

## 2023 Achievements: 5 important landmarks accomplished in the first half

End of Restructuring Period	Sound Capital Generation	Historical Rating Upgrade	Successful Access to Markets	Commercial Performance
<ul style="list-style-type: none"> <li>Completion of the Restructuring Period with all commitments accomplished</li> </ul>	<ul style="list-style-type: none"> <li>1H23 +200 bps organic capital generation, on track to deliver 2023 guidance</li> </ul>	<ul style="list-style-type: none"> <li>5 notches Senior Debt rating upgrade by Moody's in less than 12 months;</li> <li>Targeting IG rating in the medium term</li> </ul>	<ul style="list-style-type: none"> <li>Issuance of €500mn Tier 2 bond with book 3x oversubscribed;</li> <li>Call of the €300mn SP notes due 2024 without replacement</li> </ul>	<ul style="list-style-type: none"> <li>Credit origination of €1.8bn with emphasis on the performance of Mortgage Loans</li> <li>Deposits growing 2.5% QoQ</li> </ul>

## A leading domestic franchise with renewed focus...

Market Share May 2023	<b>20.3%</b> (+1.7pp YTD) Trade Finance	<b>15.7%</b> (-0.4pp YTD) POS	<b>14.7%</b> (+0.2pp YTD) Corporate Loans	<b>9.6%</b> (+0.3pp YTD) Customer Deposits	<b>9.1%</b> (=YTD) Mortgage Loans	<b>9.1%</b> (+0.9pp YTD) Asset Management	<b>9.8%</b> (+0.2pp YTD) Global
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## ...and a strategic plan focused to maximize value for customers.

1H23 Figures

<b>Customer centric</b>	<b>1.5mn clients</b> including 55% of SMEs in Portugal	<b>€1.8bn</b> Loans originated in 1H23	<b>64.0%</b> Active digital clients; >50% are Mobile	<b>99%</b> Satisfied corporate clients – Quality of Service
<b>Simple and efficient</b>	<b>79%</b> Of household interactions are digital	<b>~90%</b> Of branches under new distribution model	<b>32%</b> Cost to income (recurrent basis)	<b>€325.1k</b> (+67% YoY) Commercial banking income per avg employee
<b>Skilled talent pool</b>	<b>4 132</b> Employees of Grupo novobanco	<b>54%</b> Women	<b>~19.2 yrs</b> Average seniority of employees	<b>26.9%</b> Of Women in Senior leadership roles
<b>Sustainable business</b>	<b>+200 bps</b> CET1 YTD on a Fully Loaded basis	<b>21.2%</b> MREL Ratio (above linear progression)	<b>147%</b> LCR	<b>€500mn</b> Financing in green investment (EU Taxonomy)

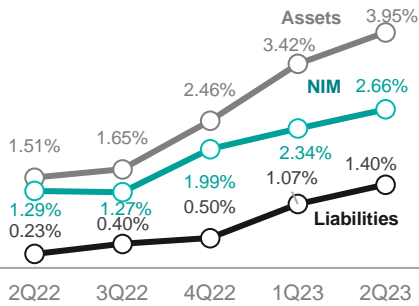
## Outperforming key financial targets with upward revision of 2023 guidance<sup>1</sup>:

2023 execution	Net Interest Margin (%)	Cost to Income (%)	Cost of Risk (bps)
<b>Sound Commercial Activity</b>	2.5% >2.2% > 2.5% ✓	33.6% <40.0% ~ 35% ✓	38 ~50 ~ 50 ✓
<b>Protecting NIM from lower interest rate environment, reduce sensitivity to a decrease of ~8% NII for -100bps in rates</b>	1H23 2023E* 2023E	1H23 2023E* 2023E	1H23 2023E* 2023E
<b>Strict Cost Control</b>	4.4% <4.5% < 4.5% ✓	377 > 600 ~700 ✓	Capital Generation (bps) 200 >250 > 350 ✓
<b>De-Risking Strategy</b>	80.0% Coverage	54%	CET1 15.1% 57%
	1H23 2023* 2023E	1H23 2023E* 2023E	1H23 2023E* 2023E

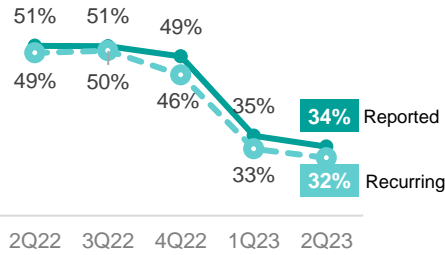
(1) Revised Guidance after 1H23 results. Previous guidance with \*; (2) PBT deducted by Special Tax on Banks

# 1H23 Highlights

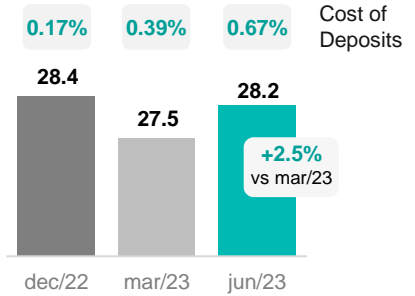
## NIM (%) evolution



## Cost to Income Ratio (%)



## Deposits growing QoQ (€bn)



## ESG Strategy | Timeline

### 4Q 2021

Announcement of novobanco strategic plan & Internal definition of ESG targets

### 2023

Roll-out of Climate & Environment (C&E) risks into the loan origination framework

### 2024

Comprehensive assessment of the new methodology's performance

### Business Environment:

- Definition of annual goals for green investment, agreed with key business lines and considering potential alignment with EU Taxonomy
- Definition of Key Risk Indicators for physical risk and exposure to relevant sectors that began monitoring in 2022
- Comprehensive sectoral scoring of the portfolio and risk materiality assessment was completed in 1Q23

### Risk management framework:

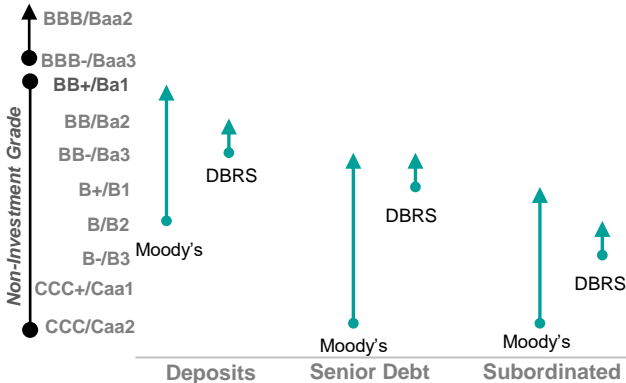
- Developments for full integration of C&E risks in the loan origination framework are underway, comprising the development of risk methodologies based on which the on-boarding procedures and decision framework.
- The methodologies will provide an integrated assessment in terms of the client/ transaction risk profile and EU Taxonomy (alignment) classification.

### Credit Risk:

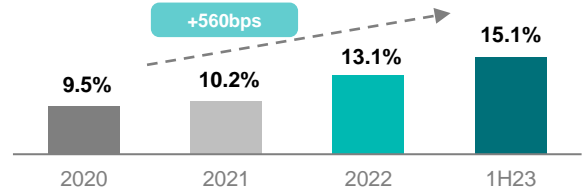
- Simplified approaches for pricing (ie: specific credit products have been designed to include ESG criteria)
- Structural developments in terms of the risk methodologies will enable novobanco to evolve pricing policy/ model, expected for 2024 onwards.

## Ratings - Road to Investment Grade

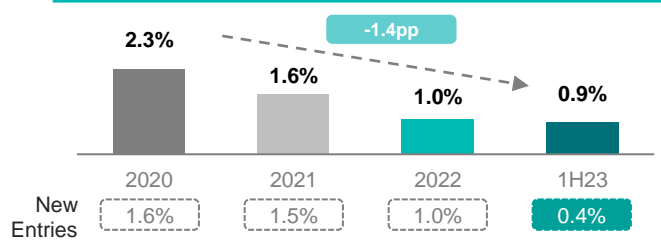
### Novobanco Rating Upgrades since Dec/21



### CET1 FL ratio



### Asset Quality – Net NPL ratio



## Shareholder Structure

As of June 2023<sup>1</sup>

