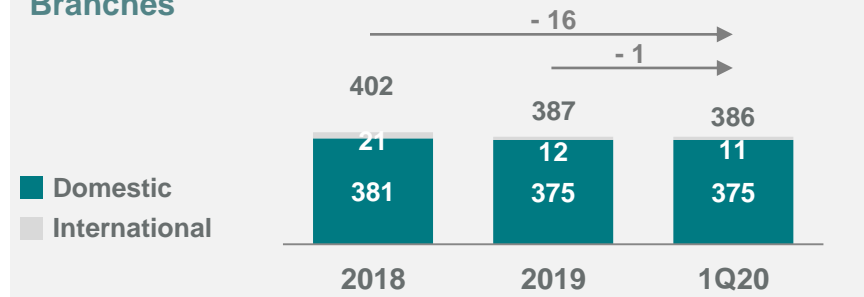
Operating Costs with a stable evolution in 1Q20

Operating Costs

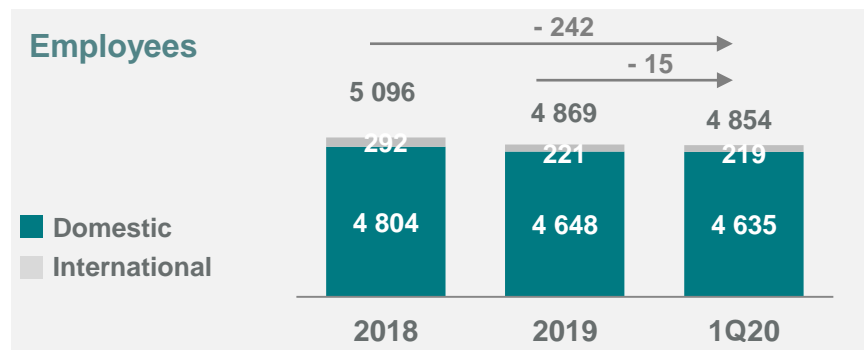
(€mn)



Branches



Employees



- Continued focus on cost structure optimization, while investing in the core business and Digital transformation.

NOVO BANCO Recurrent

Assets of €41.3bn increased by +€530mn, +1.3% YtD

€mn

	31-Mar-19	31-Dec-19	31-Mar-20	YTD Change	
				absolute	%
Customer Loans (gross)	23 245	24 380	24 437	57	0.2%
Corporate	12 545	12 925	13 061	135	1.0%
Residential Mortgage	9 405	10 100	10 095	- 5	0.0%
Consumer finance and other	1 295	1 355	1 282	- 73	-5.4%
Impairment	650	645	634	- 10	-1.6%
Customer loans (net)	22 595	23 735	23 803	68	0.3%
Real estate	403	307	313	6	2.0%
Other assets	15 008	16 772	17 228	456	2.7%
Total Net Assets	38 006	40 814	41 344	530	1.3%
Non-Performing Loans (NPL)*	1 336	946	936	- 10	-1.1%
NPL Ratio*	5.6%	3.6%	3.5%	-0.1 p.p.	...
NPL coverage*	48.7%	68.3%	67.9%	-0.4 p.p.	...
Cost of Risk (bps)	38	91	84	- 8	...

■ In the 1Q20, Assets increase by €530mn (+1.3%) with net customer loans growing by 0.3% (+€68mn) and a growth of +5.3% (+€1,208 million) compared to Mar.19, building on the positive trend achieved in 2019 (+5.7%: +€1,270mn).

■ **Growth of gross recurrent loan volumes +€1,192mn YoY or +€57mn YtD:**

YoY growth rates:

Corporate +4.1%;

Residential Mortgage +7.3%;

Consumer and other -1.0%;

■ **Recurrent NPL ratio improves 2.1pp YoY to 3.5% presenting a coverage of 67.9% (Mar.19: 48.7%).**

NOVO BANCO Legacy

Executing balance sheet reduction (-4.1% YTD) on legacy assets, underpinned by decreases in the net loan book of -€127mn (-8.7%)

€mn

Income Statement	Legacy				YTD Change	
	31-Mar-19	31-Mar-20	Change		absolute	%
			absolute	%		
Net Interest Income	8.4	10.8	2.4	28.5%		
+ Fees and Commissions	0.8	0.4	- 0.4	-49.2%		
= Commercial Banking Income	9.2	11.2	2.0	21.6%		
+ Capital Markets Results	- 3.4	- 13.9	- 10.5	...		
+ Other Operating Results	- 13.4	- 0.9	12.5	93.2%		
= Banking Income	-7.6	-3.6	3.9	51.9%		
- Operating Costs	4.1	2.3	-1.9	-44.7%		
= Net Operating Income	-11.7	-5.9	5.8	49.3%		
- Net Impairments and Provisions	130.2	28.3	-101.9	-78.3%		
- Corporate Income Tax and Special Tax on Banks	3.9	0.0	-3.9	...		
= Net Income for the period	- 145.8	-34.2	111.6	76.5%		

	31-Mar-19	31-Dec-19	31-Mar-20	YTD Change	
				absolute	%
Customer Loans (gross)	5 316	2 675	2 486	- 188	-7.0%
Corporate	4 856	2 307	2 109	- 198	-8.6%
Residential Mortgage	215	165	161	- 3	-2.0%
Consumer finance and other	245	203	216	13	6.4%
Impairment	4 856	1 208	1 146	- 61	-5.1%
Customer loans (net)	2 164	1 467	1 340	- 127	-8.7%
Real estate	1 590	829	820	- 9	-1.1%
Other assets	6 874	2 186	2 139	- 47	-2.2%
Total Net Assets	10 628	4 482	4 299	- 184	-4.1%

NOVO BANCO Consolidated

1Q20 Consolidated Results showing a positive underlying trend penalized by Covid-19 pandemic

€mn

- Positive evolution of Commercial Banking Income increasing by 5.5% YoY;
- Operating Costs decreased by 3.7% YoY, reflecting the simplification of processes and organisation streamlining.
- Core Operating Income* increases 20.1% YoY.
- The positive evolution was impacted Covid-19 pandemic effects:
 - Negative impact in Capital markets results (-€94mn) reflecting market volatility in the 1Q20;
 - Loans provisions that includes an additional €70mn for potential impacts arising from Covid-19.
- As a result, Net Income totalled -€179mn

INCOME STATEMENT	31-Mar-19	31-Mar-20	Change	
			absolute	%
Net Interest Income	124.7	137.4	12.7	10.1%
+ Fees and Commissions	72.2	70.5	- 1.7	-2.4%
= Commercial Banking Income	197.0	207.9	10.9	5.5%
+ Capital Markets Results	28.0	- 93.6	- 121.5	...
+ Other Operating Results	- 9.5	2.1	11.6	...
= Banking Income	215.4	116.4	- 99.0	-46.0%
- Operating Costs	120.3	115.8	- 4.5	-3.7%
= Net Operating Income	95.1	0.6	- 94.5	-99.4%
Core Operating Income *	76.7	92.1	15.4	20.1%
- Net Impairments and Provisions	151.8	151.5	- 0.2	-0.2%
Credit	77.7	141.7	64.0	82.5%
Securities	- 1.7	2.1	3.8	...
Other Assets and Contingencies	75.8	7.7	- 68.1	-89.8%
= Income before Taxes	- 56.6	- 150.9	- 94.3	...
Corporate Income Tax and Special Tax on Banks	35.3	28.1	- 7.3	-20.6%
- Non-Controlling Interests	1.2	0.1	- 1.1	-92.2%
= Net Income for the period	- 93.1	- 179.1	- 85.9	-92.3%

* Commercial Banking Income minus Operating Costs.

NOVO BANCO Consolidated

Consolidated Balance Sheet

- **Stable Net customer loans** with +0,3% growth in net Recurrent that was offset by a -8.7% reduction of net Legacy loans that includes a reduction of -€152mn of non-performing loans.
- **Customers funds increased by 1.5% reaching €30bn**, with Deposits growing €659mn (+2.4%).
- As of Mar.20, **Total Funds**, including balance sheet customer funds (€30bn) and off-balance sheet funds, **amounted to €34.5bn (+0.2% YTD)**.

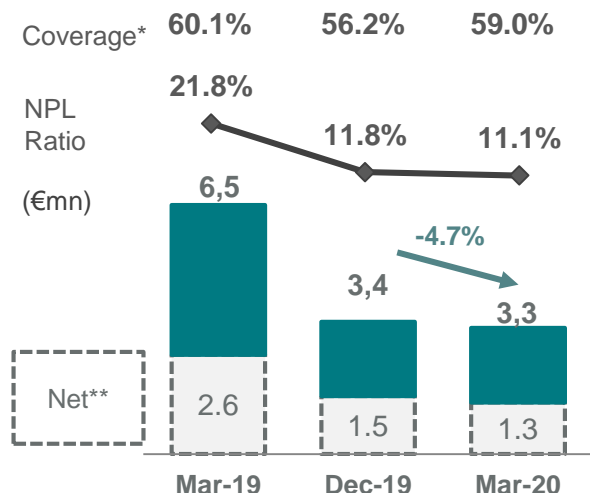
€mn

Assets	Dec-19	Mar-20	YtD Change	
			absolute	relative
Loans and advances to banks	2 223	2 612	389	17.5%
Customer loans	25 202	25 073	- 129	-0.5%
Securities	12 042	11 816	- 226	-1.9%
Real Estate	1 133	1 133	0	0.0%
Current and deferred tax assets	900	939	39	4.3%
Other assets	3 796	4 000	204	5.4%
Total Assets	45 296	45 572	276	0.6%
Liabilities and Equity	Dec-19	Mar-20	YtD Change	
			absolute	relative
Due to central banks and banks	9 850	9 797	- 52	-0.5%
Due to Customers	28 400	28 842	442	1.6%
Debt securities	1 123	1 115	- 8	-0.7%
Other liabilities	1 920	2 086	166	8.6%
Total Liabilities	41 293	41 841	547	1.3%
Equity	4 003	3 732	- 271	-6.8%
Total Liabilities and Equity	45 296	45 572	276	0.6%

NOVO BANCO Consolidated

NPLs Evolution

Marked reduction in line with the defined strategy

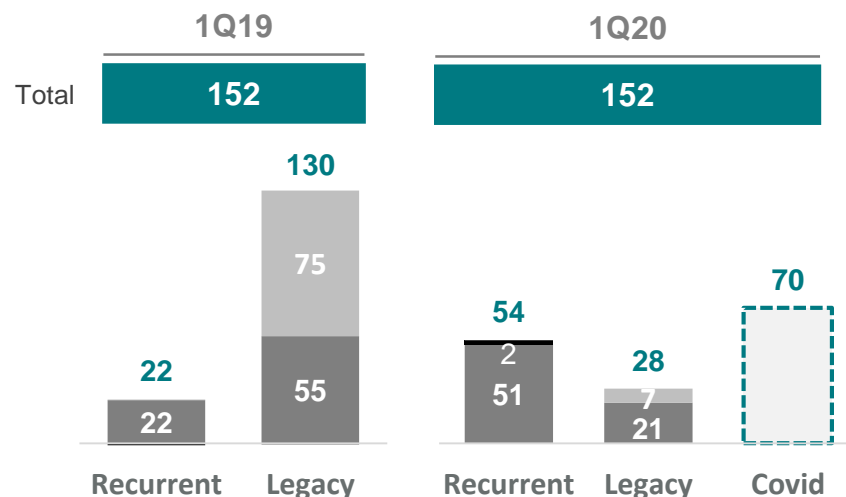


- **Reduction of NPLs** resulting in a decrease of the NPL ratio to 11.1% (Mar.19: 21.8%).
- NPL ratio of the Recurrent activity reached 3.5%, with a coverage by impairments of 67.9%.

Provisions

Additional €152mn

(€mn) ■ Securities ■ Credit ■ Oth. Assets & Contingencies



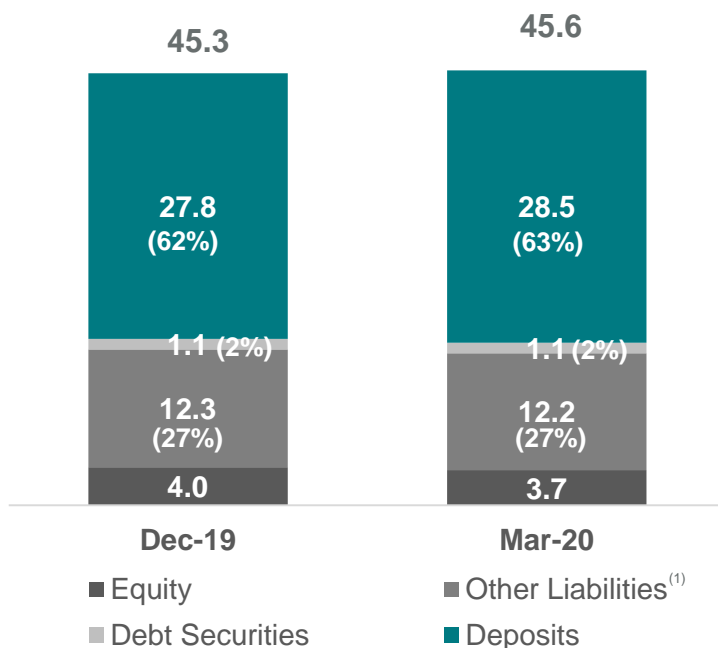
- The slowdown in banking activity in line with the evolution of the economic crisis, inevitably led to an increase in the cost of risk. **The impairments for credit risks includes additional €70mn** reflecting updating IFRS9 models forward looking information.
- Considering the current context, **this elevated level of impairment is expected to continue** in the coming quarters.

NOVO BANCO Consolidated

Comfortable liquidity position

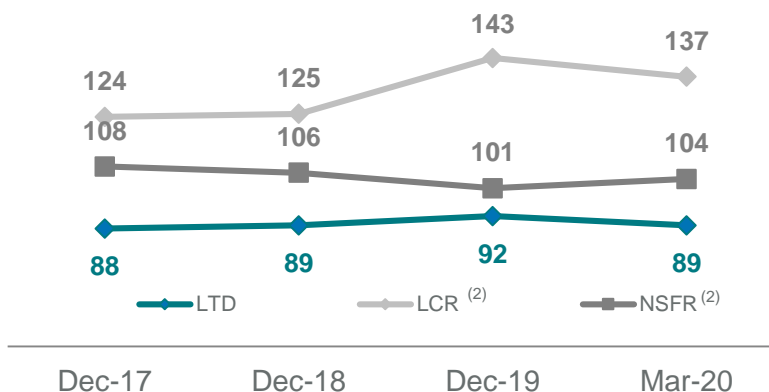
Funding Structure

(€mn)



Loan to Deposit Ratio and Liquidity Ratios

(%)



MREL requirements⁽³⁾:

- 17.61% of Total Liabilities and Own Funds.
- 26.01% of the Total Risk Exposure Amount.
- To comply until 31 December 2023.

- **Customer deposits increased 2.4% YtD remaining the main source of balance sheet funding and accounting for 68.1% of total liabilities and 62.5% of total assets.**

⁽¹⁾ Includes ECB funding

⁽²⁾ LCR: Liquidity Coverage Ratio; NSFR: Net Stable Funding Ratio.

⁽³⁾ Minimum Requirement for own funds and Eligible Liabilities. Requirements set by the Single Resolution Board for NOVO BANCO using financial and supervisory information as of 31 December 2018.

NOVO BANCO Consolidated

NOVO BANCO remained well capitalized

Ratios	Ratios <i>phased-in</i> 31-Mar-20*	Ratios <i>fully loaded</i> 31-Mar-20*	Capital requirements for 2020 (SREP)			
			Total	Of which:		
				Pillar 1	Pillar 2 ⁽²⁾	Buffers ⁽¹⁾
CET1	12.3%	11.7%	8.70%	4.50%	1.69%	2.51%
T1	12.3%	11.7%	10.76%	6.00%	2.25%	2.51%
Total Capital	13.8%	13.5%	13.51%	8.00%	3.00%	2.51%

(1) Includes: Capital Conservation Buffer of 2.5%; Counter Cyclical Buffer that is 0% in Portugal but is 0.01% for NBG.

The Other Systemically Important Institutions Buffer of 0.375% for 2020 increasing to 0.50% in 2021 needs to be fulfilled only at the consolidated level (LSF Nani Investments S.à.r.l.).

(2) As per ECB's supervisory measures in response to COVID-19 in March 2020, the mandatory pillar 2 requirement, set at 3% for 2020, can now be met by the various elements of own funds in the following proportions: CET1 56.25%, AT1 18.75% and T2 25%.

- Common Equity Tier 1 (CET1) ratio is protected at 12% from Jan.20, up to the amount of losses already recorded on the assets protected by the Contingent Capitalisation Agreement.
- As at 31 March 2020, provisional CET1 ratio is 12.3% and the provisional total solvency ratio 13.8%, representing a decrease compared to the end of 2019 mainly due to the decrease in equity impacted in the period by the effects of the Covid-19 pandemic.
- In this context, it is important to highlight the fact that on 12 March 2020 the ECB disclosed several measures that allow banks to operate temporarily below the required capital level.

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NOVO BANCO consolidated

Balance Sheet

(€mn)	31 Mar.20	31 Dec.19		31 Mar.20	31 Dec.19
Cash, cash balances at central banks and other demand deposits	2,216	1,854	Financial liabilities held for trading	619	545
Financial assets held for trading	763	749	Financial liabilities designated at fair value through profit or loss	91	102
Financial assets mandatorily at fair value through profit or loss	1,311	1,315	Financial liabilities measured at amortised cost	40,154	39,674
Financial assets at fair value through profit or loss, or through other comprehensive income	8,416	8,850	Due to banks	9,797	9,850
Financial assets at amortised cost	27,306	27,141	Due to customers	28,842	28,400
Debt securities	1,902	1,623	Debt securities issued and subordinated debt and liabilities associated with transferred assets	1,068	1,065
Loans and advances to credit institutions	396	369	Other financial liabilities	447	359
Loans and advances to customers	25,009	25,150	Derivatives – Hedge accounting	68	59
Derivatives – Hedge accounting	7	7	Provisions	301	308
Fair value changes to the hedged items in portfolio hedge of interest rate risk	65	53	Tax liabilities	17	18
Investments in subsidiaries, joint ventures and associates	93	93	Current tax liabilities	13	12
Tangible assets	883	889	Deferred tax liabilities	4	6
Tangible fixed assets	183	188	Other liabilities	588	586
Investment properties	700	701	Liabilities included in disposal groups classified as held for sale	2	2
Intangible assets	28	26	Total Liabilities	41,841	41,293
Tax assets	939	900	Capital	5,900	5,900
Current tax assets	2	2	Other comprehensive income – accumulated	(793)	(702)
Deferred tax assets	937	898	Retained earnings	(7,203)	(6,115)
Other assets	3,503	3,378	Other reserves	5,970	5,943
Non-current assets and disposal groups classified as held for sale	44	40	Profit or loss attributable to parent company shareholders	(179)	(1,059)
Total Assets	45,572	45,296	Minority interests (Non-controlling interests)	36	37
			Total Equity	3,732	4,003
			Total Liabilities and Equity	45,572	45,296

NOVO BANCO consolidated

Income Statement

(€mn)	31 Mar.20	31 Mar.19
Net interest income	137.4	124.7
Dividend income	5.2	0.5
Fee and commission income	82.9	85.5
Fee and commission expense	(13.6)	(14.6)
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	4.1	46.7
Gains or losses on financial assets and liabilities held for trading	(43.3)	(35.0)
Gains or losses on financial assets mandatorily at fair value through profit or loss	(42.3)	6.9
Gains or losses on financial assets and liabilities designated at fair value through profit and loss	-	-
Gains or losses from hedge accounting	(4.8)	(2.0)
Exchange differences	13.9	9.0
Gains or losses on derecognition of non-financial assets	0.6	1.0
Other operating income	20.4	52.2
Other operating expenses	(44.3)	(87.7)
Operating Income	87.3	187.3
Administrative expenses	(107.2)	(111.8)
<i>Staff expenses</i>	(65.4)	(66.2)
<i>Other administrative expenses</i>	(41.8)	(45.6)
Depreciation	(8.6)	(8.5)
Provisions and impairments	(151.5)	(151.8)
Share of the profit or loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	0.6	1.2
Income before taxes	(179.5)	(83.5)
Tax expenses or income related to profit or loss from continuing operations	(0.5)	(8.1)
<i>Current tax</i>	(1.1)	(5.4)
<i>Deferred tax</i>	0.6	(2.7)
Profit or loss after tax from continuing activities	(180.0)	(91.6)
Discontinued operations profit or loss	1.0	(0.4)
Profit or loss for the period	(179.0)	(92.0)
Attributable to minority interest (non-controlling interests)	0.1	1.2
Net income attributable to shareholders of the Bank	(179.1)	(93.1)

Glossary (1/3)

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, 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.

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
€k	thousands 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.

NOVO BANCO expressly disclaims any obligation or commitment to make any forward-looking review included in this document to reflect any event or change in future circumstances occurring after the date hereof.

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