novobanco

Investor Factbook 9M22

Successful turnaround plan execution leading to strong performance

Creation of Novo Banco

2017

Lone Star Acquisition

2020

Restructuring Cycle

End of 2021

Renovation & Transformation

2022 beyond

Relaunch



Creation of Novo Banco following the Resolution

applied to BES by Banco

Lone Star acquires 75% share capital of Novo Banco, with the remaining 25% being owned by Fundo de Resolução

Reduction of legacy exposure and delivering commitments. demonstrating resilience and performance capacity New phase as a commercial bank with strong presence in the corporate sector and close customer relationship

New strategic plan focused on maximizing value for customers, maintaining profitable operations and capital efficiency

A leading domestic franchise with renewed focus...

Market Share

de Portugal

18.7%

Trade Finance 16.1% POS

14.7% Corporate Loans

9.6% Asset Management

9.1% Mortgage Loans

9.2% Customer Deposits

5.2% Consumer Loans

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

9M22 Figures

Customer centric



o○o 1.5 mn clients including 56% of

SMEs in Portugal



€2.9bn

Loans originated in 9M22



57.4%

Active digital clients; 45% of clients are Mobile



89%

Very satisfied corporate clients - Quality of Service

Simple and efficient



56.2%

Forms signed with phygital



>65%

Households: % of selfservice transactions



49%

Cost to income (recurrent basis)



€149.1k (+3% YoY) Commercial banking income per avg employee

Skilled talent pool



4 139

Employees of Grupo novobanco



> 54%

Women



~19 yrs

Average seniority of employees



5.8k

Hours of ESG training to employees

Sustainable business



12.4%

Return on Tangible Equity (pre-tax)



18.7%

MREL Ratio (above binding of 17.66%)



82.8%

Loan to Deposit Ratio



€279.6mn

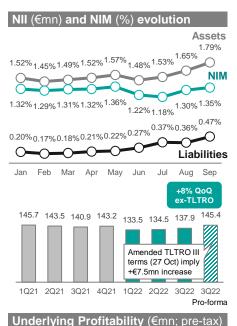
Financing in green investment (EU Taxonomy)

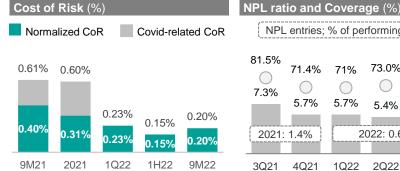
...being on track to deliver medium-term guidance.

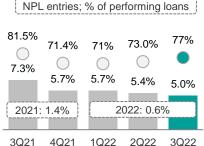
Performing Loan Book KPIs 9M21 9M22 Medium-term targets €24.2bn **Commercial Loan Book** €24.2bn €22.8bn 2-3% per year Expanding loan book Consumer (performing) (+4.6% YTD) & Other **Net Interest Margin** 1.32%1 1 43% [1.30 - 1.50%]Set to benefit from Euribor repricing Mortgage Cost-to-income 48% 49%² < 45% Efficient operations CoR 61bps 20bps < 50 bps Achieving moderate risk profile NPL ratio Corporate 54% 7.3% 5.0% < 5% Converging towards EU average RoTE (pre-tax)1 8.2% 12.4% ≥ 10% Delivering organic attractive returns CET 1 10.9% 12.7% > 12% Accelerating capital generation Sep-22

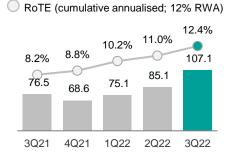
Delivering its financial objectives and targets

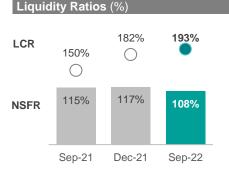
| €mn | 9M21 | 9M22 | A | % |
|--------------------------------|-------|-------|----------|----------|
| Net Interest Income | 430.2 | 405.9 | (24.2) | -5.6% |
| + Fees & Commissions | 207.9 | 215.7 | +7.8 | 3.8% |
| = Commercial Banking Income | 638.0 | 621.6 | (16.4) | -2.6% |
| + Capital Markets Results | 33.7 | 68.2 | +34.5 | 102.5% |
| + Other Operating Results | 1.2 | 161.3 | +160.0 | 13291.0% |
| = Banking Income | 672.9 | 851.1 | +178.1 | 26.5% |
| - Operating Costs | 305.7 | 314.2 | +8.5 | 2.8% |
| Staff | 175.5 | 169.8 | -5.7 | -3.3% |
| G&A | 105.3 | 115.0 | +9.7 | 9.3% |
| Depreciation | 25.0 | 29.4 | +4.5 | 18.0% |
| = Net Operating Income | 367.2 | 536.8 | +169.6 | 46.2% |
| - Net Impairments & Provisions | 159.6 | 22.5 | (137.1) | -85.9% |
| = Income Before Tax | 207.6 | 514.3 | +306.8 | 147.8% |
| - Corporate Income Tax | 13.0 | 27.8 | +14.8 | 113.7% |
| - Special Tax on Banks | 34.2 | 34.1 | (0.1) | -0.2% |
| = Income after Taxes | 160.4 | 452.4 | +292.0 | 182.1% |
| - Non-Controlling Interests | 6.3 | 24.0 | +17.8 | 282.3% |
| = Net Income for the period | 154.1 | 428.3 | +274.3 | 178.0% |

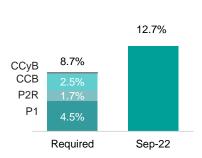




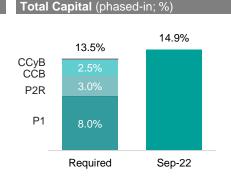








CET 1 (phased-in; %



Continue delivery of improved profitability:

- Net Income of +€428.3mn (+178% YoY) reflecting a stable performance of commercial activities and lower credit impairments.
- NII at €405.9mn with YoY evolution (-5.6%) reflecting improvement of average assets yield, impact of senior debt issuance in 4Q21 and conservative accounting for TLTRO III interest in 3Q22. Pro-forma for the amended TLTRO III terms as announced on 27 October 2022, Net Interest Income in 3Q22 would have increased by €7.5mn.
- Fees at €215.7mn (+3.8% YoY), with a strong performance in payments management due to pick-up in business activity and repricing.
- Commercial Cost to Income ratio was 51% (9M21: 48%), equivalent to 49% on a recurring basis. Operating costs of €314.2mn, (+2.8% YoY), with the decrease in staff costs offset by higher General and administrative expenses and Depreciations.
- Cost of risk was 20bps, given the successful ongoing de-risking strategy backed by resilient asset quality (9M21: 61bps) and reflecting a decrease in Loan impairments to €39.5mn (-65.6%; -€75.5mn vs Sep/21).
- · All in all, novobanco continued to grow its profitability, reaching a RoTE (pre-tax) of 12.4% (1H22: 11.0%), with underlying pre-tax profitability of €267.3mn in the period.

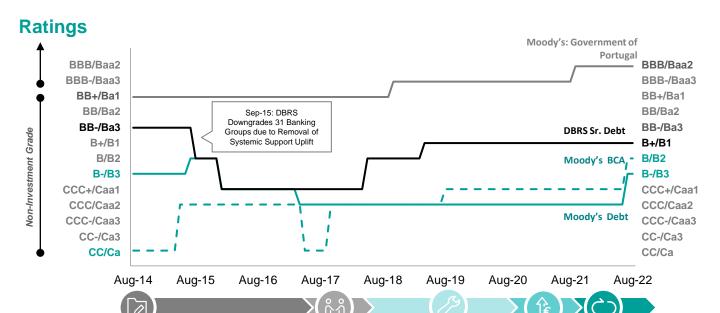
Solid business model with strong capital generation:

- Positive evolution of Gross Customers loans (€25.8bn, +3.7% YTD) across all segments. Total customer funds improving 3.0% YTD, with customer deposits increasing 4.6% (+€1.3bn YTD).
- Driven by strong bottom-line profitability, CET 1 ratio increased significantly by a further 90bps in 3Q22 to 12.7%, reaching a total of capital generation of 160bps YTD. Total capital ratio of 14.9% above the 13.5% OCR requirement allowing build-up of P2G buffer.

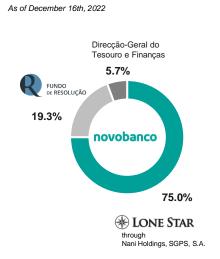
Our ESG Priorities and 9M22 achievements

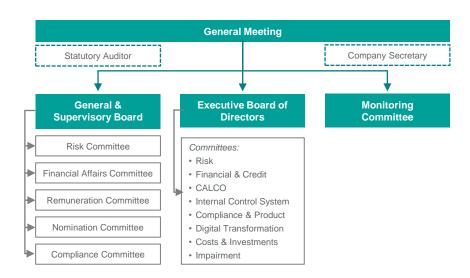
| Sustainable Business | | Social & Financial Well-being | | Responsible Banking | | |
|----------------------|---|-------------------------------|--|---------------------|---|--|
| | 8 marriagement 13 ameri | ; | 3 DEFENDENCE A MARKETON B RESERVATION OF TRANSPORTED TO TRANSPORTE | 4 guarr | 8 EDENOMBRO 13 CINC. 13 CINC. | |
| €279.6mn | Green investment production ¹ | 3.3k | Participations in 5+ program. A program destined to physical and | 5.9% | Gender pay-gap ² (vs 6.0% in Dec-21) | |
| -13.2% | Electricity Consumption (YoY) | | mental health launched in Jun-22 | | | |
| ~100% | Of clean electricity consumption; (no CO ₂) | 5.8k | Hours of ESG training to employees | 25.0% | Of women in senior leaders' roles (-3.6pp YoY) ³ | |
| -10.7% | Paper consumption (YoY) | | | | | |
| -19.4% | CO ₂ emission (YoY) | €654k | Incl: voluntary service, donations, partnerships & specific conditions | 48.3% | Of suppliers with Sustainability scoring | |
| | | | | | | |

Novobanco launches a Sustainability Credit Line, up to €250mn to support companies in their transition to a more sustainable and low-carbon economy 3Q22 Highlights novobanco and novobanco dos Açores service accounts associated to social responsibility causes: i) Social - Semear Project (Sow Project); ii) Cultural - Este Espaço Que Habito (This space I Inhabit), and; iii) Environmental (Recreational Toys Recycling Project) were finished.



Shareholder Structure





Novo Banco S.A. www.novobanco.pt/english Investor.relations@novobanco.pt