



novobanco

INVESTOR PRESENTATION

MARCH 2024



Disclaimer

This document may include some statements related to the novobanco group that do not constitute a statement of financial results or other historical information. These statements, which may include forward-looking statements, targets, objectives, forecasts, estimates, projections, expected cost savings, statements regarding possible future developments or results of operations, and any forward-looking statement that includes statements such as "believes", "expects", "aims or intends", "may" or similar expressions, constitute or may constitute forward-looking statements.

By their nature, forward-looking statements are inherently predictive, speculative, and involve risk and uncertainty. There are many factors that can lead to results and developments that differ materially from those expressed or implied in forward-looking statements. These factors include, but are not limited to, changes in economic conditions in countries where the novobanco group has operations, tax or other policies adopted by various governments or regulatory entities in Portugal and in other jurisdictions, levels of competition from other Banks or financial entities, and future exchange rates and interest rate levels.

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

This document includes unaudited financial information.

*Novo Banco, SA | 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 | LEI: 5493009W2E2YDCXY6S81*

Agenda

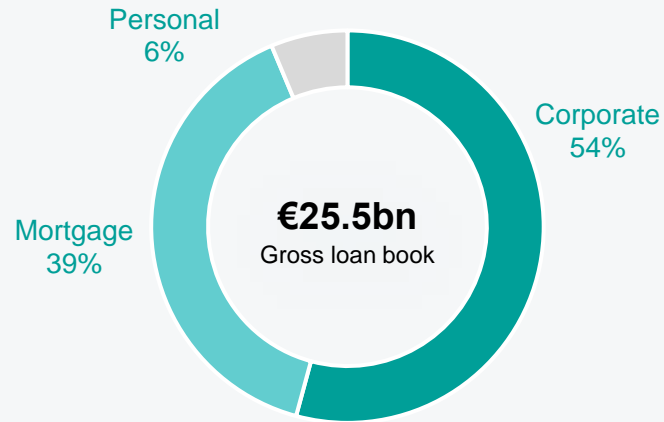
- 01. novobanco at a glance**
- 02. Business overview**
- 03. Financial performance**
- 04. Final remarks**

01.

novobanco at a glance

novobanco has a leadership position in the Portugal banking sector

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




 **€43.5bn** | **Total assets**
4th largest bank in Portugal¹ by total assets

 **20.4%³** | **RoTE³ 2023**
+32% net income growth YoY

 **€25.5bn** | **Gross customer loans**
10.5% market share²

 **1.6mn** | **Clients**
67% active digital clients (+5pp YoY)


 **€28.1bn** | **Customer deposits**
9.7% market share²

 **290** | **Branches**
8.7% market share (vs 9.8% overall business)
79% digital touchpoints⁴

 **€743mn** | **Net Income**
~500bps capital generation

 **4,209** | **Employees**
€346k commercial banking income / FTE

 **€4.4bn** | **Equity**
18.2% CET1 FL with ~€1.3bn excess capital⁶

 **BBB-** **Fitch**
Issuer rating | **Moody's: Ba1 Positive Outlook**
+5 notch upgrade on senior unsecured debt in the last 7 months








 **9.1%**
market share²
in mortgage

 **14.3%**
market share²
in corporate

 **15.9%**
POS⁵ market
share²

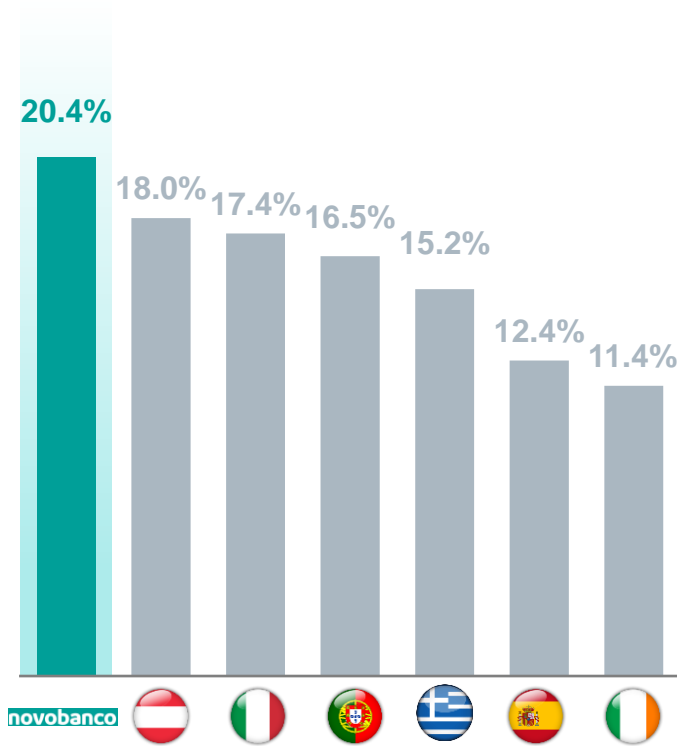
 **20.1%**
Trade Finance
market share²

novobanco has established a strong track record in execution and delivery

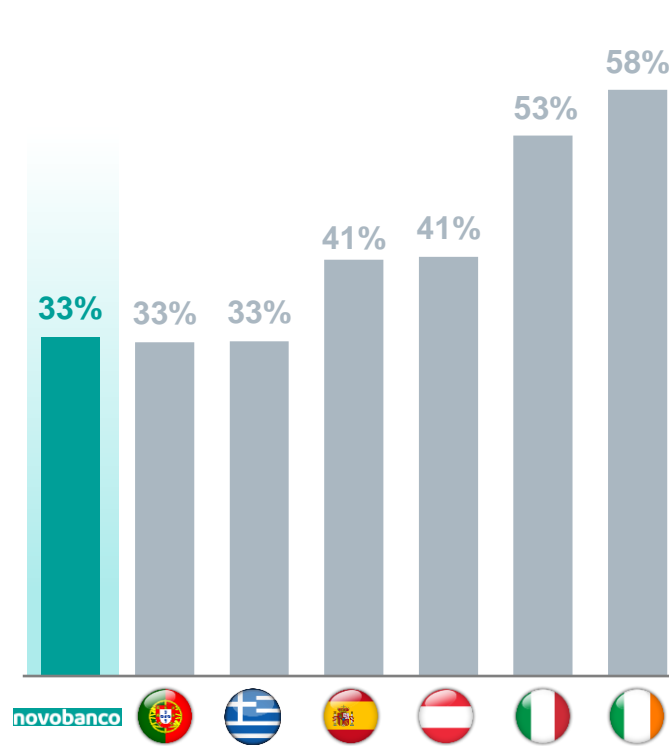
	2021	2022	2023	Change 2023/21	
 Growth in active digital clients	-	+6%	+15%	+28%	✓
 NIM	1.42%	1.47%	2.75%	+133bps	Delivering organic sustainable returns
 Cost-to-income¹	48%	49%	33%	(15pp)	✓
 CoR (bps)	70	45	48	(22bps)	Efficient operations based on strict cost discipline
 RoTE²	6.2%	19.0%	20.4%	>13.3pp	✓
 Net NPL ratio³	1.6%	1.0%	0.7%	(1.2pp)	Simple and solid balance sheet, focused on growth
 CET1 FL ratio	10.2%	13.1%	18.2%	+800bps	✓
 Moody's/Fitch rating⁴	Caa2 / -	B3 / -	Ba1 / BBB-	+7 notch / IG	Fitch: assigning IG Moody's: +5 notch (in 7mths)

novobanco compares favourably to European peers on both profitability and capital generation

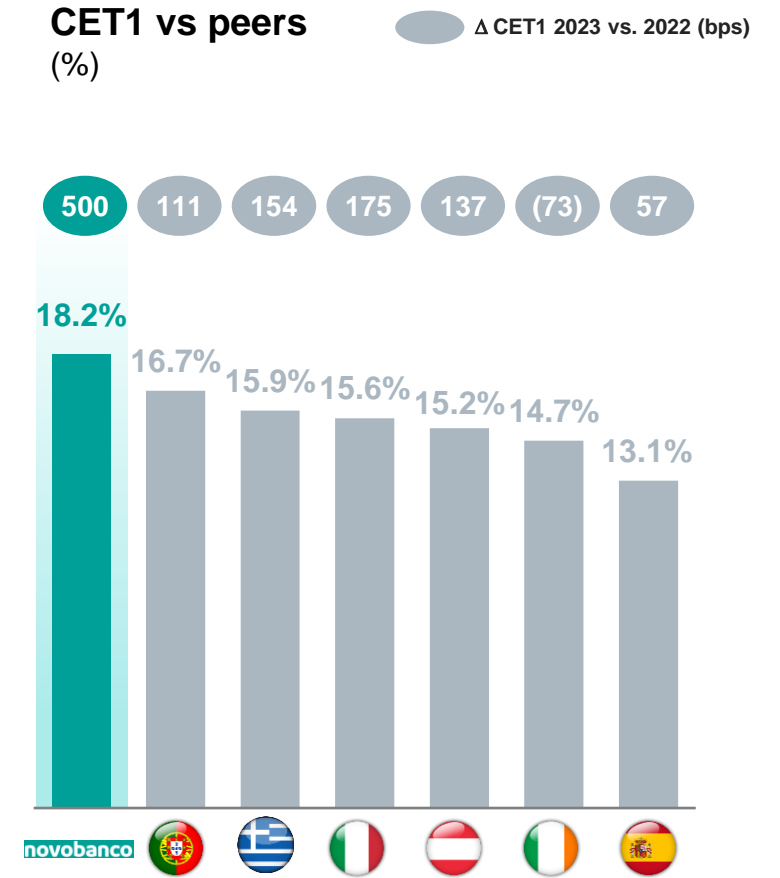
RoTE vs peers
(%)



C/I vs peers¹
(%)

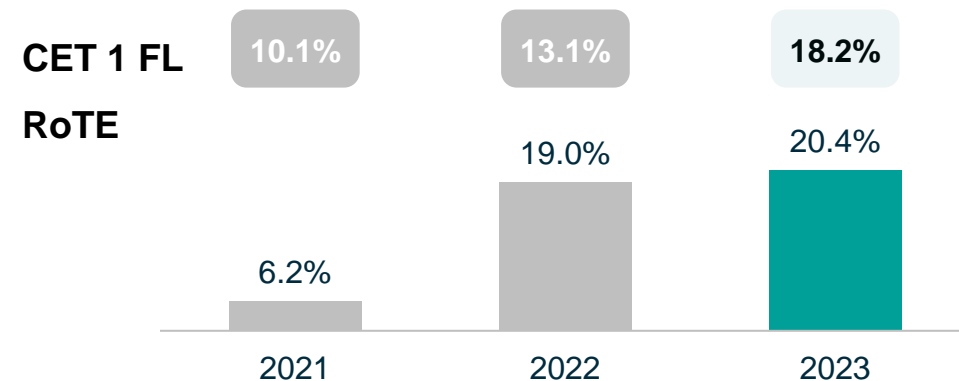


CET1 vs peers
(%)

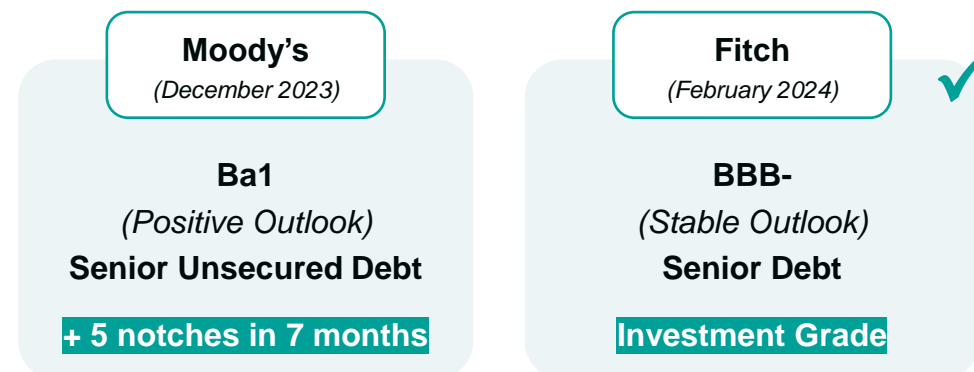


Outperforming 2023 financial targets and achieving Investment Grade rating ahead of expectations

	2023 Guidance ¹	2023 Achievements ✓
Net Interest Margin	> 2.5% ²	2.75%
Cost to Income	~ 35%	33.3%
Cost of Risk	~ 50 bps	48 bps
NPL Ratio ³	< 4.5%	4.4% (w/ 84% coverage)
Profit Before Tax ⁴	> €700mn	€754mn
Capital Generation	> 400 bps	+500 bps (CET1: 18.2%)



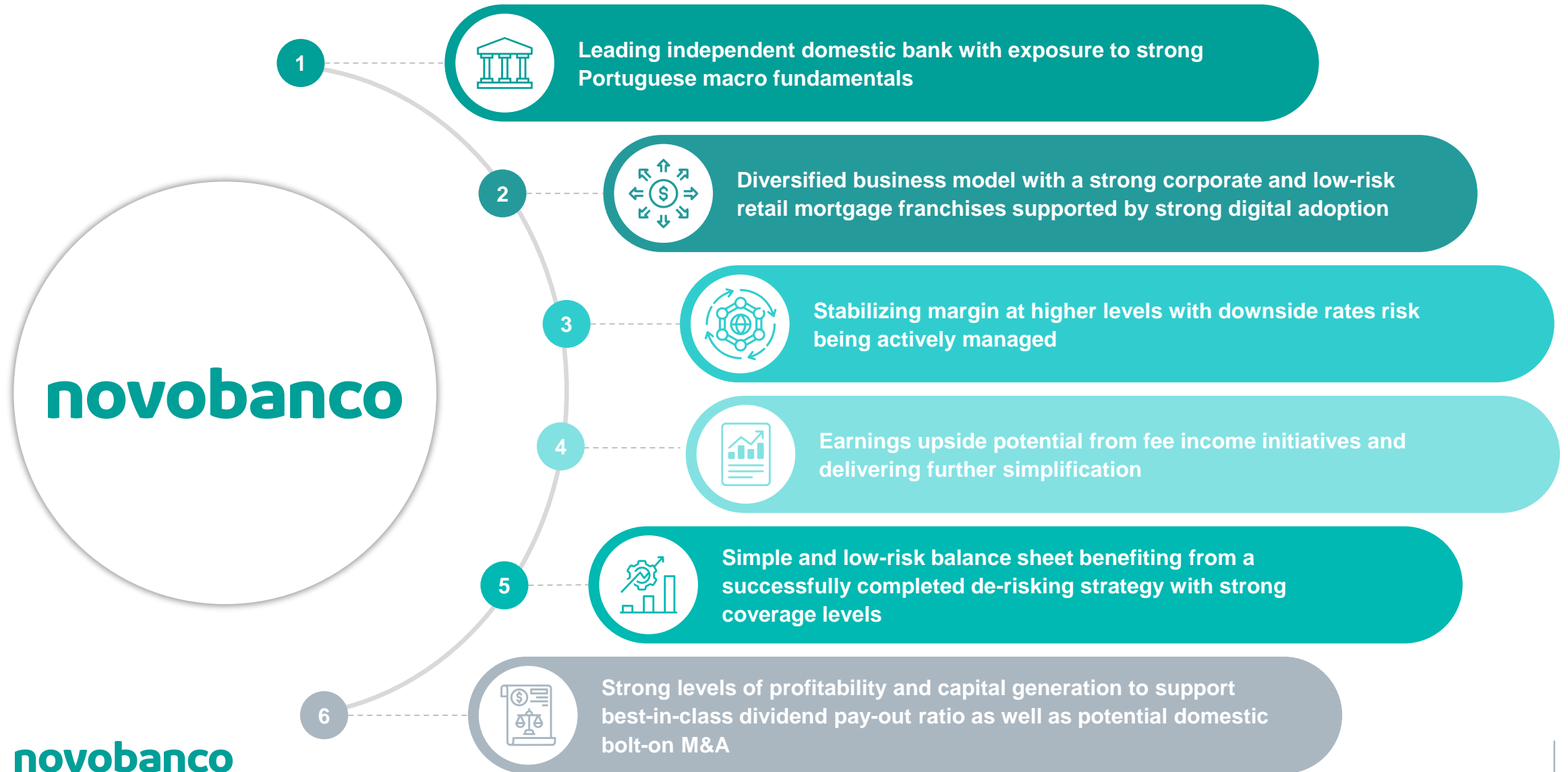
Rating Actions⁵



02.

Business overview

novobanco is well-positioned to deliver superior and sustainable profitability

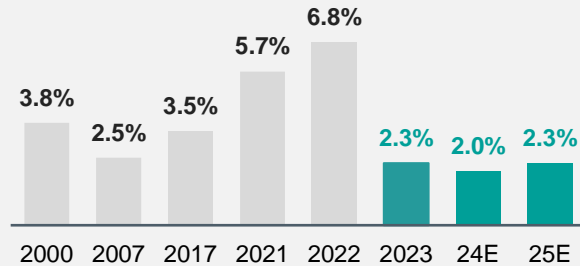


1 LEADING INDEPENDENT DOMESTIC BANK WITH EXPOSURE TO STRONG PORTUGUESE MACRO FUNDAMENTALS

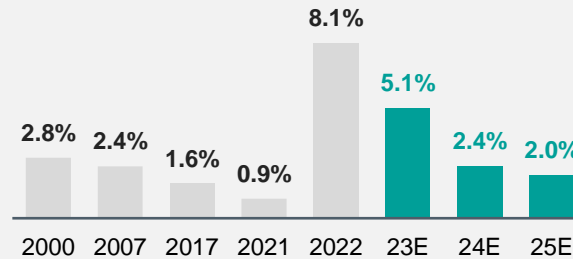
Portugal is one of the strongest economies in the EU today based on growth, financial discipline and a competitive labor market



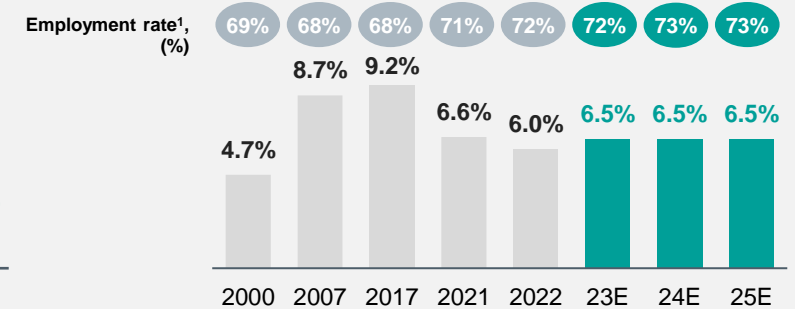
Portugal poised to grow...
(PT GDP Growth)



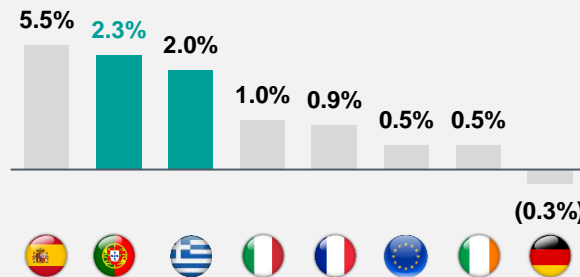
Inflation under control...
(PT Inflation, %)



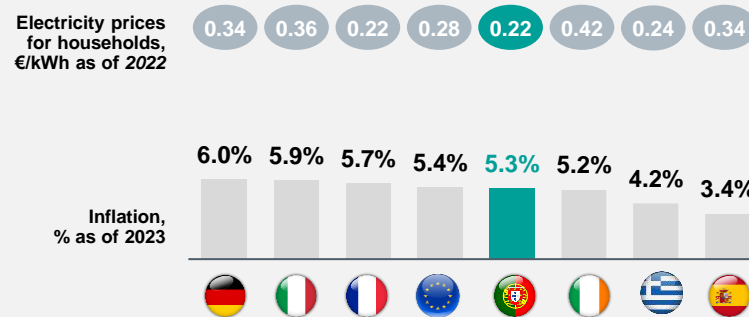
Unemployment near historic lows...
(PT Unemployment rate, %)



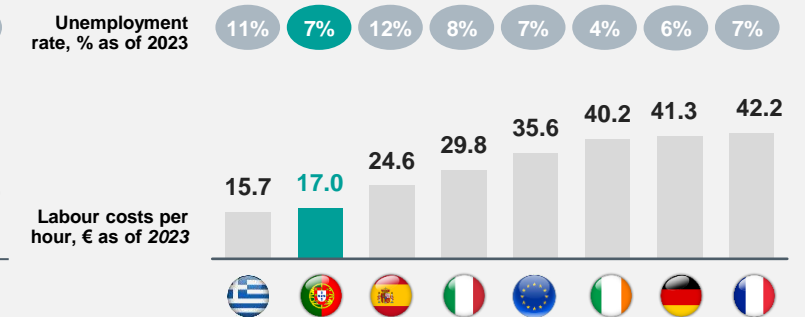
...above European peers
(GDP Growth, 2023E³)



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



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

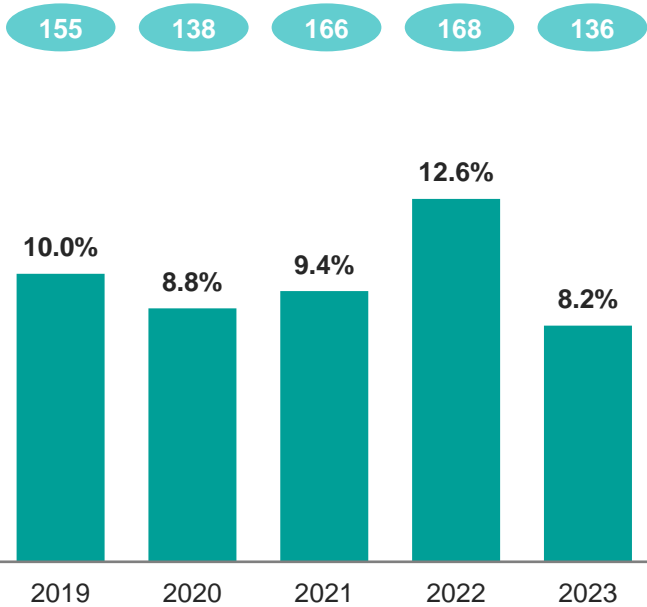


Supported by €66.0bn² EU funds set to accelerate growth until 2027

Portugal has a resilient housing sector driven by scarce supply

Housing activity and pricing (Average annual change, %)

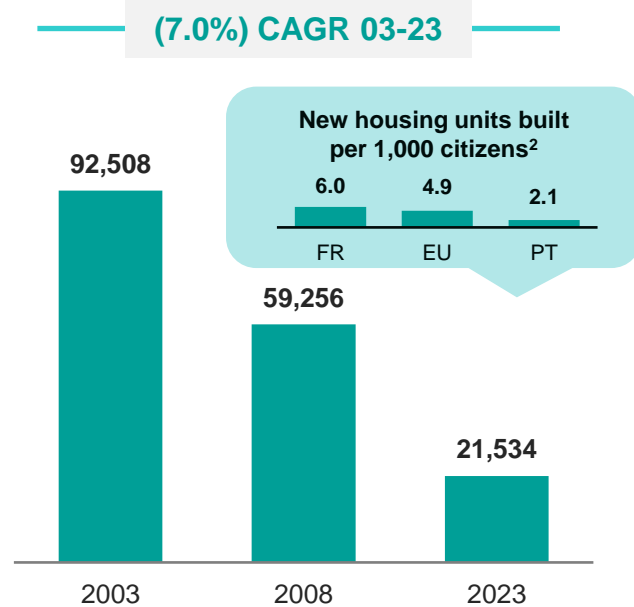
Thousands house transactions (#)



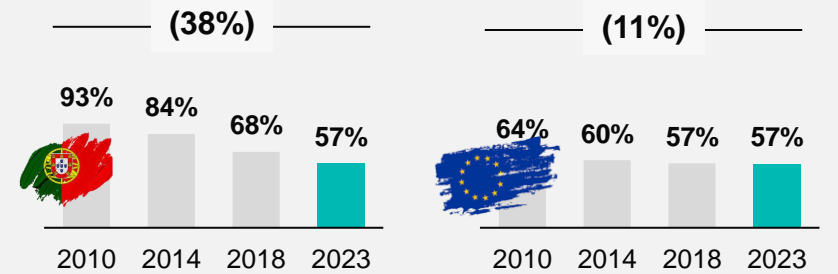
(€ invested in houses by international buyers, % total)



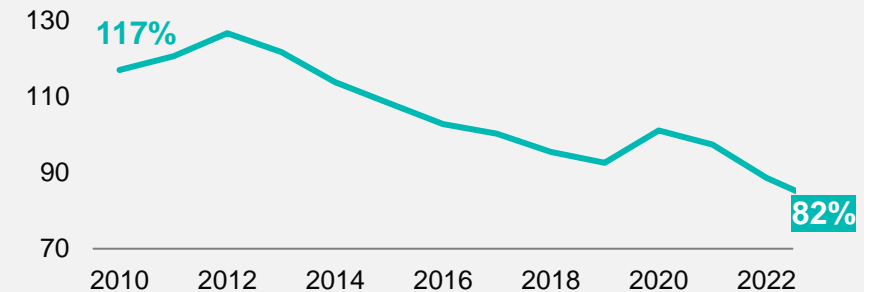
Scarcity of new housing supply (New housing units built, #)



Households have demonstrated financial discipline (Household debt as % of GDP²)



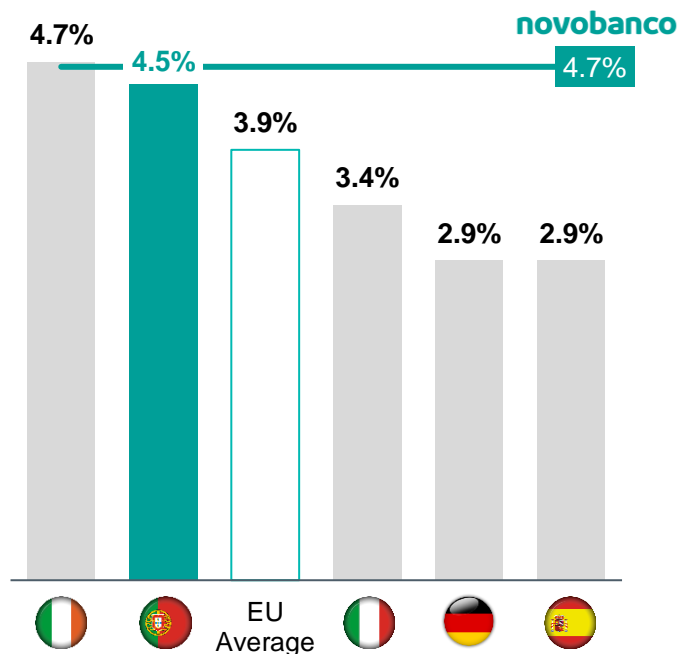
Corporate have also significantly deleveraged (Non-financial corporations indebtedness ratio, % GDP)



novobanco is the leading independent bank in an attractive Portuguese banking system...

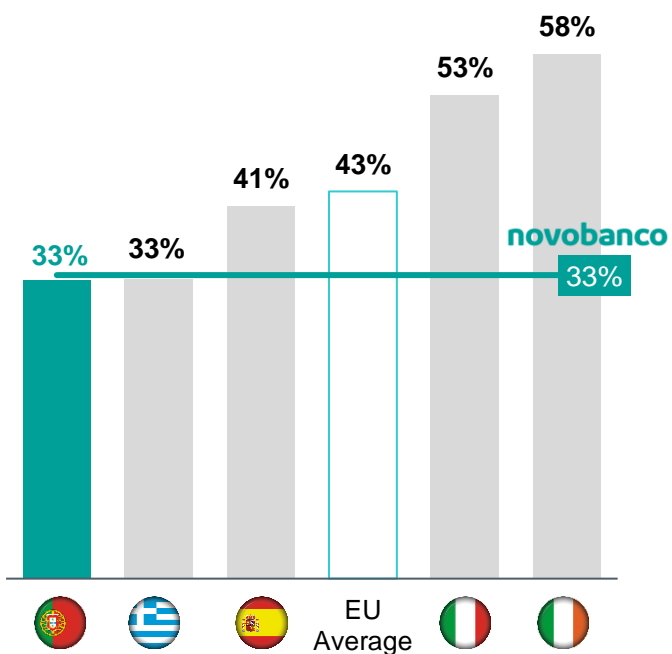
Normalised margins

(Net Interest income / average customer loans, %)



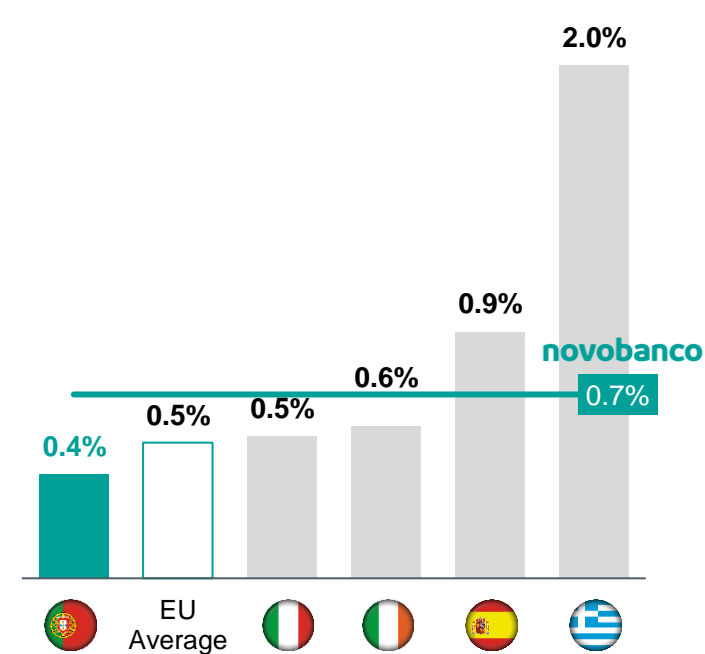
Compelling cost profile

(Cost to income¹, %)



Clean balance sheet

(Net NPL ratios², %)



Source: Company information, Research analysis, ECB, Associação Portuguesa de Bancos; Note: Company information as of FY2023. Portugal excludes novobanco. EU average based on average of all peers. Peers include CaixaBank, Bankinter, Sabadell and Unicaja for Spain; Santander Totta, Millennium BCP, Banco BPI and CGD for Portugal; BPER, BPM and Banca MPS for Italy; Bawag, Erste for Austria; AIB, Bank of Ireland, PTSB for Ireland; Eurobank, Piraeus and National Bank of Greece for Greece; and Deutsche Bank, Commerzbank and OLB for Germany. (1) Calculated as Operating Costs divided by the sum of Net Interest Income and Net Fees & Commissions; (2) Calculated as gross NPLs (Gross carrying amounts, other than trading exposures) minus accumulated loans loss provisions (Total accumulated impairment [% of total gross non-performing debt instruments] as reported by EBA) over gross exposure implied by reported NPL ratio. Country-level figures as of September 2023 given latest available.

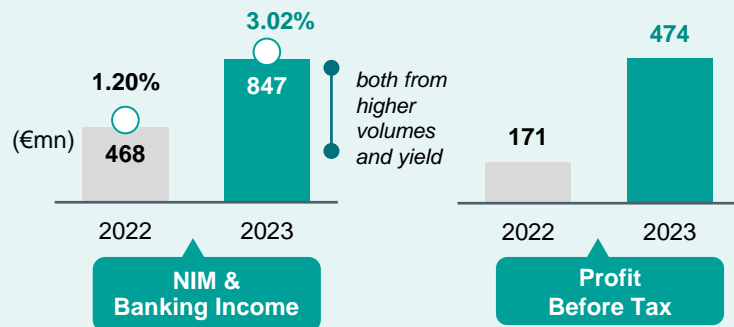
...with a highly diversified business model serving both retail and corporate customers

Retail

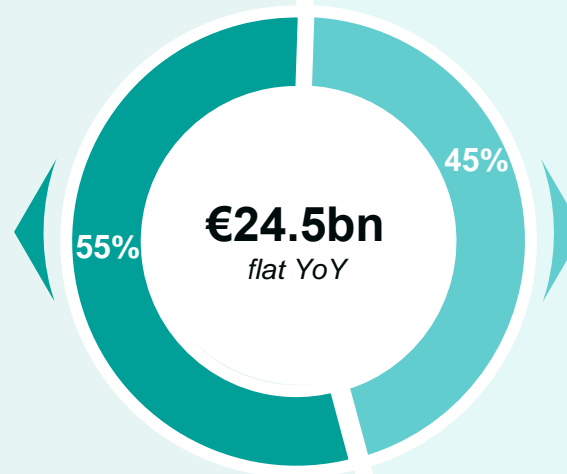


Making our customers' lives easier

- Implementation of **New Distribution Model**: reshaping geographic presence and deeply changing the service experience, **balancing between** the convenience of the **digital channels** and the importance of **face-to-face** service to clients
- **Continuous progress on moving to automatic decisions** (c.60%) and increasing share of sales through digital channel
- **Client acquisition**: +45% YoY vs 2022



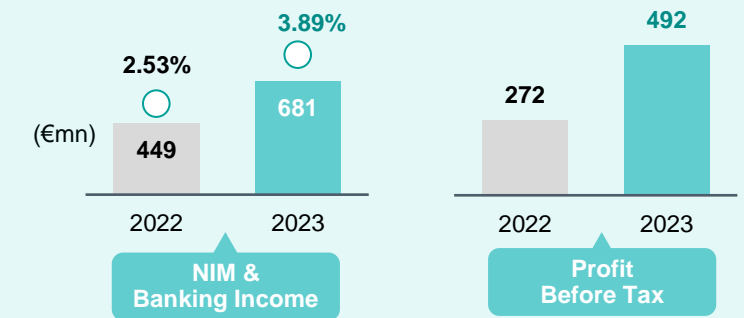
Segments: Customer Loans (net)



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: +8% YoY of invoicing undertaken; Best Trade Finance provider for 6th consecutive time)
- Solutions for **investment projects** (>€1.6mn of new MLT credit of which 90% to SMEs)



2 DIVERSIFIED BUSINESS MODEL WITH A STRONG CORPORATE AND LOW-RISK RETAIL MORTGAGE FRANCHISES SUPPORTED BY STRONG DIGITAL ADOPTION

Compelling proposition enabled through an omnichannel approach supported by strategic investments...

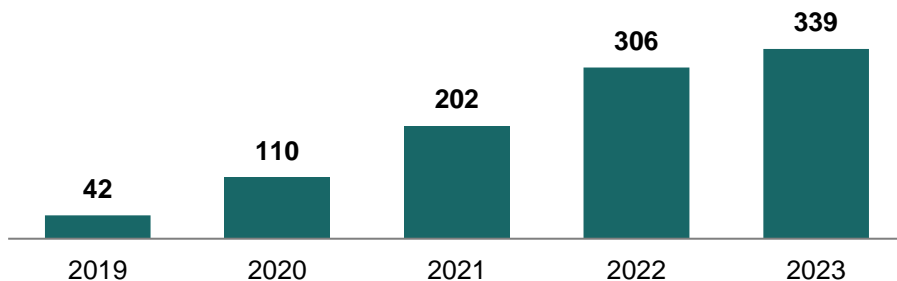
Omnichannel approach



Strategic investments

- Significant investment to developed a strong digital infrastructure
- Redefinition of branch network and branch model focusing on a smaller and more efficient network of multiformat branches

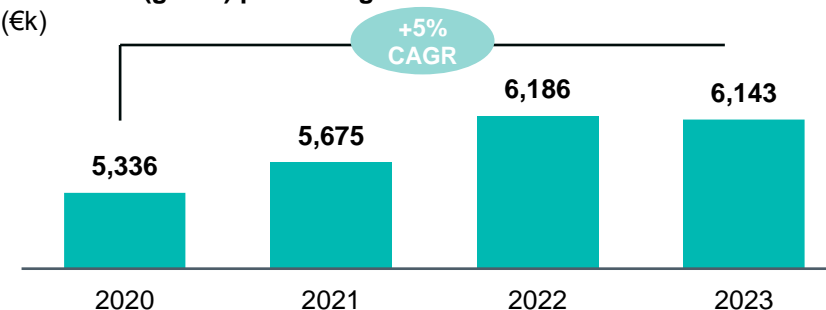
Total cumulative investment (digital and branch optimization)
(€mn)



Talented workforce

- Focus on developing talented employees in the branch network, with c.28h per year of average training per employee
- Reduction of number of employees required to reach an optimized level to support commercial operations

Loan book (gross) per average FTE
(€k)

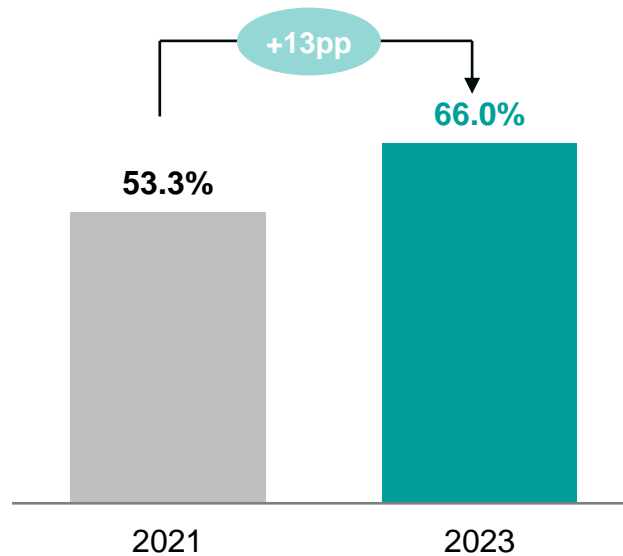


2 DIVERSIFIED BUSINESS MODEL WITH A STRONG CORPORATE AND LOW-RISK RETAIL MORTGAGE FRANCHISES SUPPORTED BY STRONG DIGITAL ADOPTION

...supporting customer growth, efficient client interactions and distinguished profitability

Cost effective client interaction with increasing digital adoption...

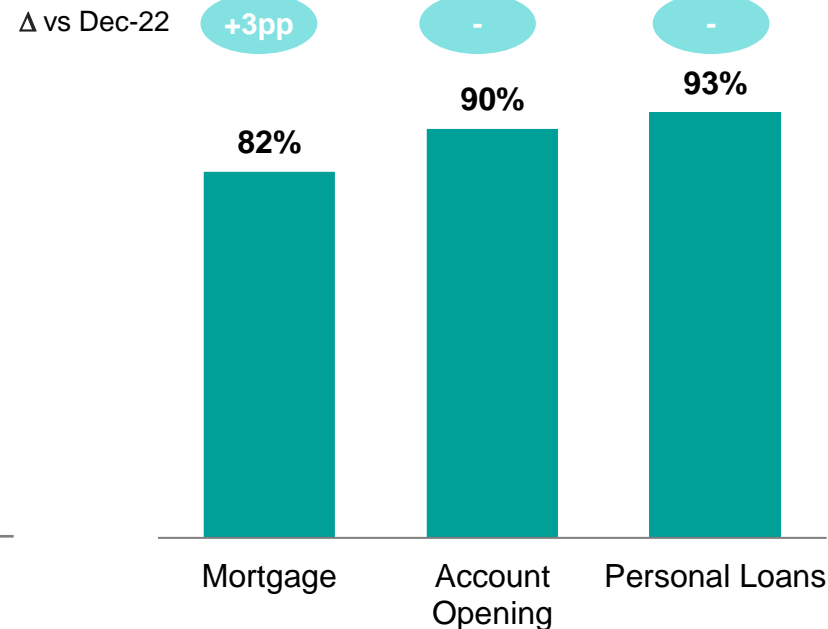
(Active digital clients, %)



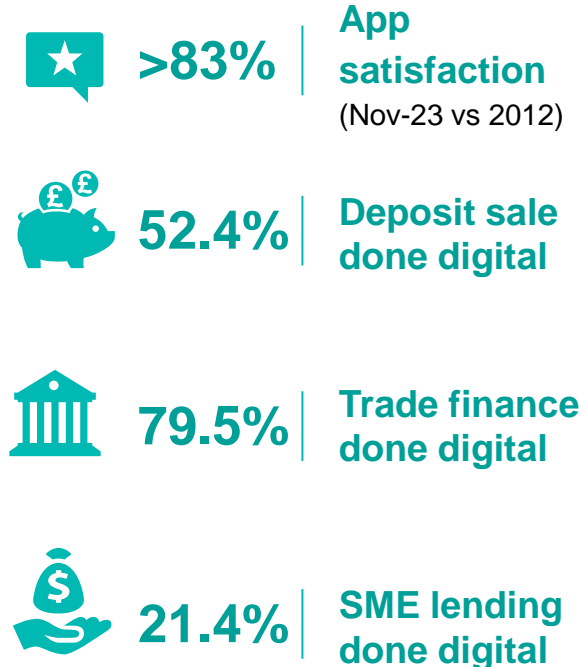
Improving novobanco's profitability metrics

...resulting in remarkable customer experience and loyalty...

(Nov-23, Customer Satisfaction (CSAT), %)



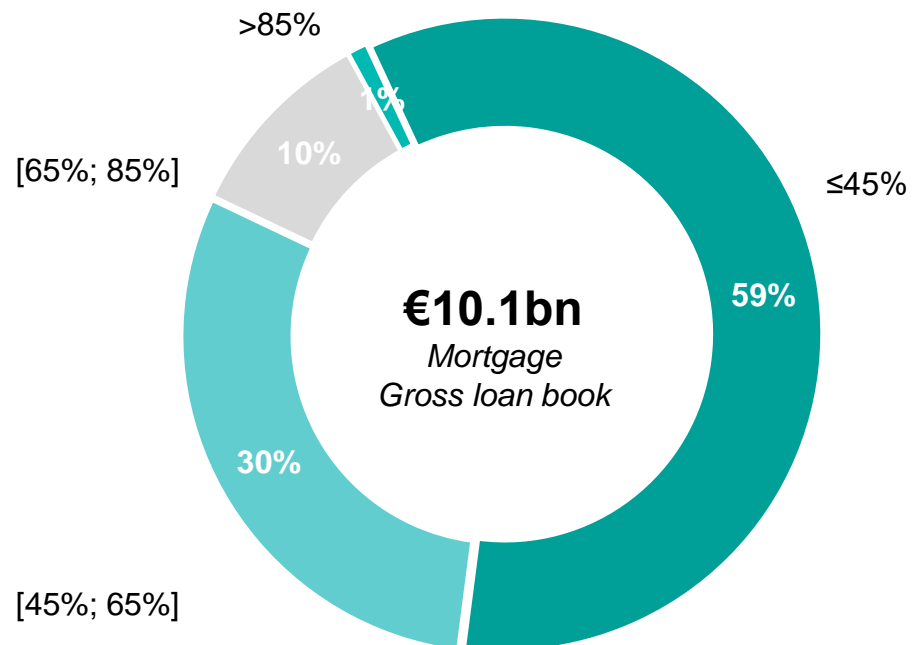
...and a leading digitalized customer base¹



Highly conservative mortgage book with strong origination capabilities

Loan book split

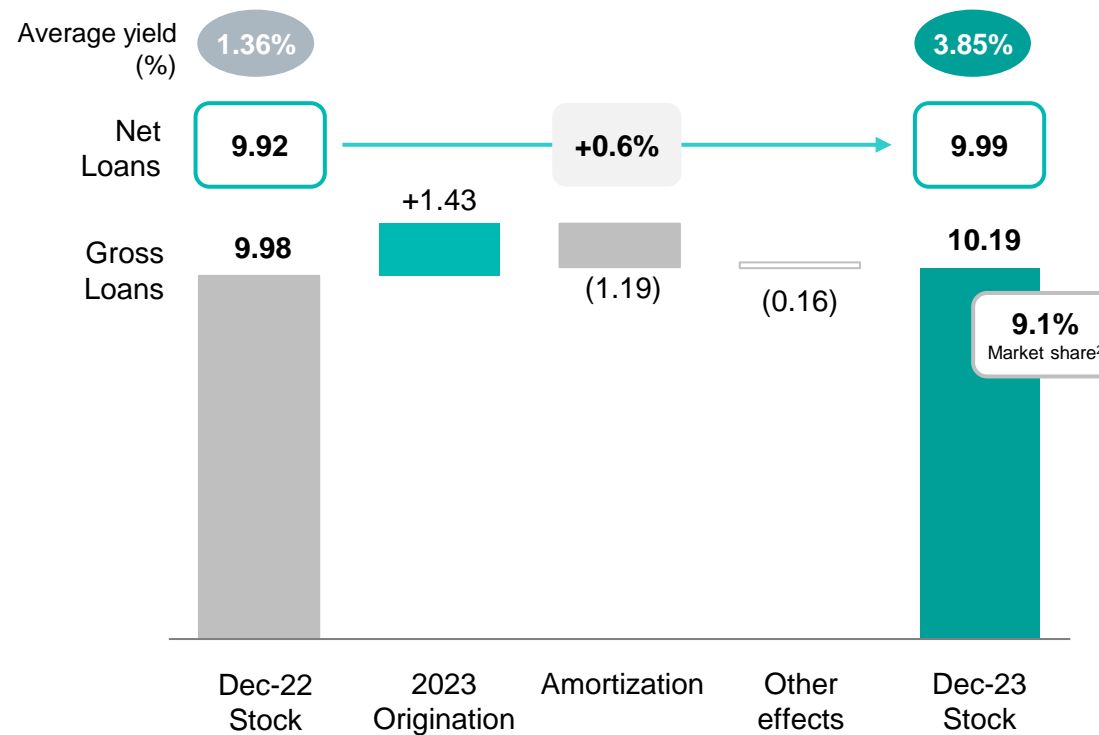
(2023; Loan book by LTV bucket %)



Low risk mortgage portfolio with average LTV (stock) < 50%
Strict origination risk selection with LTV <60% & <45% DSTI¹

Strong mortgage originating capabilities

(€bn)

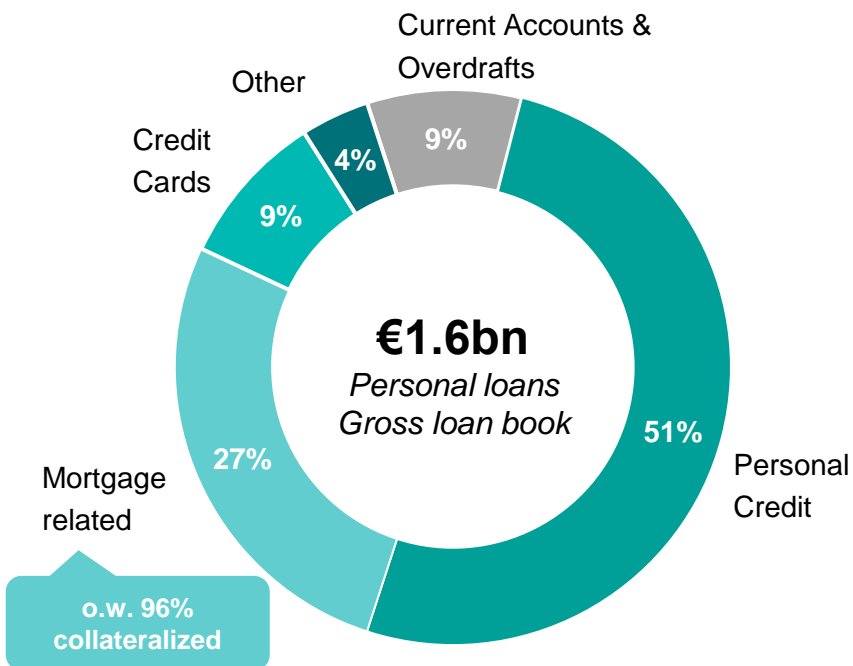


Despite overall market slow-down driven by rate increases, novobanco has demonstrated strong client appetite and ability to continue capturing market share

Well positioned in attractive personal loans segment

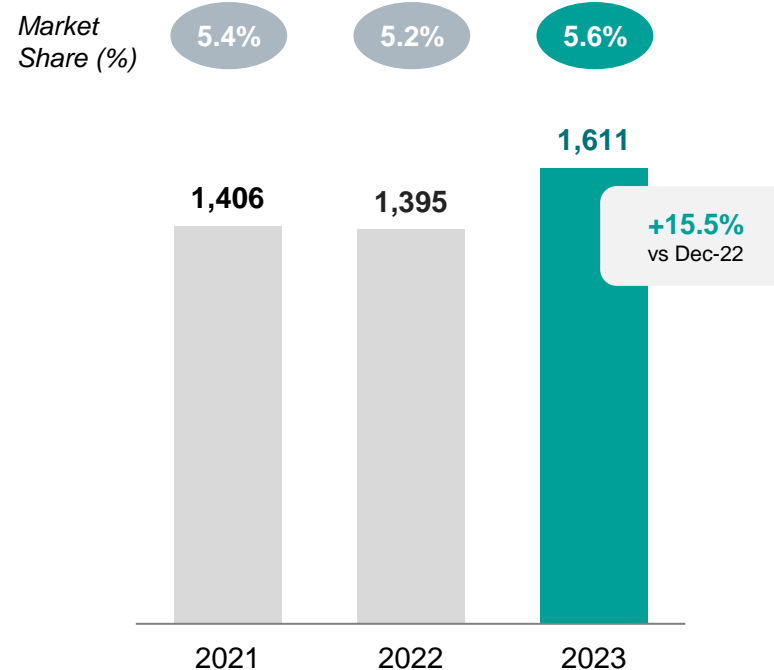
Diversified...

Personal loans and others split
(Dec-23, %)



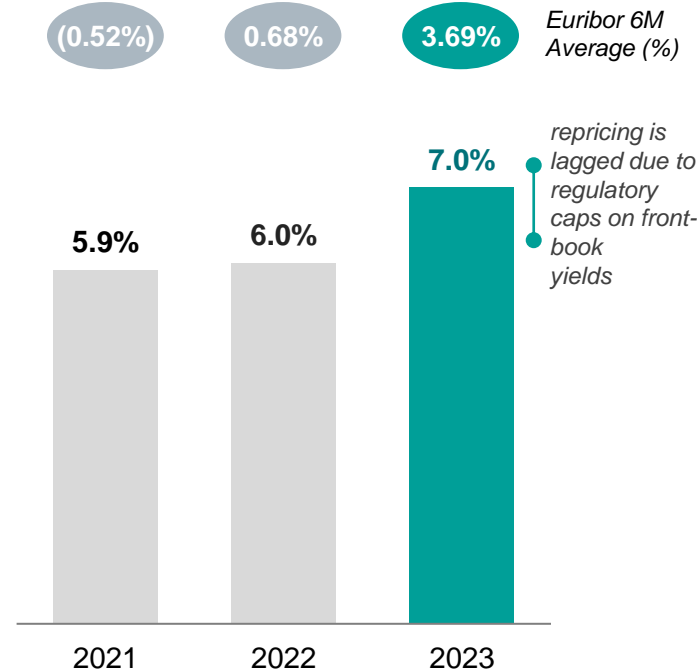
...and resilient personal loan book...

Personal loans and other
(€mn)



...with strong profitability

Average interest rate
(%)



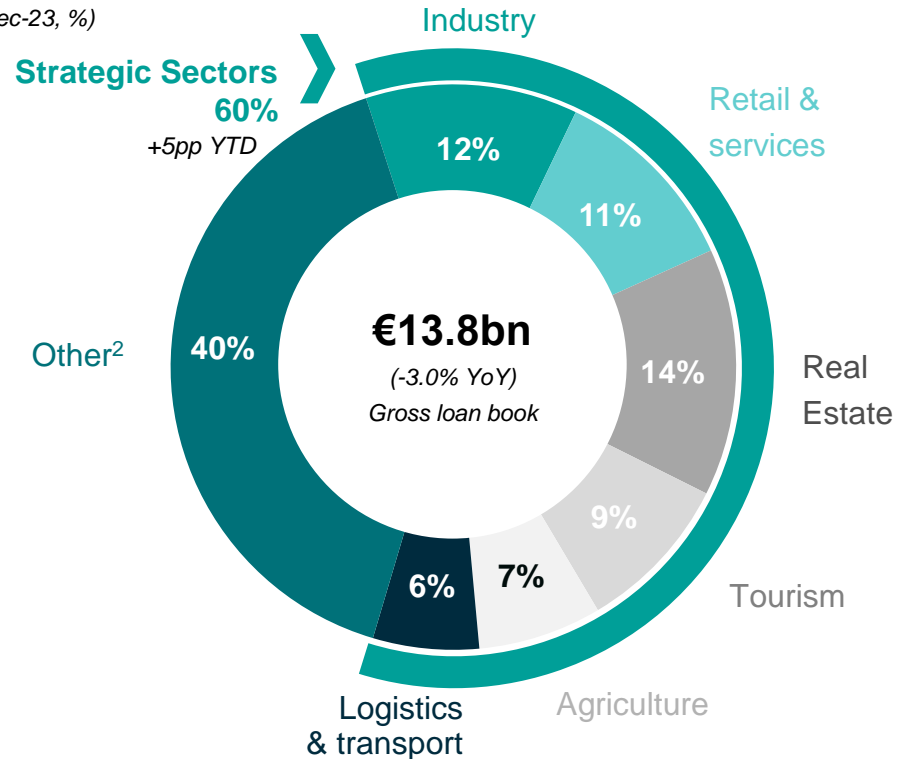
Continuous progress on moving to of automatic decisions (c.60%) and increasing share of sales through digital channel (from current 7% to 10% of credit production)

2 DIVERSIFIED BUSINESS MODEL WITH A STRONG CORPORATE AND LOW-RISK RETAIL MORTGAGE FRANCHISES SUPPORTED BY STRONG DIGITAL ADOPTION

Partner of reference for Portuguese companies

Corporate loan book¹ by sector

(Dec-23, %)



Reaching 14.3% market share
with sectorial approach strategy to accelerate growth

Corporate sectors selection rationale



Estimated **risk-adjusted profitability**
(BI-CoR)/RWA



Expected growth forecast, based on
macro-economic scenario



Credit size and weight of each sector in the
Portuguese economy



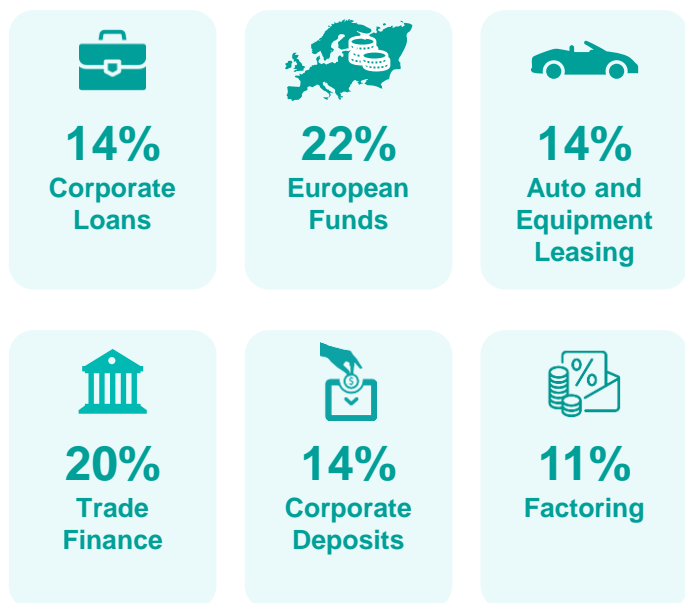
novobanco's room to grow in share of wallet, client
penetration and credit penetration, as well as impact
of capital consumption

2 DIVERSIFIED BUSINESS MODEL WITH A STRONG CORPORATE AND LOW-RISK RETAIL MORTGAGE FRANCHISES SUPPORTED BY STRONG DIGITAL ADOPTION

Tailored sectorial corporate lending strategy with differentiated risk appetite

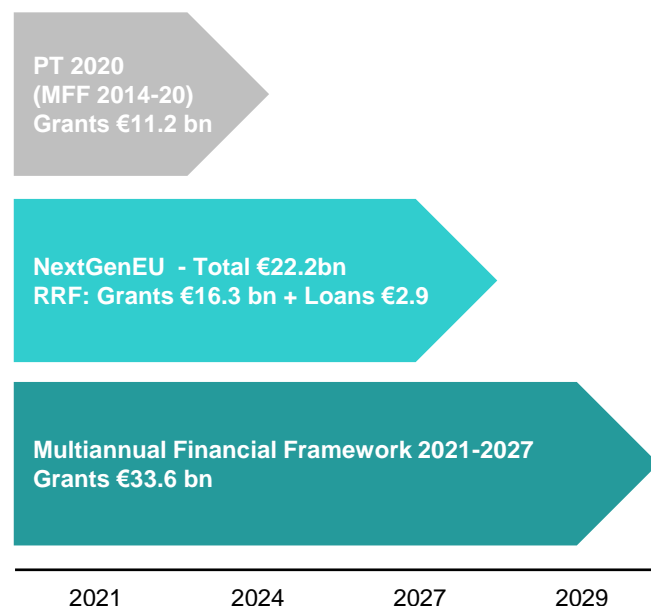
Strong SME focus

(Market share¹, %)



EU funds

(€bn)



Value added products and services



Nbnetwork+

Solution to **simplify and support financial management** on a daily basis, through analytical and predictive measures



Trade finance

Strong presence in the corporate market, with **particular focus on exporting SMEs**



Investment support programs

Support to corporates in order to pursuit and implement opportunities driven by **EU funding**

- Holistic solution offering (payments, payroll, etc.)
- Working capital needs solutions
- Digital and face-to-face touchpoints

- Dedicated relationship managers
- Best-in-class trade finance & FX solutions
- Integrated support across businesses lines

- Sector-specific tailored solutions
- Dedicated relationship managers
- Continued risk analysis

03.

Financial performance

Consistent execution of strategy has resulted in sustainable profitability



Delivering sustainable profitability with strong track record of delivery against targets



Stabilizing margin at higher levels with downside rates risk being actively managed



Earnings upside potential from fee income initiatives and delivering further simplification



Simple and low-risk balance sheet benefiting from a successfully completed de-risking strategy with strong coverage levels



Strong levels of profitability and capital generation to support best-in-class dividend pay-out ratio

Delivering sustainable business growth and increased income backed by a positive NIM trend

Income statement and key metrics

	€mn	2021	2022	2023	▲ YoY (%)
1	Net Interest Income	573.4	625.5	1,142.6	+517.1
2	+ Fees & Commissions	282.5	293.3	296.1	+2.8
	= Commercial Banking Income	855.9	918.8	1,438.7	+519.9
	+ Capital Markets Results	75.9	24.0	14.7	(9.2)
3	+ Other Operating Results	40.4	183.6	-11.2	(194.7)
	= Banking Income	972.2	1,126.3	1,442.3	+315.9
4	- Operating Costs	408.4	448.4	479.2	+30.8
	= Net Operating Income	563.8	678.0	963.1	+285.1
5	- Net Impairments & Provisions	352.7	111.2	173.8	+62.6
	... of which Credit & Securities	149.4	102.2	142.0	+39.8
	= Profit Before Tax	211.1	566.8	789.3	+222.5
	- Corporate Income Tax	-15.2	-53.3	5.8	+59.1
	- Special Tax on Banks	34.1	34.1	35.3	+1.1
	= Profit after Taxes	192.2	585.9	748.2	+162.3
6	- Non-Controlling Interests	7.7	25.1	5.1	(20.0)
	= Net Profit for the period	184.5	560.8	743.1	+182.2
	NIM	1.42%	1.47%	2.75%	+1.27pp
	Cost-to-income ¹	47.7%	48.8%	33.3%	-15.5pp
	CoR (bps)	70	45	48	+3bps
	RoTE	6.20%	19.0%	20.4%	+1.4pp
	Return on assets	0.5%	1.2%	1.7%	+0.5pp
	NPL ratio	7.0%	5.4%	4.4%	-0.9pp
	CET1 FL ratio	10.1%	13.1%	18.2%	+5.0pp

Key metrics

1 **NII performance (+83% YoY) reflecting improvement of assets yield** in excess of the increase in the cost of funding;

2 **Fee income +0.9% YoY** with increased contribution of Accounts and Payments (+9.6% YoY) from **higher volume of transactions** despite legislative headwinds;

3 **Capital Markets Results** includes a net loss of €12mn from losses on the sale of part of the securities portfolio, offset by one-off gains on forex and hedging. **Other Operating Results** includes the cost of irrevocable commitment payment of Deposit Guarantee Fund (€56.1mn; no impact in capital), the annual contribution to the Single Resolution Fund (€15.0mn) and the Portuguese Resolution Fund (€7.1mn), partially offset by gain from credit recovery (€30.3mn) and Real Estate disposals (€35.6mn). 2022 included a gain (€148.6mn) from the sale of real estate assets;

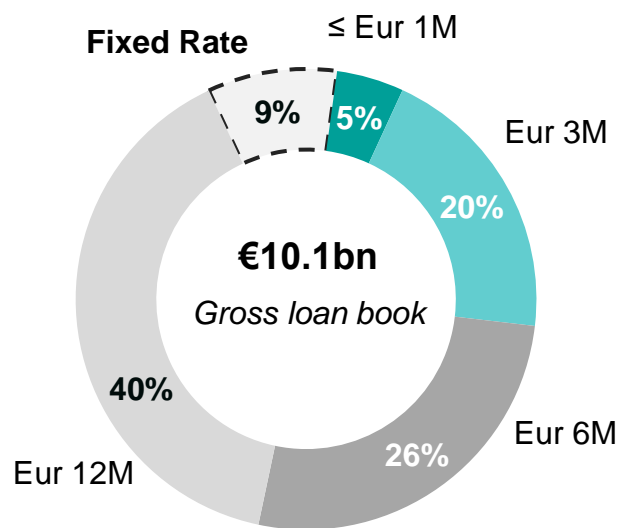
4 **Commercial Cost to Income ratio at 33.3%**, equivalent to 30% excluding extraordinary items. Operating costs totalled €479.2mn (+6.9% YoY), reflecting on one hand the continued strategic investment in digital transformation, optimization and simplification of the organization and on the other hand the effects of inflation;

5 The **cost of risk¹ was 48bps** considering loans and corporate bonds impairments, including management overlays, below target of ~50bps;

6 **Net income of €743.1mn (+32.5% YoY)**, equivalent to **RoTE of 20.4%**, reflecting consistent execution of novobanco's strategy, with the ability to grow revenue and generate capital.

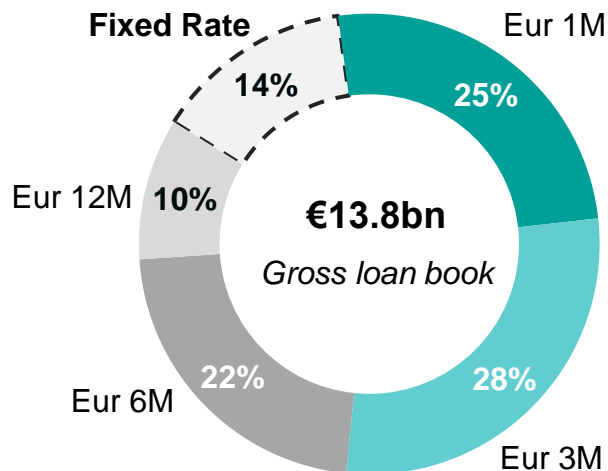
NIM stabilizing at higher levels while downside rates risk being actively managed through hedging

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



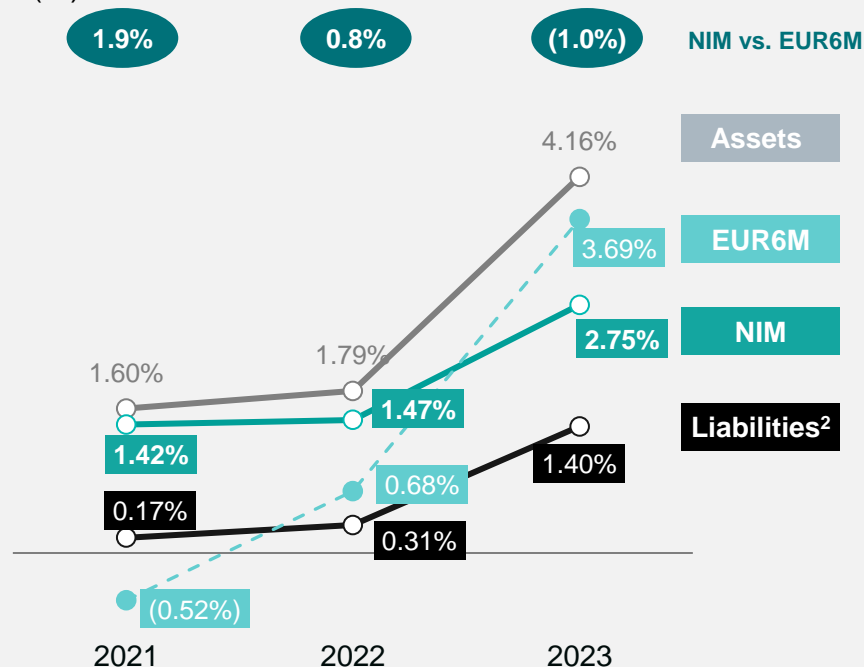
Stock avg ticket outstanding of ~€55k
Origination ticket of ~€120k
70% book hedged at 2.9%

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



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

NIM Evolution quarterly trend
(%)

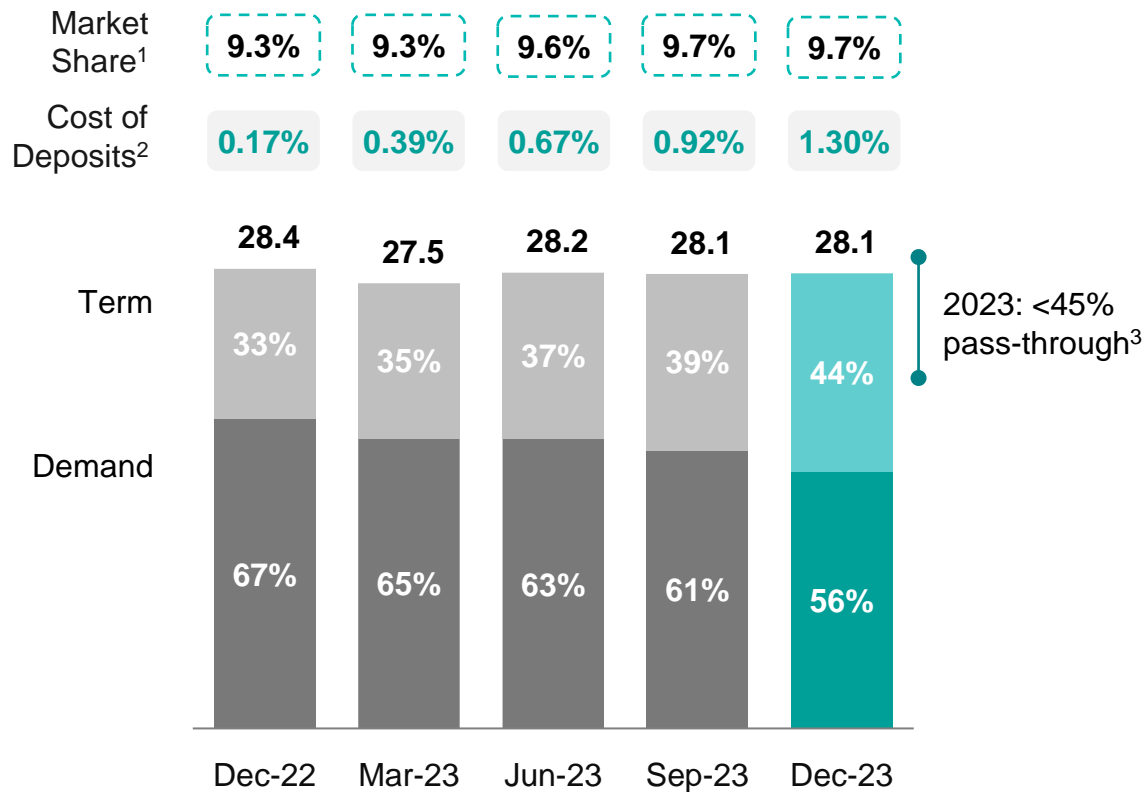


Benefiting from repricing at current rate environment,
with NIM stabilizing at higher levels while downside
rates risk being actively managed
(< -6% NII impact for -100bps decrease)¹

Supported by funding costs from loyal customer base and high liquidity

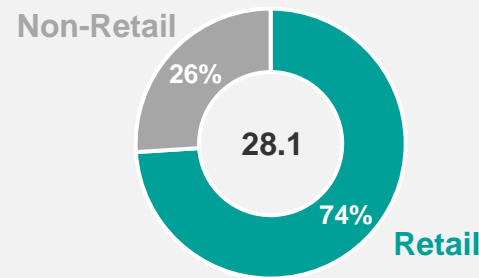
Deposits Breakdown by Type

(€bn; %)



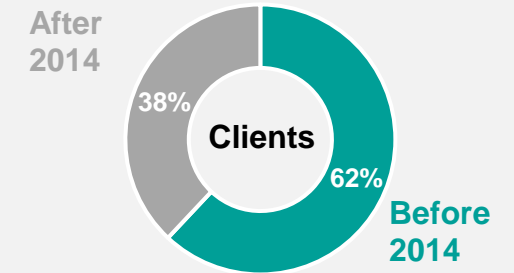
Deposits by Customer

(€bn; %)



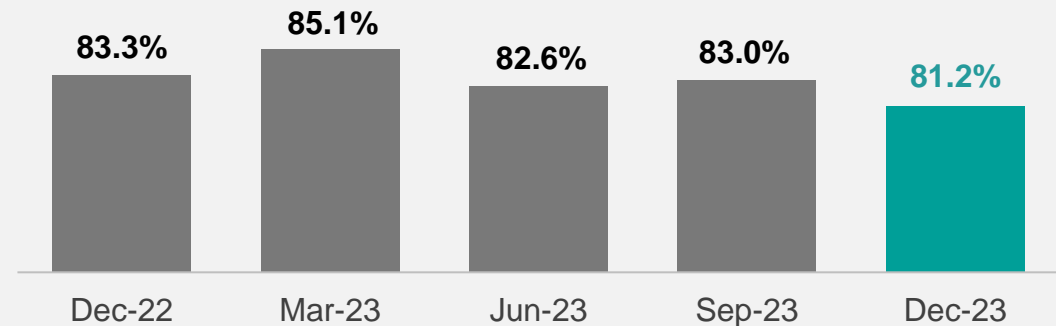
Loyal customer base

(# of active clients)



Loan to Deposit Ratio⁵

(%)

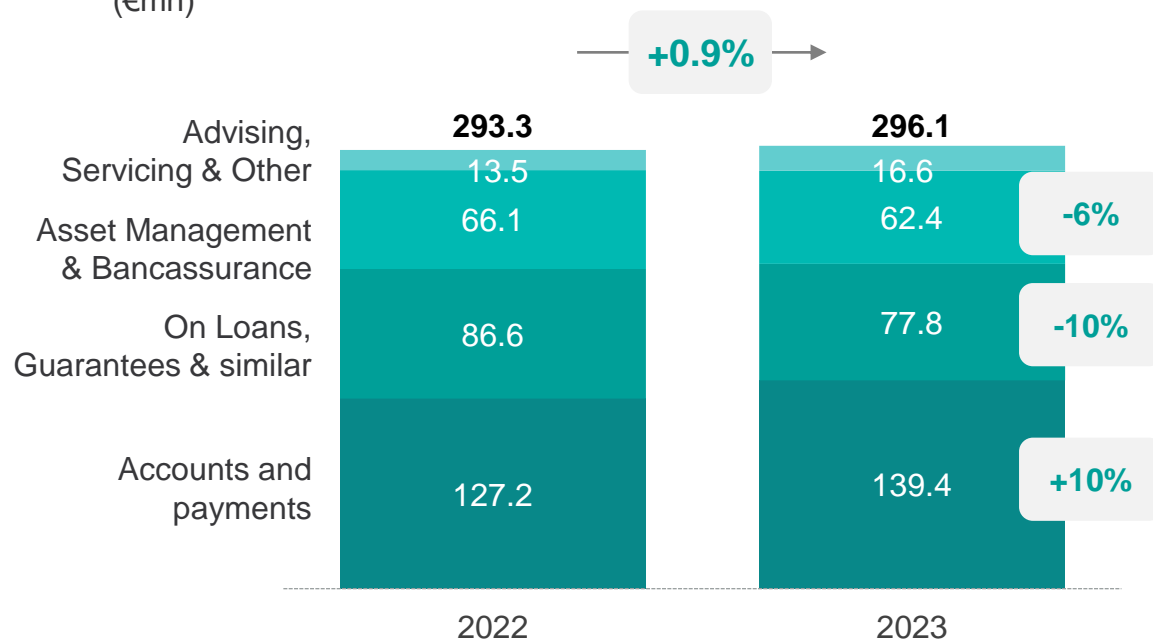


4 EARNINGS UPSIDE POTENTIAL FROM FEE INCOME INITIATIVES AND DELIVERING FURTHER SIMPLIFICATION

Focus on fees through significant initiatives which gives optionality

Evolution of fees by type

(€mn)



Fees' overall strong underlying trend partially offset by impact from legislative changes, mainly from higher volume of transactions, increased clients base, new pricing implemented for customer accounts and POS usage.

Strategic initiatives



WEALTH MANAGEMENT INITIATIVE

- Omni-channel tools
- Product offering with clear client segmentation
- Revamped trading offering



FEEES OPTIMIZATION PROJECT

- Commercial and technical leakage
- Retail and business accounts
- Acquiring and credit cards



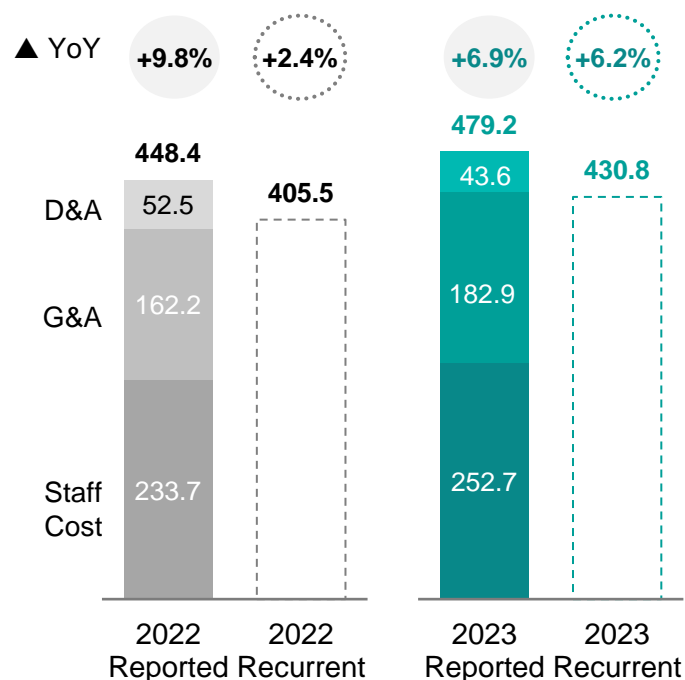
PAYMENTS

- Launch of single acquirer offer
- Improved value proposition
- Optimization of portfolio management in credit cards
- Digital capabilities

Cost efficiency and investments towards streamlined operations

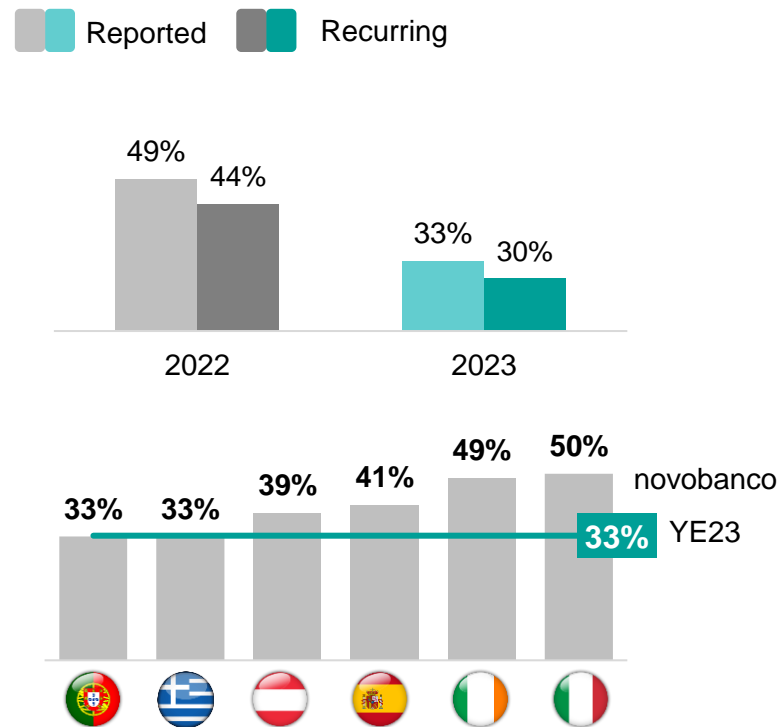
Operating costs¹

(%; €mn)



Cost to income²

(%)



Strategic initiatives



- Strategic **business model simplification** initiatives and **phase-out of one-off costs**
- ✓ **Strategic sourcing**
- ✓ **Tech modernization**
- ✓ **End-to-end process reengineering**
- ✓ **Enhancement of channel effectiveness** - enabled by tech and data & AI
- ✓ **Organisational redesign & optimization**
- ✓ **Process improvements** driving headcount releases

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

Simple balance sheet reflecting novobanco's sustainable business model...

Balance Sheet (€mn)

Assets	Dec-22	Dec-23	▲ YTD	
			€mn	%
Loans and advances to Banks	6,643	5,915	(727)	-11.0%
Customer loans (net)	24,551	24,534	(17)	-0.1%
Real estate	614	460	(154)	-25.0%
Securities	10,646	9,292	(1,353)	-12.7%
Non-current assets held for sale	60	31	(29)	-48.6%
Current and deferred tax assets	956	931	(25)	-2.6%
Other assets	2,526	2,338	(189)	-7.5%
Total Assets	45,995	43,501	(2,494)	-5.4%

Liabilities & Equity	Dec-22	Dec-23	▲ YTD	
			€mn	%
Customer deposits	28,412	28,140	(272)	-1.0%
Due to central banks and Banks	9,705	5,745	(3,960)	-40.8%
Debt securities	1,584	1,108	(477)	-30.1%
Non-current liabilities held for sale	15	13	(2)	-15.4%
Other liabilities	2,766	4,073	1,307	47.3%
Total Liabilities	42,483	39,078	(3,405)	-8.0%
Equity	3,512	4,422	911	25.9%
Total Liabilities and Equity	45,995	43,501	(2,494)	-5.4%

Assets

- Loans and advances to Banks lower YTD, reflecting the effect of TLTRO III reimbursement in the period.
- **Net customer loans at €24.5bn** (stable YTD) with €3.5bn origination offset by increased amortizations. Performing loan book of €24.4bn (+0.5% YTD).

Liabilities

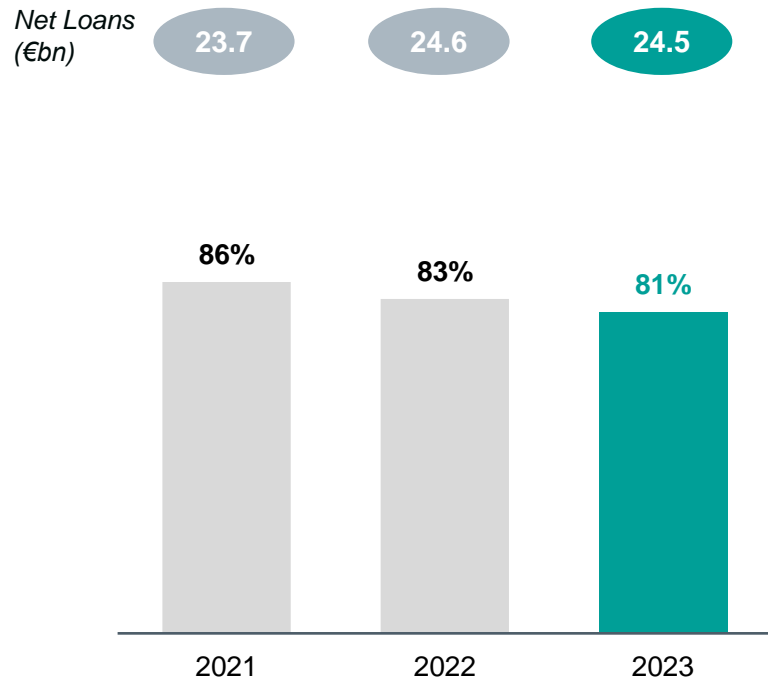
- Total customer funds of €34.9bn (flat YTD), reflecting the recovery in Deposits after 1Q23 (+2.2% Dec/23 vs Mar/23). Despite the lower YTD deposits volume (-1.0%), **deposit market share increased to 9.7%** in Nov/23 (+0.4pp YTD).

Capital & Liquidity

- **Total Capital FL ratio increasing by c.560bps¹ to 21.0%** (CET1: 18.2%; +c.500bps). The organic capital generation reflects the capital accretive business model with solid top-line performance and disciplined capital allocation.
- **Strong liquidity position: LtD at 81.2%, LCR of 163% and NSFR of 118%**, as well as liquidity buffer of €13.6bn.

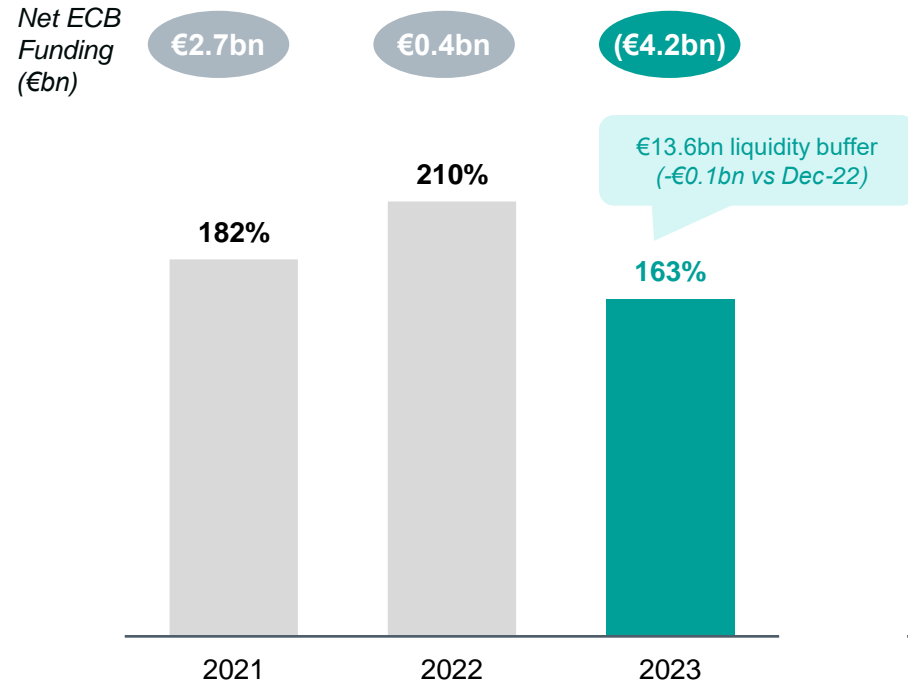
...with a low risk profile

Increased focus on core business (LtD, %)



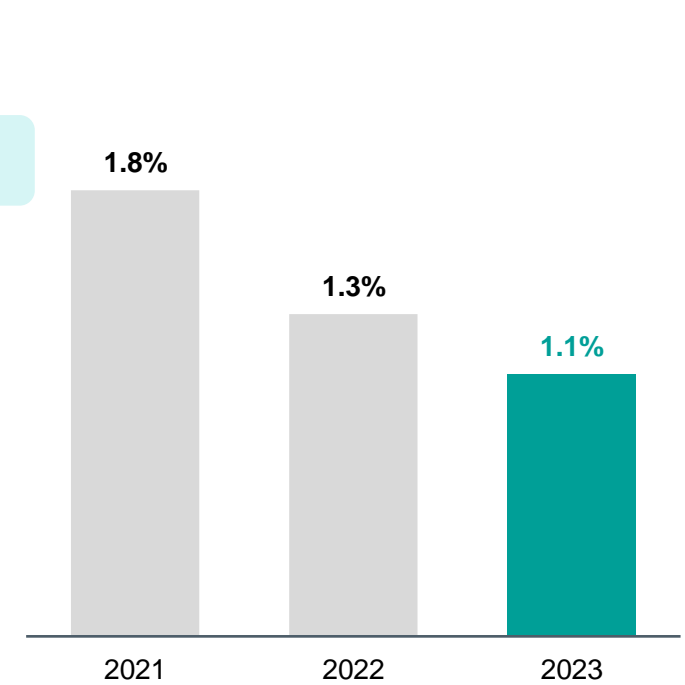
Straightforward balance sheet funded through customer deposits

Strong liquidity improvement (LCR, %)



LCR reduction reflecting planned TLTRO III reimbursement

Reduced real estate exposure (Real Estate as % total assets, %)

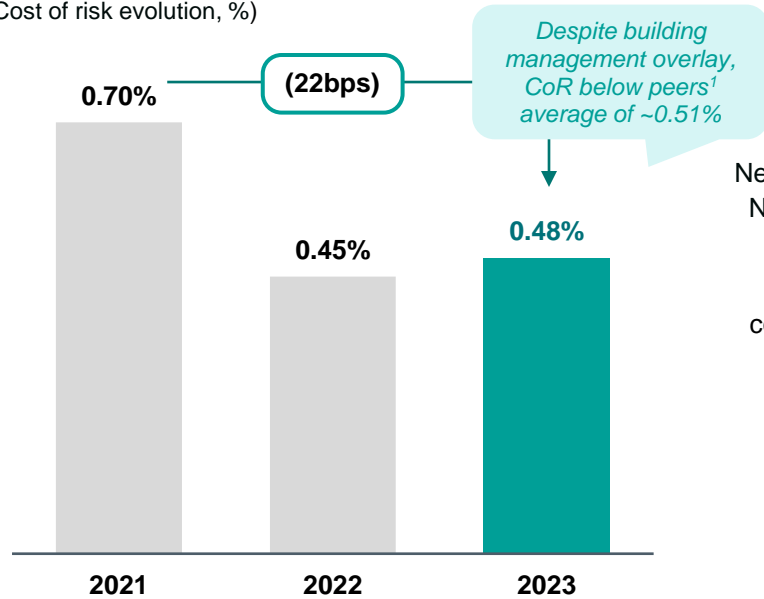


Well-provisioned exposure leading to recurrent gains on sales

Normalised cost of risk after completing balance sheet restructuring as of Dec-20 on the back of conservative provisioning and de-risking approach

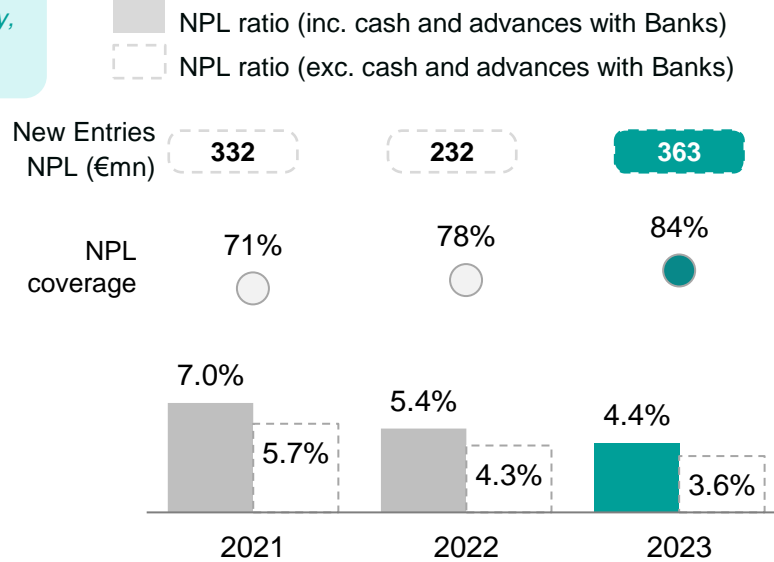
CoR below peer levels...

(Cost of risk evolution, %)



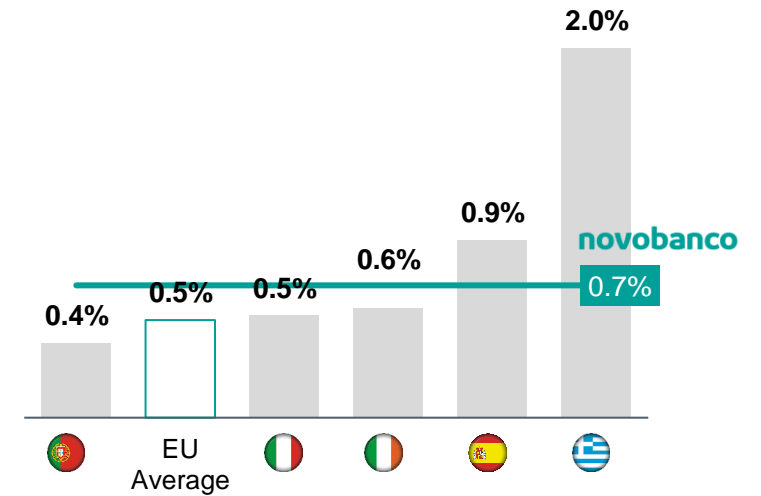
...with high asset quality...

(NPL ratio & coverage, %)



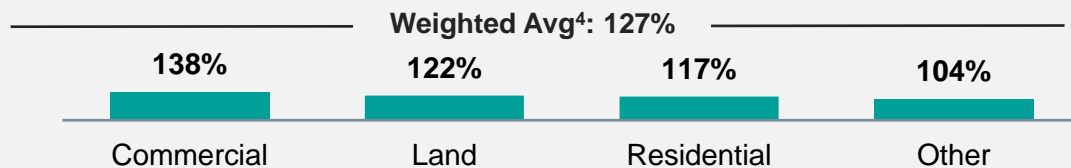
...in line with European Peers²

(Net NPL ratio, %)



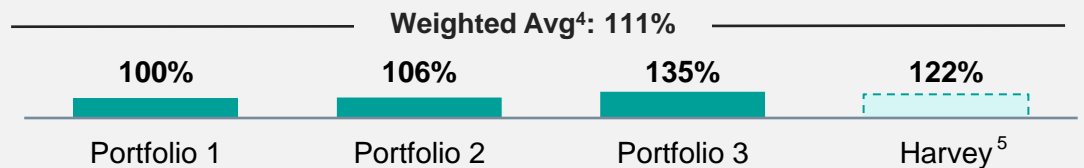
Conservative provisioning approach reflected in above par RE asset disposals historically...

(Real Estate disposal price since 2020, % NBV)



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

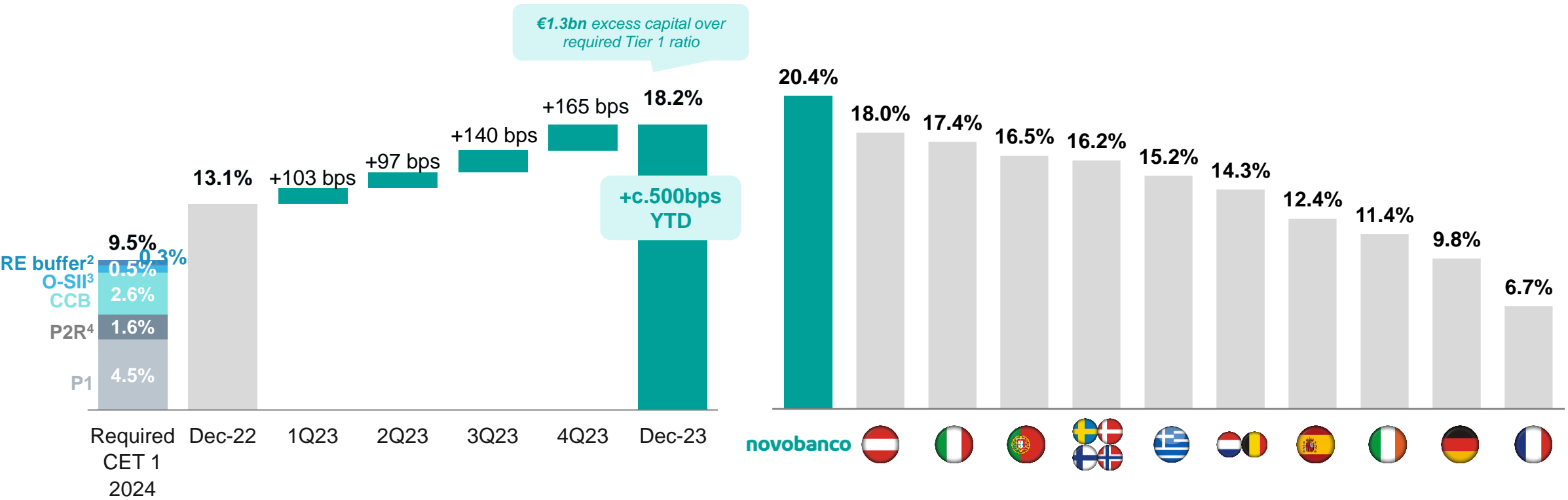
(Recent granular portfolio sales price, % NBV)



Best-in-class profitability and capital generation

CET1 ratio
(Fully loaded¹; %)

RoTE⁵ 2023
(%)



Solid top-line performance and disciplined capital allocation leading to superior capital generation, which provides room for best-in-class dividend pay-out ratio, in the context of CCA resolution

(1) The inclusion of positive results depends on an authorization from the ECB; (2) Starting on 1-Oct-24, capital requirements will include a buffer on exposures secured by residential real estate, expected to be ~30bps; (3) Phased regime for the introduction of a 0.5% O-SII reserve as a percentage of RWAs will start on 1-Jul-24 with 50% of the reserve (0.25% of RWAs), and 100% of the reserve starting on 1st July 2025 (0.50% of RWAs); (4) Total Capital P2R in 2024 is 2.85%, which represents a decrease of 15bps; (5) novobanco's tangible equity based on period average; Country data calculated as average of peers. Peers include CaixaBank, Bankinter, Sabadell and Unicaja for Spain; Santander Totta, Millenium BCP, Banco BPI and CGD for Portugal; BPER, BPM and Banca MPS for Italy; Bawag, Erste for Austria; AIB, Bank of Ireland, PTSB for Ireland; and Eurobank, Piraeus and National Bank of Greece for Greece; BNP Paribas, Societe Generale, Credit Agricole and BCPE for France; Deutsche Bank, Commerzbank and OLB for Germany; Nordea, DNB, SEB, Danske Bank, Handelsbanken for Nordics; and ING, ABN AMRO and KBC for Benelux.

04.

Final remarks

2024 Outlook: competing as a strong and independent domestic Bank

2024 Guidance¹



COMMERCIAL BANKING INCOME



> € 1.3bn

- Delivering organic sustainable returns, from a domestic business focused on growth and value-added products and services



COST-TO-INCOME RATIO



~ 35%

- Efficient operations based on strict cost discipline



COST OF RISK (bps)



< 50bps

- Simple and low-risk balance sheet benefiting from a successfully completed de-risking strategy with strong coverage levels



NET INCOME



> € 650mn

- Strong levels of profitability and capital generation

Appendix



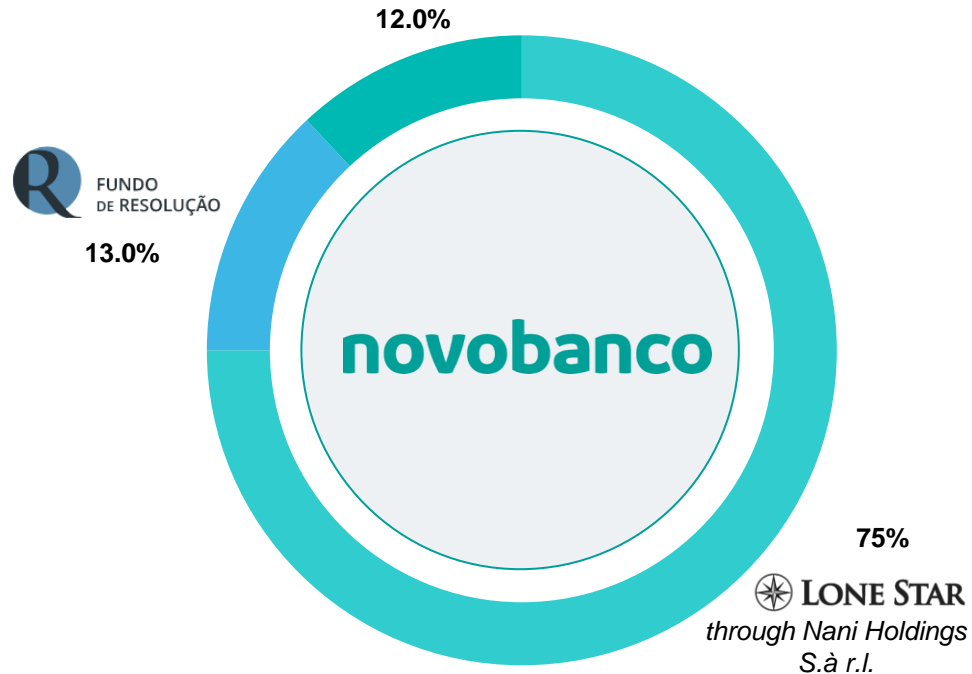
novobanco shareholder structure and governance model

Shareholder structure¹

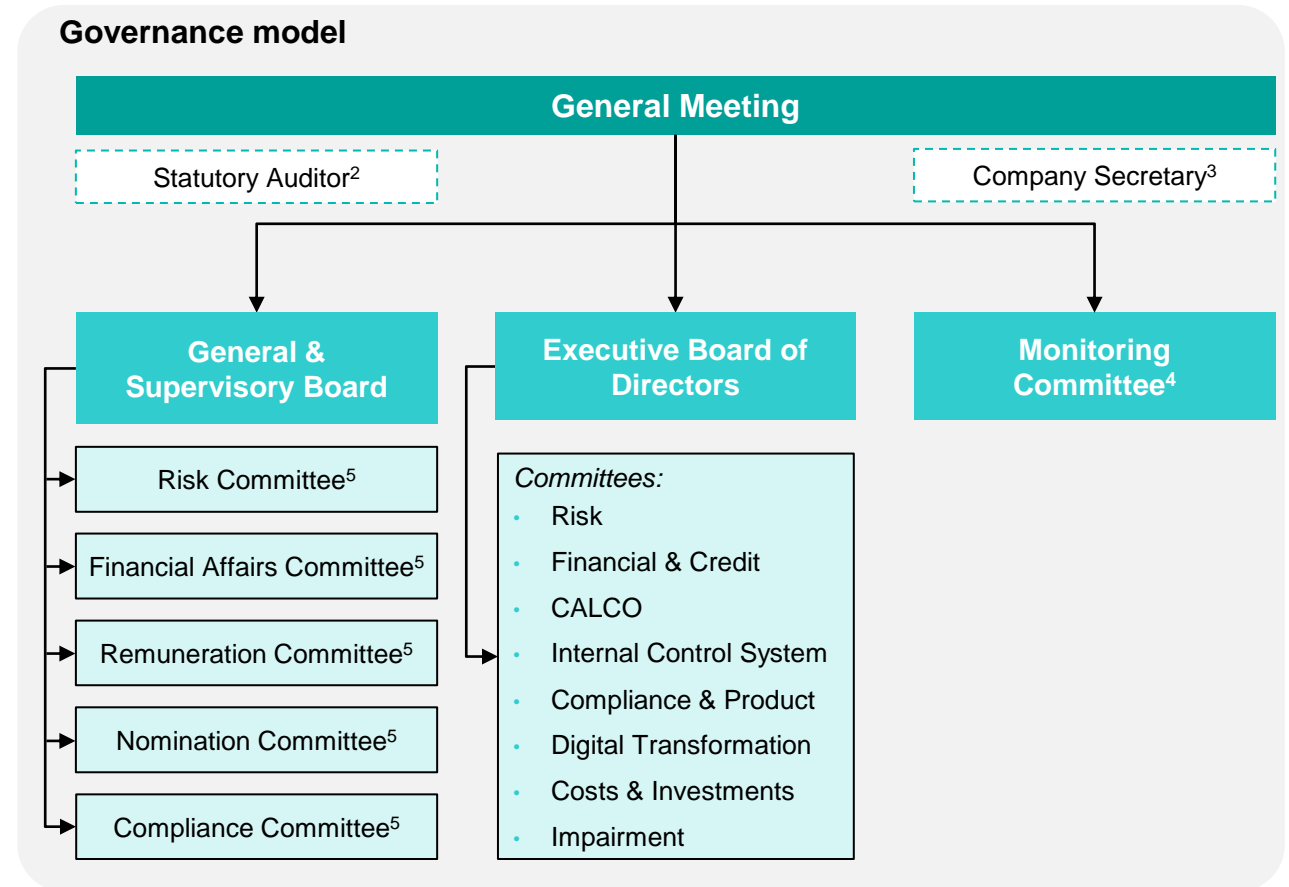
As of December 2023



Through Direcção-Geral do Tesouro e Finanças



Governance model



(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; (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

novobanco Board and management team

Executive Board of Directors

	MARK BOURKE <i>Chief Executive Officer</i>	<ul style="list-style-type: none"> 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 <i>Chief Financial Officer</i>	<ul style="list-style-type: none"> Appointed as CFO of novobanco in 2023; previously member of novobanco's GSB since 2017 15+ years of experience in financial markets, worked in FIG IBD at Citigroup and at Lone Star (MD for Hudson Advisors Portugal) with non-executive board roles at novobanco and IKB Deutsche Industriebank
	CARLOS BRANDÃO <i>Chief Risk Officer</i>	<ul style="list-style-type: none"> 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 <i>Chief Commercial Officer (Retail)</i>	<ul style="list-style-type: none"> Appointed as CCOR in 2018 25+ years of experience in the commercial area with novobanco, having previously assumed leadership for SMEs
	ANDRÉS BALTAR <i>Chief Commercial Officer (Corporate)</i>	<ul style="list-style-type: none"> 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 <i>Chief Legal, Compliance & Sustainability Officer</i>	<ul style="list-style-type: none"> Appointed as CLCO in 2017 Prior to joining novobanco, Luisa accumulated 25+ years of experience in Law¹
	RUI FONTES <i>Chief Credit Officer</i>	<ul style="list-style-type: none"> Appointed as CCO in 2022 Deep institutional knowledge of novobanco² and 20+ years of experience in risk management

General and supervisory board

Chairman
Byron Haynes 

- Appointed as Chairman of novobanco in 2017
- 25+ years of experience in financial services, namely Global CFO at ABN AMRO / Royal Bank of Scotland and former CFO and then CEO of BAWAG (2009-2017)

Vice-chairman
Karl-Gerhard Eick 


- Appointed as Vice-Chairman of novobanco in 2017
- 35+ years of experience in financial services, namely former Deutsche Telekom CFO, Chairman of the Audit Committee at Deutsche Bank AG and current Chairman of IKB AG

GSB Members

Kambiz Nourbakhsh

Mark Coker

John Herbert 

Robert A. Sherman 

Carla Antunes da Silva 

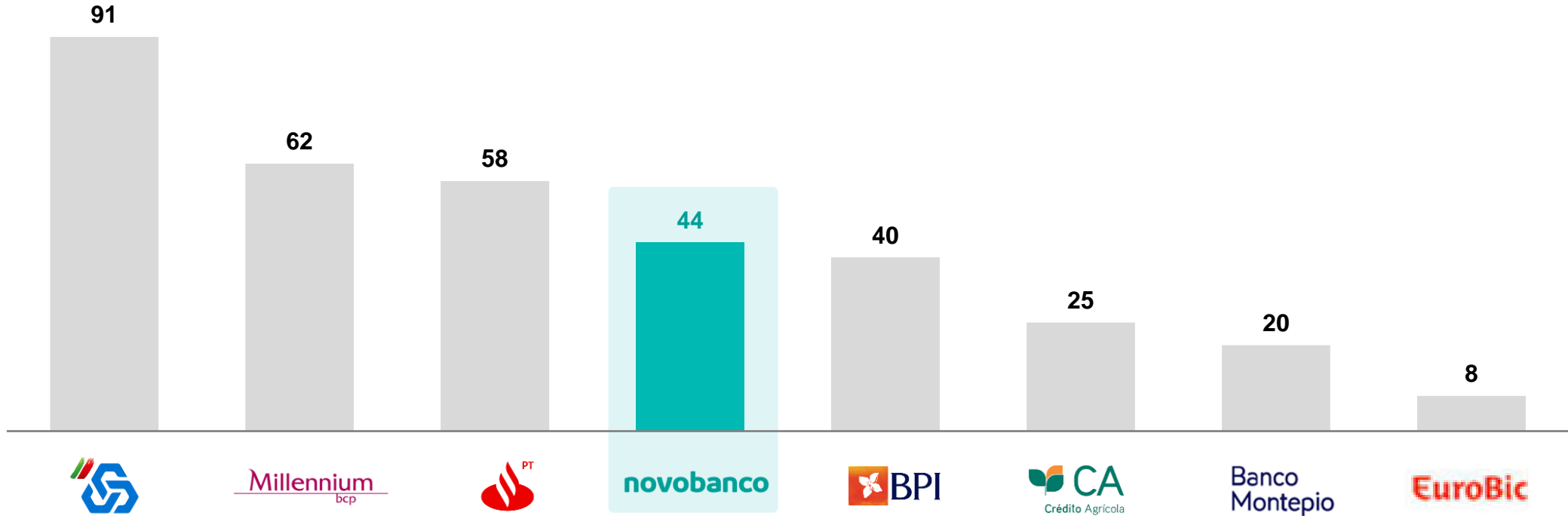
William Henry Newton 

Monika Wildner 

Evgeniy Kazarez

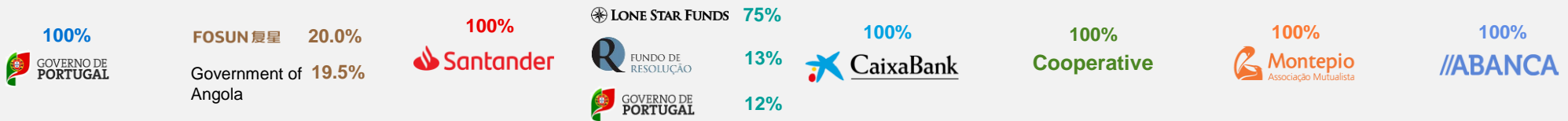
Overview of main players in Portugal market

novobanco is the 4th largest bank in Portugal
 (Ranking by total assets in Portugal¹, €bn, latest)

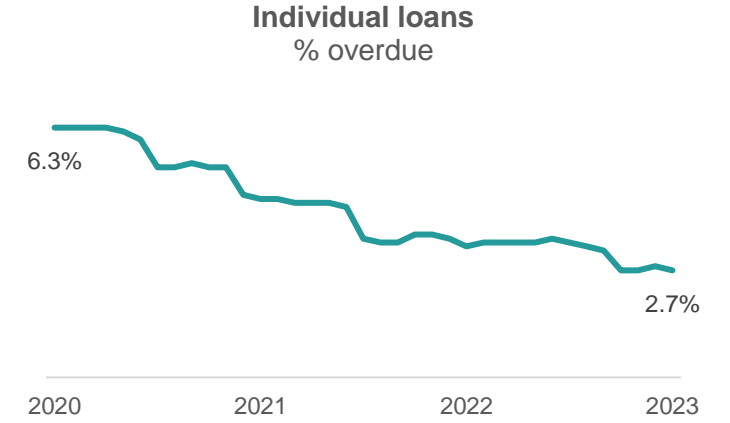
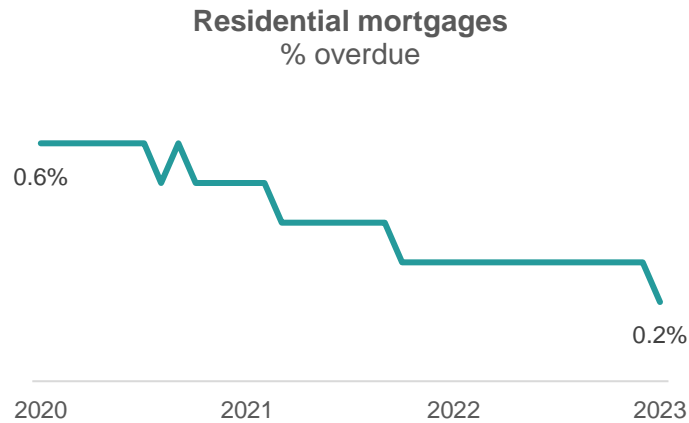
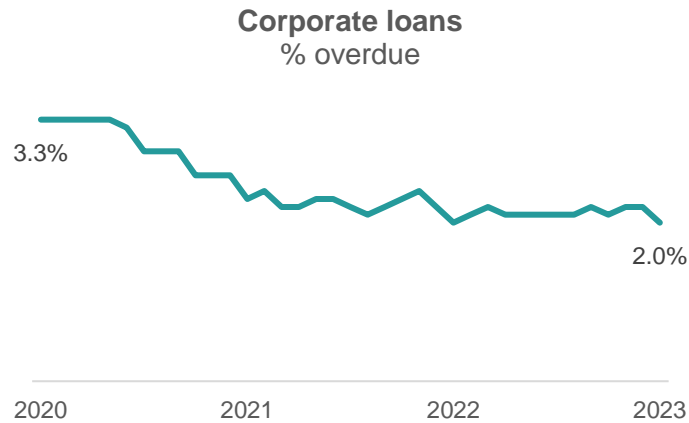
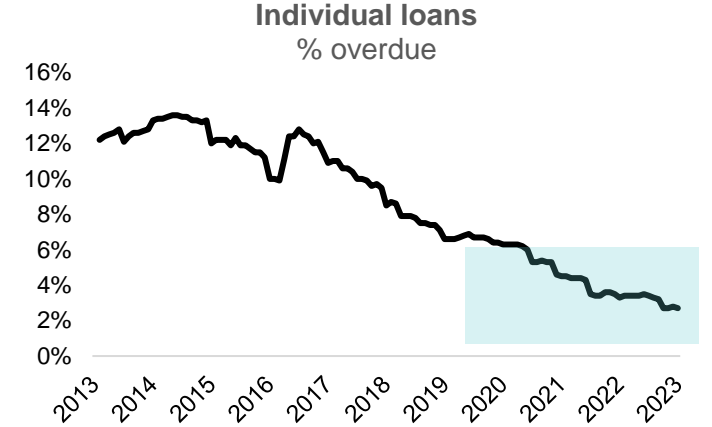
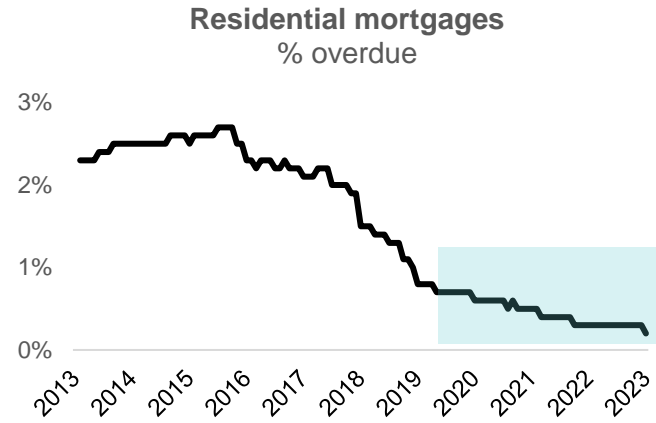
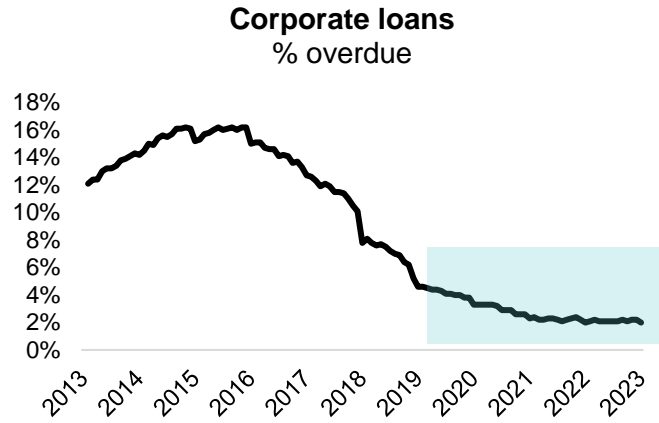


Main shareholders

OWNERSHIP



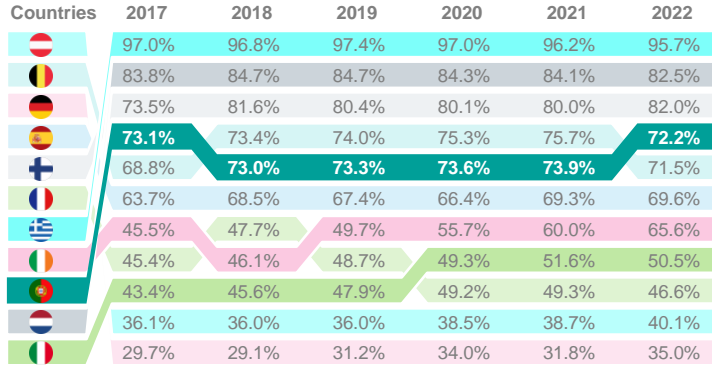
Portuguese market with resilient asset quality indicators...



...and an attractive banking sector in the European context

Concentration¹

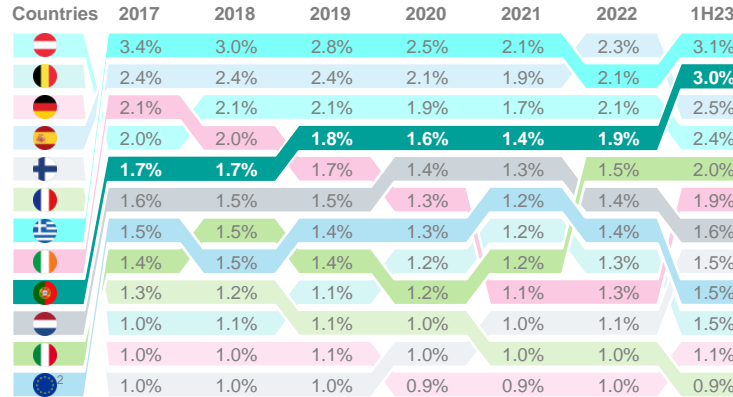
Portugal's banking sector concentration is slightly above average



Average 60.0% 62.1% 62.8% 63.9% 64.6% 64.7%

NIM

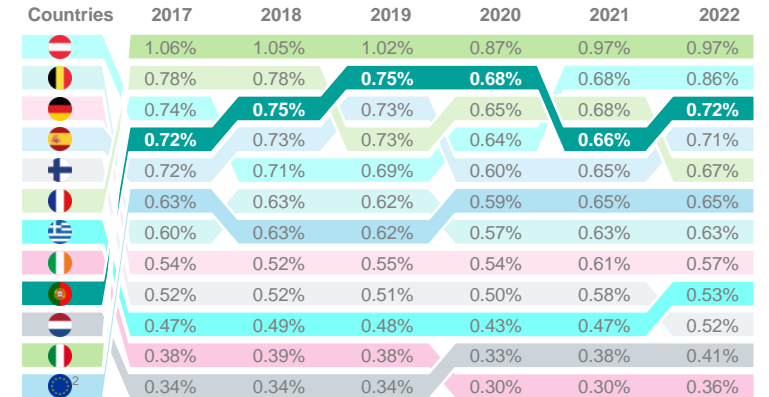
Portuguese NIM consistently performs in upper European quartile



Average 1.7% 1.7% 1.6% 1.5% 1.3% 1.5% 1.9%

Fees (as a % of total assets)

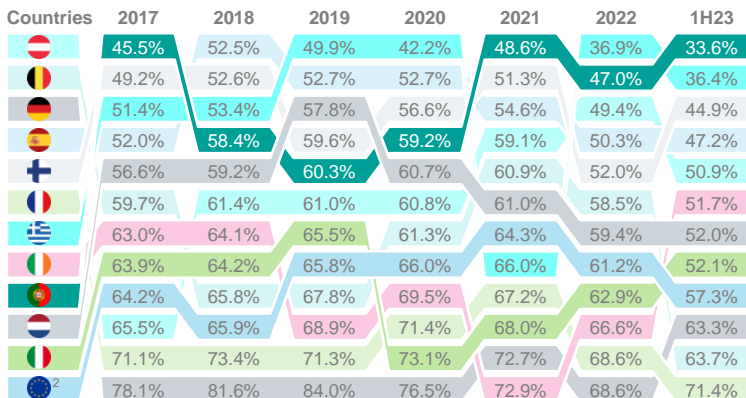
Portuguese banks perform well in terms of fees



Average 0.62% 0.63% 0.62% 0.56% 0.61% 0.63%

Cost-to-income

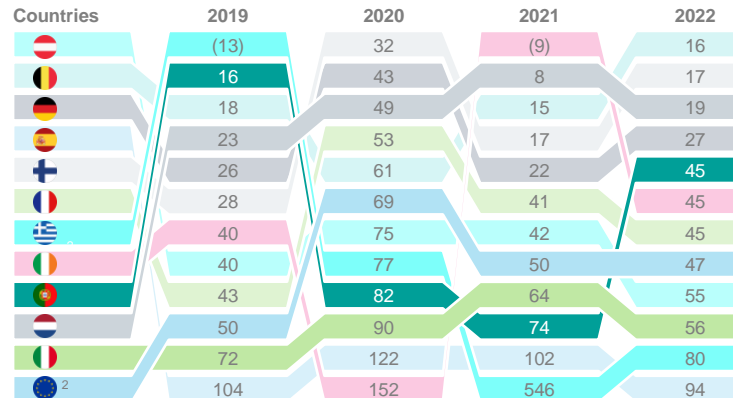
Portuguese banks operate with the best efficiency ratio in Europe



Average 60.0% 62.7% 63.7% 62.5% 62.2% 56.8% 52.0%

CoR³ (bps)

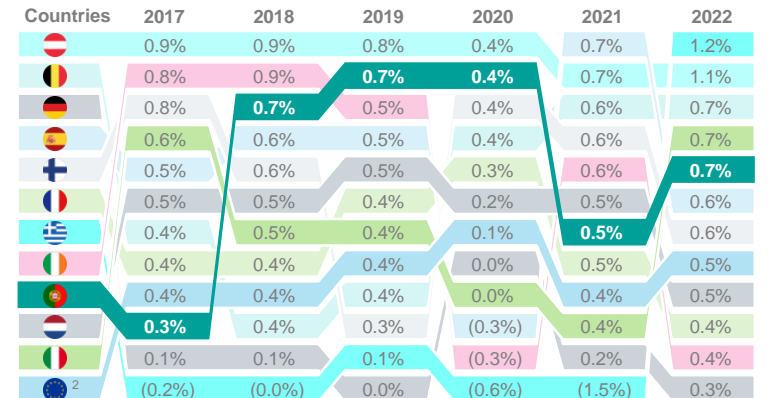
Portuguese banks' CoR is aligned with the European median



Average 37 75 81 45

RoA³

Portuguese banks show above average profitability by RoA



Average 0.5% 0.5% 0.4% 0.1% 0.3% 0.6%

Our mission is to be the trusted bank. Supporting families and companies, throughout their lifetime.

A clear mission supported by 5 values:

We put our **Clients First**

We put ourselves in our clients' shoes to engage and support their needs, wants, dreams and desires, and we invest in our people so they can deliver excellence.

We embrace **Ethics & Inclusion**

We act ethically at all times and do the right thing. We always respect one another, and encourage people to be their true selves.

We act with **Trust & Transparency**

We are open and honest with one another - giving clear sight of decisions, the reasons for decisions, when we succeed, and when we fail.

We strive for **Simplicity every day**

We seek simplicity to bring clarity and efficiency to complex situations.

We **Collaborate** with each other

We work together seamlessly for shared success and take pride in our team work.

novobanco is a pure-play Portuguese retail and SME bank

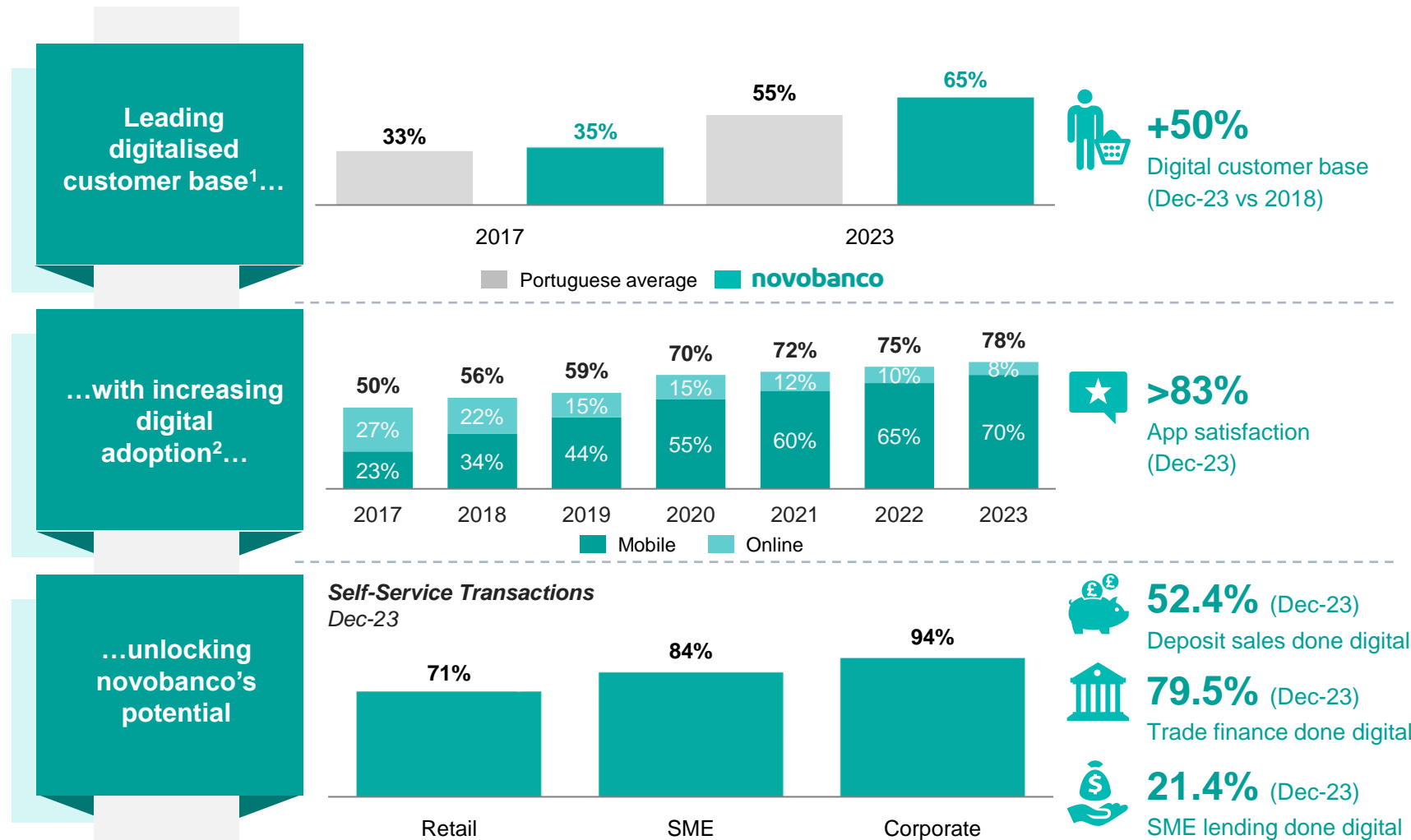
Focus on 4 strategic pillars...

Customer-centric	Simple & efficient	People & culture	Sustainability
<ul style="list-style-type: none"> Understanding of clients' needs Distinctive value propositions Customer proximity Personal customer experience Omnichannel approach 	<ul style="list-style-type: none"> Superior resource allocation Leading tech capabilities Data driven approach Agile decision making Improved efficiency 	<ul style="list-style-type: none"> Value proposition for employees Internal development Strong organisational culture Capacity to attract & retain talent High internal standards 	<ul style="list-style-type: none"> Resilient capital levels Robustness of balance sheet Quality of credit decisions Integrated ESG framework Improvement of internal models
<ul style="list-style-type: none"> 1.6mn clients <i>Including 55% of SMEs in Portugal</i> €3.5bn <i>Loans originated in 2023</i> 91%¹ <i>Satisfied corporate clients – Quality of Service</i> 	<ul style="list-style-type: none"> 79% <i>Household interactions are digital</i> >90% <i>Branches under new distribution model</i> 33% <i>Cost to Income</i> 	<ul style="list-style-type: none"> 4,209 <i>Employees of Grupo novobanco</i> 54% <i>Women</i> ~19.0 yrs <i>Average seniority of employees</i> 	<ul style="list-style-type: none"> +500 bps <i>Organic capital in 2023</i> 24.7% <i>MREL ratio (above linear progression)</i> €713mn² <i>Financing in green investment (EU taxonomy)</i>

...together with strong product offering

- Corporate lending**
€13.8bn gross loan book
- Mortgage lending**
€10.1bn gross loan book
- Personal loans**
€1.6bn gross loan book
- Product factories ecosystem**
Insurance, Payments, AM

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





Banking Tech Awards 2023
 Highly Commended for Best User/ Customer Experience Initiative for pKYC solution
 Also won Best Mobile Initiative in 2022 and Best UX/UI Finance Initiative in 2021, both with the retail app

Finovate Awards 2023
 Finalist for BEST ID Management solution for pKYC solution
 Also finalist in 3 categories in 2022 edition: Best Consumer Lending Solution, Best SMB/SME Banking Solution, Best Customer Experience Solution

Portugal Digital Awards 2023
 Finalist with API solution for Credit Intermediaries

Our ESG action priorities are aligned with our bank strategy

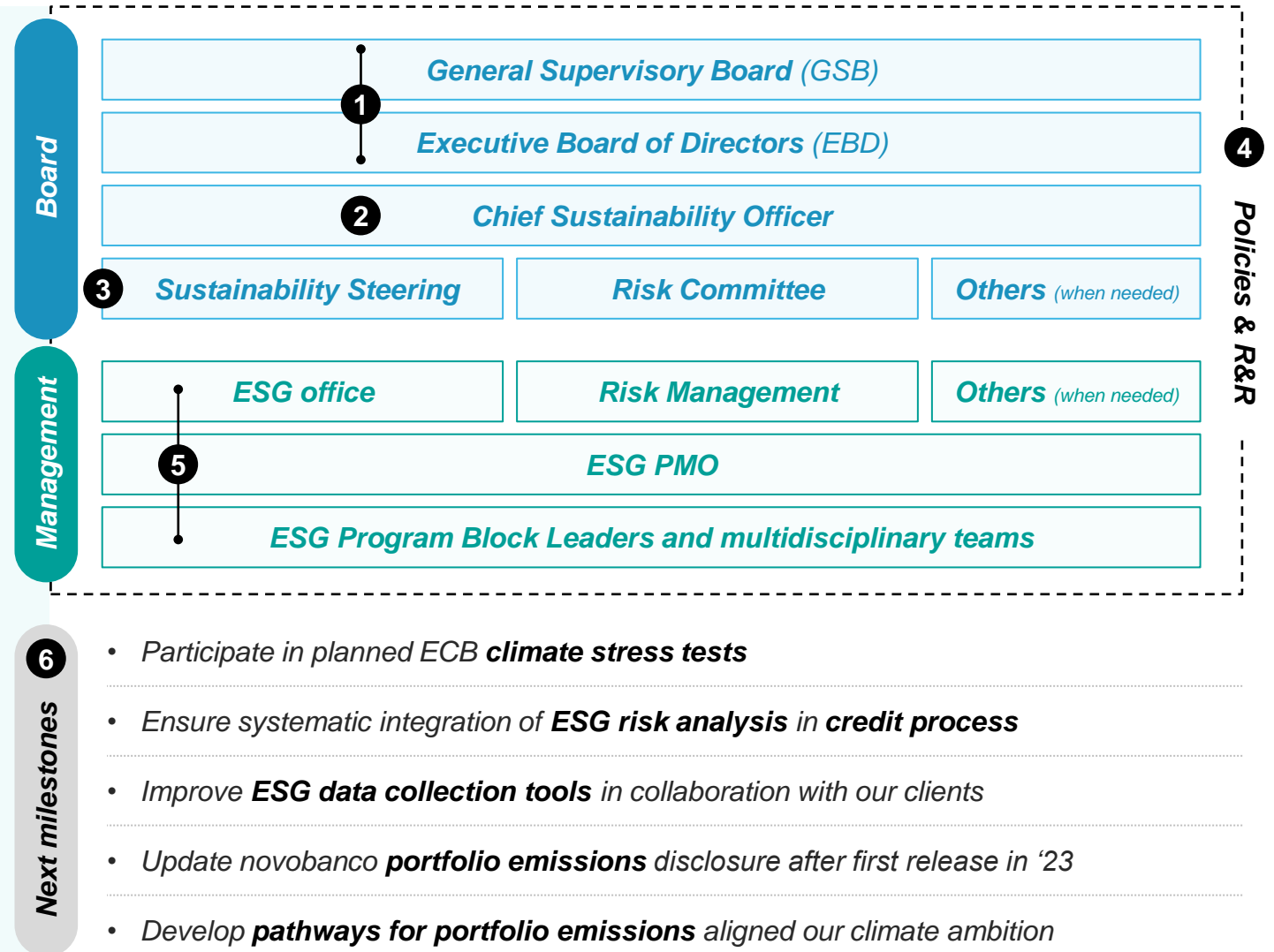
 Customer-centric Bank	 Simple and efficient operations	 Developing people and culture	 Developing sustainable performance
			
<p>Support our client's transition and maximize positive impact on society and environment</p>	<p>Improve efficiency, enable own transition, ensure systems readiness for ESG</p>	<p>Strengthen capabilities, inclusiveness, diversity and the engagement of our people</p>	<p>Build a robust ESG governance & risk management framework</p>
<p><i>Further develop corporate and retail ESG business strategy</i></p>	<p><i>Improve efficiency, emissions and suppliers' compliance</i></p>	<p><i>Promote Diversity & Inclusion in novobanco</i></p>	<p><i>Implement operating model & build a strong ESG governance</i></p>
<p><i>Implement and monitor financed GHG emissions reduction plans</i></p>	<p><i>Adapt MIS/IT systems to ESG requirements</i></p>	<p><i>Strengthen learning & develop., engagement and well-being</i></p>	<p><i>Deploy ESG risk policies and management framework</i></p>
<p><i>Develop ESG in investment and advisory services strategy</i></p>			
<p><i>Promote stakeholder engagement and bank's CSR</i></p>			

 Priority Sustainable Development Goals for novobanco associated with Pillar
 Priority Sustainable Development Goals for novobanco not associated with Pillar

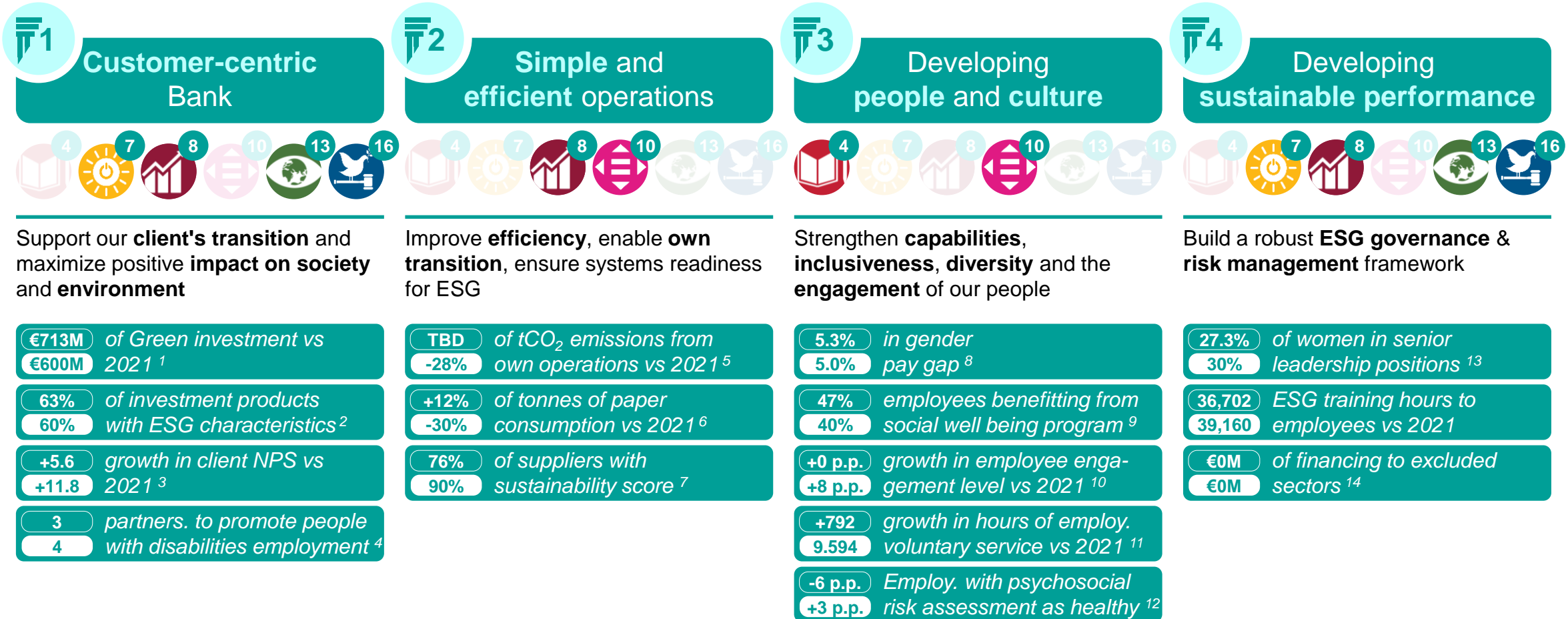
Robust ESG Governance and clear roadmap

novobanco deployed a robust governance model for its **Global Sustainability Framework**

- 1 The Global Sustainability Framework is supervised by our **GSB**, with our **EBD** taking direct responsibility for its active management
- 2 Our appointed **Chief Sustainability Officer** ensures a clear and direct guidance on the topic day-to-day activities
- 3 The **Sustainability Steering** safeguards the right cadence for implementing the ESG strategy, supervising our ESG KPI and KRI
- 4 novobanco **Policies** and **Roles & Responsibilities** are up-to-date with our Global Sustainability Framework
- 5 Our **ESG Office** and **ESG PMO** manage the ESG program, with oversight over the multidisciplinary teams needed for the effort
- 6 Our **program roadmap** is updated regularly to ensure transparency and effective control



Our ESG action priorities are aligned with our social dividend



2023 Results
2024 Targets

Notes: Novo Banco, SA scope. 1. Origination of financing or own portfolio investments in companies whose main economic activity is eligible to the European Taxonomy and origination of financing or own portfolio investments where the use of funds by the borrower or the projects are directed to economic activities 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. Investment Funds, Financial Insurance and Structured Products; 3. Net Promoter Score calculated for Individual Clients - BASEF; 4. Number of organisations with active partnerships with the Bank; 5. Scope 1 and 2 GHG emissions at novobanco Group level (not yet available); 6. Reduction of the consumption of photocopy paper, resulting from the implementation of the Phygital program in the commercial network (started in 2019) and the dematerialization of processes in central services; 7. Suppliers with a continuous relationship with novobanco and annual invoicing over 10 thousand euros; 8. Gender pay gap weighted by the representativeness of each Performance Function; 9. Percentage of employees who attended at least 2 program initiatives per year. Programme of initiatives to promote balance between personal and professional life, mental and physical health, healthy living, etc.; 10. Assessment of the level of employee engagement carried through the Pulse survey (average % of employee engagement); 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. Annual psychosocial risk assessment study of novobanco's employee base; 13. First line managers and Executive Board of Directors; 14. Economic sectors not financed by novobanco: Weapons, Prostitution, Pornography, Coal (mining and energy production) and Trade in wildlife and endangered species;

Income Statement – Quarterly data

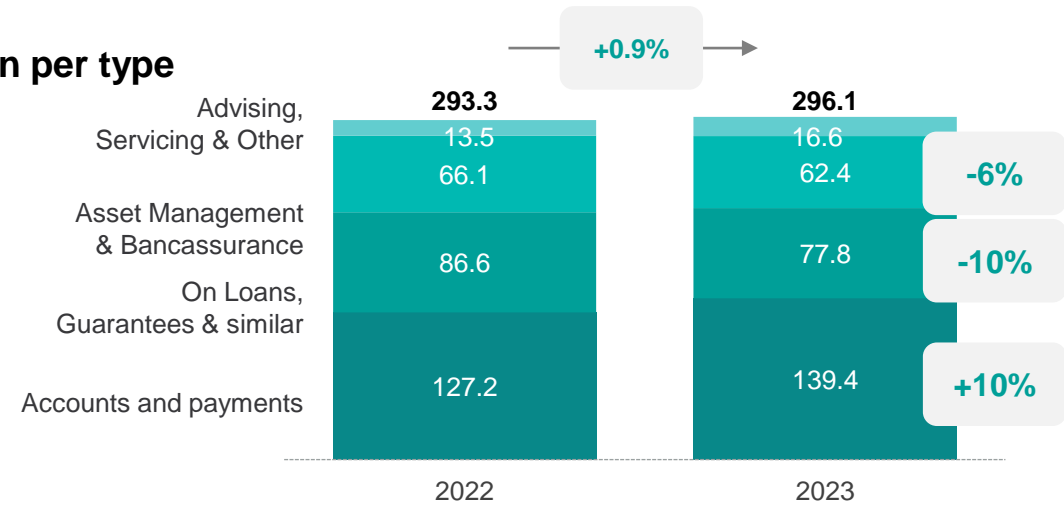
(€ million)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	▲ €mn QoQ	▲ % QoQ
Net Interest Income	133.5	134.5	137.9	219.5	246.3	277.7	307.2	311.4	+4.2	+1.4%
Fees and Commissions	68.8	75.6	71.3	77.6	68.9	76.4	71.8	79.0	+7.2	+10%
Commercial Banking Income	202.3	210.1	209.2	297.2	315.3	354.1	378.9	390.4	+11.4	+3%
Capital markets Results	91.4	(5.6)	(17.6)	(44.2)	5.8	22.2	11.3	(24.6)	(35.9)	...
Other Operating Results	16.7	56.5	88.0	22.3	2.4	(7.4)	19.5	(25.6)	(45.1)	...
Banking Income	310.4	261.0	279.6	275.3	323.5	368.9	409.7	340.2	(69.5)	(17%)
Operating Costs	103.6	105.1	105.5	134.1	111.9	113.2	114.5	139.6	+25.1	+22%
Staff Costs	55.7	56.1	57.9	63.9	58.3	62.3	63.2	68.9	+5.7	+9%
General and Administrative Costs	38.2	39.2	37.7	47.1	43.8	40.8	41.7	56.5	+14.9	+36%
Depreciation	9.8	9.8	9.9	23.1	9.8	10.1	9.6	14.1	+4.5	+47%
Net Operating Income	206.8	155.9	174.1	141.1	211.6	255.8	295.2	200.6	(94.6)	(32%)
Net Impairments and Provisions	21.8	(2.0)	2.7	88.7	27.7	28.3	25.8	92.1	+66.3	...
Credit	14.3	5.0	20.2	(5.0)	26.0	21.9	17.8	43.7	+25.9	...
Securities	11.1	30.6	2.4	23.6	3.9	4.8	7.0	16.9	+9.8	...
Other Assets and Contingencies	(3.6)	(37.6)	(19.9)	70.1	(2.2)	1.6	1.0	31.5	+30.5	...
Income before Taxes	185.0	157.9	171.4	52.4	183.9	227.5	269.4	108.5	(160.9)	(60%)
Corporate Income Tax	7.4	11.6	8.9	(81.1)	0.7	0.8	1.0	3.2	+2.2	...
Special Tax on Banks	34.1	-	-	-	34.1	0.0	1.1	-	(1.1)	(100%)
Income after Taxes	143.5	146.4	162.5	133.6	149.0	226.6	267.3	105.3	(162.0)	(61%)
Non-Controlling Interests	0.9	22.3	0.9	1.1	0.7	1.8	2.0	0.7	(1.2)	(62%)
Net Income for the period	142.7	124.0	161.6	132.5	148.4	224.8	265.3	104.6	(160.8)	(61%)

Deep dive in fees and impairments and provisions

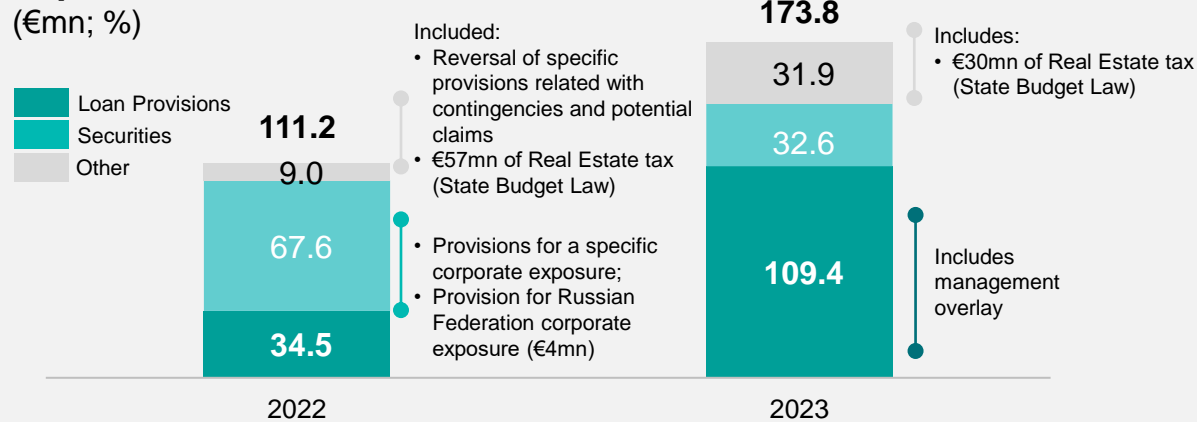
Fees

- Fee income +0.9% YoY **with overall strong underlying trend (volume) partially offset by impact from legislative changes**
- Commercial Banking Income was €1,439mn (+57% YoY), **driven by higher NII**
- **Capital Markets Results** includes a net loss of €12mn from losses on the sale of part of the securities portfolio, offset by one-off gains on forex and hedging.

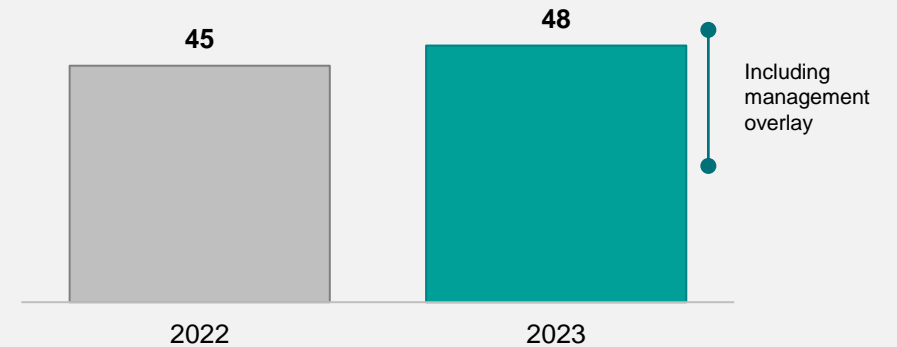
Fees: evolution per type (€mn)



Impairment and Provisions (€mn; %)



Cost of risk¹ (bps)



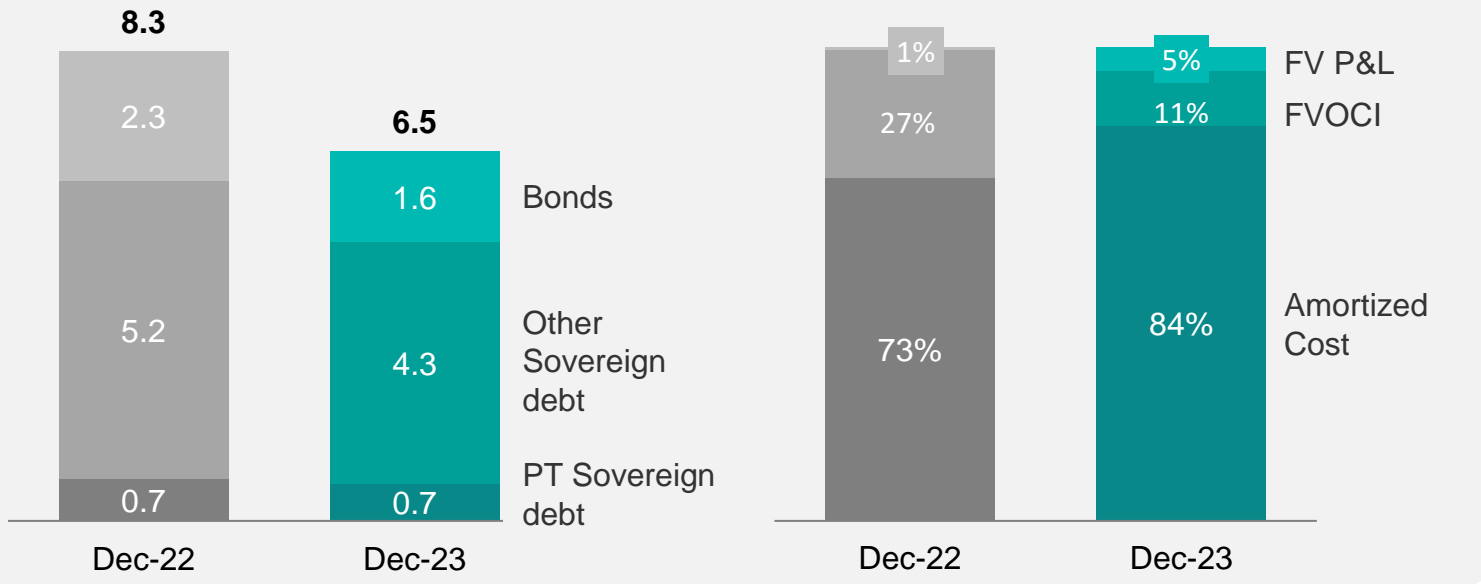
Balance Sheet

<i>(€ thousands)</i>	Dec-22	Dec-23
Cash, cash balances at central Banks and other demand deposits	6,599,078	5,867,189
Financial assets held for trading	171,810	436,148
Financial assets mandatorily at fair value through profit or loss	313,702	264,912
Financial assets designated at fair value through profit or loss	13	0
Financial assets at fair value through profit or loss, or through other comprehensive income	2,331,099	838,523
Financial assets at amortised cost	32,559,148	32,452,537
Debt securities	7,964,664	7,870,536
Loans and advances to credit institutions	43,548	47,940
Loans and advances to customers	24,550,936	24,534,061
Derivatives – Hedge accounting	562,845	683,063
Fair value changes to the hedged items in portfolio hedge of interest rate risk	-165,144	-83,498
Investments in subsidiaries, joint ventures and associates	119,744	118,701
Tangible assets	798,831	757,549
Tangible fixed assets	299,264	363,754
Investment properties	499,567	393,795
Intangible assets	69,832	86,748
Tax assets	956,000	931,036
Current tax assets	32,570	29,376
Deferred tax assets	923,430	901,660
Other assets	1,618,484	1,117,258
Non-current assets and disposal groups classified as held for sale	59,587	30,624
Total Assets	45,995,029	43,500,790

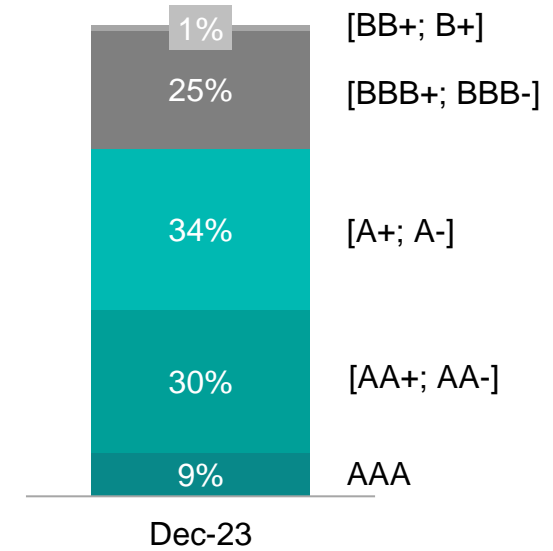
	Dec-22	Dec-23
Financial liabilities held for trading	99,386	100,639
Financial liabilities measured at amortised cost	40,987,177	37,330,355
Due to Banks	9,705,154	5,745,326
Due to customers	29,277,858	29,984,273
Debt securities issued and subordinated debt and liabilities associated with transferred assets	1,628,897	1,107,585
Other financial liabilities	375,268	493,171
Derivatives – Hedge accounting	119,578	124,729
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	62,049
Provisions	413,432	430,829
Tax liabilities	8,427	10,808
Current tax liabilities	7,582	10,808
Deferred tax liabilities	845	0
Other liabilities	839,919	1,005,846
Liabilities included in disposal groups classified as held for sale	15,492	13,107
Total Liabilities	42,483,411	39,078,362
Capital	6,304,661	6,567,844
Other comprehensive income – accumulated	-1,234,573	-1,070,125
Retained earnings	-8,577,074	-8,577,074
Other reserves	6,439,418	6,736,004
Profit or loss attributable to parent company shareholders	560,842	743,088
Minority interests (Non-controlling interests)	18,344	22,691
Total Equity	3,511,618	4,422,428
Total Liabilities and Equity	45,995,029	43,500,790

Conservative ALM Book with €6.5bn securities portfolio (-€1.8bn YoY)

Securities Portfolio¹: ALM Book
(€bn)



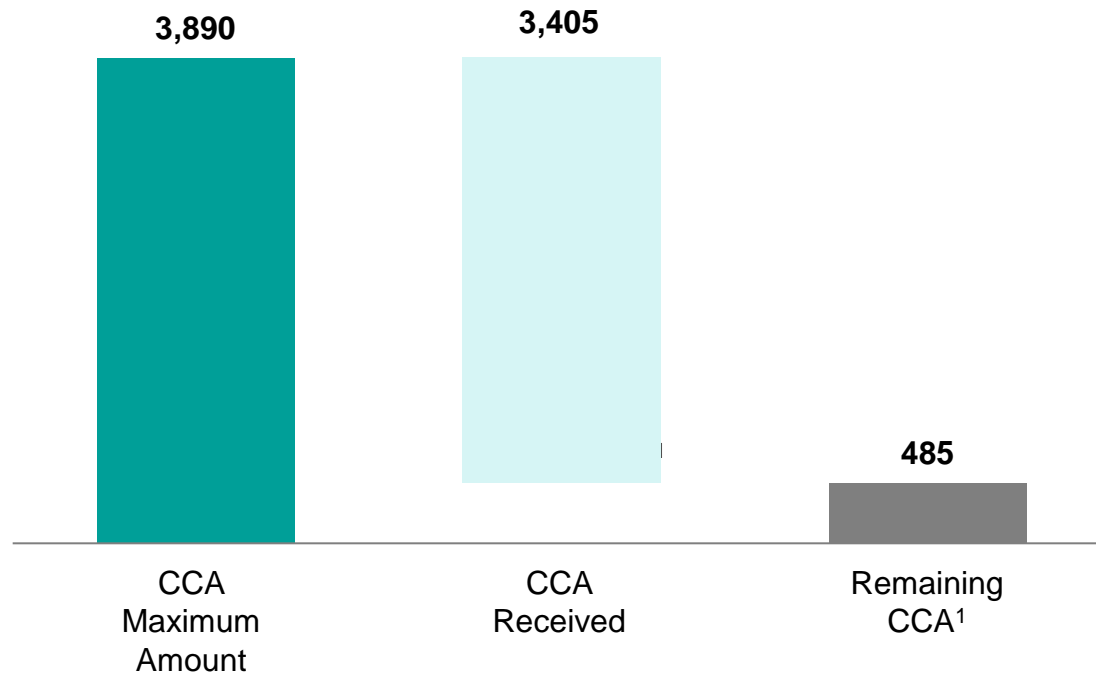
ALM Portfolio: Ratings
(%)



Amortised Cost book with €105mn unrealised MtM losses (net of hedges and taxes).
ALM portfolio with an average yield of ~3.5%, of which ~49% floating and with ~3.8 years duration (after hedges).

Despite restructuring completion, Capital Contingent Agreement (CCA) remains in place with €485m available to protect from downside scenarios

CCA - Contingent Capital Agreement Compensation amounts (€mn)

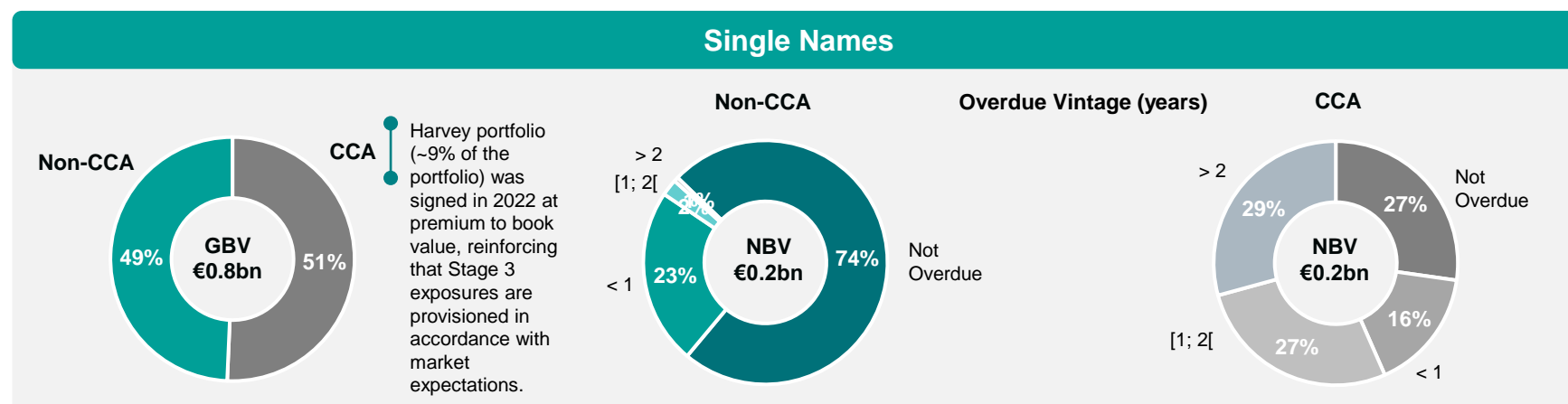
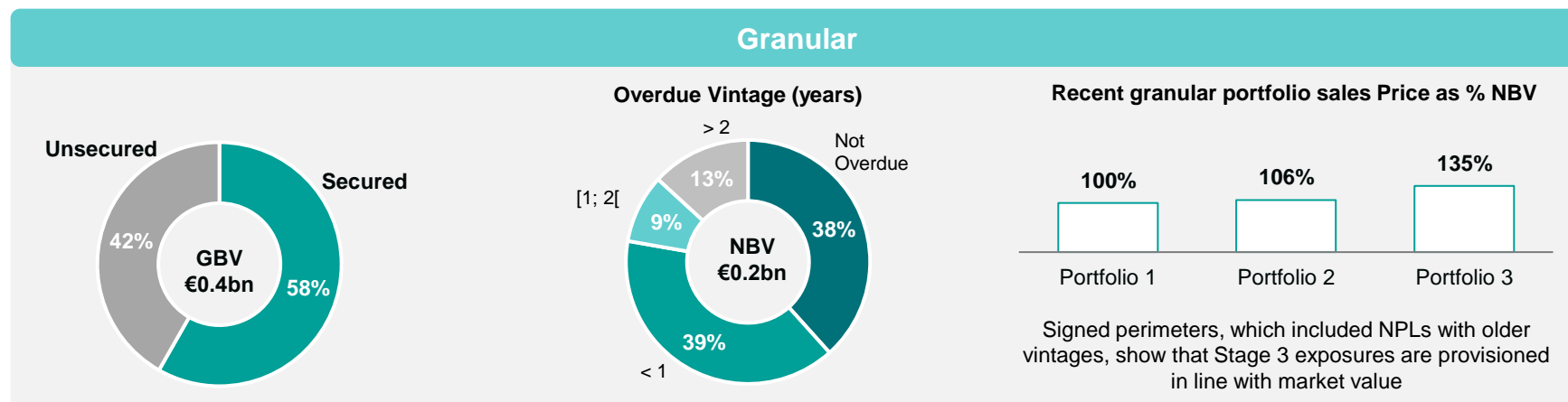
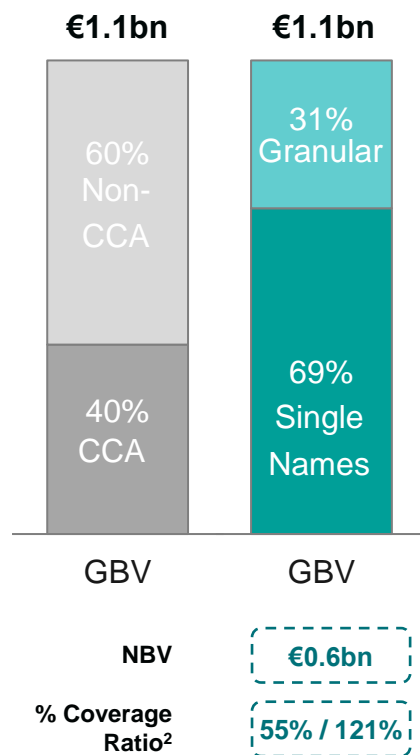


- As agreed in Oct-2017, at sale process of novobanco, a Contingent Capital Agreement (“CCA”) was entered into between the Resolution Fund (“FdR”) and the Bank. The agreement included minimum capital ratios and capital injections backstop from the Portuguese government. CCA was agreed on during the sale process of novobanco
- 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, novobanco is subject to a dividend ban and CCA assets are subject to a servicing agreement with FdR

76%¹ of Stage 3 with overdue less than 1 year (+7pp YoY) and recent sales showing that exposures are provisioned in line with market value

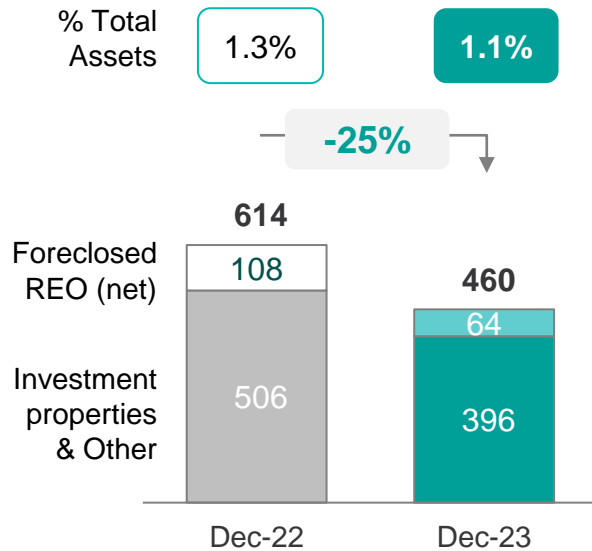
Total Stage 3 Loans

(Dec-23; %)

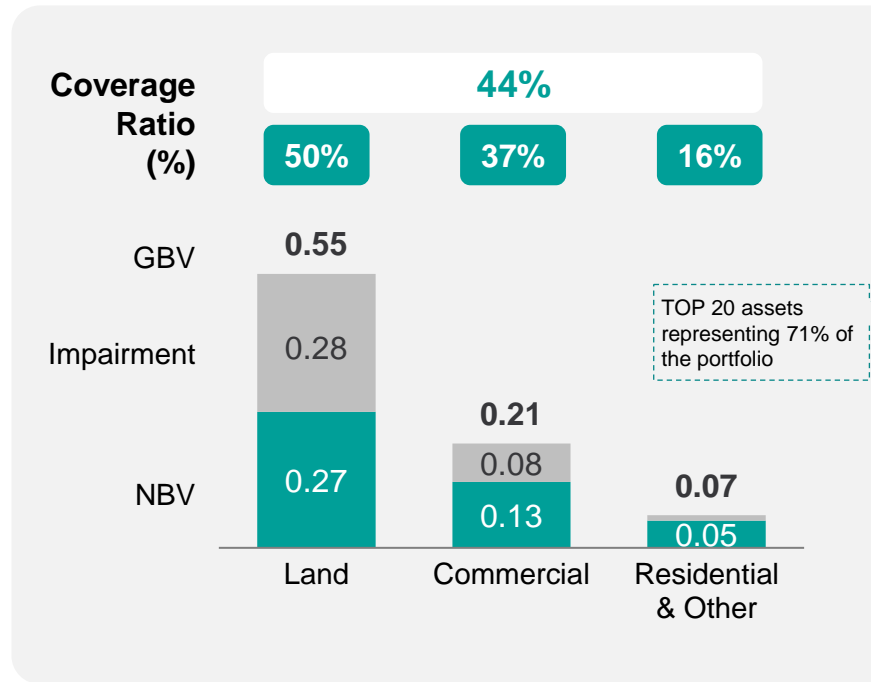


Further disposals decreasing RE exposure to €460mn (-25% YTD) with €35.6mn gains

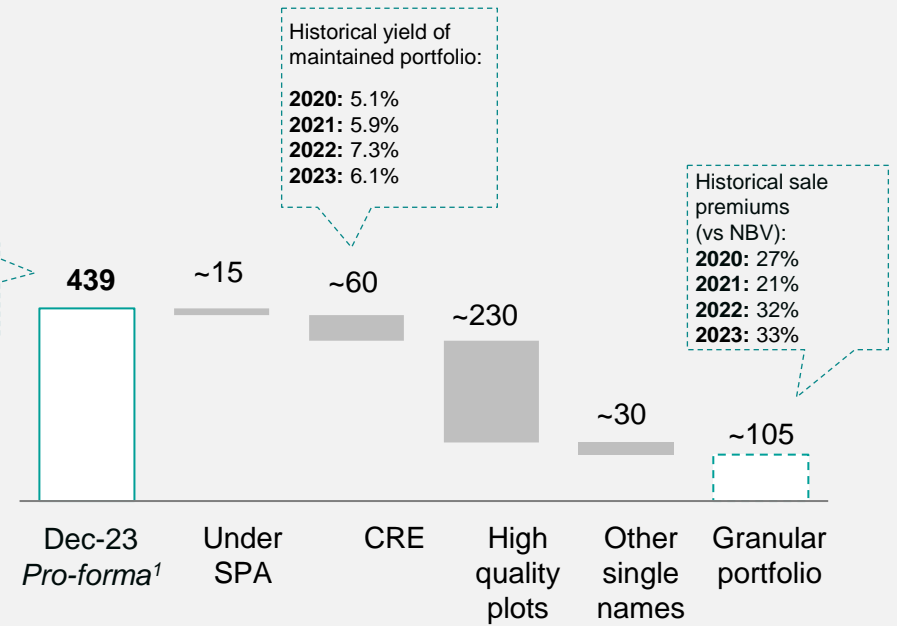
Real Estate Exposure (€mn NBV)



RE: Coverage by Asset Type (Dec-23; €bn;%)



RE: breakdown (€million;%)



Coverage is supported by a robust appraisal policy, individual asset reviews, market pricing (bids received) and yield performance.

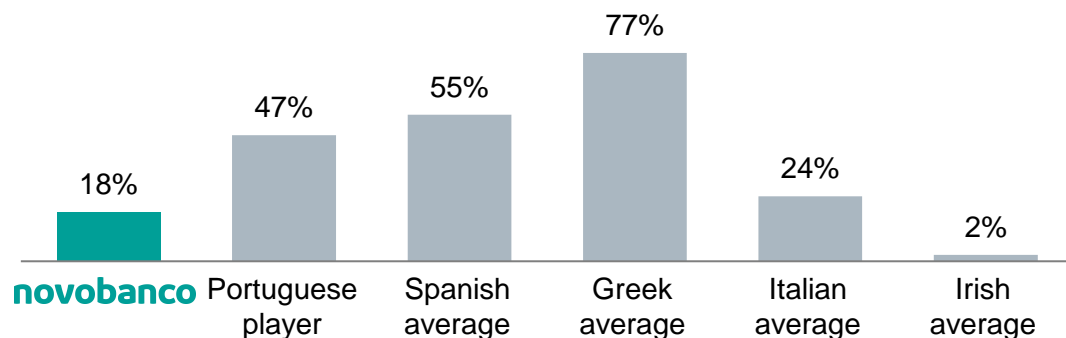
Deferred Tax Assets

(€ millions)	Dec-22	Dec-23	Of which in CET 1
Total DTAs on Balance Sheet	923	902	678
Timing-Difference DTAs – Special Regime ⁽¹⁾	295	297	297
Timing-Difference DTAs – other	564	471	382
Tax Losses carried forward (TLCF)	64	134	-
Off-Balance Sheet	1 651	1 546	-
Timing-Difference DTAs	239	185	-
Tax Losses carried forward (TLCF)	1 412	1 361	-

- 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 years. €800mn PBT accelerates utilization by c. 2 years;
- €954mn of off-balance sheet Tax losses carried forward have no maturity date.

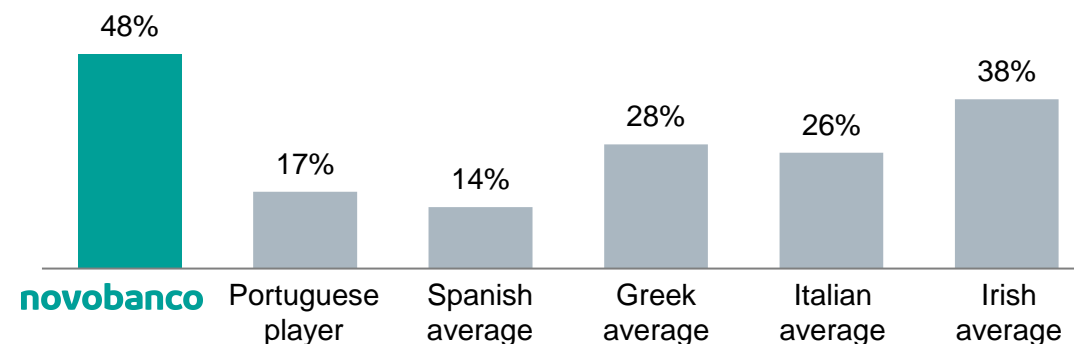
CET 1 eligible DTAs as % of CET1

(%²)



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

(%²)



Bonds outstanding and MREL eligibility

€mn; Dec-23

Description	ISIN	Currency	Outstanding	Notional Value	Issue Date	Book Value ¹	Maturity	MREL
Covered Bond								
NOVBNC 3.25 03/01/27 (new)	PTNOBFOM0009	EUR	500		Feb-24	-	Mar-27	N
Senior Preferred								
NOVBNC 5.5 12/30/26	PTNOBKOM0002	EUR	100		Dec-22	105	Dec-26	Y
NOVBNC 4.25 03/08/28 (new)	PTNOBIOM0006	EUR	500		Feb-24	-	Mar-28	Y
Subordinated								
NB 9.875% 01/12/33	PTNOBLOM0001	EUR	500		Jun-23	502	Dec-33	Y
Total 2043 Bonds			362			258		
BES Luxembourg 3.5% 02/01/43	XS0869315241	EUR	64		Jan-13	44	Jan-43	Y
BES Luxembourg 3.5% 23/01/43	XS0877741479	EUR	131		Jan-13	100	Jan-43	Y
BES Luxembourg 3.5% 19/02/2043	XS0888530911	EUR	97		Feb-13	66	Feb-43	Y
BES Luxembourg 3.5% 18/03/2043	XS0897950878	EUR	70		Mar-13	48	Mar-43	Y
Total Zero Coupons (ex EMTN 57)			1,203			221		
BES Luxembourg ZC	XS0972653132	EUR	185		Oct-13	38	Oct-48	Y
Banco Esp San Lux ZC 12/02/49	XS1031115014	EUR	245		Feb-14	47	Feb-49	Y
Banco Esp San Lux ZC 19/02/49	XS1034421419	EUR	69		Feb-14	13	Feb-49	Y
Banco Esp San Lux ZC 27/02/51	XS1038896426	EUR	108		Feb-14	18	Feb-51	Y
BES Luxembourg ZC 06/03/2051	XS1042343308	EUR	76		Mar-14	13	Mar-51	Y
BES Luxembourg ZC 03/04/48	XS1053939978	EUR	220		Apr-14	43	Apr-48	Y
BES Luxembourg ZC 09/04/52	XS1055501974	EUR	264		Apr-14	41	Apr-52	Y
BES Luxembourg ZC 16/04/46	XS1058257905	EUR	37		Apr-14	8	Apr-46	Y
EMTN 57	XS0439764191	EUR	8		Jul-09	2	Jul-44	N
Total MREL as of 31/12/2023			2,166			1,086		

2043 Bonds and Zero Coupons (excluding EMTN 57):

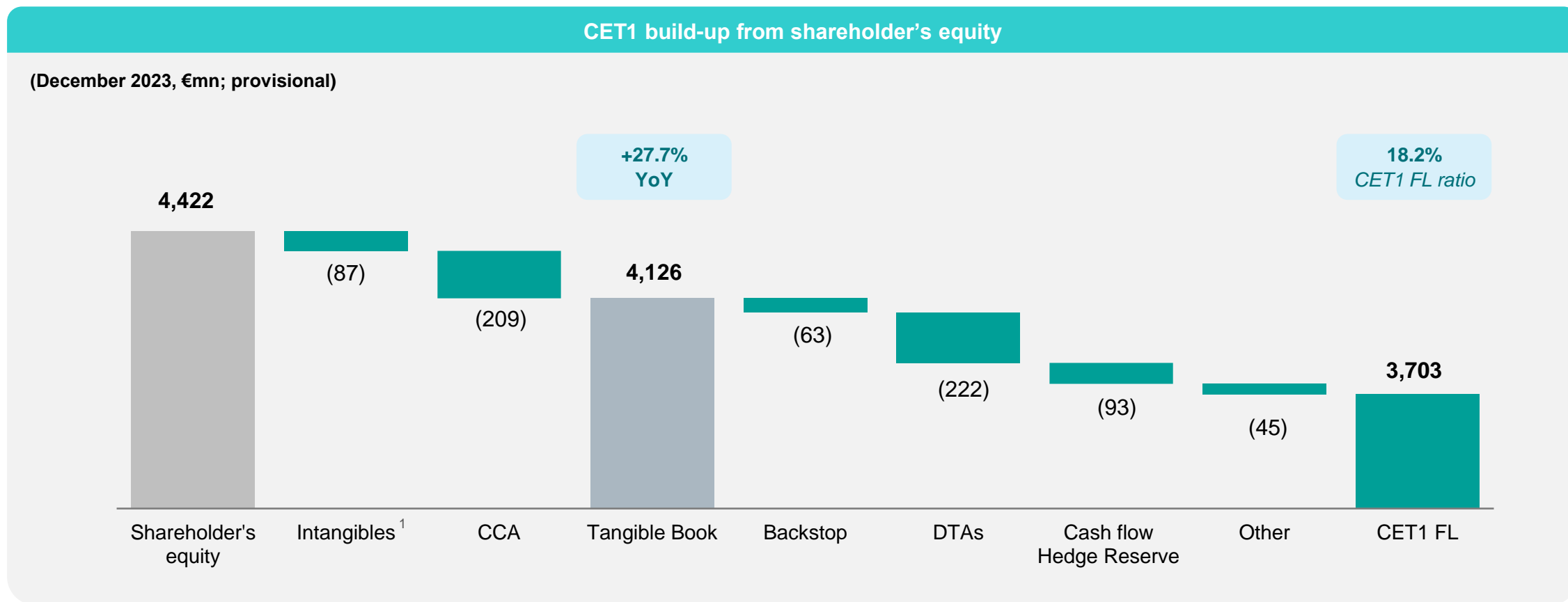
- Are fully eligible for compliance with the Bank's MREL requirements as they were issued before BRRD transposition in Portugal and do not cease to qualify as eligible liabilities of the Bank from 28 June 2025²
- Annual accrual of book value to notional value to increase contribution to MREL by c.€19m per annum
- Annual interest expense of 6.6% on book value or ~2.5% net of hedge to close interest rate position³

Capital ratios

€mn

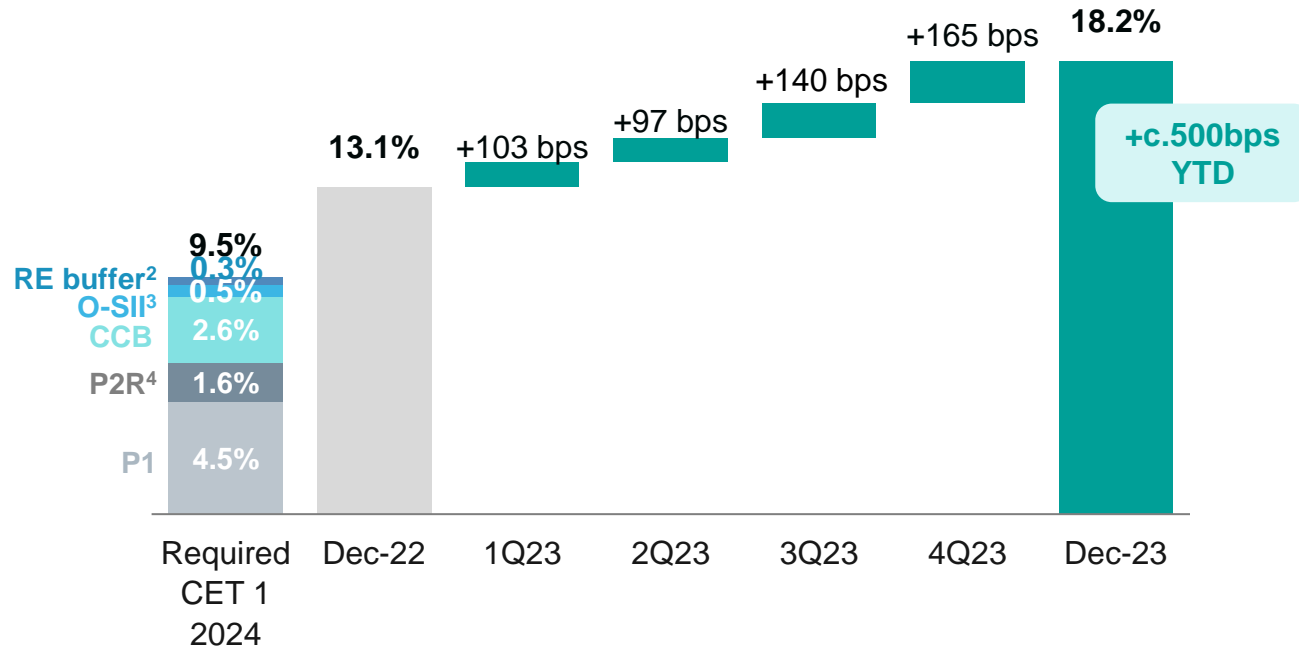
CAPITAL RATIOS (CRD IV/CRR) Fully Loaded		31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23
Risk Weighted Assets	(A)	23 622	22 914	21,929	21 233	21,197	21,475	21,328	20,399
Own Funds									
Common Equity Tier 1	(B)	2 419	2 558	2,746	2 787	2,996	3,241	3,524	3,703
Tier 1	(C)	2 420	2 559	2,747	2 789	2,998	3,243	3,526	3,705
Total Own Funds	(D)	2 925	3 061	3,248	3 279	3,489	3,832	4,115	4,280
Common Equity Tier 1 Ratio	(B/A)	10.2%	11.2%	12.5%	13.1%	14.1%	15.1%	16.5%	18.2%
Tier 1 Ratio	(C/A)	10.2%	11.2%	12.5%	13.1%	14.1%	15.1%	16.5%	18.2%
Total Capital	(D/A)	12.4%	13.4%	14.8%	15.4%	16.5%	17.8%	19.3%	21.0%
Leverage Ratio		5.2%	5.4%	5.6%	5.8%	6.4%	7.1%	7.9%	7.9%

novobanco has built a strong regulatory capital position, 18.2% CET1 FL ratio, increasing by c.500bps in 2023

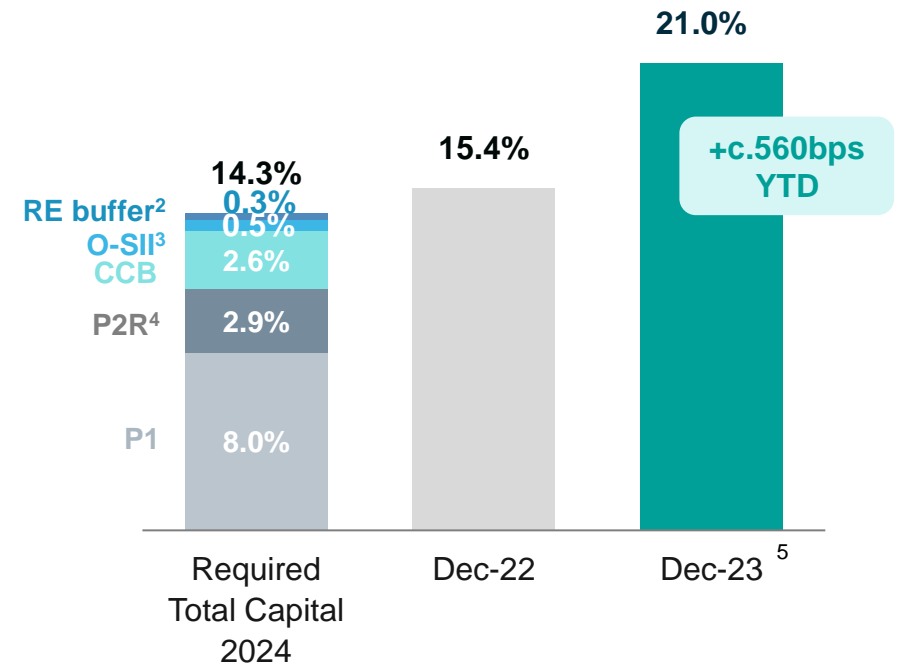


+500bps of capital generation YTD reflects the capital accretive business model...

CET 1
(fully loaded¹; %)



Total Capital
(fully loaded¹; %)



...with solid top-line performance and disciplined capital allocation.

Total capital ratio also benefited from +€100mn Tier 2 upside with the issuance of €500mn 10.5NC5.5 (Jun-23).

Compliant with MREL binding target as of January 1st 2022, continuing to build MREL going forward

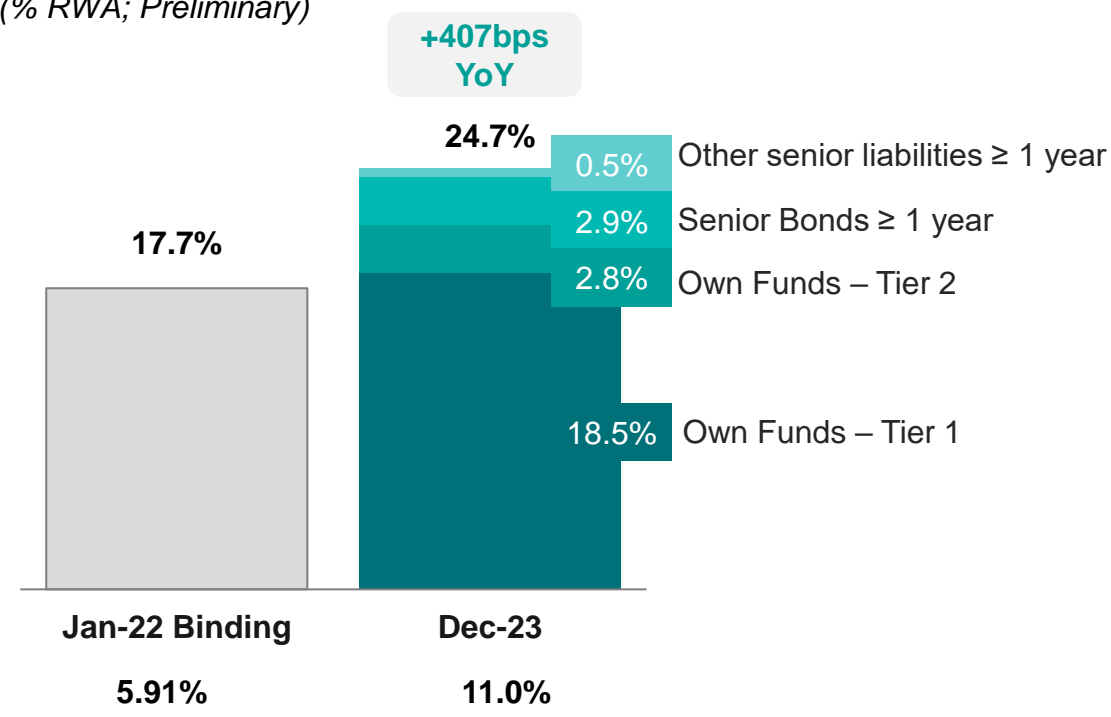
MREL requirements:

(BdP notification of June 2023; %)

	Jan-22	Jan-26
TREA ¹	14.64%	23.47%
Combined Buffer	2.52%	n.a. ²
O-SII (LSF Nani)	0.50%	n.a. ²
Total	17.66%	23.47% + Buffers
LRE ³	5.91%	5.91%

MREL ratio

(% RWA; Preliminary)



Expected capital generation to drive MREL ratio above 27% already by Dec-24.

On 28 February 2024, novobanco issued €500mn of 4NC3 Senior Preferred bond, achieving > 27% MREL ratio (pro-forma Dec/23).

Fitch, Moody's and DBRS ratings

February 2024

Fitch

Intrinsic	Viability Rating (Investment Grade)	bbb-
	Support	ns
LT / ST	Issuer Default Rating LT/ST (Investment Grade)	BBB-/F3
	Deposits LT/ST (Investment Grade)	BBB/F3
	Senior Debt LT/ST (Investment Grade)	BBB-/F3
	Outlook	Neutral

March 2024

Moody's

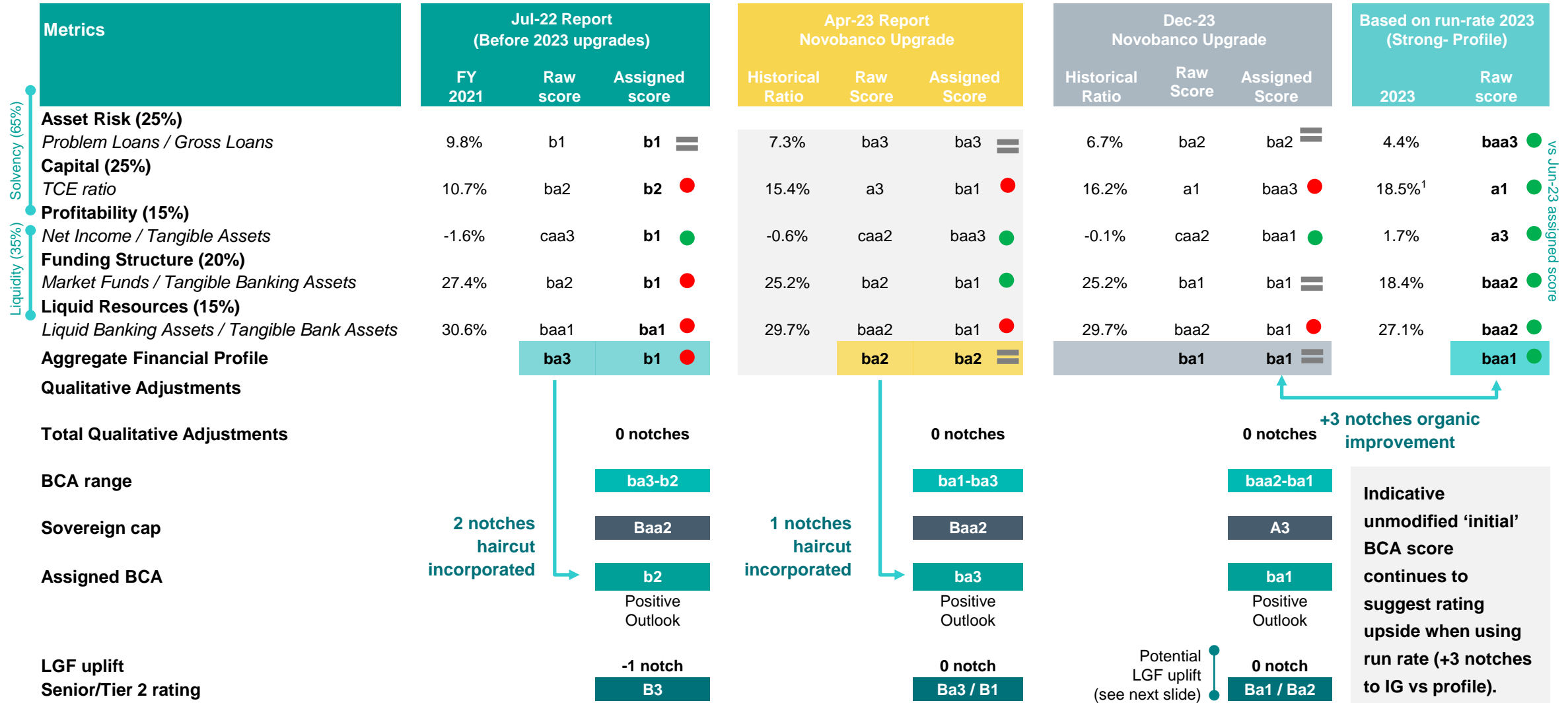
Intrinsic	Baseline Credit Assessment /Adjusted BCA	ba1
LT / ST	Counterparty Risk Assessment LT/ST (Investment Grade)	Baa1(cr)/ P-2 (cr)
	Counterparty Risk LT/ST (Investment Grade)	Baa1/P-2
	Deposits LT/ST (Investment Grade)	Baa1/P-2
	Senior Unsecured Debt LT/ST	Ba1
	Junior Senior Unsecured	Ba1
	Outlook deposits / senior	Positive
Others	Covered Bonds	Aaa
	Subordinated debt	Ba2

December 2023

DBRS

Bank's Intrinsic Assessment (IA)	BB (high)
Long-Term Issuer Rating	BB (high)
Short-Term Issuer Rating	R-3
Long-Term Deposit (Investment Grade)	BBB (low)
Long-Term Critical Obligations (Investment Grade)	BBB
Senior Debt	BB (high)
Subordinated Debt	BB (low)

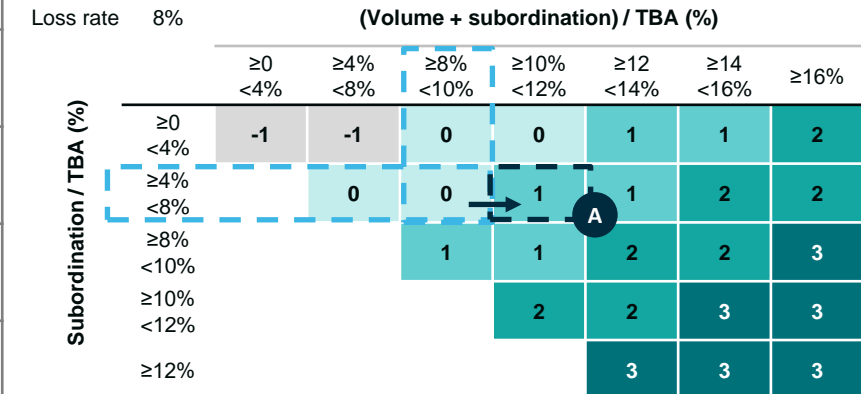
Rating profile based on Moody's scorecard continues to show upside...



...after outstanding performance with senior upgraded by 5n in 7 months

Moody's'		Dec/23	May/23	Jun/22
Intrinsic	Baseline Credit Assessment /Adjusted BCA	ba1	ba3	b2
Covered	Covered Bond programme (IG)	Aaa	Aa2	Aa2
LT / ST	Counterparty Risk Assessment LT/ST (IG)	Baa1(cr)/P-2 (cr)	Baa3(cr)/P-3	Ba2(cr)/NP
	Counterparty Risk LT/ST (IG)	Baa1/P-2	Baa3/P-3	Ba2/NP
	Deposits LT/ST (IG)	Baa1/P-2 ¹	Ba1/NP	Ba3/NP
	Senior Unsecured Debt LT/ST	Ba1	Ba3	B3
	Junior Senior Unsecured	Ba1	Ba3	B3
	Outlook deposits / senior	Positive	Positive	Positive
Others	Subordinated debt	Ba2	B1	B3

Moody's Loss Given Failure notching table
(Nov/23; pro-forma with Mar/24 SP issuance)



- (Volume + subordination)/ TBA at 8.8%
- Subordination/TBA at 4.1%
- c.€0.5bn issuance of any SP / SNP / Tier 2 instruments to reach 10% (Volume + Subordination) / Tangible Banking Assets and therefore improve the score from current "0" to "1",
- Issuance volumes can be issued over a 3-year timeframe to induce uplift.



1.5 MILLION REASONS WHY WE'RE PORTUGAL'S BANK OF THE YEAR.

This is the number of novobanco customers.

It is for each and every one of them that we work diligently every day, aiming to offer products and services adapted to their needs.

We strive to provide them with the most convenient banking experience, using secure and innovative digital channels.

We highly value their trust and we are committed to supporting their financial growth throughout their lives.

**This award is dedicated to them, and for them,
we will continue to further excel.**

novobanco

The prize is the sole responsibility of the entity who awarded it.

NOVO BANCO, S.A.

Investor Relations Contacts

Maria Fontes, Head of IR

Email: investor.relations@novobanco.pt

Phone: +351 21 883 95 95

Site: www.novobanco.pt/english

Avenida da Liberdade, 195, 11th floor

1250-142 Lisboa - Portugal



novobanco

