11-1-2023

Investor Presentation

Novo Banco

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This document includes unaudited financial information.

Novo Banco, SA I Av. da Liberdade, n. 195 Lisboa, Portugal
Share Capital: 6 567 843 862.91 Euros represented by 11 130 841 957 shares
NIPC: 513 204 016 I LEI: 5493009W2E2YDCXY6S81
AGENDA

Novobanco’s Journey
Novobanco at a Glance
Recap of 9M 2023 Results – Financial Performance
Novobanco’s successful recovery & restructuring journey…

**Restructure 2017-2020**
- Sale of Novo Banco to Lone Star (2017)
- Deep operational and balance sheet restructuring
- Exit from all international operations
- Completion of balance sheet clean-up

**Transform 2021-2022**
- Return to profitability with 8 profitable quarters
- Targeted growth in core business
- Significant investment in transformation
- Normalised cost of risk <50 bps achieved
- Strengthening capital position: CET1 FL 13.1%

**Re-Launch 2023 and beyond**
- Substantial top-line growth
- Outstanding capital generation (340bps) in 9M23
- Best in class levels of efficiency and profitability

### Deep Balance Sheet Restructuring

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL Ratio</td>
<td>28.1%</td>
<td>8.9%</td>
</tr>
<tr>
<td>RE Exposure</td>
<td>€2.5bn</td>
<td>€0.6bn</td>
</tr>
<tr>
<td>Branches</td>
<td>473</td>
<td>358</td>
</tr>
</tbody>
</table>

### Reached Comfortable CET1 & Profitability

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>CET1 FL (%)</td>
<td>9.5%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Net Income</td>
<td>€1,329m</td>
<td>€561m</td>
</tr>
</tbody>
</table>

(1) 2022 Net income includes a €154m one-off adjustment; (2) Source: Tangible equity based on period average, excludes CCA calls accounted as a receivable but not yet received, and excluded in Capital ratios
...has led to a very attractive positioning vs. European peers

Novobanco’s tangible equity based on period average; Peers include for Spain (CaixaBank, Bankinter, Sabadell and Unicaja as of 9M23), for Portugal (Santander Totta, Millenium BCP and Banco BPI as of 9M23 and CGD as of 1H23), Italy (BPER, BPM, Banca MPS as of 1H23), Austria (Bawag, Erste as of 9M23), Ireland (AIB, Bank of Ireland, PTSB as of 1H23); Greek peers include Eurobank, Piraeus and National Bank of Greece as of 1H23.

RoTE vs peers
(9M23, %)

C/I vs peers
(9M23, %)

CET1 vs peers
(9M23, %)

CET1 9M23 vs. 2022 (bps)
Novobanco is a pure-play Portuguese universal bank…

Focus on strategic pillars…

- Customer-centric
  1.5mn clients | 292 branches

- Simple & efficient
  31% C/I (recurrent basis)

- People & culture
  4,209 employees

- Sustainable performance
  €560mn green financing²

...together with strong product offering…

- Corporate lending
  €14.0bn gross loan book

- Mortgage lending
  €10.2bn gross loan book

- Personal loans
  €1.5bn gross loan book

- Product factories ecosystem
  Insurance, Payments, AM …

...leading to an outstanding client satisfaction¹

<table>
<thead>
<tr>
<th>Corporate</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>96.8%</td>
<td>94.1%</td>
</tr>
</tbody>
</table>

... with rightsized nation-wide branch footprint supporting families and companies, throughout their lifetime

Source: Company information as of 9M23; (1) As of 2022; (2) 2022 – 9M23 cumulative figure as per defined target
AGENDA

Novobanco’s Journey

Novobanco at a Glance

Recap of 9M 2023 Results – Financial Performance
Novobanco is uniquely positioned to deliver high profitability

1. Leading independent domestic Portuguese bank with exposure to strong macro fundamentals

2. Low risk balance sheet well positioned to benefit from the increased interest rates environment

3. Diversified business model with a strong corporate and low-risk retail mortgage franchises

4. Strong digital adoption supported by strategic investments

5. Improved operating efficiencies and attractive funding mix leading to best-in-class profitability and capital generation
Novobanco is a leading independent Portuguese bank

Novobanco is the 4th largest bank in Portugal…
(Ranking by total assets in Portugal\(^1\), €bn, latest)

…with attractive market shares in key segments
(Market share, as of Aug-23)

- **Deposits**: 9.7%
- **Corporate Loans**: 14.5%
- **Trade Finance**: 20.0%

9.8% Global Market Share
+0.2pp YTD

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\(^1\) Based on latest reported figures for Portuguese business. CGD refers to separate activity.
Stable political environment which continues to deliver fiscal discipline

Market recognition

The government’s fiscal policy will see net debt to GDP to decline from 99% in 2023 to an expected 87% at end-2026, one of the steepest declines in Europe

S&P, 8 September 2023

Consistent sovereign debt rating improvement

<table>
<thead>
<tr>
<th>Moody’s</th>
<th>FitchRatings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ba1</td>
<td>BB+</td>
</tr>
<tr>
<td>Today</td>
<td>2015</td>
</tr>
<tr>
<td>Baa2</td>
<td>BBB+</td>
</tr>
<tr>
<td>Today</td>
<td>2015</td>
</tr>
<tr>
<td></td>
<td>S&amp;P Global Ratings</td>
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<tr>
<td></td>
<td>Positive outlook</td>
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<tr>
<td></td>
<td>Positive outlook</td>
</tr>
<tr>
<td></td>
<td>Stable outlook</td>
</tr>
</tbody>
</table>

Political stability driving strong fiscal discipline

(% Public Debt to GDP)

- Portugal: 129% in 2012, 112% in 2022
- Spain: 90% in 2012, 112% in 2022
- Italy: 127% in 2012, 144% in 2022
- Greece: 162% in 2012, 171% in 2022

Source: Eurostat
(1) Based on Spanish statistics institute reflecting GDP revision; (2) Based on Banco de Portugal
Significant economic improvement expected to last

Portugal poised to grow…
(PT GDP Growth)

...above European peers
(GDP Growth, 2023E)

Inflation under control…
(PT Inflation, %)

...and below European peers
(Inflation, 2023E)

Unemployment near historic lows…
(PT Unemployment rate, %)

...with competitive labour costs
(Unemployment rate & Labour costs per hour €)

Source: EIU Data, Eurostat and European Commission Spring 2023 forecasts, Banco de Portugal as of October 2023

(1) Employment rate calculated as number of employees divided by population within working age
Novobanco benefits from a resilient Portuguese housing sector with increasing prices driven by strong demand and low new housing supply compared to European average.

Source: INE; (1) Based on 1H23 data annualized; (2) Based on 2023 forecasts.
Healthy levels of savings and efforts to deleverage in a recovering economy

Portuguese households have demonstrated financial discipline
(Household debt as % of disposable income\(^2\))

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2014</th>
<th>2018</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>129%</td>
<td>119%</td>
<td>97%</td>
<td>93%</td>
<td></td>
</tr>
</tbody>
</table>

Sources: IGCP, Bank of Portugal, novobanco DTF Economic Research, ECB and Eurostat; (1) Financial autonomy measures the percentage of a company’s assets that are financed by its own equity; (2) European data based on Eurostat’s gross debt to income ratio of households. 2022 data not available therefore based on 2021 data.

Portuguese corporates have significantly deleveraged
(Non-financial corporations indebtedness ratio, % GDP)

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>117%</td>
<td>90%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Positive effect from “pandemic savings” and a rise in disposable income (mainly through higher wage growth)

Disposable Income: +8.8% YoY (1Q23)
Consumption: +10.9% YoY (1Q23)

Remarkable Portuguese corporates’ financial autonomy improvement
(Non-financial corporations financial autonomy ratio\(^1\) %)

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2014</th>
<th>2018</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>33%</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Financial strength improvement reflecting efforts to deleverage even despite intermittent challenges such as the pandemic

Portuguese corporates have significantly deleveraged
(Non-financial corporations indebtedness ratio, % GDP)

Sources: IGCP, Bank of Portugal, novobanco DTF Economic Research, ECB and Eurostat; (1) Financial autonomy measures the percentage of a company’s assets that are financed by its own equity; (2) European data based on Eurostat’s gross debt to income ratio of households. 2022 data not available therefore based on 2021 data.
Portugal has an attractive banking system…

<table>
<thead>
<tr>
<th>Normalised margins</th>
<th>Compelling cost profile</th>
<th>Clean balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Net Interest income / average customer loans, %)</td>
<td>(Cost-to-income, %)</td>
<td>(Net NPL ratios, %)</td>
</tr>
<tr>
<td>Blended deposit beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.5%</td>
<td>47%</td>
<td>0.5%</td>
</tr>
<tr>
<td>4.3%</td>
<td>51%</td>
<td>0.6%</td>
</tr>
<tr>
<td>3.8%</td>
<td>54%</td>
<td>0.7%</td>
</tr>
<tr>
<td>3.2%</td>
<td>60%</td>
<td>0.8%</td>
</tr>
<tr>
<td>2.8%</td>
<td>67%</td>
<td>0.9%</td>
</tr>
<tr>
<td>2.8%</td>
<td>78%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

Source: Company information, Research analysis, ECB, Associação Portuguesa de Bancos; (1) Calculated as the change in the blended deposit cost for Retail and Corporate (across overnight / redeemable / term) over 200bps, i.e. the change in ECB rates from Jul 22 to May 23. NIM as of 1H23; (2) Peers data as of YE2022. Defined as Operating Cost divided by Commercial Banking Income; Commercial Banking Income being equal to Net Interest Margin plus Fees and Commissions; (3) Source ECB / novobanco analysis; being calculated as gross NPLs minus accumulated loans loss provisions over gross exposure implied by reported NPL ratio. Net NPL ratio of 0.8% if excluding cash and advances with banks ; Peers figures as of Sep/22, novobanco as of Sep/23 (4) As reported as of 9M23. Portugal excludes Novobanco. Based on peer set for each country as per page 32. EU average based on average of all peers.
LEADING INDEPENDENT DOMESTIC PORTUGUESE BANK WITH EXPOSURE TO STRONG MACRO FUNDAMENTALS

…with lower loan-to-deposit ratios and deposit betas than European peers

Portuguese banking system benefits from significant liquidity…
(Loan to deposit ratio: PT vs. EU peers as of 2022, %)

...limiting funding cost increases
(Blended deposit beta as of May-23\(^2\), %)

Source: Company information, Research analysis, ECB, Associação Portuguesa de Bancos; (1) Novobanco LTD ratio as of Jun-23; (2) Calculated as the change in the blended deposit cost for Retail and Corporate (across overnight / redeemable / term) over 200bps, i.e. the change in ECB rates from Jul-22 to May-23
**Simple balance sheet with a low risk profile...**

### Increased focus on core business

<table>
<thead>
<tr>
<th>Year</th>
<th>LID, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>88%</td>
</tr>
<tr>
<td>2020</td>
<td>90%</td>
</tr>
<tr>
<td>3Q23</td>
<td>83%</td>
</tr>
</tbody>
</table>

### Strong liquidity improvement

<table>
<thead>
<tr>
<th>Year</th>
<th>LCR, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>124%</td>
</tr>
<tr>
<td>2020</td>
<td>140%</td>
</tr>
<tr>
<td>3Q23</td>
<td>136%</td>
</tr>
</tbody>
</table>

### Reduced real estate exposure

<table>
<thead>
<tr>
<th>Year</th>
<th>Real Estate as % total assets, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>4.8%</td>
</tr>
<tr>
<td>2020</td>
<td>2.0%</td>
</tr>
<tr>
<td>3Q23</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

### Straightforward balance sheet

- Funded through customer deposits

### Net Loans (€bn)

- 2017: 21.9
- 2020: 22.6
- 3Q23: 24.7

### Net ECB Funding (€bn)

- 2017: €2.8bn
- 2020: €4.7bn
- 3Q23: (€1.8bn)

### €13.3bn liquidity buffer (+€0.1bn YTD)

### Source:

Company information; (1) Considers recurrent business
LOW RISK BALANCE SHEET WELL POSITIONED TO BENEFIT FROM THE INCREASED INTEREST RATES ENVIRONMENT

...driven by significant asset quality strengthening...

CoR below peer levels...
(Cost of risk evolution, %)

Despite building management overlay, CoR below peers’ average of ~0.51%

(321bps)

(34bps)

End of restructuring/clean-up cycle

...with high asset quality...
(NPL ratio & coverage\(^2\), %)

<table>
<thead>
<tr>
<th></th>
<th>NPL ratio (inc. cash and advances with Banks)</th>
<th>NPL ratio (exc. cash and advances with Banks)</th>
<th>NPL coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>8.9%</td>
<td>5.7%</td>
<td>4.3%</td>
</tr>
<tr>
<td>2021</td>
<td>9.9%</td>
<td>7.0%</td>
<td>5.4%</td>
</tr>
<tr>
<td>2022</td>
<td>74%</td>
<td>71%</td>
<td>78%</td>
</tr>
<tr>
<td>9M23</td>
<td>8.9%</td>
<td>5.7%</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

% performing loans\(^2\)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Sep-23</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.6%</td>
<td>1.5%</td>
<td>1.0%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

New Entries NPL (€mn)

|                | 365  | 332  | 232  | 144    |

...in line with European Peers\(^3\)
(Net NPL ratio, %)

EU Average

2.1% 0.7% 0.9% 0.6% 0.8% 0.7%

(1) Selected group of European banks with ratings of B, Ba and Baa displayed on average, for the purpose of comparing novobanco’s financial profile with higher-ranked banks; (2) Average performing loans: 9M23 figure annualized; (3) Source ECB calculated as gross NPLs minus accumulated loans loss provisions over gross exposure implied by reported NPL ratio; Peers figures as of Sep/22, novobanco as of Sep/23; (4) Net NPL ratio at 0.8% if excluded cash and advances with Banks.
Most NPL entries originated during restructuring phase\(^3\)

- NPL Ratio (\%)\(^1\): 28.1%
- 10,130 New Entries
- (2,814) Recoveries
- (3,981) Sales (Gross)
- (4,013) Foreclosures & Other
- 1,205 Write-offs

Net NPL down from 12.2% in 2017 to 0.7\(^%\) as of 3Q23

Conservative provisioning approach reflected in above par RE asset disposals historically...

- Weighted Avg\(^4\): 130.4%
- 139% Commercial
- 129% Land
- 120% Residential
- 104% Other

...as well as in more recent NPL disposals despite current rate environment

- 100% Portfolio 1
- 106% Portfolio 2
- 135% Portfolio 3

Strong balance sheet de-risking benefited from CCA dynamics limiting capital ratio impacts

(1) NPL as per BdP definition (see glossary – annex for further detail); (2) NBV as of the most recent date between end of previous year and 6 months prior closing date. Latest data as of 1H23; (3) Chart refers to timing of new NPL entries origination; (4) Weighted by size of portfolio disposals; (5) Signed perimeters, which included NPLs with older vintages, show that Stage 3 exposures are provisioned in line with market value; (6) 0.8% excluding cash and advances with banks; (7) 4.7% excluding cash and advances with banks
Further upside expected from current rates repricing

Mortgage loan book by rate type
(Sep-23, %)

- Fixed Rate ≤ Eur 1M
- Eur 1M
- Eur 3M
- Eur 6M
- Eur 12M

Fixed Rate

Gross loan book

€10.2bn

41%

27%

19%

8%

5%

Stock avg ticket outstanding of ~€50k
YTD origination ticket of ~€120k
70% book hedged at 2.9%

Corporate loan book by rate type
(Sep-23, %)

- Fixed Rate Eur 1M
- Eur 1M
- Eur 3M
- Eur 6M
- Eur 12M

Fixed Rate

Gross loan book

€14.0bn

28%

22%

15%

10%

25%

~90% of book is floating (incl. hedges)
Majority with Euribor 0% floor

NIM Evolution quarterly trend
(%)

- 1.51%
- 2.46%
- 2.30%
- 3.00%
- 3.97%

NIM vs. EUR6M

(1.0%)

(0.50%)

(0.3%)

1.4%

2Q22

4Q22

3Q23

Benefiting from repricing at current rate environment,
with NIM stabilizing at higher levels while downside
rates risk being actively managed through hedging
(~5% NII impact for -100bps decrease)\(^1\)

Low Risk Balance Sheet Well Positioned to Benefit from the Increased Interest Rates Environment
Cutting-edge business model ready to benefit from future dynamics

**CLIENT FOCUS**
- Relentless focus on products
- Transparent client relationship
- Focus on lifetime value creation

**OMNICHANNEL**
- Proximity and technology
- Maximise client interactions
- Convenient and cost-effective

**CROSS-SELLING**
- Maximize entrenchment value
- Holistic product offering
- Partnership ecosystem

**ESG EMBEDDED**
- Dedicated firm-wide ESG training
- Lending screening criteria
- Removing gender pay-gap

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**(1) Portuguese peers include Santander Totta, Millenium BCP, Banco BPI and CGD; Spanish peers based on domestic listed banks including CaixaBank, Unicaja, Sabadell Spain and Bankinter; Italy includes BPER Banca, Banco BPM and Banca MPS; Irish peers include AIB, Bank of Ireland and Permanent TSB; Austrian peers include Bawag and Erste’s Austrian business, AIB, Bol, PTSB adjusted for M&A loan acquisitions. Based on gross customer loans for BCP and Santander Totta. As of 1H23; (2) Includes mobile and online; (3) 2022 – 9M23 cumulative figure as per defined target**
Highly diversified lending portfolio backed by differentiated strategies

3. DIVERSIFIED BUSINESS MODEL WITH A STRONG CORPORATE AND LOW-RISK RETAIL MORTGAGE FRANCHISES

Making our customers’ lives easier:

- Implementation of New Distribution Model: reshaping geographic presence and deeply changing the service experience, balancing between the convenience of digital channels and the importance of face-to-face service to clients
- Client acquisition: +35% YoY (monthly average)
- Successful partnerships

Segments: Customer Loans (net)

Retail

Corporate

Strengthening our commitment to companies:

- Sectoral expertise to fulfill Clients’ needs
- Solutions for working capital needs with significant growth in short-term loans (ie: Factoring & Confirming: +13% YoY; 20.0% market-share in Trade Finance)
- Solutions for investment projects (>€830mn of new MLT credit)

Profit Before Tax

NIM & Banking Income

Mortgage Corporate

Deposits Global

Market Share \(^1\)

\[ \begin{align*}
\text{YTD} & \\
& +0.1pp \quad - \quad +0.4pp \quad +0.2pp
\end{align*} \]

\[ \begin{align*}
\text{Mortgage} & \\
9.2\% & \\
14.5\% & \\
9.7\% & \\
9.8\%
\end{align*} \]

\[ \begin{align*}
\text{Corporate} & \\
3.86\% & \\
2.32\% & \\
3.66\% & \\
3.77\%
\end{align*} \]

\[ \begin{align*}
\text{Deposits} & \\
9M22 & \\
9M23 & \\
9M22 & \\
9M23
\end{align*} \]

\[ \begin{align*}
\text{Global} & \\
9M22 & \\
9M23 & \\
9M22 & \\
9M23
\end{align*} \]

(1) Figures as of August 2023; sources: Banco de Portugal, APS, APFIPP

€24.7bn

+0.5% YTD

+2.0% YoY

Highly diversified lending portfolio backed by differentiated strategies

novobanco
Partnership ecosystem leading to broad product offering

- Asset Management
- Life Insurance
- Non-Life Insurance
- Cards
- Personal Loans

Cost effective client interaction with increasing digital adoption…
(Active digital clients, %)

- 53.3% in 2021
- 62.5% in 9M23

...leading to remarkable customer experience and loyalty
(Customer Satisfaction (CSAT), %)

- 84% Mortgage
- 89% Account Opening
- 93% Personal Loans

- Strong partnerships
- Tailored pricing
- Cross-selling opportunities
- End-to-end digital sale processes
- Interactive and low touch model
- Dedicated support team
- Loyal customers (>65% active clients since 2014)
- Streamlined process infrastructure
- Technology & proximity mix

Retail Strategy
Corporate Strategy

3. DIVERSIFIED BUSINESS MODEL WITH A STRONG CORPORATE AND LOW-RISK RETAIL MORTGAGE FRANCHISES

Retail omni-channel strategy delivering significant share gains

Source: Company information
Highly conservative mortgage book with strong origination capabilities

Loan book split
(Sep-23; Loan book by LTV bucket %)

- >85%
- 65%; 85%
- 45%; 65%
- ≤45%

€10.2bn
Mortgage Gross Loan Book

Low risk mortgage portfolio with average LTV (stock) < 50%
Strict origination risk selection with LTV <60% & ~45% DSTI\(^1\)

Strong mortgage originating capabilities
(€bn)

- Net Loans: 9.92
- Gross Loans: 9.98
- Origination: +1.14
- Amortization: (0.86)
- Other effects: (0.03)

Despite overall market slow-down driven by rate increases, novobanco has demonstrated strong client appetite

(1) DSTI – Debt Service-To-Income post interest rate shock of 3%; (2) Stock figure as of August 2023
Well-positioned in attractive personal loans segment

Diversified…
(Personal loans and others split, %)

...and resilient consumer loan book...
(Personal loans and other, €mn)

...with strong profitability
(Average interest rate, %)

Highly provisioned consumer loan book with 91% Stage 3 coverage\(^1\) limiting downside risks

Source: Bank of Portugal (MFS) and company information; (1) Including specific impairments and Real Estate collateral. Stage 3 GBV loans amount to €0.1bn
Payments strategy driving sustainable and profitable growth

Wholly integrated payments business ecosystem...

- Merchant acquiring
- Cards
- ATMs
- PoS
- Direct Debits
- Transfers

…with significant contribution to net commissions…
(Net fees and commissions, €mn)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>9M23</th>
</tr>
</thead>
<tbody>
<tr>
<td>16%</td>
<td>46</td>
<td>52</td>
<td>57</td>
</tr>
</tbody>
</table>

% total net commissions²

…driving strong market share gains since growth strategy implementation
(Point of Sale (PoS), monthly billing %)

<table>
<thead>
<tr>
<th></th>
<th>Dec-22</th>
<th>Mar-23</th>
<th>Sep-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.7%</td>
<td>15.6%</td>
<td>16.0%</td>
<td></td>
</tr>
</tbody>
</table>

Payments growth strategy currently being implemented to strengthen client experience providing significant cross-selling and growth opportunities

Source: Company information; (1) 9M23 annualized; (2) Payments net commissions includes cards, POS acquiring, payment services and ATMs
### Sectorial expertise
(Corporate lending market share\(^1\), %)

- 2021: 14.4%
- 2022: 14.5%
- 9M23: 14.5%

### Supporting SMEs internationalisation
(Trade finance market share\(^1\), %)

- 2021: 20.2%
- 2022: 18.6%
- 9M23: 20.0%

\(\Delta YTD +1.7\%

### Strong SME focus
(Latest market share\(^2\), %)

- European Funds: 22%
- Auto and Equipment Leasing: 14%
- Corporate Deposits: 14%
- Factoring: 11%

---

- Sector-specific tailored solutions
- Dedicated relationship managers
- Continued risk analysis
- Holistic solution offering (payments, payroll, etc.)
- Working capital needs solutions
- Digital and face-to-face touchpoints
- Best-in-class trade finance & FX solutions
- Integrated support across businesses lines

---

*Note: 9M23 market shares refer to latest available data; (1) novobanco analysis with Bank of Portugal, APS and APFIPP data; (2) Based on most recent data available: European Funds as of December 2022; Leasing as of January 2023; Deposits as of June 2023; Factoring as of August 2023*
Corporate lending focused on strategic sectors

Corporate loan book\(^1\) by Sector
(Sep-23; %)

- **59%** Strategic Sectors
- **12%** Retail & services
- **11%** Real Estate
- **13%** Tourism
- **41%** Logistics & transport
- **6%** Agriculture

\(\text{€14.0bn} \ (\text{-1.8% YTD})\)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>9M23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Sectors</td>
<td>1.4%</td>
<td>1.8%</td>
<td>1.1%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Retail &amp; services</td>
<td>59%</td>
<td>59%</td>
<td>59%</td>
<td>59%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Tourism</td>
<td>11%</td>
<td>11%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Logistics &amp; transport</td>
<td>41%</td>
<td>41%</td>
<td>41%</td>
<td>41%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

- **Increase linked to Covid19**

- **Proven risk taking approach consistently driving lower stage 3 migrations**

**Sectorial expertise leading to 14.5% market share YTD**

\(\text{Industry}\)

---

(1) Considers small business (classified under retail segment), SME and large corporates; (2) Other / Non strategic sectors includes Construction, Investment funds and holdings, professional services, Public administration & institutions, Auto & electronics, Energy, Health, Insurance, Water and others; (3) Annualized
4. STRONG DIGITAL ADOPTION SUPPORTED BY STRATEGIC INVESTMENTS

Best-in-class platform displays continuous growth of digital customer base

Leading digitalised customer base¹...

...with increasing digital adoption²...

...unlocking novobanco’s potential

(1) Digital customer defined as customers active in the last 90 days; (2) Based on touchbases with customer...
Cost efficiency and investments towards streamlined operations…

Operating costs¹ (%; €mn)

<table>
<thead>
<tr>
<th></th>
<th>2022 Reported</th>
<th>2022 Recurrent</th>
<th>9M23 Reported</th>
<th>9M23 Recurrent</th>
</tr>
</thead>
<tbody>
<tr>
<td>D&amp;A</td>
<td>448.4</td>
<td>405.5</td>
<td>339.6</td>
<td>322.0</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>162.2</td>
<td>126.3</td>
<td>29.5</td>
<td>183.8</td>
</tr>
<tr>
<td>Staff Cost</td>
<td>233.7</td>
<td>183.8</td>
<td>473</td>
<td>548</td>
</tr>
</tbody>
</table>

Cost to Income² (%)

<table>
<thead>
<tr>
<th></th>
<th>1H22</th>
<th>2022</th>
<th>1H23</th>
<th>9M23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td>51%</td>
<td>49%</td>
<td>48%</td>
<td>44%</td>
</tr>
<tr>
<td>Recurring</td>
<td>48%</td>
<td>44%</td>
<td>32%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Commercial banking income / FTE (€k)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>Sep-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ye22</td>
<td>204</td>
<td>225</td>
<td>332</td>
</tr>
<tr>
<td>Recurring</td>
<td>225</td>
<td>225</td>
<td>332</td>
</tr>
</tbody>
</table>

Branch & employee evolution

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2020</th>
<th>Sep-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branches</td>
<td>5,488</td>
<td>4,582</td>
<td>4,209</td>
</tr>
<tr>
<td>Employees</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

...are key pillars to increase profitability, offset cost inflation and invest in people and culture while reaching a best-in-class C/I ratio

---

(1) One-offs include: €43mn in 2022 of which €18mn intangibles write-offs; €13mn headquarters move & strategic advisory; €5mn DG Comp, CCA & regulatory; €4mn Spain branch closure; €3mn other;
(2) Peers data as of YE22, defined as operating costs divided by commercial banking income; commercial banking income being equal to net interest margin plus fees and commissions;
(3) Portuguese average excludes novobanco;
(4) Includes BPI, Santander Portugal and BCP Portugal. Does not include CGD given no domestic commercial banking income disclosure as of 3Q23. Annualised data.
**5. IMPROVED OPERATING EFFICIENCIES AND ATTRACTIVE FUNDING MIX LEADING TO BEST-IN-CLASS PROFITABILITY AND CAPITAL GENERATION**

Attractive funding costs from loyal customer base and high liquidity

---

### Deposits Breakdown by Type

<table>
<thead>
<tr>
<th>Type</th>
<th>Dec-22</th>
<th>Mar-23</th>
<th>Jun-23</th>
<th>Sep-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
<td>28.4</td>
<td>27.5</td>
<td>28.2</td>
<td>28.1</td>
</tr>
<tr>
<td>Demand</td>
<td>31%</td>
<td>34%</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td>Market Share</td>
<td>9.3%</td>
<td>9.3%</td>
<td>9.6%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Deposit (% funding)</td>
<td>81.7%</td>
<td>80.4%</td>
<td>79.1%</td>
<td>81.3%</td>
</tr>
<tr>
<td>Cost of Deposits</td>
<td>0.17%</td>
<td>0.39%</td>
<td>0.67%</td>
<td>0.92%</td>
</tr>
</tbody>
</table>

### Deposits by Customer

- **Non-Retail**
  - Market Share: 28.1%
  - 73%

- **Retail**
  - Market Share: 3Q23: ~45%
  - 27%

### Loyal customer base

- **Before 2014**
  - Clients: 63%
- **After 2014**
  - Clients: 37%

---

(1) Source: novobanco analysis using Bank of Portugal; using most recent available information as of August 2023;
(2) Based on total funds;
(3) Cost of Deposits of 0.67% and 0.92% referring to 2Q23 and 3Q23, respectively;
(4) Based on average 3M Euribor;
(5) LtD ratio as per BdP definition (see glossary – annex for further detail)
**5. IMPROVED OPERATING EFFICIENCIES AND ATTRACTIVE FUNDING MIX LEADING TO BEST-IN-CLASS PROFITABILITY AND CAPITAL GENERATION**

Disciplined strategic focus driving best-in-class profitability…

**Return on Equity**
(9M23 annualised; %)

- **A** 22.4%
- **B** 22.4% +182 bps
- **C** 24.3% +55 bps
- **D** 24.8%

<table>
<thead>
<tr>
<th>Component</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stated RoE</td>
<td>22.4%</td>
</tr>
<tr>
<td>Intangibles (including CCA¹)</td>
<td>+182 bps</td>
</tr>
<tr>
<td>Stated RoTE</td>
<td>24.3%</td>
</tr>
<tr>
<td>Pro-rata bank levies²</td>
<td>+55 bps</td>
</tr>
<tr>
<td>Adjusted RoTE</td>
<td>24.8%</td>
</tr>
</tbody>
</table>

**CET 1 Ratio**
Fully Loaded (%)

- **16.5%**

**Strong operating income** delivering record results in 9M23 (€638.5mn);

**Equity adjusted by intangibles and €209mn due to CCA not yet received (booked as a receivable) and excluded from capital ratios;**

**Pro-rata consideration of bank levies for FY2023 (€57mn) already paid in full in 1H23 leading to incremental RoTE increase;**

**Strong adjusted RoTE despite significant excess capital** (CET1 FL: 16.5%) that currently cannot be distributed due to CCA/dividend ban in place until 2025.

Novobanco’s profitability ranks among the top performers in Europe.

---

Tangible equity based on period average; (1) CCA call of €209mn not yet received; accounted as a receivable and excluded in Capital ratios; (2) Considers contributions to resolution funds and special tax on banks of €56.3mn on an annual basis.
5. IMPROVED OPERATING EFFICIENCIES AND ATTRACTIVE FUNDING MIX LEADING TO BEST-IN-CLASS PROFITABILITY AND CAPITAL GENERATION

...resulting in superior returns vs. EU banking sector...

<table>
<thead>
<tr>
<th>Country</th>
<th>9M23 RoTE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>24.3%</td>
</tr>
<tr>
<td>France</td>
<td>19.0%</td>
</tr>
<tr>
<td>Portugal</td>
<td>17.3%</td>
</tr>
<tr>
<td>Italy</td>
<td>16.6%</td>
</tr>
<tr>
<td>Germany</td>
<td>15.9%</td>
</tr>
<tr>
<td>Ireland</td>
<td>15.4%</td>
</tr>
<tr>
<td>Greece</td>
<td>14.7%</td>
</tr>
<tr>
<td>Austria</td>
<td>13.1%</td>
</tr>
<tr>
<td>Ireland</td>
<td>11.1%</td>
</tr>
<tr>
<td>Greece</td>
<td>9.5%</td>
</tr>
<tr>
<td>France</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

Novabanco’s tangible equity based on period average; Peers include for Spain (CaixaBank, Bankinter, Sabadell and Unicaja as of 9M23), for Portugal (Santander Totta, Millenium BCP and Banco BPI as of 9M23 and CGD as of 1H23), France (BNP Paribas as of 9M23, and Societe Generale, Credit Agricole and BCPE as of 1H23), Germany (Deutsche Bank as of 9M23, Commerzbank and OLB as of 1H23), Nordics (Nordea, DNB, SEB, Danske Bank, Handelsbanken as of 9M23), Benelux (ING, ABN AMRO, KBC as of 1H23), Italy (BPER, BPM, Banca MPS as of 1H23), Austria (Bawag, Erste as of 9M23), Ireland (AIB, Bank of Ireland, PTSB as of 1H23); Greek peers include Eurobank, Piraeus and National Bank of Greece as of 1H23.
5. IMPROVED OPERATING EFFICIENCIES AND ATTRACTIVE FUNDING MIX LEADING TO BEST-IN-CLASS PROFITABILITY AND CAPITAL GENERATION

...as well as +300bps organic capital generation in 9M23

**CET 1**
(fully loaded\(^1\); %)

<table>
<thead>
<tr>
<th></th>
<th>Required CET1</th>
<th>2022</th>
<th>1Q23</th>
<th>1H23</th>
<th>9M23</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCyB</td>
<td>8.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCB</td>
<td>2.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P2R</td>
<td>1.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1</td>
<td>4.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Capital**
(fully loaded\(^1\); %)

<table>
<thead>
<tr>
<th></th>
<th>Required Total Capital</th>
<th>2022</th>
<th>1Q23</th>
<th>1H23</th>
<th>9M23</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCyB</td>
<td>13.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCB</td>
<td>2.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P2R</td>
<td>3.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1</td>
<td>8.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Solid top-line performance and disciplined capital allocation leading to superior capital generation

---

(1) The inclusion of positive results depends on an authorization from the ECB; (2) Total capital ratio also benefited from +€100mn Tier 2 upsize with the issuance of €500mn 10.5NC5.5 due in 2033.
Execution leading to targets outperformance and guidance revision

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2023 Upgraded Guidance</th>
<th>9M23 Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Margin</td>
<td>&gt; 2.5%(^2)</td>
<td>2.66%</td>
</tr>
<tr>
<td>Cost to Income</td>
<td>~ 35%</td>
<td>32.4%</td>
</tr>
<tr>
<td>Cost of Risk</td>
<td>~ 50 bps</td>
<td>36 bps</td>
</tr>
<tr>
<td>NPL Ratio(^3)</td>
<td>&lt; 4.5% (w/ 84% coverage)</td>
<td>4.2%</td>
</tr>
<tr>
<td>Profit Before Tax(^4)</td>
<td>&gt; €700mn</td>
<td>€646mn</td>
</tr>
<tr>
<td>Capital Generation</td>
<td>&gt; 350 bps</td>
<td>+340 bps (CET1: 16.5%)</td>
</tr>
</tbody>
</table>

Consistent execution of the strategic plan, reiterating the focus to achieve investment grade rating in the medium-term

- **Protecting NIM from a lower interest rate environment** by increasing hedges\(^5\) to lock in current rates and reduce sensitivity, with a **decrease of ~5% NII for -100bps in rates**

- **De-risking strategy** with strong and reinforced coverage levels

- **Deposit Guarantee Fund**
  - Currently collateralized by bonds and maybe replaced by cash (€56mn) in 4Q. Replacement with impact in P&L but no impact in CET1

- **Upward revision of 2023E Capital Generation** > 400bps

---

\(1\) Considers upward revision of 2023 guidance presented with 1H23 accounts; \(2\) Considers average Deposits Facility Rate of 3.3% vs previous 2.7%; \(3\) NPL ratio target includes cash and advances with to banks; NPL ratio at 4.7% if excluded; \(4\) PBT deducted by Special Tax on Banks; \(5\) Considering a constant balance sheet and after execution of €7.0bn cash-flow hedges on the mortgage book and €1.5bn hedges on deposits
AGENDA

Novobanco’s Journey
Novobanco at a Glance
Recap of 9M 2023 Results – Financial Performance
Results Remarks

Solid domestic and simple business model, with sound client acquisition, delivering increased profitability from top-line performance together with efficiency measures implemented in recent years.

Net Income +18% QoQ growth driven by assets re-pricing, moderate cost of risk and strict cost control.

Strong organic capital generation business model (3Q23: c.+140bps; 9M23: c.+340bps) aligned with stable funding and liquidity position based on a stable deposit base focused on granular retail clients.

Consistent strategy execution aiming to achieve investment grade rating in the medium-term.

Strong strategy execution delivering 2023 guidance already in 9M23.
Strong profitability driven by sustainable business growth
Income backed by a positive NIM trend, strong asset quality and disciplined cost contention

**Income Statement (€mn)**

<table>
<thead>
<tr>
<th></th>
<th>9M22</th>
<th>FY22</th>
<th>9M23</th>
<th>▲YoY</th>
<th>3Q23</th>
<th>▲QoQ</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>405.9</td>
<td>625.5</td>
<td>831.2</td>
<td>+425.3</td>
<td>307.2</td>
<td>+29.5</td>
</tr>
<tr>
<td>+ Fees &amp; Commissions</td>
<td>215.7</td>
<td>293.3</td>
<td>217.1</td>
<td>+1.4</td>
<td>71.8</td>
<td>(4.7)</td>
</tr>
<tr>
<td>= Commercial Banking Income</td>
<td>621.6</td>
<td>918.8</td>
<td>1,048.3</td>
<td>+426.7</td>
<td>378.9</td>
<td>+24.9</td>
</tr>
<tr>
<td>+ Capital Markets Results</td>
<td>68.2</td>
<td>24.0</td>
<td>39.3</td>
<td>(28.9)</td>
<td>11.3</td>
<td>(10.9)</td>
</tr>
<tr>
<td>+ Other Operating Results</td>
<td>161.3</td>
<td>183.6</td>
<td>14.5</td>
<td>(146.8)</td>
<td>19.5</td>
<td>+26.9</td>
</tr>
<tr>
<td>= Banking Income</td>
<td>851.1</td>
<td>1,126.3</td>
<td>1,102.1</td>
<td>+251.0</td>
<td>409.7</td>
<td>+40.8</td>
</tr>
<tr>
<td>- Operating Costs</td>
<td>314.2</td>
<td>448.4</td>
<td>339.6</td>
<td>+25.3</td>
<td>114.5</td>
<td>+1.4</td>
</tr>
<tr>
<td>= Net Operating Income</td>
<td>536.8</td>
<td>678.0</td>
<td>762.5</td>
<td>+225.7</td>
<td>295.2</td>
<td>+39.4</td>
</tr>
<tr>
<td>- Net Impairments &amp; Provisions</td>
<td>22.5</td>
<td>111.2</td>
<td>81.7</td>
<td>+59.3</td>
<td>25.8</td>
<td>(2.5)</td>
</tr>
<tr>
<td>= Profit Before Tax</td>
<td>514.3</td>
<td>566.8</td>
<td>680.8</td>
<td>+166.4</td>
<td>269.4</td>
<td>+42.0</td>
</tr>
<tr>
<td>- Corporate Income Tax</td>
<td>27.8</td>
<td>-53.3</td>
<td>2.6</td>
<td>(25.2)</td>
<td>1.0</td>
<td>+0.2</td>
</tr>
<tr>
<td>- Special Tax on Banks</td>
<td>34.1</td>
<td>34.1</td>
<td>35.3</td>
<td>+1.1</td>
<td>1.1</td>
<td>+1.1</td>
</tr>
<tr>
<td>= Profit after Taxes</td>
<td>452.4</td>
<td>585.9</td>
<td>642.9</td>
<td>+190.5</td>
<td>267.3</td>
<td>+40.7</td>
</tr>
<tr>
<td>- Non-Controlling Interests</td>
<td>24.0</td>
<td>25.1</td>
<td>4.4</td>
<td>(19.7)</td>
<td>2.0</td>
<td>+0.2</td>
</tr>
<tr>
<td>= Net Profit for the period</td>
<td>428.3</td>
<td>560.8</td>
<td>638.5</td>
<td>+210.2</td>
<td>265.3</td>
<td>+40.5</td>
</tr>
</tbody>
</table>
Deep Dive into NII and Fees

1. Net Interest Income
   - NII performance (+10.6% QoQ) reflecting improvement of average assets yield in excess of the increase in the cost of funding
   - NIM of 2.66% (9M23), above previous guidance of > 2.2%
   - Lending book repricing after 18-24 months

2. Fees
   - Fee income +0.7% YoY backed by higher volume of transactions;
   - Commercial Banking Income was €1,048mn (+7.0% QoQ), driven by higher NII.
   - Capital Markets Results impacted by 9M22 accounting of gains from the hedging of interest rate risk.

Net Interest Margin<sup>2</sup>: quarterly trend (%)

<table>
<thead>
<tr>
<th></th>
<th>2Q22</th>
<th>3Q22</th>
<th>4Q22</th>
<th>1Q23</th>
<th>2Q23</th>
<th>3Q23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>0.23%</td>
<td>0.40%</td>
<td>0.50%</td>
<td>1.07%</td>
<td>1.28%</td>
<td>1.51%</td>
</tr>
<tr>
<td>NIM</td>
<td>1.29%</td>
<td>1.27%</td>
<td>1.99%</td>
<td>2.34%</td>
<td>2.66%</td>
<td>3.00%</td>
</tr>
<tr>
<td>Liabilities&lt;sup&gt;1&lt;/sup&gt;</td>
<td>1.51%</td>
<td>1.65%</td>
<td>2.46%</td>
<td>3.42%</td>
<td>3.95%</td>
<td>4.51%</td>
</tr>
</tbody>
</table>

Fees: evolution per type (€mn)

<table>
<thead>
<tr>
<th></th>
<th>9M22</th>
<th>9M23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advising, Servicing &amp; Other</td>
<td>93.8</td>
<td>102.3</td>
</tr>
<tr>
<td>Asset Management &amp; Bancassurance</td>
<td>49.2</td>
<td>46.9</td>
</tr>
<tr>
<td>On Loans, Guarantees &amp; similar</td>
<td>63.7</td>
<td>59.0</td>
</tr>
<tr>
<td>Accounts and payments</td>
<td>91.9</td>
<td>102.3</td>
</tr>
</tbody>
</table>

(1) Interest bearing liabilities & others
Deep Dive into C/I Ratio and Impairments

### Operating Costs
(\%; €mn)

<table>
<thead>
<tr>
<th></th>
<th>9M22</th>
<th>9M23</th>
</tr>
</thead>
<tbody>
<tr>
<td>D&amp;A</td>
<td>314.2</td>
<td>339.6</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>29.4</td>
<td>29.5</td>
</tr>
<tr>
<td>Staff Cost</td>
<td>115.0</td>
<td>126.3</td>
</tr>
<tr>
<td></td>
<td>169.8</td>
<td>183.8</td>
</tr>
</tbody>
</table>

**YoY**

- D&A: +6.9% w/o one-offs
- G&A: +8.1%

### Cost to Income Ratio¹
(\%)

<table>
<thead>
<tr>
<th></th>
<th>1H22</th>
<th>2022</th>
<th>1Q23</th>
<th>1H23</th>
<th>9M23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td>51%</td>
<td>49%</td>
<td>44%</td>
<td>35%</td>
<td>32%</td>
</tr>
<tr>
<td>Recurring</td>
<td>48%</td>
<td>44%</td>
<td>33%</td>
<td>32%</td>
<td>32%</td>
</tr>
</tbody>
</table>

**Cost to Income Ratio**

- Defined as Operating Cost divided by Commercial Banking Income; Commercial Banking Income being equal to Net Interest Margin plus Fees and Commissions;

### Impairment and Provisions
(€mn; %)

<table>
<thead>
<tr>
<th></th>
<th>9M22</th>
<th>9M23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Provisions</td>
<td>22.5</td>
<td>15.7</td>
</tr>
<tr>
<td>Securities</td>
<td>44.0</td>
<td>65.7</td>
</tr>
<tr>
<td>Other</td>
<td>39.5</td>
<td></td>
</tr>
<tr>
<td>-61.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Included:**

- Provisions for corporate exposure;
- Provisions (€4mn) related to exposure to Russian Federation;
- Includes €31.7mn reversal of specific provisions

**Cost of Risk²**
(bps)

<table>
<thead>
<tr>
<th></th>
<th>9M22</th>
<th>2022</th>
<th>9M23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td>36</td>
<td>45</td>
<td>36</td>
</tr>
<tr>
<td>Recurring</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:**

1. As of Sep-23 total exposure to corporates from Russian Federation was €4.3mn recorded at fair value through other comprehensive income; no Russian Federation sovereign exposure

2. Including loans and corporate bonds
Simple balance sheet reflecting Novobanco's sustainable business model

### Balance Sheet (€mn)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Dec-22</th>
<th>Sep-23</th>
<th>▲YTD</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances to Banks</td>
<td>6,643</td>
<td>3,466</td>
<td>(3,177)</td>
<td>-47.8%</td>
</tr>
<tr>
<td>Customer loans (net)</td>
<td>24,551</td>
<td>24,672</td>
<td>121</td>
<td>0.5%</td>
</tr>
<tr>
<td>Real estate</td>
<td>614</td>
<td>594</td>
<td>(20)</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Securities</td>
<td>10,646</td>
<td>10,810</td>
<td>164</td>
<td>1.5%</td>
</tr>
<tr>
<td>Non-current assets held for sale</td>
<td>60</td>
<td>65</td>
<td>6</td>
<td>9.8%</td>
</tr>
<tr>
<td>Current and deferred tax assets</td>
<td>956</td>
<td>997</td>
<td>41</td>
<td>4.3%</td>
</tr>
<tr>
<td>Other assets</td>
<td>2,526</td>
<td>2,345</td>
<td>(181)</td>
<td>-7.2%</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>45,995</strong></td>
<td><strong>42,949</strong></td>
<td><strong>(3,046)</strong></td>
<td><strong>-6.6%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities &amp; Equity</th>
<th>Dec-22</th>
<th>Sep-23</th>
<th>▲YTD</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer deposits</td>
<td>28,412</td>
<td>28,095</td>
<td>(317)</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Due to central banks and Banks</td>
<td>9,705</td>
<td>5,970</td>
<td>(3,735)</td>
<td>-38.5%</td>
</tr>
<tr>
<td>Debt securities</td>
<td>1,584</td>
<td>1,113</td>
<td>(472)</td>
<td>-29.8%</td>
</tr>
<tr>
<td>Non-current liabilities held for sale</td>
<td>15</td>
<td>22</td>
<td>7</td>
<td>42.1%</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>2,766</td>
<td>3,515</td>
<td>750</td>
<td>27.1%</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>42,483</strong></td>
<td><strong>38,715</strong></td>
<td><strong>(3,768)</strong></td>
<td><strong>-8.9%</strong></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td><strong>3,512</strong></td>
<td><strong>4,234</strong></td>
<td><strong>722</strong></td>
<td><strong>20.6%</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Equity</strong></td>
<td><strong>45,995</strong></td>
<td><strong>42,949</strong></td>
<td><strong>(3,046)</strong></td>
<td><strong>-6.6%</strong></td>
</tr>
</tbody>
</table>

### Loan Portfolio1 by Stages

<table>
<thead>
<tr>
<th>Stage 3</th>
<th>15%</th>
<th>6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 2</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>Stage 1</td>
<td>79%</td>
<td>80%</td>
</tr>
</tbody>
</table>

### Evolution of Real Estate Exposure (€mn NBV)

<table>
<thead>
<tr>
<th>% Total Assets</th>
<th>1.3%</th>
<th>1.4%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreclosed REO (net)</td>
<td>614</td>
<td>594</td>
</tr>
<tr>
<td>Investment properties &amp; Other</td>
<td>108</td>
<td>102</td>
</tr>
</tbody>
</table>

### Securities Portfolio3 (€bn)

- Other Bonds: 10.6, 4.0, 4.6
- Other Sovereign debt: 5.2, 4.8
- PT Sovereign debt: 1.0, 1.0

---

1. Excludes credit institutions; 2. Stage 2 Specific provisions; Stage 3 includes backstop; 3. ALCO portfolio has an average yield of ~3.3% and a ~2.2 years duration. HQLA: High Quality Liquid Assets representing 75%; €440m of unrealised MM losses (~€300m post-tax CET1 Impact). 4. Includes Funds and Equity Holdings; 5. Includes Corporate Debt and Supra

---

(1) Excludes credit institutions; (2) Stage 2 Specific provisions; Stage 3 includes backstop; (3) ALCO portfolio has an average yield of ~3.3% and a ~2.2 years duration. HQLA: High Quality Liquid Assets representing 75%; €440m of unrealised MM losses (~€300m post-tax CET1 Impact). 4. Includes Funds and Equity Holdings; 5. Includes Corporate Debt and Supra

---

40
~70% of Stage 3 with overdue less than 1 year and recent sales showing that exposures are provisioned in line with market value
Decreasing RE exposure to €594mn (-3% YTD), with TOP 20 assets representing 71% of the portfolio

**Real Estate Exposure**
(€mn NBV)

<table>
<thead>
<tr>
<th></th>
<th>Dec-22</th>
<th>Sep-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreclosed REO (net)</td>
<td>614</td>
<td>594</td>
</tr>
<tr>
<td>Land</td>
<td>506</td>
<td>491</td>
</tr>
<tr>
<td>CBV</td>
<td>108</td>
<td>102</td>
</tr>
<tr>
<td>Investment properties &amp; Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**RE: Coverage by Asset Type**
(Sep-23 Pro-forma; €bn;%)%

<table>
<thead>
<tr>
<th>Coverage Rate (%)</th>
<th>Land</th>
<th>Commercial</th>
<th>Residential &amp; Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBV</td>
<td>0.67</td>
<td>0.35</td>
<td>0.39</td>
</tr>
<tr>
<td>NBV</td>
<td>0.32</td>
<td>0.18</td>
<td>0.08</td>
</tr>
</tbody>
</table>

**RE: breakdown**
(€million;%)

- **Sep-23**
  - 594
- **Sep-23 Pro-forma**
  - 557
  - Under SPA: ~75
  - CRE: ~245
  - High quality plots: ~55
- **Granular portfolio**
  - ~105

Historical yield of maintained portfolio:
- 2020: 5.1%
- 2021: 5.9%
- 2022: 7.3%
- 2023 (YTD): 7.1%

Historical sale premiums (vs NBV):
- 2020: 27%
- 2021: 21%
- 2022: 32%
- 2023 (YTD): 20%

(1) Considers RE assets sold by novobanco from 30 September 2023 to 30 October 2023;
Conservative €10.8bn securities portfolio with HQLA\(^1\) representing >75%.

**Securities Portfolio (€bn)**

<table>
<thead>
<tr>
<th></th>
<th>Dec-22</th>
<th>Sep-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds(^3)</td>
<td>4.0</td>
<td>4.6</td>
</tr>
<tr>
<td>Other Sovereign debt</td>
<td>5.2</td>
<td>4.8</td>
</tr>
<tr>
<td>PT</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Other(^2)</td>
<td>0.4</td>
<td>0.4</td>
</tr>
</tbody>
</table>

**ALCO Portfolio: Ratings (%)**

- AAA
- [AA+; AA-]
- [A+; A-]
- [BB+; B+]
- [BBB+; BBB-]

**Others (incl. Client Business Related\(^4\))**

<table>
<thead>
<tr>
<th></th>
<th>Sep-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>FVTOCI</td>
<td>15%</td>
</tr>
<tr>
<td>FVTP&amp;L</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Amortised Cost**

- 2.4yrs duration (vs Dec-22: 1.4yrs)
- -€0.4mn sensitivity for 1bps increase in interest rates (before hedges; Dec-22: -€0.3mn);

**FVTOCI**

- 10.6
- 10.8

**ALCO Portfolio\(^5\)**

- 8.0
- 10.8

**Amortised Cost book with €440mn\(^6\) unrealised MtM losses (equivalent to c. €300mn post-tax). ALCO portfolio with an average yield of ~3.3%, of which ~39% floating and with ~2.2 years duration (after hedges).**

---

(1) HQLA: High Quality Liquid Assets; (2) Includes Funds and Equity Holdings; (3) Includes Corporate Debt and Supra; (4) Such as lending to clients in bond/commercial paper format; (5) Includes trading book; (6) Pre-tax and net of hedges and including unrealised losses of €111mn from long dated public bonds purchased used as natural balance sheet hedge.
Compliant with MREL binding target as of January 1st 2022, continuing to build MREL going forward

### MREL requirements:
*(BdP notification of June 2023; %)*

<table>
<thead>
<tr>
<th></th>
<th>Jan-22</th>
<th>Jan-26</th>
</tr>
</thead>
<tbody>
<tr>
<td>TREA¹</td>
<td>14.64%</td>
<td>23.47%</td>
</tr>
<tr>
<td>Combined Buffer</td>
<td>2.52%</td>
<td>n.a.²</td>
</tr>
<tr>
<td>O-SII (LSF Nani)</td>
<td>0.50%</td>
<td>n.a.²</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17.66%</td>
<td>23.47% + Buffers</td>
</tr>
<tr>
<td>LRE³</td>
<td>5.91%</td>
<td>5.91%</td>
</tr>
</tbody>
</table>

### MREL ratio
*(% RWA; Preliminary)*

<table>
<thead>
<tr>
<th></th>
<th>Jan-22 Binding</th>
<th>Sep-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>17.7%</td>
<td>22.8%</td>
</tr>
<tr>
<td>Other senior liabilities ≥ 1 year</td>
<td>0.5%</td>
<td></td>
</tr>
<tr>
<td>Senior Bonds ≥ 1 year</td>
<td>2.7%</td>
<td></td>
</tr>
<tr>
<td>Own Funds – Tier 2</td>
<td>2.8%</td>
<td></td>
</tr>
<tr>
<td>Own Funds – Tier 1</td>
<td>16.9%</td>
<td></td>
</tr>
</tbody>
</table>

Organic capital generation and balance sheet optimisation expected to be considerably above MREL (interim) needs in 2023

---

(1) TREA - Total Risk Exposure Amount; Jan-26 requirement as announced on June 2023; (2) As of Jan-26 applicable requirement; (3) LRE - Total Leverage Exposure
Novobanco has a simple shareholder structure and a unique governance model within the Portuguese financial sector…

Shareholder Structure

As of September 2023

Through Direção-Geral do Tesouro e Finanças

75% through Nani Holdings, SGPS, S.A.

12.0%

13.0%

Governance Model

General Meeting

Statutory Auditor

Company Secretary

Executive Board of Directors

Monitoring Committee

General & Supervisory Board

Risk Committee

Financial Affairs Committee

Remuneration Committee

Nomination Committee

Compliance Committee

Committees:
- Risk
- Financial & Credit
- CALCO
- Internal Control System
- Compliance & Product
- Digital Transformation
- Costs & Investments
- Impairment

(1) As a result of the agreements celebrated between the Resolution Fund and the Shareholder Lone Star in the context of the sale of 75% of the shares of Novobanco, only the Resolution Fund will see its participation diluted with the conversion of the conversion rights, pending the delivery of the shares of the Resolution Fund to Nani Holdings on November 10th 2022; (2) Elected by the General Meeting upon a proposal of the General and Supervisory Board; (3) 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; (4) 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; (5) 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.
…having built a best-in-class management team

Executive board of directors

**MARK BOURKE**  
Chief Executive Officer  
- Appointed as CEO of novobanco in 2022, after holding the position of CFO for 3 years  
- 20+ years of experience as senior executive in financial institutions, namely as CEO in IFG Group and as CFO in AIB

**BENJAMIN DICKGIESSER**  
Chief Financial Officer  
- Appointed as CFO of novobanco in 2023  
- 15 years of experience in financial markets, worked in FIG IBD at Citigroup and at Lone Star (MD for Hudson Advisors Portugal) and was member of novobanco’s GSB

**CARLOS BRANDÃO**  
Chief Risk Officer  
- Appointed as CRO in 2022  
- Solid experience in risk management, both within and outside novobanco, as he was Risk Director in Santander Totta and Barclays

**LUÍS RIBEIRO**  
Chief Commercial Officer (Retail)  
- Appointed as CCOR in 2018  
- 25+ years of experience in the commercial area with novobanco, having previously assumed leadership for SMEs

**ANDRÉS BALTAR**  
Chief Commercial Officer (Corporate)  
- Appointed as CCOC in 2020  
- 20+ years of experience in Corporate Banking at Barclays (was Head of Corporate Banking in Europe) and novobanco

**LUÍSA SOARES DA SILVA**  
Chief Legal, Compliance & Sustainability Officer  
- Appointed as CLCO in 2017  
- Prior to joining novobanco, Luisa accumulated 25+ years of experience in Law

**RUI FONTES**  
Chief Credit Officer  
- Appointed as CCO in 2022  
- Deep institutional knowledge of novobanco and 20+ years of experience in risk management

General and supervisory board

**Chairman**  
Byron Haynes

**Vice-chairman**  
Karl-Gerhard Eick

**GSB Members**

- Donald Quintin
- Kambiz Nourbakhsh
- Mark Coker
- John Herbert
- Robert A. Sherman
- Carla Antunes da Silva
- William Henry Newton
- Monika Wildner
- Evgeniy Kazarez

---

(1) Luísa was lawyer and partner in one of the main Portuguese law firms (Morais Leitão, Galvão Teles, Soares da Silva & Associados), focusing on providing legal assistance to credit institutions and insurance companies; (2) Prior to his appointment as CCO, Rui Fontes operated in an executive function as CRO at novobanco from 2017-2022; (3) Subject to Fit & Proper;
## Deferred Tax Assets

### (€ millions)

<table>
<thead>
<tr>
<th></th>
<th>Dec-22</th>
<th>Sep-23</th>
<th>Of which in CET 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total DTAs on Balance Sheet</strong></td>
<td>923</td>
<td>969</td>
<td>673</td>
</tr>
<tr>
<td>Timing-Difference DTAs – Special Regime(^{(1)})</td>
<td>295</td>
<td>295</td>
<td>295</td>
</tr>
<tr>
<td>Timing-Difference DTAs – other</td>
<td>564</td>
<td>566</td>
<td>378</td>
</tr>
<tr>
<td>Tax Losses carried forward (TLCF)</td>
<td>64</td>
<td>107</td>
<td>-</td>
</tr>
<tr>
<td><strong>Off-Balance Sheet</strong></td>
<td>1 651</td>
<td>1 617</td>
<td>-</td>
</tr>
<tr>
<td>Timing-Difference DTAs</td>
<td>239</td>
<td>191</td>
<td>-</td>
</tr>
<tr>
<td>Tax Losses carried forward (TLCF)</td>
<td>1 412</td>
<td>1 426</td>
<td>-</td>
</tr>
</tbody>
</table>

### CET 1 eligible DTAs as % of CET1

(\(^{2}\))

<table>
<thead>
<tr>
<th></th>
<th>Novobanco</th>
<th>Portuguese average</th>
<th>Spanish average</th>
<th>Greek average</th>
<th>Italian average</th>
<th>Irish average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19%</td>
<td>47%</td>
<td>55%</td>
<td>77%</td>
<td>24%</td>
<td>2%</td>
</tr>
</tbody>
</table>

### Non-CET 1 eligible DTAs (including off BS) as % of CET 1

(\(^{2}\))

<table>
<thead>
<tr>
<th></th>
<th>Novobanco</th>
<th>Portuguese average</th>
<th>Spanish average</th>
<th>Greek average</th>
<th>Italian average</th>
<th>Irish average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>54%</td>
<td>17%</td>
<td>14%</td>
<td>28%</td>
<td>26%</td>
<td>38%</td>
</tr>
</tbody>
</table>

- 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, assuming average of base case and stressed cases of the business plan;
- Considering €700mn PBT, TLCF to be fully utilized over a period of 14 to 16 years. €800mn PBT accelerates utilization by c. 2 years;
- €954mn of off-balance sheet Tax losses carried forward have no maturity date.

---

(1) Special Regime applicable to Deferred Tax Assets approved by Law No. 61/2014, of August 26; (2) Novobanco analysis; average data considers June 2023 available information; novobanco TBV excludes CCA not yet received; Portuguese banks includes a domestic peer; Spanish Banks includes Caixabank, Sabadell, Unicaja and Santander; Greek banks includes NBG, Eurobank, Alpha Bank and Piraeus Bank, Italian banks includes BMPS, BPM and BPER
Despite restructuring completion, Capital Contingent Agreement (CCA) remains in place with €485m available to protect from downside scenarios.

CCA - Contingent Capital Agreement Compensation amounts

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCA Maximum Amount</td>
<td>3,890</td>
</tr>
<tr>
<td>CCA Received</td>
<td>3,405</td>
</tr>
<tr>
<td>Remaining CCA¹</td>
<td>485</td>
</tr>
</tbody>
</table>

- As agreed in Oct-2017, at sale process of novobanco, a Contingent Capital Agreement (“CCA”) was entered into between the Resolution Fund (“FdR”) and the Bank.

- Outstanding divergences between novobanco and the Resolution Fund (amounts not recognized in CET1 capital as of 30 June 2023):
  1. IFRS9 treatment
  2. 2020 unpaid CCA Call: €165mn
  3. 2021 unpaid CCA Call: €209mn

- Up to an additional €485mn remains available for losses recognised in a predefined portfolio of assets (“CCA Assets”) and other CCA covered losses (the “CCA Losses”) in case CET1 ratio decreases below 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.

- Until CCA Maturity Date (or early termination which would require mutual agreement between parties):
  - Novobanco is subject to a dividend ban
  - CCA Assets are subject to a servicing agreement with FdR

(1) Funds not included in Capital Ratios
Our ESG commitments, novobanco social dividend until 2024

**Sustainable Business**

Contribute to a sustainable economy and socio-economic development

- €566M vs €600M of Green investment vs 2021
- €0M vs €0M of financing to excluded sectors
- 61% vs 60% of investment products with ESG characteristics
- -22% vs -30% of tonnes of paper consumption vs 2021
- -34% vs -28% of tCO₂ emissions from own operations vs 2020

**Social & Financial Well-Being**

Promote social and financial well-being of our employees and customers

- 47% vs 40% employees benefitting from social well-being program
- -7% vs +3% employees with psychosocial risk assessment as healthy
- +1% vs +8% in employee engagement level vs 2021
- -1 vs 10 in client NPS indicator vs 2021
- +578 vs 9,594 growth in hours of employees voluntary service vs 2021

**Responsible Banking**

Bank responsibly, ethically and transparently, promoting a culture of diversity and inclusion

- 27.9% vs 30% of women in senior leadership positions
- 5.5% vs 5.0% in gender pay gap
- 2 vs 4 partners to promote people with disabilities employment
- 70% vs 90% of suppliers with sustainability score
- +25,685 vs +39,160 ESG training hours to employees

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1. Origination of financing or own portfolio investments in companies whose main economic activity is 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 photcopy 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; 7. Programme of initiatives to promote balance between personal and professional life, mental and physical health, healthy living, etc.; 8. Annual psychosocial risk assessment study of novobanco’s employee base; 9. Assessment of the level of employee engagement carried through the Pulse survey (average % of employee engagement); 10. Net Promoter Score calculated for Individual Clients - BASEF; 11. 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; 12. First line managers and Executive Board of Directors; 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.
# Bonds outstanding and MREL eligibility

<table>
<thead>
<tr>
<th>Description</th>
<th>ISIN</th>
<th>Currency</th>
<th>Outstanding Notional Value</th>
<th>Issue Date</th>
<th>Book Value</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior</td>
<td></td>
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<tr>
<td>NB 5.5% 30/12/24 OBRG.</td>
<td>PTNOBKOM0002</td>
<td>EUR</td>
<td>100</td>
<td>Dec-22</td>
<td>104</td>
<td>Dec-24</td>
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<td>Subordinated</td>
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<tr>
<td>NB 9.875% 01/12/33 OBRG.</td>
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<td>500</td>
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<td>Dec-33</td>
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<td>Total 2043 Bonds</td>
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<td>362</td>
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<tr>
<td>BES Luxembourg 3.5% 02/01/43</td>
<td>XS0869315241</td>
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<td>65</td>
<td>Feb-43</td>
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<td>BES Luxembourg 3.5% 18/03/2043</td>
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<td>70</td>
<td>Mar-13</td>
<td>47</td>
<td>Mar-43</td>
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<td>Total Zero Coupons (ex EMTN 57)</td>
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<td>BES Luxembourg ZC</td>
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<td>37</td>
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<tr>
<td>Banco Esp San Lux ZC 12/02/49</td>
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<td>Banco Esp San Lux ZC 19/02/49</td>
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<td>Banco Esp San Lux ZC 27/02/51</td>
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<td>BES Luxembourg ZC 06/03/2051</td>
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<td>BES Luxembourg ZC 16/04/46</td>
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<td>EUR</td>
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<td>Apr-14</td>
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<td>EMTN 57</td>
<td>XS0439764191</td>
<td>EUR</td>
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<td>Jul-09</td>
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<td>Jul-44</td>
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<td>Total MREL</td>
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<td></td>
<td>2,166</td>
<td></td>
<td>1,089</td>
<td></td>
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</tbody>
</table>

- **2043 Bonds and Zero Coupons (excluding EMTN 57):**
  - Are fully eligible for compliance with the Bank’s MREL requirements as they were issued before BRRD transposition in Portugal and do not cease to qualify as eligible liabilities of the Bank from 28 June 2025
  - Annual accrual of book value to notional value to increase contribution to MREL by c.€19m per annum
  - Annual interest expense of 6.6% on book value or c.2.4% net of hedge to close interest rate position

(1) Book values include accrued interests; (2) Pursuant to the current regulation as of September 2023; (3) As of August 2023, before tax
Rating profile based on Moody’s scorecard continues to show upside

<table>
<thead>
<tr>
<th>Metrics</th>
<th>Jul-22 Report (Before 2023 upgrades)</th>
<th>Apr-23 Report Novobanco Upgrade</th>
<th>Jun-23 Strong- Macro profile</th>
<th>Based on run-rate 9M23 (Strong- Profile)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2021 Raw score</td>
<td>Assigned score</td>
<td>Historical Raw Score</td>
<td>Raw Score</td>
</tr>
<tr>
<td>Asset Risk (25%)</td>
<td></td>
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<td>7.3%</td>
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</tr>
<tr>
<td>Problem Loans / Gross Loans</td>
<td>9.8%</td>
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<td>b1</td>
<td>10.7%</td>
</tr>
<tr>
<td>Capital (25%)</td>
<td>10.7%</td>
<td>ba2</td>
<td>ba2</td>
<td>-1.6%</td>
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<tr>
<td>TCE ratio</td>
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<td>15.4%</td>
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<td>Profitability (15%)</td>
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<td>25.2%</td>
<td>baa2</td>
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<tr>
<td>Net Income / Tangible Assets</td>
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<td>29.7%</td>
<td>baa2</td>
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<tr>
<td>Funding Structure (20%)</td>
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<td>27.4%</td>
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<tr>
<td>Market Funds / Tangible Banking Assets</td>
<td>30.6%</td>
<td>baa1</td>
<td>baa1</td>
<td>-1.6%</td>
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<tr>
<td>Liquid Resources (15%)</td>
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<td>10.7%</td>
<td>ba2</td>
</tr>
<tr>
<td>Liquid Banking Assets / Tangible Bank Assets</td>
<td>30.6%</td>
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<tr>
<td>Aggregate Financial Profile</td>
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<tr>
<td>Qualitative Adjustments</td>
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<tr>
<td>Business Diversification</td>
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<td>Opacity and Complexity</td>
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<td>Corporate Behavior</td>
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<td>Total Qualitative Adjustments</td>
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<td>BCA range</td>
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<td>ba3-b2</td>
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<td>Sovereign cap</td>
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<td>-1 notch</td>
<td>B3</td>
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<tr>
<td>Assigned BCA</td>
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<td>LGF uplift</td>
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<td>Baa2</td>
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<tr>
<td>Senior/Tier 2 rating</td>
<td></td>
<td></td>
<td>b1</td>
<td>Baa2</td>
</tr>
</tbody>
</table>

Source: novobanco analysis; Legend: ● lower assigned score vs raw score; ○ higher assigned score vs raw score; □ same assigned score vs raw score; 9M23 run-rate vs Jun-23 raw score

- Indicative unmodified ‘initial’ BCA score continues to suggest substantial rating upside when using run rate 1H23 (+4 notches to Investment Grade vs latest profile).
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Next Events

Nov 7: Citi – Iberian Roadshow (Madrid)
Nov 21: BoA European Credit Conference (London)
Nov 22: Natwest Credit Conference (London)