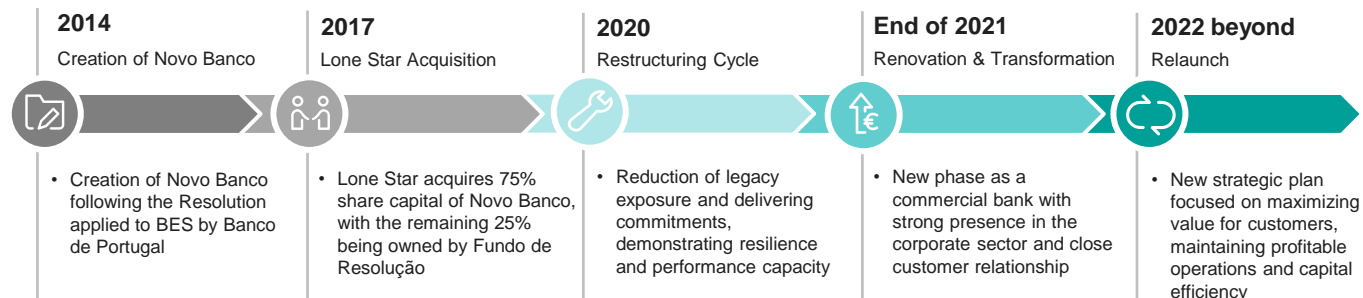
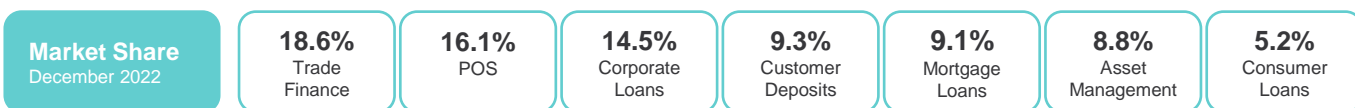


Successful turnaround plan execution leading to strong performance

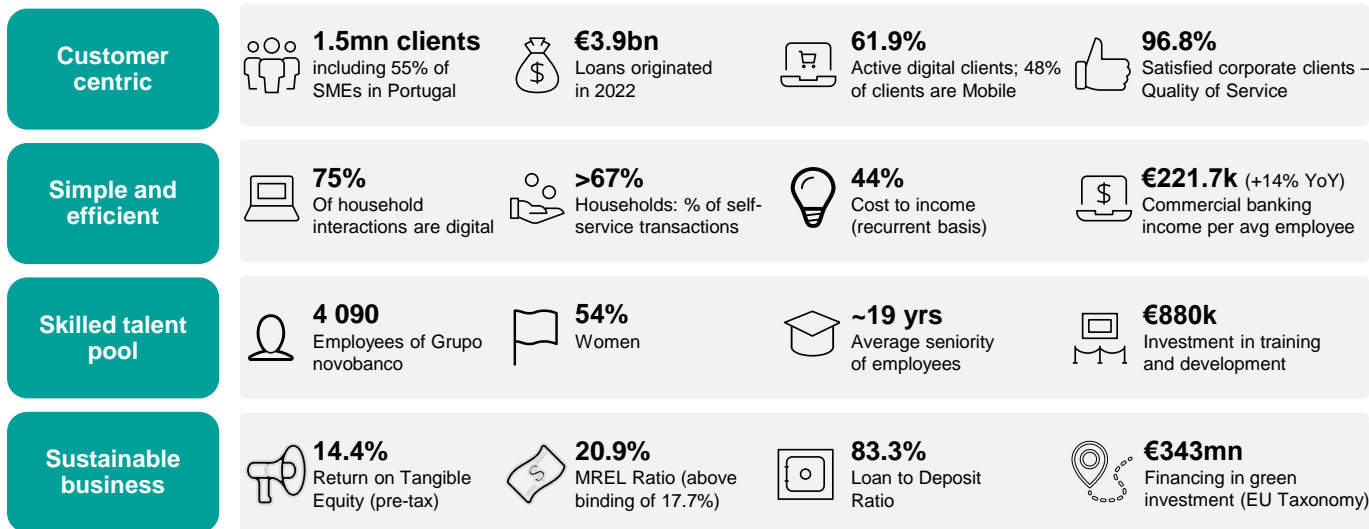


A leading domestic franchise with renewed focus...

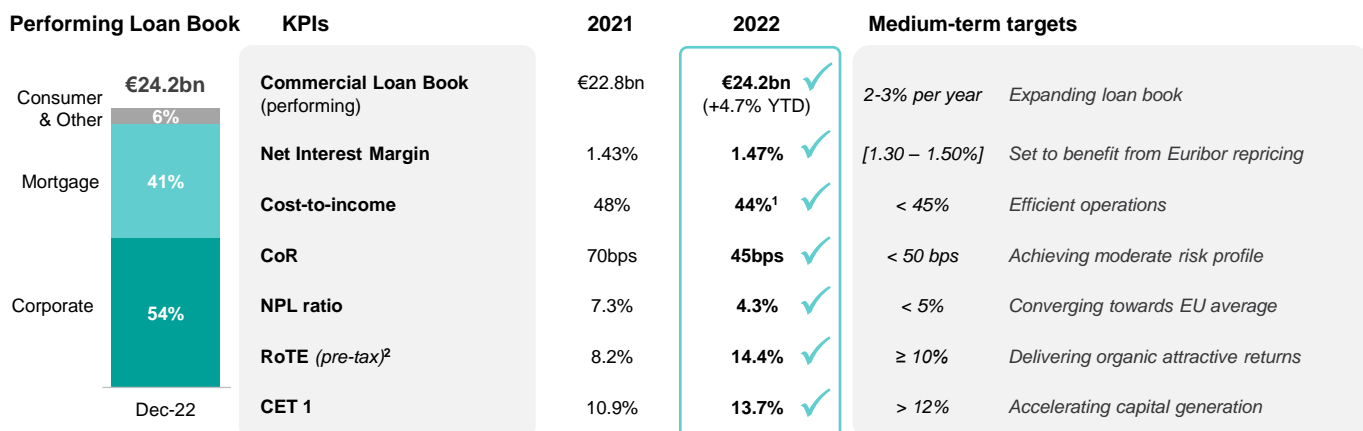


...and a strategic plan focused to maximize value for customers, maintaining profitable operations and capital efficiency,...

FY22 Figures

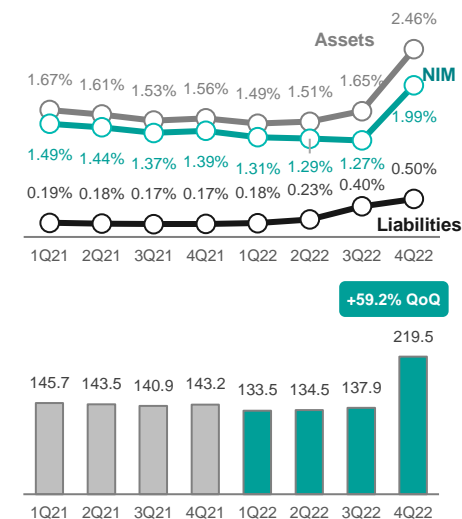


...having delivered on medium term targets already in 2022.

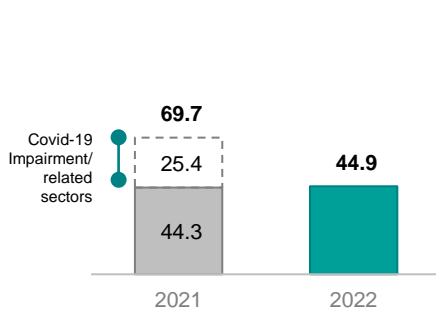


€mn	2021	2022	▲	%
Net Interest Income	573.4	625.5	+52.1	+9.1%
+ Fees & Commissions	282.5	293.3	+10.8	+3.8%
= Commercial Banking Income	855.9	918.8	+62.9	+7.3%
+ Capital Markets Results	75.9	24.0	(51.9)	(68.4%)
+ Other Operating Results	40.4	183.6	+143.2	+354.4%
= Banking Income	972.2	1 126.3	+154.2	+15.9%
- Operating Costs	408.4	448.4	+40.0	+9.8%
Staff	233.3	233.7	+0.4	+0.2%
G&A	141.1	162.2	+21.1	+14.9%
Depreciation	34.0	52.5	+18.5	+54.4%
= Net Operating Income	563.8	678.0	+114.2	+20.2%
- Net Impairments & Provisions	352.7	111.2	(241.5)	(68.5%)
= Income Before Tax	211.1	566.8	+355.7	+168.5%
- Corporate Income Tax	-15.2	- 53.3	(38.1)	(251.0%)
- Special Tax on Banks	34.1	34.1	0.0	+0.1%
= Income after Taxes	192.2	585.9	+393.8	+204.9%
- Non-Controlling Interests	7.7	25.1	+17.4	+226.6%
= Net Income for the period	184.5	560.8	+376.3	+204.0%

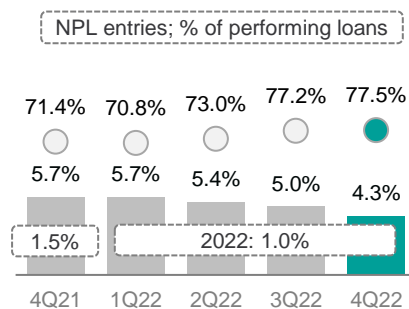
NII (€mn) and NIM (%) evolution



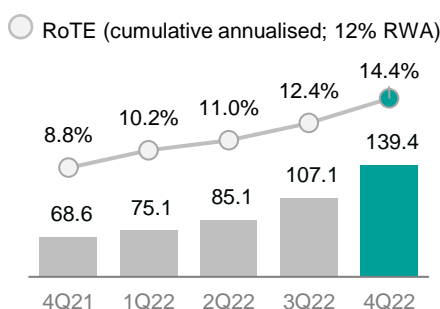
Cost of Risk (pb)



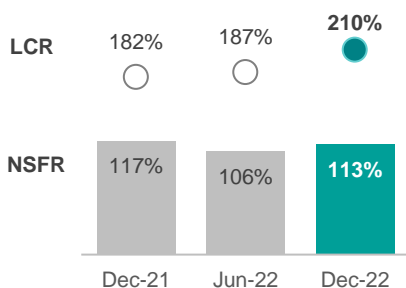
NPL ratio and Coverage (%)



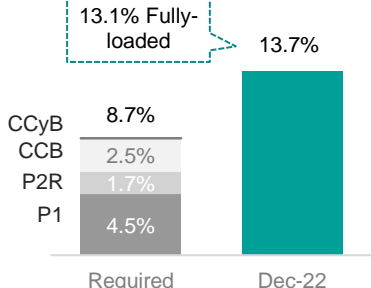
Underlying Profitability (€mn; pre-tax)



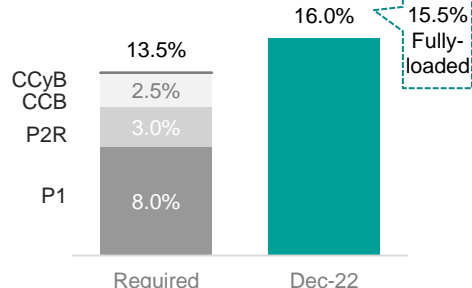
Liquidity Ratios (%)



CET 1 (phased-in; %)



Total Capital (phased-in; %)



Consistent Strategy Delivering Increased Profitability:

- Deliberate strategy execution leading to a net income of €560.8mn; 4Q22: €132.5mn). Underlying pre-tax profitability totalled €406.7mn, equivalent to a RoTE (before tax) of 14.4% (2021: 8.8%).
- Solid NII growth (+9.1% YoY) to €625.5mn (4Q22: €219.5mn; +59% QoQ), reflecting improvement of average assets yield, which more than offsets the cost of senior debt issued during 2021 and the change of TLTRO III interest rates. In 2022, NIM increased to 1.47% (2021: 1.42%; 4Q22: 1.99%) and Net customer loans grew by €0.9bn (+3.8% YTD), reflecting an expanding loan book.
- Fees and commissions increased to €293.3mn (+3.8% YoY; +8.9% QoQ), backed by customer activity in accounts and payments fees, as a result of a pick-up in business activity across retail and commercial.
- Commercial Banking Income grew to €918.8mn (+7.3% YoY; +42% QoQ). Banking Income was also strong at €1,126.3mn (+15.9% YoY), including the positive contribution of Other operating results of €183.6mn, driven by an accelerated deleverage of the real estate portfolio, which also includes the gain on the sale of novobanco' headquarters.
- Cost control and continued strategic investment resulted in a Commercial Cost to Income of 48.8% (2021: 47.7%), equivalent to 44.1% excluding extraordinary items. Operating costs totalled €448.4mn (+9.8% YoY), +2.4% YoY when adjusted for extraordinary items.
- Demonstrating resilient asset quality, CoR was 45bps (2021:70bps; considering loan impairments and corporate bonds; 2022: €133.3mn)

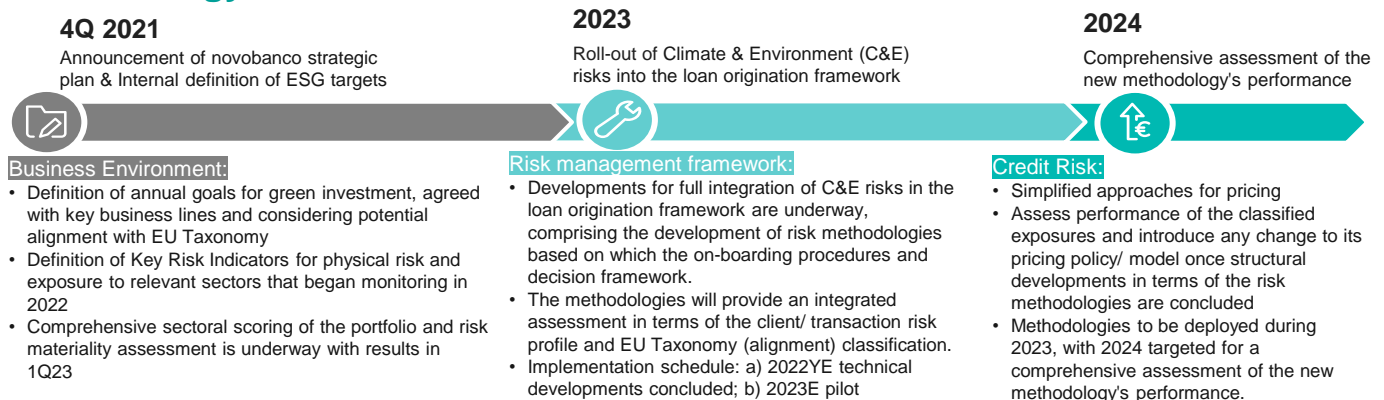
Solid business model with strong capital generation:

- Net Customers loans increased to €24.6bn (+3.8% YTD), confirming trajectory of an expanding loan book in both retail and corporate segments. Total customer funds improved 3.1% YTD, with customer deposits increasing 4.0% (+€1.1bn YTD).
- Accelerating capital generation with CET 1 increasing 300bps YTD to 13.1% (fully loaded basis; 13.7% on a phased-in basis) and Total capital ratio reached 15.5% (+330bps YTD; 16.0% on a phased-in basis), reflecting the capital accretive business model, which is set to produce strong capital generation, and RWA discipline which ensured a buffer above the target.

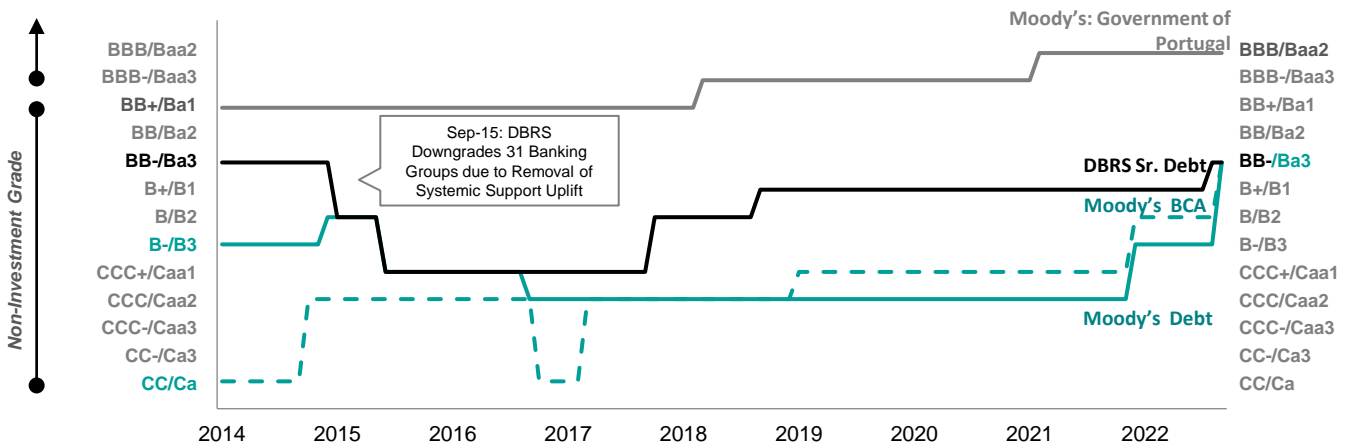
...and positioning novobanco for its next stage of development

Guidance update supported by:		2023 guidance ¹
SOUND COMMERCIAL ACTIVITY	NET INTEREST MARGIN	> 2.20% <i>Assuming 2.7% DFR; 20-30% deposits beta</i>
	COST-TO-INCOME	< 40% (including one-offs)
LOAN BOOK REPRICING	CoR (bps)	< 50 bps
	NPL RATIO	< 4.5%
STRICT COST CONTROL	RECURRENT PBT	> €600mm
	CAPITAL GENERATION	> 2.5% of RWAs (FL basis)
DE-RISKING STRATEGY	CET1	Medium-term target of c. 12% <i>Implying €2.6bn CET 1 capital in 2023E</i>
	FUNDING	Organic capital generation and balance sheet optimisation expected to satisfy MREL capital needs in 2023.

ESG Strategy I Timeline

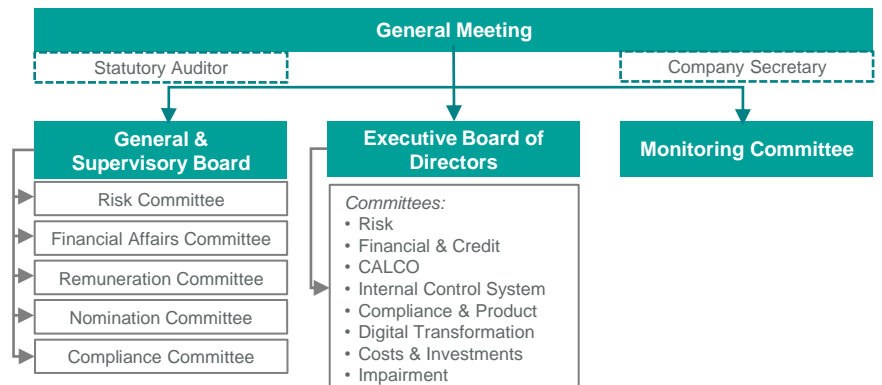
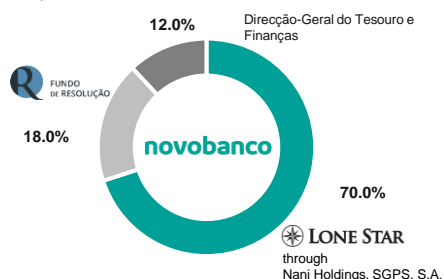


Ratings



Shareholder Structure

As of April 3rd, 2023¹



¹) As a result of the agreements between the Resolution Fund and Lone Star in the context of the sale of 75% of novobanco, only the Resolution Fund will see its participation diluted with the conversion of the conversion rights.