novobanco

GROUP ACTIVITY AND RESULTS
FIRST NINE MONTHS OF 2023

PRESS RELEASE

Lisbon, 2 November 2023

"The third quarter shows the Bank continuing to deliver very strong results. We are profitable and capital generative. We have a strong and liquid balance sheet and continue to see customer franchise growth as we meet their financial needs."

Mark Bourke, CEO

HIGHLIGHTS

CONSISTENT STRATEGY DELIVERING INCREASED PROFITABILITY

- Novobanco announces a **Net income of €638.5mn (1Q23: €148.4mn; 2Q23: €224.8mn; 3Q23: €265.3mn)**, backed by a solid domestic and simple business model, delivering increased profitability from top line performance, together with contained costs as a result of efficiency measures implemented in recent years.
- **NII was €831.2mn (3Q23: €307.2mn; +10.6% QoQ)**, reflecting the improvement of assets yield which more than offset the increase in the cost of funding. Continued momentum in **9M Net Interest Margin to 2.66% (3Q23: 3.00%), outperforming 2023 guidance of >2.5%**.
- **Fees and commissions totaled €217.1mn**, increasing 0.7% YoY (Sep/22: €215.7mn).
- **Commercial Cost to Income ratio improved to 32.4%** (1H23: 33.6%), reflecting top line performance and €339.6mn of Operating costs (+8.1% YoY), reflecting both inflation and the continued investment in optimization and simplification of operations.
- **Cost of risk was 36bps** (1H23: 38bps), including impairment of credit and corporate bonds, consistent with 2023 guidance.

CONTINUED STRONG CAPITAL GENERATION

- In the period, **fully loaded CET1 ratio increased by 340bps to 16.5%** while **Total Capital ratio increased by 390 bps to 19.3%** (+140bps and +150bps QoQ respectively). The capital generation reflects the capital accretive business model with solid top-line performance and disciplined capital allocation. Total capital ratio also benefited from the net increase of €100mn of Tier 2 instruments, following the issuance of the new €500mn 10.5NC5.5 Tier 2.

A RESILIENT BUSINESS MODEL WITH MARKET SHARE MOMENTUM

- **Gross Customers loans at €25.7bn (+0.2% YTD), with €2.6bn YTD origination** partially offset by increased amortization and supported by positive momentum on new client acquisition. Increasing its footprint in the Portuguese market with **global market share at 9.8% (Aug/23; +0.2pp YTD)**.
- **Non-performing loans** (NPL) continue to show a favorable trend, with **12.5% reduction compared to Dec/22**, to €1,205mn in Sep/23. **Net NPL ratio was 0.7%** (NPL at 4.2% with increased coverage ratio considerably above European average, at 83.8%)**.** Excluding cash and advances with to Banks, NPL ratio decreased to 4.7% (Dec/22: 5.4%), equivalent to a Net NPL ratio of 0.8% (Dec/22: 1.3%).
- **Total customer funds of €34.5bn** (Dec/22: €34.8bn), with **customer deposits at €28.1bn**. This performance is reflected in the **growth of novobanco's deposit market share to 9.7%** in Aug/23 (Dec/22: 9.3%). Loan to Deposits ratio remained healthy at 83.0%. As of Sep/23, novobanco had a net ECB funding position of -€1.8bn, post the reimbursement of €5.4bn from TLTRO III, and a Liquidity buffer of €13.3bn as of Sep/23 (+€0.4bn YTD).

GROUP RESULTS

In the first nine months of 2023, novobanco Group reported a profit of €638.5mn (+49.1% YoY).

Income Statement (€mn)	30-Sep-22	30-Sep-23	Change	
			absolute	%
Net Interest Income	405.9	831.2	425.3	...
+ Fees and Commissions	215.7	217.1	1.4	0.7%
= Commercial Banking Income	**621.6**	**1,048.3**	**426.7**	**68.6%**
+ Capital Markets Results	68.2	39.3	- 28.9	-42.3%
+ Other Operating Results	161.3	14.5	- 146.8	-91.0%
= Banking Income	**851.1**	**1,102.1**	**251.0**	**29.5%**
- Operating Costs	314.2	339.6	25.3	8.1%
= Net Operating Income	**536.8**	**762.5**	**225.7**	**42.0%**
- Net Impairments and Provisions	**22.5**	**81.7**	**59.3**	**...**
Credit	39.5	65.7	26.2	66.3%
Securities	44.0	15.7	- 28.3	-64.3%
Other Assets and Contingencies	- 61.0	0.4	61.4	...
= Income before Taxes	**514.3**	**680.8**	**166.4**	**32.4%**
- Corporate Income Tax	27.8	2.6	- 25.2	-90.7%
- Special Tax on Banks	34.1	35.3	1.1	3.4%
= Income after Taxes	**452.4**	**642.9**	**190.5**	**42.1%**
- Non-Controlling Interests	24.0	4.4	- 19.7	-81.7%
= Net Income for the period	**428.3**	**638.5**	**210.2**	**49.1%**

The 68.6% growth of the commercial banking income was backed by positive performance of the commercial activity and favourable interest rates, which more than offset the effect of inflation and investment in the improvement of the Bank's processes. Operating costs increased by 8.1% (+6.9% excluding items of an exceptional nature).

Provisions for credit and securities show a slight reduction compared to the values recorded in same period of the previous year (-€2.1mn).

Quarterly results show the sustainable growth of the business and bottom-line income generation capacity (**1Q23: €148.4mn; 2Q23: €224.8mn; 3Q23: €265.3mn**):

Income Statement (€mn)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	QoQ change		YoY change	
								absolute	%	absolute	%
Net Interest Income	133.5	134.5	137.9	219.5	246.3	277.7	307.2	29.5	10.6%	169.3	122.7%
+ Fees and Commissions	68.8	75.6	71.3	77.6	68.9	76.4	71.8	-4.7	-6.1%	0.5	0.7%
= Commercial Banking Income	**202.3**	**210.1**	**209.2**	**297.2**	**315.3**	**354.1**	**378.9**	**24.9**	**7.0%**	**169.7**	**81.1%**
+ Market Results	91.4	-5.6	-17.6	-44.2	5.8	22.2	11.3	-10.9	-49.2%	28.9	164.1%
+ Other Operating Results	16.7	56.5	88.0	22.3	2.4	-7.4	19.5	26.9	...	-68.5	-77.9%
= Banking Income	**310.4**	**261.0**	**279.6**	**275.3**	**323.5**	**368.9**	**409.7**	**40.8**	**11.1%**	**130.1**	**46.5%**
- Operating Costs	103.6	105.1	105.5	134.1	111.9	113.2	114.5	1.4	1.2%	9.0	8.5%
= Net Operating Income	**206.8**	**155.9**	**174.1**	**141.1**	**211.6**	**255.8**	**295.2**	**39.4**	**15.4%**	**121.1**	**69.6%**
- Net Impairments and Provisions	**21.8**	**-2.0**	**2.7**	**88.7**	**27.7**	**28.3**	**25.8**	**-2.5**	**-8.9%**	**23.1**	**850.7%**
= Income before Taxes	**185.0**	**157.9**	**171.4**	**52.4**	**183.9**	**227.5**	**269.4**	**42.0**	**18.4%**	**98.0**	**57.2%**
- Taxes	7.4	11.6	8.9	-81.1	0.7	0.8	1.0	0.2	22.3%	-7.9	-88.5%
- Special Tax on Banks	34.1	0.0	0.0	0.0	34.1	0.0	1.1	1.1	...	1.1	...
= Income after Taxes	**143.5**	**146.4**	**162.5**	**133.6**	**149.0**	**226.6**	**267.3**	**40.7**	**18.0%**	**104.8**	**64.5%**
- Non-controlling Interests	0.9	22.3	0.9	1.1	0.7	1.8	2.0	0.2	10.7%	1.1	123.0%
= Net Income	142.7	124.0	161.6	132.5	148.4	224.8	265.3	40.5	18.0%	103.7	64.2%

Key features of the activity in the third quarter of 2023 are the following:

- Commercial banking income of €378.9mn, with Net interest income performance (+€29.5mn QoQ) driven by a loan portfolio exposure to floating interest rates in a favorable interest rate environment;
- Operating costs of €114.5mn, (€109.5mn excluding exceptional items), showing an increase of 1.2% compared to 2Q23;
- Net impairments and provisions amounted €25.8mn (of which €17.8mn to Credit), in line with previous quarters.

NET INTEREST INCOME

Net Interest Income was €831.2mn (+€425.3mn YoY), reflecting improvement of average assets yield, which more than offset the increase in the cost of funding.

Net Interest Income (NII) and Net Interest Margin (NIM) (€mn)	9M22			2022			9M23		
	Average Balance	Avg. Rate	Income / Costs	Average Balance	Avg. Rate	Income / Costs	Average Balance	Avg. Rate	Income / Costs
Interest Earning Assets	41,564	1.56%	492.4	41,914	1.79%	761.3	41,196	3.98%	1,241.9
Customer Loans	25,360	2.07%	398.8	25,424	2.31%	595.4	25,620	4.47%	867.9
Mortgage Loans	9,808	1.12%	83.3	9,836	1.36%	135.9	10,023	3.58%	272.0
Consumer Loans and Others	1,436	5.79%	63.0	1,430	5.96%	86.4	1,462	6.94%	76.9
Corporate Lending	14,116	2.36%	252.5	14,158	2.60%	373.2	14,136	4.84%	519.0
Money Market Placements	6,240	-0.20%	-9.4	6,308	0.20%	12.7	4,296	2.97%	96.7
Securities and Other Assets	9,964	1.36%	103.0	10,181	1.48%	153.3	11,280	3.24%	277.2
Interest Earning Assets And Other	41,564	1.56%	492.4	41,914	1.79%	761.3	41,196	3.98%	1,241.9
Interest Bearing Liabilities	40,064	0.27%	83.3	40,230	0.32%	131.2	37,976	1.40%	402.5
Customer Deposits	28,124	0.15%	32.0	28,322	0.17%	48.5	28,751	0.66%	143.5
Money Market Funding	10,497	-0.40%	-18.3	10,455	-0.09%	-10.0	7,728	3.05%	178.5
Other Liabilities	1,443	6.37%	69.7	1,452	6.30%	92.7	1,497	7.09%	80.5
Other Non-Interest Bearing Liabilities	1,499	-	-	1,684	-	-	3,220	-	-
Interest Bearing Liabilities And Other	41,564	0.26%	83.3	41,914	0.31%	131.2	41,196	1.29%	402.5
NIM / NII (without stage 3 impairment adjustment)		1.30%	409.0		1.48%	630.1		2.69%	839.4
Stage 3 impairment			-3.1			-4.7			-8.2
NIM / NII		1.29%	405.9		1.47%	625.5		2.66%	831.2

The yield on assets increased by 218bps, from 1.79% in FY 2022 to 3.98% in the period, with the yield on customer credit increasing by 216bp compared to FY 2022, to 4.47%. The average balance of interest earning assets was €41.2bn (vs €41.9bn as of Dec/22).

The average balance of deposits was €28.8bn, with an interest rate of 0.66% (2022: 0.17%) and Money Market Funding was €7.7bn, with an interest rate of 3.05% (2022: -0.09%).

The yield expansion on interest earning assets (3.98%; 2022: 1.79%), more than compensated the higher cost of liabilities (1.29%; 2022: 0.31%) with overall net interest margin increasing to 2.66% (1Q23: 2.34%; 2Q23: 2.66%; 3Q23: 3.00%).

FEES AND COMMISSIONS

Fees and commissions were €217.1mn, with a stable performance YoY, given increased contribution of Payments Management (+9.1%; +€8.5mn YoY) backed by higher volume of transactions, compensating the impacts arising from regulatory changes in commissions on loans.

Fees and Commissions (€mn)	30-Sep-22	30-Sep-23	Change	
			absolute	%
Payments Management	93.8	102.3	8.5	9.1%
Commissions on Loans, Guarantees and Similar	63.7	59.0	-4.7	-7.3%
Asset Management and Bancassurance	49.2	46.9	-2.3	-4.7%
Advising, Servicing and Other	9.1	8.9	-0.2	-1.9%
Fees and Commissions Total	**215.7**	**217.1**	**1.4**	**0.7%**

CAPITAL MARKETS AND OTHER OPERATING RESULTS

The results of financial operations were positive at €39.3mn, benefiting from the interest rates environment and capital markets performance. YoY performance was impacted by gains from interest rate hedging in the same period of the previous year. The fair value reserves of the securities portfolio increased by €26.0mn during the first nine months of the year.

Other operating results totalled +€14.5mn, -€146.8mn compared with YoY which included a gain of €148.6mn related to the sale of real estate assets (head office building and logistic portfolio). Other operating results includes the contribution to the Single Resolution Fund (€15.0mn) and to the Portuguese Resolution Fund (€7.1mn) and gains from credit recovery of written-off amounts.

OPERATING COSTS

Operating costs increased +8.1% YoY (+€25.3mn). Staff costs amounted to €183.8mn (+€14.0mn YoY), general and administrative costs totalled €126.3mn (+€11.3mn YoY) and depreciation was €29.5mn, in line with previous period.

Excluding exceptional items, costs would have been €322.0mn, with a YoY increase of 6.9%.

Commercial Cost to Income ratio was 32.4% (2022: 48.8%; 1Q23: 35.5%; 1H23: 33.6%), equivalent to 30.7% excluding exceptional items (9M22: 48.5%).

Operating Costs (€mn)	30-Sep-22	30-Sep-23	Change	
			absolute	%
Staff Costs	169.8	183.8	14.0	8.2%
General and Administrative Costs	115.0	126.3	11.3	9.8%
Depreciation	29.4	29.5	0.0	0.1%
Operating Costs Total	**314.2**	**339.6**	**25.3**	**8.1%**

As of 30 September 2023, novobanco Group had 4,209 employees (Dec/22: 4,090; +119 YTD) and the number of branches remained unchanged at 292 as of 31 December 2022, of which more than 261 already aligned with the new distribution model and 233 equipped with VTM (Virtual Teller Machine).

NET IMPAIRMENTS AND PROVISIONS

In the first nine months of 2023, novobanco Group recorded net impairments and provisions amounting to €81.7mn, being almost entirely for customer loans and securities, with these two aggregates showing a €2.1mn reduction compared to previous year.

The cost of risk was 36bps including loans impairments and corporate bonds (9M22: 36bps; 1H23: 38bps).

Net Impairments and Provisions (€mn)	30-Sep-22	30-Sep-23	Change	
			absolute	%
Customer Loans	39.5	65.7	26.2	66.3%
Securities	44.0	15.7	-28.3	-64.3%
Other Assets and Contingencies	- 61.0	0.4	61.4	...
Net Impairments and Provisions Total	**22.5**	**81.7**	**59.3**	**...**

ACTIVITY, LIQUIDITY AND CAPITAL MANAGEMENT

CUSTOMER LOANS

As a pure-play Portuguese universal Bank, novobanco's strategy is to support the domestic community, be they families or companies, combined with a robust and disciplined lending policy. This support has been provided across all segments, including different industry sectors and companies, with an emphasis on exporting SMEs and those that focus on innovation in their products, services or production systems.

Customer Loans (€mn)	30-Sep-22	31-Dec-22	30-Jun-23	30-Sep-23	YTD Change	
					absolute	%
Loans to corporate customers	**14 524**	**14 244**	**14 209**	**13 988**	**- 256**	**-1.8%**
Loans to Individuals	**11 299**	**11 373**	**11 599**	**11 693**	**320**	**2.8%**
Residential Mortgage	9 918	9 978	10 131	10 188	210	2.1%
Other Loans	1 381	1 395	1 468	1 505	110	7.9%
Customer Loans (gross)	**25 823**	**25 617**	**25 808**	**25 681**	**64**	**0.2%**
Customer Loans Provisions	1 238	1 066	1 015	1 009	- 58	-5.4%
Customer Loans (net)	**24 585**	**24 551**	**24 793**	**24 672**	**121**	**0.5%**

Loans to customers (gross) totalled €25.7bn (+0.2% YTD), of which corporate customers represented 54% (Dec/22: 56%), Residential Mortgage 40% (Dec/22: 39%) and other loans to individuals 6%. In the period, loan origination totalled €2.6bn (stable YoY), of which 47% corporate, 44% mortgage and 9% consumer and others.

The asset quality indicators of September 2023, and comparison with previous year, are presented below:

Asset Quality and Coverage Ratios (€mn)	30-Sep-22	31-Dec-22	30-Jun-23	30-Sep-23	YtD Change	
					absolute	%
Overdue Loans > 90 days	446	317	282	363	45	14.2%
Non-Performing Loans (NPL)	1 605	1 376	1 269	1 205	- 171	-12.5%
Overdue Loans > 90 days / Customer Loans (gross)	1.7%	1.2%	1.1%	1.4%	0.2 p.p.	
Non-Performing Loans (NPL) Ratio [1]	**5.7%**	**4.3%**	**4.4%**	**4.2%**	**0.1 p.p.**	
Non-Performing Loans (NPL) Ratio [2]	**6.2%**	**5.4%**	**4.9%**	**4.7%**	**-0.5 p.p.**	
Credit provisions / Customer Loans	4.8%	4.2%	3.9%	3.9%	-0.2 p.p.	
Coverage of Overdue Loans > 90 days	277.8%	336.0%	359.9%	278.3%	-57.8 p.p.	
Coverage of Non-Performing Loans [1]	**77.2%**	**77.5%**	**80.0%**	**83.8%**	**6.2 p.p.**	
Coverage of Non-Performing Loans [2]	**77.2%**	**77.5%**	**80.0%**	**83.7%**	**6.2 p.p.**	
Net Non-Performing Loans [1]	**1.2%**	**1.0%**	**0.9%**	**0.7%**	**-0.3 p.p.**	
Net Non-Performing Loans [2]	**1.5%**	**1.3%**	**1.0%**	**0.8%**	**-0.5 p.p.**	

[1] Includes Deposits and Loans and advances to Banks and Customer Loans
[2] Excludes Deposits and Loans and advances to Banks and Customer Loans

Non-performing loans (NPLs) continue to show a downward trend (-12.5% YTD; -5.0% vs Jun/23), standing at €1,205mn as of Sep/23. The NPL ratio decreased to 4.2% (Dec/22: 4.3%) with coverage ratio increasing to 83.8% (Dec/22: 77.5%), considerably above European average). Excluding cash and advances with to banks, NPL ratio decreased to 4.7% (Dec/22: 5.4%), equivalent to a Net NPL ratio of 0.8% (Dec/22: 1.3%).

SECURITIES

The securities portfolio, which is the main source of assets eligible for funding operations with the European Central Bank (ECB), amounted to around €10.8bn as of 30 September 2023, representing 25.2% of assets, of which 79% was accounted at amortised cost with unrealised marked to market losses of €440mn (net of hedges).

Securities portfolio (mn€)	30-Sep-22	31-Dec-22	30-Jun-23	30-Sep-23	YTD Change	
					absolute	relative
Portuguese sovereign debt	2 157	981	1 147	1 045	64	6.5%
Other sovereign debt	4 221	5 241	5 556	4 824	- 417	-8.0%
Bonds	4 153	4 036	4 695	4 587	551	13.7%
Other	648	387	356	353	- 34	-8.8%
Securities portfolio Total (net of impairment)	**11 179**	**10 646**	**11 754**	**10 810**	**164**	**1.5%**

FUNDING

Total customer funds of €34.5bn (Dec/22: €34.8bn), of which deposits represent 81.3%. As of Sep/23, Customer deposits totalled €28.1bn (Dec/22: €28.4bn), with performance being reflected in the growth of novobanco's deposit market share to 9.7% in Aug/23 (Dec/22: 9.3%).

Total Funds (€mn)	30-Sep-22	31-Dec-22	30-Jun-23	30-Sep-23	YTD change	
					absolute	%
Deposits	28 582	28 412	28 219	28 095	- 317	-1.1%
Other Customer Funds [(1)]	795	866	1 539	1 393	528	60.9%
Debt Securities	1 060	1 169	1 177	598	- 570	-48.8%
Subordinated Debt	407	416	711	514	99	23.7%
Sub -Total	**30 844**	**30 862**	**31 646**	**30 601**	**- 262**	**-0.8%**
Off-Balance Sheet Funds	3 941	3 933	4 019	3 942	10	0.2%
Total Funds	**34 785**	**34 795**	**35 664**	**34 543**	**- 252**	**-0.7%**

(1) Includes checks and pending payment instructions, Repos and other funds.

LIQUIDITY

On 30 September 2023, novobanco's Liquidity Coverage Ratio (LCR) reflected the planned TLTRO III reimbursement, decreasing to 136% (vs. 147% in Jun/23 and 210% in the Dec/22) and Net Stable Funding Ratio at 118% (vs. 116% in Jun/23 and 113% in Dec/22), both above the regulatory requirement.

In terms of asset evolution, the loan book (gross) stood at €25.7bn (+€0.2bn YTD) while the securities portfolio increased by €0.2bn YTD.

As of 30 September 2023, total customer deposits stood at €28.1bn, a €0.3bn decrease YTD, recovering around 70% of the decrease in Institutional and retail customer deposits during 1Q23, which resulted mainly from the competition of higher-yielding government savings product.

In terms of medium-term funding, on 15 September 2023 the Bank redeemed €275,000,000 4.2500% Fixed/Floating Rate Callable Senior Preferred Notes due 2023. While the bond was only redeemed on the 15 of September. In terms of liquidity, the bond redemption was already reflected in NSFR ratio and had a negative impact of 4.6pp on the LCR ratio in the 3Q23.

The MREL ratio as a percentage of Total Risk Exposure Amount (TREA) stood at 22.8% in Sep/23, higher than the linear progression of MREL requirements.

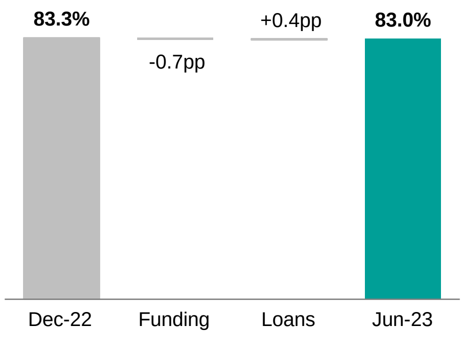
Gross funding from the ECB amounted to €1.1bn, of which €1.0bn under the TLTRO III line, a reduction of €5.2bn year to date, as a result of the maturity of three TLTRO III tranches amounting to €5.4bn since 31 December 2022. The last reimbursement of the TLTRO III amounts €1.0bn and will mature in December 2024.

Finally, in terms of market funding, the Bank continued its strategy of replacement of its ECB funding, further increasing its repo interbank funding by €1.5bn.

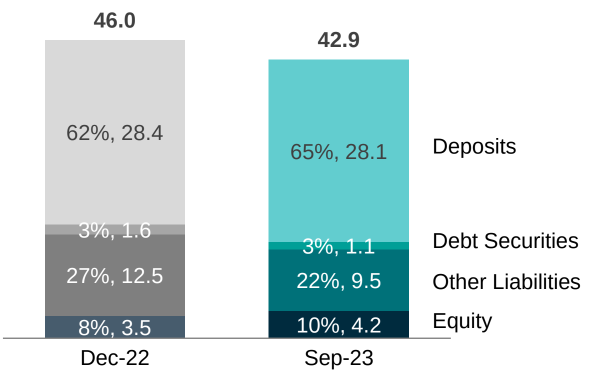
In the period, deposits at ECB reduced by €3.0 bn (from €5.9bn in December 2022 to € 2.9bn in September 2023), mainly due to the TLTRO III exit strategy, and as a result, net funding from the ECB (funding taken from the ECB minus deposits with the European Central Bank) amounted to -€1.8bn in September 2023 (€0.4bn in Dec/22), representing a €2.2bn YTD decrease. As a results, net funding from the ECB changed from an ECB net borrowing position to an ECB net lending position.

As of 30 September 2023, the eligible assets portfolio (net of haircut) available for use as collateral with the European Central Bank reduced by €1.1bn versus Dec/22, totalling €15.8bn. This change already includes the impact on the cash collateral of the haircuts annual review by the ECB, which entered into force on 29 June 2023 and HQLA's redemptions occurred in 3Q23. As of 30 September 2023, novobanco's liquidity buffer, made up mostly of high-quality liquid assets, amounted to €13.3bn, a €0.4bn increase compared to Dec/22.

Loan to Deposit Ratio
(%)



Funding Structure
(%; € billion)



CAPITAL

In the period, fully loaded CET1 ratio increased by 340bps to 16.5% while the Total Capital ratio increased by 390 bps to 19.3% (vs Dec/22: 13.1% and 15.5% respectively). The organic capital generation reflects the capital accretive business model with solid top-line performance, efficient operations and disciplined capital allocation. YTD performance of Total capital ratio also benefited from the net increase of €100mn of Tier 2 instruments, following the issuance of the new €500mn Tier 2 due in 2033.

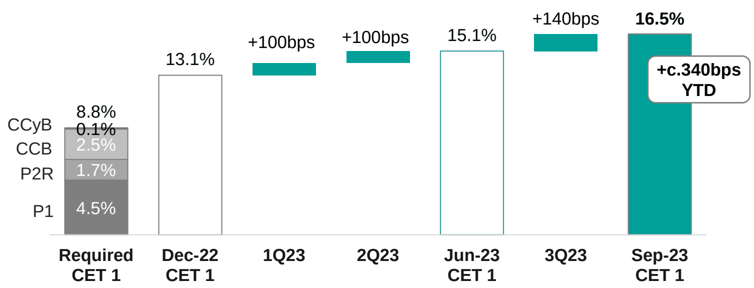
Capital Ratios (CRD IV/CRR) (€mn)		31-Dec-22 (fully loaded)	30-Jun-23 (fully loaded)	30-Sep-23 (fully loaded) *
Risk Weighted Assets	(A)	21 233	21 475	21 328
Own Funds				
Common Equity Tier 1	(B)	2 787	3 242	3 524
Tier 1	(C)	2 789	3 243	3 526
Total Own Funds	(D)	3 279	3 832	4 115
Common Equity Tier 1 Ratio	(B/A)	13.1%	15.1%	16.5%
Tier 1 Ratio	(C/A)	13.1%	15.1%	16.5%
Solvency Ratio	(D/A)	15.4%	17.8%	19.3%
Leverage Ratio		**5.8%**	**7.1%**	**7.9%**

* preliminary

None of the amounts not paid by the Resolution Fund under the Contingent Capital Agreement were considered in the calculation of regulatory capital. Novobanco considers the unpaid amounts in respect of financial year 2020 and 2021 as due under the Contingent Capital Agreement and has triggered the legal and contractual mechanisms at its disposal to ensure its receipt.

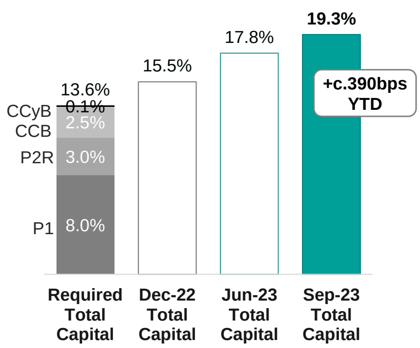
With respect to the amount requested to the Resolution Fund for the year 2020, two differences remain between novobanco and the Resolution Fund, concerning (i) the provision for discontinued operations in Spain and (ii) the valuation of participation units, which are being settled in an arbitration proceeding in progress, under which the difference regarding the application by novobanco, at the end of 2020, of the dynamic approach of the IFRS 9 transitional arrangements is also being assessed.

CET 1
(fully loaded[1]; %)



(1) The inclusion of positive results depends on an authorization from the ECB

Total Capital
(fully loaded[1]; %)



BUSINESS SEGMENTS

novobanco Group activities are centered on the financial sector targeting corporate, institutional and private individual customers. Its decision center is in Portugal, making the domestic territory its main market. The products and services rendered include deposit taking, granting of loans to corporate and private customers, investment fund management, broker and custodian services and the commercialization of life and non-life insurance products, among others.

When evaluating performance by business area, the Group considers the following Operating Segments: (1) Retail, which essentially includes the activity of private and small business clients; (2) Corporate, which includes the activity of other companies and institutions; and (3) Support Function. Each segment integrates the novobanco structures that directly relate to it, as well as the units of the Group whose businesses are mainly related to the segments. The individual and independent monitoring of each operating unit of the Group is complemented, at the Executive Board of Directors of novobanco level, by the definition of specific strategies and commercial programs for each unit.

RETAIL

Corresponds to all the activity developed with private customers and small businesses, along with the fully consolidated operating subsidiaries novobanco Açores, BEST and GNBGA. The financial information of the segment relates, amongst other products and services, to mortgage loans, consumer credit, small business financing, deposits, retirement plans and other insurance products sold to private customers, account management and electronic payments and placement of investment funds, brokerage and custodian services.

CORPORATE

Includes the activities developed with medium- and large-sized companies, developed through a commercial structure dedicated to this segment, which includes 20 Corporate Centres. This segment also includes activities with institutional and municipal customers. The Group maintains an important presence in this segment, the result of the support it has lent to the development of the national business community, focused on companies with good risk, an innovative nature and an exporter activity.

SUPPORT FUNCTIONS

This area does not correspond to an operational segment in the true sense of the concept, it is an aggregation of transversal corporate structures that ensure the basic functions of the Group's global management, including Treasury and Real Estate assets.

€ million	30-Sep-22				30-Sep-23							
	Retail	SMEs and corporate	Support Functions	Total	Retail	*Abs. Change*	SMEs and corporate	*Abs. Change*	Support Functions	*Abs. Change*	Total	*Abs. Change*
Commercial Banking Income	309	300	12	**622**	609	299	476	176	-37	-49	**1,048**	427
Banking Income[1]	316	305	229	**851**	607	291	488	183	7	-222	**1,102**	251
Operating Costs	202	63	49	**314**	228	27	69	6	42	-8	**340**	25
Net Operating Income	115	242	180	**537**	379	264	418	176	-34	-214	**763**	226
Net Impairments and Provisions	7	51	-36	**22**	46	39	42	-10	-6	29	**82**	59
Income before Taxes	**108**	**191**	**216**	**514**	**332**	**224**	**377**	**186**	**-28**	**-244**	**681**	**167**
Total Assets	14,339	13,526	19,126	**46,991**	14,626	287	14,156	630	14,167	-4,959	**42,949**	-4,042
Customer Loans (net)	13,151	11,433	1	**24,585**	13,445	295	11,214	-219	13	11	**24,672**	87
Net Interest margin	1.02%	2.32%	0.14%	**1.29%**	2.87%	1.86 p.p	3.86%	1.53 p.p	-0.37%	-0.51 p.p	**2.66%**	1.37 p.p
Cost to Income	65.3%	21.0%	-	**50.6%**	37.5%	-27.7 p.p	14.6%	-6.4 p.p	-	-	**33.6%**	-17 p.p

In the first nine months of 2022, the results of the Support function include €148.6mn of gains from the sale of real estate assets and from the sale of headquarters building accounted as Other operating results.

RETAIL BANKING

Since 2021, novobanco's Retail segment has carried out a strong adjustment of its customer service structure, reshaping its geographic presence and deeply changing the service experience, in a move to deepen long-term relationships with clients and balancing between the convenience of the digital channels and the importance of face-to-face service to clients. Currently, more than 261 branches operate under the new distribution model and 233 have a VTM (Virtual Teller Machine; +43 vs Dec/22), which offers advanced transaction management solutions and stands out as a tool towards branch efficiency and customer satisfaction.

New clients acquisition continues to evolve positively (+35% monthly average vs 4Q22), being supported by initiatives such as (i) wage domiciliation; (ii) client loyalty program aimed at strengthening and deepening the commercial relationship, and (iii) cross segment program, through which employees of companies with a protocol with novobanco have access to preferential conditions in several of the bank's products and services, covering around 300,000 employees in more than 25,000 companies.

As of September, Loans to Customers (net) totalled €13.4bn (+2.2% YoY; +2.1% YTD), mainly as the result of solid mortgage origination (€1.4bn since Sep-22; €1.1bn YTD) following the successful strategy of partnerships with Credit Intermediaries, which represent the bank's largest channel of attraction in this product. As of August, novobanco's mortgage market share was 9.2% (+0.1pp YTD) in mortgage. In the period, the customer base of the small business increased by 10%, with work accident insurance, multi-risk insurance and service accounts increasing by 28%%, 24% and 11%, respectively.

The Net Interest Margin increased to 2.87% (+186 bps YoY), which together with higher volumes and commercial activity resulted in €609mn of Commercial Banking Income (+97% YoY). Operating costs increased by 13% YoY, to €228mn, leading to a Commercial Cost to Income ratio of 37.5% in the period.

All in all, the Retail segment had an Income before Tax of €332mn (9M22: €108mn) driven by the commercial performance and a favourable interest rates environment.

CORPORATE BANKING

Positioning as a customer-centric bank offering a distinctive experience, novobanco has two hubs dedicated to large corporate customers (Oporto and Lisbon) and 20 business centres distributed throughout the country, with specialised teams dedicated to the medium-sized companies' segment. On the top of the physical hubs, there is a new online corporate bank aiming to simplify the day-to-day of corporate customers and enhanced functionalities, such a as in short-term loans and treasury management. Strong digital engagement among Corporate Customers, with over 78% actively using digital channels, leading to a 4.3p.p. increase in the satisfaction index for website user experience.

Novobanco continued to strengthen its commitment to Portuguese companies, to which it provided a set of solutions for investment and working capital needs, with significant growth in short-term loans, especially through factoring and confirming, driving annual increases of 13% in cumulative invoicing undertaken and a market share of 11% in factoring. This underpinned the continued growth of the corporate customer base, with high levels of penetration in the Portuguese SMEs and large companies, of which about 55% and 70%, respectively, are novobanco customers. The bank thus occupies a leading position in terms of support provided to the Portuguese companies, with market shares of 14.5% in loans (stable YTD) and 13.5% of deposits from Non-financial Companies (+1.3pp YTD), reflecting companies' confidence in novobanco.

Novobanco maintains a strong presence in the exports sector, with a wide range of products and specialised advice for international trade, being more than 65% of national exports made by novobanco clients. The know-how in this segment is reflected in a 20.0% market share (+1.4pp YTD) and by being, for the 5th consecutive year, elected the best Trade Finance Bank in Portugal by Global Finance.

With regards to Payments Solutions, the simplification and innovation was reflected in an annual increase of POS (point of sale) market share to 16.0%.

As a result of the commercial strategy in place, as of September 2023, Loans to Customers (net) totalled €11.2bn (-1.9% YoY; -1.5% YTD). Reflecting the interest rates environment, in the period, Net Interest Margin increased to 3.86% (+153bps YoY), which resulted in Commercial Banking Income of €476mn (+58.6% YoY). Operating costs increased 10.2% to €69mn. All in all, Income before Tax totalled €377mn (+97.4% YoY; +€186mn).

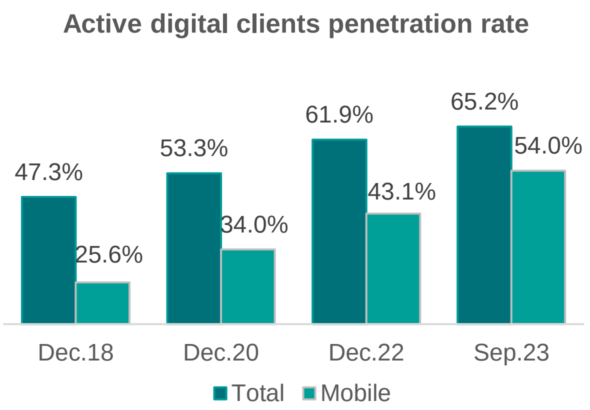
Digital Transformation

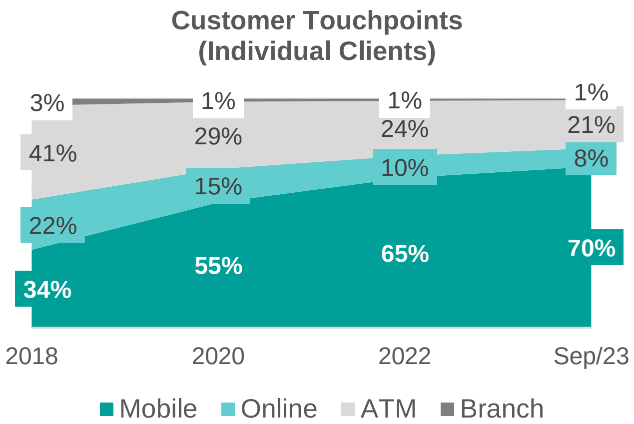
As a customer-centric bank, novobanco pursues the following goals through digital transformation, in both the Corporate and Retail segments:

- to accelerate front-to-back digitisation to improve experience and efficiency in the approach to the customer journeys and the transformation of the operating model, and
- to transform the digital channels to provide a fully omnichannel experience and greater personalisation, leveraging on best-in-class data science.

This strategy drove an increase in active digital customers, to 65.2% by Sep/23 (+5pp YoY; the number of digital customers increased by 15% YoY) and annual growth of 22% in the number of active mobile customers (54% of customers are mobile vs 48% in Dec/22).

In the first nine months of 2023, more than 70% of the operations in the individual client's segment were carried out in self-service mode, this figure increased to 84% and 94% in the small businesses and medium-large companies' segments, respectively. In turn, this underpinned an increase in the share of digital sales of Insurance (+91% YTD; 7% of segment sales; +2pp YoY), Credit Cards (+82% YTD; 4% of sales) and Personal Loans (+24% YTD; 19% of segment sales; +4pp YoY).





In the period, 78% of individual clients' contacts with novobanco were made through the digital channels (+4 pp YoY). Reflecting a reinforced focus on a "mobile digital first" strategy, mobile continues to be the main means of contact of individual clients, with annual interactions (as measured by the number of *logins*) growing by 31%.

ECONOMIC ENVIRONMENT

The global economy and financial markets faced several challenges in the first nine months of 2023, including the ongoing conflict in Ukraine, a contraction of industrial activity, persistent high inflation, and significant rate hikes by the main central banks. However, economic growth during this period turned out to be better than expected, especially in the US, thanks to the robust labor market and resilient private consumption, mainly in services. In the Eurozone, growth was hampered by the higher exposure to the conflict in Ukraine to the relatively modest growth of the Chinese economy, and to rising interest rates. In this context, GDP almost stagnated in the first half of the year, with a 0.1% contraction estimated for the 3rd quarter.

The period between January and September was marked by a declining inflation trend. However, price growth remained above central bank targets, especially in the services component. From January to September, YoY inflation fell from 6.4% to 3.7% in the US and from 8.6% to 4.3% in the Eurozone. After dropping from USD 85.9 to USD 74.9 per barrel in the first half of the year, Brent oil prices rose again in the 3Q to USD 95 per barrel. The persistence of inflation led major central banks to reaffirm the need to raise policy interest rates to “sufficiently restrictive” levels. The US Federal Reserve increased the fed funds target rate by 100 bps to 5.25%-5.5%. The ECB raised its reference rates by a total of 200 bps, setting the main refinancing rate at 4.5% and the deposit facility rate at 4%. The 3-month Euribor rose by 182 bps between January and September to 3.952%. The 10-year Bund yield reversed its 2Q downward movement, rising 45 bps in the 3Q to 2.84%, while the yield on the Treasury of the same maturity rose 73 bps to 4.571%. The expectation of “higher for longer” interest rates impacted the stock market, with quarterly drops of 3.6% in the S&P 500, 4.1% in the Nasdaq, and 4.7% in the DAX. However, these indices still showed year-to-date gains of 11.7%, 26.3%, and 10.5%, respectively.

In Portugal, economic activity showed strong growth in the 1Q (1.5% QoQ and 2.5% YoY), then displaying a slowing trend, with GDP variations of 0.1% in the 2Q and around this level in the 3Q. GDP grew by 2.6% YoY in the 2Q and 1.9% in the 3Q. The Portuguese economy continued to benefit from a positive performance in tourism exports, with non-resident overnight stays growing by 16.9% YoY from January to August. However, private consumption – although showing some resilience – extended its slowing trend, hampered by high inflation and rising interest rates. The YoY inflation rate dropped from 8.4% to 3.6% between January and September, but the annual average inflation still stood at 6.3% at the end of this period. In the first nine months of 2023, the negative impact of rising interest rates on private consumption was mitigated by the use of excess savings accumulated during the pandemic, by fiscal support measures, and by the decrease in the unemployment rate from 6.8% to 6.2% of the labour force. The private sector's lower investment intentions, due to increased uncertainty and restrictive financing conditions, resulted in YoY declines in new housing loan flows and non-financial corporation loans. In the 2Q23, the NPL ratio stood at 3.1% of total loans, down from 3.4% a year earlier. Housing prices rose 3.1% QoQ and 8.7% YoY in the 2Q, maintaining the YoY growth from the previous quarter. The number of transactions declined 2.5% QoQ and 22.9% YoY. Reflecting the expansion of economic activity and improved public accounts, Moody's upgraded its outlook for Portugal's sovereign rating (Baa2) in May from "stable" to "positive". In July, DBRS raised the rating from A(low) to A, with a stable outlook. In September, S&P revised its BBB+ rating outlook from stable to positive, and Fitch upgraded Portugal's rating from BBB+ to A-, with a stable outlook. The spread between the yields of the 10-year PGB and the German benchmark narrowed from January to September, from 102 to 76 bps.

MAIN INDICATORS

Main Highlights	30-Sep-22	31-Dec-22	30-Sep-23
Activity (€mn)			
Net Assets	46 992	45 995	42 949
Customer Loans (gross)	25 823	25 617	25 681
Customer Deposits	28 582	28 412	28 095
Equity	3 411	3 512	4 234
Solvency			
Common EquityTier I / Risk Weighted Assets	12.7%	13.1%	16.5%(4)
Tier I / Risk Weighted Assets	12.7%	13.1%	16.5%(4)
Total Capital / Risk Weighted Assets	14.9%	15.4%	19.3%(4)
Leverage Ratio	5.9%	5.8%	7.9%(4)
Liquidity (€mn)			
European Central Bank Funding (3)	2 065	385	-1,791
Eligible Assets for Repo Operations (ECB and others), net of haircut	17 017	16 917	16 165
(Total Credit - Credit Provision) / Customer Deposits (2)	83%	83%	83%
Liquidity Coverage Ratio (LCR) (4)	193%	210%	136%(4)
Net Stable Funding Ratio (NSFR) (4)	108%	113%	118%(4)
Asset Quality			
Overdue Loans > 90 days / Customer Loans (gross)	1.7%	1.2%	1.4%
Non-Performing Loans (NPL) / (Customer Loans + Deposits with banks and Loans and advances to banks)	5.0%	4.3%	4.2%
Non-Performing Loans (NPL) / Customer Loans	6.2%	5.4%	4.7%
Credit Provision / Overdue Loans > 90 days	277.8%	336.0%	278.3%
Credit Provision / Customer Loans (gross)	4.8%	4.2%	3.9%
Cost of Risk (1)	0.36%	0.45%	0.36%
Profitability			
Net Income for the Period (mn€)	428.3	560.8	638.5
Income before Taxes and Non-controlling interests / Average Net Assets (2)	1.4%	1.2%	1.7%
Banking Income / Average Net Assets (2)	2.5%	2.5%	3.3%
Income before Taxes and Non-controlling interests / Average Equity (2)	21.5%	17.8%	21.3%
Efficiency			
Operating Costs / Banking Income (2)	36.9%	39.8%	30.8%
Operating Costs / Commercial Banking Income	50.5%	48.8%	32.4%
Staff Costs / Banking Income (2)	19.9%	20.7%	16.7%
Employees (No.)	4139	4090	4209
Branch Network (No.)	300	292	292

(1) Includes credit, securities and initial fair value

(2) According to Banco de Portugal Instruction n. 16/2004, in its version in force

(3) Includes funds from and placements with the ESCB; positive = net borrowing; negative = net lending

(4) Preliminary

FINANCIAL STATEMENTS

NOVO BANCO, S.A.

INTERIM CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTH PERIODS ENDED AS AT 30 SEPTEMBER 2023 AND 2022

thousands of Euros

	30.09.2023	30.09.2022
Interest Income	1 374 994	552 947
Interest Expenses	(543 791)	(147 007)
Net Interest Income	**831 203**	**405 940**
Dividend income	2 014	4 500
Fees and commissions income	249 310	247 492
Fees and commissions expenses	(33 555)	(34 588)
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	12 906	(71 520)
Gains or losses on financial assets and liabilities held for trading	4 681	150 898
Gains or losses on financial assets mandatorily at fair value through profit or loss	7 556	(10 972)
Gains or losses on financial assets and liabilities designated at fair value through profit and loss	79	4
Gains or losses from hedge accounting	18 874	(6 057)
Exchange differences	12 265	2 427
Gains or losses on derecognition of non-financial assets	913	76 659
Other operating income	78 309	178 467
Other operating expenses	(101 080)	(91 385)
Operating Income	**1 083 475**	**851 865**
Administrative expenses	(310 100)	(284 789)
Staff expenses	(183 774)	(169 769)
Other administrative expenses	(126 326)	(115 020)
Cash contributions to resolution funds and deposit guarantee schemes	(22 334)	(41 155)
Depreciation	(29 473)	(29 436)
Provisions or reversal of provisions	(9 641)	32 863
Commitments and guarantees given	(1 951)	14 538
Other provisions	(7 690)	18 325
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	(81 208)	(83 362)
Impairment or reversal of impairment of investment in subsidiaries, joint ventures and associates	1	19 704
Impairment or reversal of impairment on non-financial assets	9 099	8 298
Share of the profit or loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	5 225	6 484
Profit or loss before tax from continuing operations	**645 044**	**480 472**
Tax expense or income related to profit or loss from continuing operations	(2 596)	(27 811)
Current tax	(12 718)	(6 412)
Deferred tax	10 122	(21 399)
Profit or loss after tax from continuing operations	**642 448**	**452 661**
Profit or loss from discontinued operations	456	(270)
Profit or loss for the period	**642 904**	**452 391**
Attributable to Shareholders of the parent	**638 510**	**428 342**
Attributable to non-controlling interests	4 394	24 049
	642 904	**452 391**

NOVO BANCO, S.A.

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2023 AND 31 DECEMBER 2022

thousands of Euros

	30.09.2023	31.12.2022
ASSETS		
Cash, cash balances at central banks and other demand deposits	3 364 224	6 599 078
Financial assets held for trading	540 045	171 810
Financial assets mandatorily at fair value through profit or loss	288 150	313 702
Financial assets designated at fair value through profit or loss	-	13
Financial assets at fair value through other comprehensive income	1 596 020	2 331 099
Financial assets at amortised cost	33 280 249	32 559 148
Securities	8 506 490	7 964 664
Loans and advances to banks	101 741	43 548
Loans and advances to customers	24 672 018	24 550 936
Derivatives – Hedge accounting	710 994	562 845
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(159 775)	(165 144)
Investments in subsidiaries, joint ventures and associates	115 975	119 744
Tangible assets	820 298	798 831
Tangible fixed assets	329 537	299 264
Investment properties	490 761	499 567
Intangible assets	76 364	69 832
Tax assets	997 360	956 000
Current Tax Assets	27 858	32 570
Deferred Tax Assets	969 502	923 430
Other assets	1 254 026	1 618 484
Non-current assets and disposal groups classified as held for sale	65 407	59 587
Total Assets	**42 949 337**	**45 995 029**
LIABILITIES		
Financial liabilities held for trading	96 175	99 386
Financial liabilities measured at amortised cost	37 030 054	40 987 177
Deposits from central banks and other banks	5 970 322	9 705 154
(of which: repos)	3 924 287	2 150 824
Due to customers	29 488 006	29 277 858
(of which: repos)	948 257	450 906
Debt securities issued, Subordinated debt and liabilities associated to transferred assets	1 112 724	1 628 897
Other financial liabilities	459 002	375 268
Derivatives – Hedge accounting	218 933	119 578
Provisions	407 998	413 432
Tax liabilities	12 348	8 427
Current Tax liabilities	11 503	7 582
Deferred Tax liabilities	845	845
Other liabilities	927 968	839 919
Liabilities included in disposal groups classified as held for sale	22 019	15 492
Total Liabilities	**38 715 495**	**42 483 411**
EQUITY		
Capital	6 567 844	6 304 661
Accumulated other comprehensive income	(1 151 929)	(1 234 573)
Retained earnings	(8 577 074)	(8 577 074)
Other reserves	6 735 509	6 439 418
Profit or loss attributable to Shareholders of the parent	638 510	560 842
Minority interests (Non-controlling interests)	20 982	18 344
Total Equity	**4 233 842**	**3 511 618**
Total Liabilities And Equity	**42 949 337**	**45 995 029**

GLOSSARY

INCOME STATEMENT	
Fees and Commissions	Fee and commission income less fee and commission expenses
Commercial banking income	Net interest income and fees and commissions
Capital markets results	Dividend income, gains or losses on the 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 that must be accounted for at fair value through profit or loss, gains or losses on financial assets and liabilities accounted for at fair value through profit or loss, gains or losses from hedge accounting and exchange differences
Other operating results	Gains or losses on the derecognition of non-financial assets, Other operating income, Other operating expenses, Proportion of profits or losses from investments in subsidiaries and joint ventures and associates accounted for using the equity method
Banking Income	The sum of Net interest income, Fees and commissions, Capital markets results and Other operating 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 of financial assets not measured at fair value through profit or loss, Impairment or reversal of impairment of investments in subsidiaries, joint ventures and associates and Impairment or reversal of impairment of non-assets financial
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 non-tradable 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.
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 initial fair value, impairment charges accounted in the period for credit risk and securities with gross customer loans and securities portfolio.
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 calculated in two perspectives (i) non-performing loans including deposits with banks and Loans and advances to banks / loans to customers (gross) + deposits with banks and Loans and advances to banks and (ii) non-performing loans excluding deposits with banks and Loans and advances to banks / loans to customers (gross)
Non-performing loans coverage ratio	Ratio calculated in two perspectives (i) ratio between impairment on customer loans and loans and advances to banks (on balance sheet) and non-performing loans including deposits with banks and (ii) ratio between impairment on customer loans and non-performing loans excluding deposits with banks and Loans and advances to banks.
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.

ABREVIATIONS	
€mn	million euros
€bn	billion euros
pp	percentage points
bps	basis points
QoQ	quarter-on-quarter
YoY	year-on-year
YTD	year-to-date
OCR	Overall Capital Requirements
P2G	Pillar 2 Guidance

CONFERENCE CALL: 3Q 2023 FINANCIAL RESULTS

Date: **Thursday, 2 November 2023**
Time: **13:00 Lisbon/London**
Link: https://channel.royalcast.com/landingpage/novobancoen/20231102_1/
Phone: Portugal: +351 3 0880 2081 | UK: +44 (0) 33 0551 0200 | US: +1 786 697 3501
Password: Novo Banco

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Share Capital: 6,567,843,862.91 Euros
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