novobanco

GROUP ACTIVITY AND RESULTS
1Q 2024

PRESS RELEASE

Lisbon, 2 May 2024

"The Bank achieved a solid set of results, meeting all our expectations. We continue to consistently deliver on our strategy, with sustained growth in activity and results, and efficient operations set to support families and companies, throughout their lifetime."

Mark Bourke, CEO

HIGHLIGHTS

DELIVERING ORGANIC SUSTAINABLE RESULTS

- **Net income of €180.7mn (1Q23: €148.4mn, +21.8%),** supported by a solid and diversified business model with a robust corporate and low-risk retail mortgage franchises with strong digital adoption.
- **Strong RoTE of 17.3%**, despite an increasingly overcapitalised balance sheet (**CET1 FL: 19.0%, Tangible book value: €4,256mn; +25% YoY**) as a consequence of a contractual dividend ban.
- **NII reached €299.0mn (1Q23: €246.3mn)**, with a **NIM of 2.88% (1Q23: 2.34%),** as a result of favourable interest rate environment and the efficient management of interest rates on assets and funding cost.
- **Fees totalled €75.0mn**, increasing 8.8% YoY (1Q23: €68.9mn), reflecting the strength of novobanco's franchise with a growing client base (+7.5% YoY) and accounts and payments initiatives consistently delivering positive momentum.
- **Efficient operations with Commercial Cost to Income ratio of 31.8%** (1Q23: 35.5%), from sustained top-line performance with Commercial Banking Income increasing by 18.6% YoY and contained Operating Costs, **achieving a Net operating income of €252.6mn** (1Q23: €211.6mn).
- **Cost of risk at 34bps** (1Q23: 44bps) while strengthening asset quality and coverage ratios.

DIVERSIFIED BUSINESS MODEL WITH STRONG DOMESTIC FRANCHISE

- **Supported by a strong franchise, Total customer funds increased to €37.3bn** (Dec/23: €35.2bn; +5.9% YTD), of which **Customer deposits increased to €29.3bn (+4.1% YTD)**, **reflecting a market share of 9.6%** in Feb/24. Maintaining a solid liquidity position, with net ECB funding of -€5.3bn and a Liquidity buffer of €15.2bn (Dec/23: €13.6bn), and healthy Liquidity ratios with Loan to Deposits at 78.1% (Dec/23: 81.2%), Liquidity Coverage Ratio (LCR) increasing to 190%[1] (Dec/23:163%) and Net Stable Funding Ratio increasing to 123%[2] (Dec/23: 118%).
- **Gross Customers credit at €28.3bn** (+0.8% YoY), with net customer credit at €27.1bn representing 60% of novobanco's total assets. Origination of loans to customers reached €1.1bn, supported by growth momentum on customer acquisition and partially offset by the increase in amortizations. **Overall loan market share of 10.3% in Feb/24,** reflecting the Bank's strong presence in the Portuguese market.
- **Non-performing loans** (NPL) present a **YTD reduction of 3.8% to €1,090mn. Net NPL ratio decreased further to 0.5%** (Dec/23: 0.7%), benefiting from both the decrease of the NPL ratio (Mar/24: 4.3% vs Dec/23: 4.4%) and the increase of the coverage level (Mar/24: 88.8% vs Dec/23: 84.3%).

[1] preliminary
[2] preliminary

REMARKABLE TURNAROUND: SECURED INVESTMENT GRADE AND €1.0BN ISSUANCE

- In February 2024, Fitch assigned a 'BBB-' LT rating to novobanco's senior preferred debt. The Investment Grade rating reflects i) the turnaround of the Bank's business model; ii) a significant improvement in asset quality; iii) levels of profitability that compare favorably to peers; iv) significant improvement of capital buffers in 2023; and v) stable funding, along with adequate liquidity.
- In February 2024, novobanco issued:
  - €500mn, 3-year premium European Covered Bond, AAA-rated by Moody's, with a 3.25% annual interest rate (mid-swaps +45 bps). The bond was the most subscribed since Bloomberg News began tracking order books in 2018, being more than 10 times oversubscribed, attracting interest from over 150 accounts and diversifying the Bank's funding sources.
  - €500mn 4NC3 Senior Preferred bond rated Ba1/BBB- (Moody's / Fitch), priced at 99.782% with a 4.25% annual coupon for the first three years, resetting to 3-month Euribor plus 130bps thereafter. The order book peaked at €1.5bn, involving around 90 accounts, helping the Bank to achieve a MREL ratio well above 27% in March 2024, and to reach full compliance with the binding target ahead of time.
- In March 2024, and following the issuance of the Senior Preferred note, Moody's upgraded novobanco's long-term deposit rating by 1 notch to Baa1, keeping the outlook unchanged at "Positive".
- In April 2024, novobanco was recognized once again for its strong performance in the Structured Products market, receiving the "Best Distributor, Portugal" award from Structured Retail Products of the Delinian Group Company for the second consecutive year. This acknowledgment reflects the Bank's solid and consistent offerings in Structured Products and highlights its continued development in this area over recent years.

GROUP RESULTS

The most relevant aspects of the quarter include:

- Resilient Commercial banking income of €374.0mn, with 18.6% YoY growth;
- Operating costs totalled €119.0mn, sustaining top performance in efficiency with 31.8% Commercial C/I ratio;
- Stable risk profile with impairments and provisions at €27.9mn, equivalent to 34bps Cost of Risk;
- Net Income of €180.7mn and RoTE at 17.3% (on overcapitalised balance sheet with 19.0% CET1).

Income Statement (mn€)	1Q23	2Q23	3Q23	4Q23	1Q24	QoQ change		YoY change	
						absolute	%	absolute	%
Net Interest Income	246.3	277.7	307.2	311.4	299.0	-12.4	-4.0%	52.7	21.4%
+ Fees and Commissions	68.9	76.4	71.8	79.0	75.0	-4.0	-5.0%	6.1	8.8%
= Commercial Banking Income	**315.3**	**354.1**	**378.9**	**390.4**	**374.0**	**-16.3**	**-4.2%**	**58.7**	**18.6%**
+ Market Results	5.8	22.2	11.3	-24.6	-3.5	21.0	85.6%	-9.3	-161.2%
+ Other Operating Results	2.4	-7.4	19.5	-25.6	1.1	26.8	...	-1.3	-53.9%
= Banking Income	**323.5**	**368.9**	**409.7**	**340.2**	**371.6**	**31.4**	**9.2%**	**48.1**	**14.9%**
- Operating Costs	**111.9**	**113.2**	**114.5**	**139.6**	**119.0**	**-20.6**	**-14.8%**	**7.1**	**6.3%**
= Net Operating Income	**211.6**	**255.8**	**295.2**	**200.6**	**252.6**	**52.1**	**26.0%**	**41.0**	**19.4%**
- Net Impairments and Provisions	**27.7**	**28.3**	**25.8**	**92.1**	**27.9**	**-64.2**	**-69.7%**	**0.2**	**0.8%**
Credit	26.0	21.9	17.8	43.7	24.3	-19.4	-44.5%	-1.7	-6.6%
Securities	3.9	4.8	7.0	16.9	-0.3	-17.1	...	-4.1	-106.4%
Other Assets and Contingencies	-2.2	1.6	1.0	31.5	3.9	-27.6	-87.6%	6.1	277.6%
= Income before Taxes	**183.9**	**227.5**	**269.4**	**108.5**	**224.7**	**116.2**	**...**	**40.8**	**22.2%**
- Taxes	0.7	0.8	1.0	3.2	10.5	7.3	...	9.8	...
- Special Tax on Banks	34.1	0.0	1.1	0.0	32.2	32.2	...	-2.0	-5.7%
= Income after Taxes	**149.0**	**226.6**	**267.3**	**105.3**	**182.0**	**76.7**	**72.8%**	**33.0**	**22.1%**
- Non-controlling Interests	0.7	1.8	2.0	0.7	1.3	0.6	82.7%	0.7	99.3%
= Net Income	**148.4**	**224.8**	**265.3**	**104.6**	**180.7**	**76.1**	**72.7%**	**32.3**	**21.8%**

NET INTEREST INCOME

Net Interest Income was €299.0mn (+€52.7mn YoY), as a result, on the one hand, of the favourable interest rate environment and, on the other, of the efficient management of assets interest rates and the funding cost.

Net Interest Income (NII) and Net Interest Margin (NIM) (mn€)	31-Mar-23			31-Dec-23			31-Mar-24		
	Average Balance	Avg. Rate	Income / Costs	Average Balance	Avg. Rate	Income / Costs	Average Balance	Avg. Rate	Income / Costs
Interest Earning Assets	42,161	3.42%	360.6	41,046	4.16%	1731.8	41,067	4.80%	497.8
Customer Loans	25,554	3.83%	244.7	25,571	4.70%	1219.8	25,222	5.46%	347.9
Corporate Lending	14,196	4.21%	149.6	14,052	5.08%	723.1	13,620	5.73%	197.4
Mortgage Loans	9,937	2.85%	70.8	10,033	3.85%	391.2	9,961	4.76%	119.9
Consumer Loans and Others	1,421	6.86%	24.4	1,486	7.00%	105.5	1,641	7.35%	30.5
Money Market Placements	5,485	2.40%	33.0	4,536	3.12%	143.3	6,075	3.94%	60.6
ALM portfolio, Corporate credit and Other Assets	11,122	2.98%	82.9	10,938	3.32%	368.7	9,770	3.62%	89.4
Interest Earning Assets And Other	**42,161**	**3.42%**	**360.6**	**41,046**	**4.16%**	**1,731.8**	**41,067**	**4.80%**	**497.8**
Interest Bearing Liabilities	39,342	1.15%	112.8	37,649	1.53%	582.4	36,891	2.12%	197.9
Customer Deposits	28,515	0.39%	27.7	28,982	0.82%	242.0	30,132	1.54%	117.4
Money Market Funding	9,274	2.60%	60.3	7,265	3.23%	238.2	5,421	4.09%	56.0
Other Liabilities	1,553	6.41%	24.9	1,402	7.19%	102.2	1,338	7.24%	24.5
Other Non-Interest Bearing Liabilities	2,819	-	0.0	3,397	-	0.0	4,176	-	0.0
Interest Bearing Liabilities And Other	**42,161**	**1.07%**	**112.8**	**41,046**	**1.40%**	**582.4**	**41,067**	**1.91%**	**197.9**
NIM / NII (without stage 3 impairment adjustment)		**2.35%**	**247.8**		**2.76%**	**1,149.4**		**2.89%**	**299.9**
Stage 3 impairment			-1.4			-6.8			-0.9
NIM / NII		**2.34%**	**246.3**		**2.75%**	**1,142.6**		**2.88%**	**299.0**

The rate on assets increased by 138bps, from 3.42% in 1Q23 to 4.80%, driven mainly by the rate on loans to customers which increased to 5.46% (+163bps YoY). The average balance of interest earning assets was €41.1bn (vs €42.2bn in Mar/23).

The average balance of customer deposits increased to €30.1bn, with a remuneration rate of 1.54% (1Q23: 0.39%), and the balance of money market funding totalled €5.4bn, with a rate of 4.09% (1Q23: 2.60%).

The favourable evolution of assets interest rates (4.80%; 1Q23: 3.42%), more than offset the increase in liabilities interest rates (1.91%; 1Q23: 1.07%), with the overall net interest margin increasing to 2.88% from 2.34% in 1Q23.

FEES AND COMMISSIONS

Fees and commissions were €75.0mn, increasing 8.8% YoY (+€6.1mn), driven by fee income initiatives mainly on accounts and payments management, which offset headwinds from legislative changes on loan commissions. Accounts and payment management fee have been growing consistently throughout the quarters, reflecting the strength of novobanco's franchise, with higher volume of transactions, increased client base (+7.5% YoY) and new pricing, reaching €39.8mn (+22.3%; +€7.2mn vs 1Q23).

Fees and Commissions (mn€)	31-Mar-23	31-Mar-24	Change	
			absolute	%
Accounts & Payments Management	32.5	39.8	7.2	22.3%
Commissions on Loans, Guarantees and Similar	18.4	17.3	-1.2	-6.5%
Asset Management and Bancassurance	16.4	16.3	-0.1	-0.4%
Advising, Servicing and Other	1.6	1.7	0.1	6.9%
Fees and Commissions Total	**68.9**	**75.0**	**6.1**	**8.8%**

CAPITAL MARKETS AND OTHER OPERATING RESULTS

The results of capital markets were negative at -€3.5mm, reflecting gains and losses from the sale and revaluation of securities, foreign exchange results and hedging. As of 31 March 2024, the fair value reserves of the securities portfolio is in-line with 2023 financial year-end.

Other operating results, which include gains from the recovery of overdue credit, real estate results and indirect taxes totalled €1.1mn.

OPERATING COSTS

Operating costs at €119.0mn (-0.7% vs 2023 average of €119.8mn; +6.3% YoY), reflecting the continued strategic investment in digital transformation, optimization, and simplification of the organization and, on the other hand, the effects of inflation. Staff costs were €63.3mn (+€5.0mn; +8.6%), general and administrative expenses totalled €44.4mn (+€0.6mn; +1.4%) and depreciation rose to €11.3mn (+€1.5mn).

Top performance in efficiency was maintained, with Commercial Cost to Income at 31.8% (1Q23: 35.5%; 2023: 33.3%).

Operating Costs (mn€)	31-Mar-23	31-Mar-24	Change	
			absolute	%
Staff Costs	58.3	63.3	5.0	8.6%
General and Administrative Costs	43.8	44.4	0.6	1.4%
Depreciation	9.8	11.3	1.5	15.4%
Operating Costs Total	**111.9**	**119.0**	**7.1**	**6.3%**

As of 31 March 2024, novobanco Group had 4,227 employees (Dec/23: 4,209; +18 YTD) and 290 branches (Dec/23: 290).

NET IMPAIRMENTS AND PROVISIONS

In the first quarter of 2024, novobanco Group recorded net impairments and provisions of €27.9mn, in line with the same period of the previous year (+€0.2mn; +0.8%).

Customer credit cost of risk was 34bps (1Q23: 44bps; 2023: 51bps).

Net Impairments and Provisions (mn€)	31-Mar-23	31-Mar-24	Change	
			absolute	%
Customer Loans	26.0	24.3	-1.7	-6.6%
Securities	3.9	-0.3	-4.1	...
Other Assets and Contingencies	-2.2	3.9	6.1	...
Net Impairments and Provisions Total	**27.7**	**27.9**	**0.2**	**0.8%**

ACTIVITY, LIQUIDITY AND CAPITAL MANAGEMENT

CUSTOMER CREDIT

As a Portuguese universal Bank, novobanco mission is to be the trusted Bank, which supports families and companies throughout their lives, underpinned by a robust and disciplined loan granting policy. This support has been transversal to all sectors and all companies, with a special focus on exporting SMEs and companies that incorporate innovation in their products, services or production systems, increasingly following a sustainability oriented approach.

Customer Credit (mn€)	31-Mar-23	31-Dec-23	31-Mar-24	YTD Change	
				absolute	%
Corporate Loans	**14,252**	**13,819**	**13,738**	**-81**	**-0.6%**
Corporate Credit	**2,413**	**2,682**	**2,894**	**212**	**7.9%**
Individual Loans	**11,404**	**11,669**	**11,664**	**-5**	**0.0%**
Residential Mortgage	9,984	10,058	10,002	-56	-0.6%
Other Loans	1,421	1,611	1,662	50	3.1%
Customer Credit (gross)	**28,070**	**28,171**	**28,296**	**125**	**0.4%**
Impairments	**1,260**	**1,196**	**1,208**	**13**	**1.1%**
Customer Credit (net)	**26,809**	**26,975**	**27,087**	**112**	**0.4%**

Gross Customer credit increased to €28.3bn (+0.8% YoY; +0.4% YTD), of which corporate customers represented 59%, residential mortgage 35% and other loans to individuals 6%. During the quarter, loan origination totalled €1.1bn (2023: €3.5bn), of which 69% corporate, 25% mortgage and 6% consumer and others.

As of March 2024, the asset quality indicators are:

Asset Quality and Coverage Ratios (mn€)	31-Mar-23	31-Dec-23	31-Mar-24	YtD Change	
				absolute	%
Overdue Loans > 90 days	308	338	345	7	2.1%
Non-Performing Loans (NPL)	1,289	1,133	1,090	-43	-3.8%
Overdue Loans > 90 days / Customer Loans (gross)	1.2%	1.3%	1.4%	0.03	p.p.
Non-Performing Loans (NPL) Ratio	**5.0%**	**4.4%**	**4.3%**	**-0.15**	**p.p.**
Credit provisions / Customer Loans	4.1%	3.7%	3.8%	0.1	p.p.
Coverage of Overdue Loans > 90 days	340.4%	282.4%	280.3%	-2.1	p.p.
Coverage of Non-Performing Loans	**81.3%**	**84.3%**	**88.8%**	**4.5**	**p.p.**
Net Non-Performing Loans	**1.0%**	**0.7%**	**0.5%**	**-0.2**	**p.p.**

The stock of Non-performing loans (NPL) decreased by 3.8%, in the quarter, to €1,090mn. Net NPL ratio decreased to 0.5% (Dec/23: 0.7%), reflecting both a lower NPL ratio (4.3% vs Dec/23: 4.4%) and a higher coverage level (88.8% vs Dec/23: 84.3%).

As at March 2024, novobanco exposure to real estate decreased 2.4% YTD to €449.0mn, representing less than 1.0% of novobanco total assets.

SECURITIES - ALM Portfolio

The Asset and Liabilities Management (ALM) Portfolio, which is the main source of assets eligible for funding operations with the European Central Bank (ECB), amounted to €7.2bn. As of 31 March 2024, ALM portfolio represented 16% of total assets, of which 74% was accounted at amortised cost.

As of 31 March 2024, the securities accounted at amortised cost had unrealised marked to market losses of €159mn (net of hedges and taxes).

ALM portfolio (mn€)	31-Mar-23	31-Dec-23	31-Mar-24	YTD Change	
				absolute	relative
Portuguese sovereign debt	884	653	957	305	46.7%
Other sovereign debt	5,517	4,260	4,540	280	6.6%
Bonds	2,402	1,587	1,715	128	8.1%
ALM portfolio Total (net of impairment)	**8,803**	**6,499**	**7,213**	**713**	**11.0%**

FUNDING

Total customer funds increased to €37.3bn (Dec/23: €35.2bn), of which deposits represent 78.5%. Backed by the solid franchise and strong client relationship, in the period customer deposits increased by €1.2bn to €29.3bn (Dec/23: €28.1bn; +4.1%), with market share of 9.6% (Feb/24).

Total Funds (mn€)	31-Mar-23	31-Dec-23	31-Mar-24	YTD Change	
				absolute	%
Deposits	27,526	28,140	29,291	1,151	4.1%
Other Customer Funds [1]	1,132	1,844	1,782	-62	-3.4%
Debt Securities	1,166	606	1,595	989	...
Subordinated Debt	424	502	514	12	2.5%
Sub -Total	**30,248**	**31,092**	**33,181**	**2,090**	**6.7%**
Off-Balance Sheet Funds	3,987	4,113	4,111	-2	0.0%
Total Funds	**34,235**	**35,204**	**37,292**	**2,088**	**5.9%**

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

LIQUIDITY

In the first quarter, the liquidity position of the Bank continued to further improve, backed by positive momentum on wholesale funding and also positive performance from the commercial area. As of 31 March 2024, novobanco Liquidity Coverage Ratio (LCR) increased to 190% (vs. 163% in the 4Q23) and Net Stable Funding Ratio to 123% (vs. 118% in the 4Q23), both comfortably above the regulatory requirement.

In terms of commercial activity, during the quarter the customer credit book (gross) stood at €28.3bn, while customer deposits increased by €1.2bn to €29.3bn (Dec/23: €28.1bn), mainly driven by a strong performance in the corporate segment. On the other hand, the ALM portfolio increased by €0.7bn in the quarter, mainly driven by the higher exposure to Sovereign and Supranational debt portfolio.

Regarding market funding, the Bank took advantage of favourable market conditions in the beginning of the year and raised €1.0bn of market funds by accessing both the covered bond and the senior debt market.

On 21 February 2024, the Bank placed its inaugural covered bond issuance, gathering very strong interest from the market. The order book was more than 10 times oversubscribed, reaching more than €5bn (the most subscribed covered bond since Bloomberg News began tracking European order books in 2018). The issuance amounted to €500mn and the coupon was set at 3.25% for a 3-year maturity. Following the outstanding market reception and the strong market window, the Bank decided to access the senior bond market one week later. On 28 February, the Bank placed a new senior preferred bond, gathering again strong interest from the market. The new senior preferred bond amounted to €500mn, with a 4-year maturity and an early redemption option at the end of year 3. This transaction allowed the Bank to become compliant with its Minimum Requirement for own funds and Eligible Liabilities (MREL) requirements well in advance of its January 2026 binding target. Both transactions allowed the Bank to diversify and optimize its funding sources, with a positive impact on the Bank's liquidity position and ratios.

On 29 April 2024, the Bank was notified by the Bank of Portugal of its new MREL requirements, on a consolidated basis, such that from 1 January 2025, the requirement for own funds and eligible liabilities will be equivalent to (i) 24.01% of TREA plus the then applicable combined buffer requirement; (ii) 5.91% of the Leverage Ratio Exposure (LRE). Novobanco considers these requirements are in line with its expectations, being already compliant as of 31 March 2024.

	BdP notification of June 2023		*BdP new notification*		
MREL Requirements: (%)	**Jan/22**	**Jan/26**	**Jan/25**	**Dec/23** *fully-loaded*	**Mar/24** *fully-loaded*[5]
TREA[1]	14.6%	23.5%	24.0%		
Combined Buffer	2.5%	n.a.[2]	n.a.[3]		
O-SII	0.5%	n.a.[2]	n.a.[3]		
Total	**17.66%**	**23.47% + Buffers**	**24.01% + Buffers**	**24.37%**	**27.49%**
LRE [4]	**5.91%**	**5.91%**	**5.91%**	**10.66%**	**11.90%**

(1) TREA - Total Risk Exposure Amount; Jan-26 requirement as announced on June 2023

(2) As of Jan-26 applicable requirement

(3) As of Jan-25 applicable requirement

(4) LRE - Total Leverage Exposure

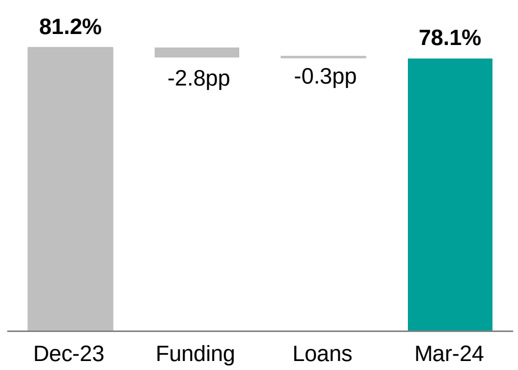
(5) Equivalent to phased-in: MREL of 24.73% and 27.67% and LRE of 10.85% and 12.00% in Dec/23 and Mar/24, respectively

Considering the increased market funding, the Bank reduced its repo funding, which by the end of the quarter had decreased by €0.5bn to €4.7bn (Dec/23: €5.2bn).

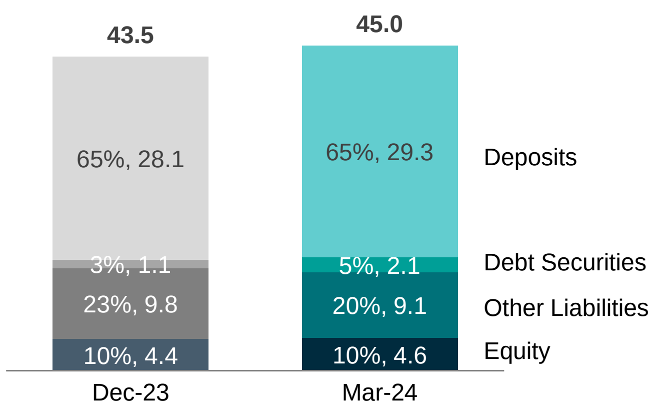
On 31 March 2024, funding from the ECB corresponded to the final €1.0bn tranche of TLTRO III which will mature in December 2024. Also, as of 31 March 2024, deposits at the ECB totalled €6.3bn (Dec/23: €5.4bn), and so net funding from the ECB (funding taken from the ECB minus deposits with the ECB) went from -€4.2bn on 31 December 2023 to -€5.3bn on 31 March 2024, with the Bank increasing its net lending position.

On 31 March 2024, the eligible assets portfolio available for use as collateral with the European Central Bank stood at €14.4bn, stable since 31 December 2023. The available amount of eligible assets for rediscount with the ECB totalled €7.6bn (net of haircuts), an increase of €0.3bn since the end of 2023. In addition to the abovementioned, novobanco has HQLA assets non-eligible with the ECB and deposits at ECB, which makes up to a total liquidity buffer of €15.2bn, mostly composed of high-quality liquid assets.

Loan to Deposit Ratio
(%)



Funding Structure
(%; € billion)



CAPITAL

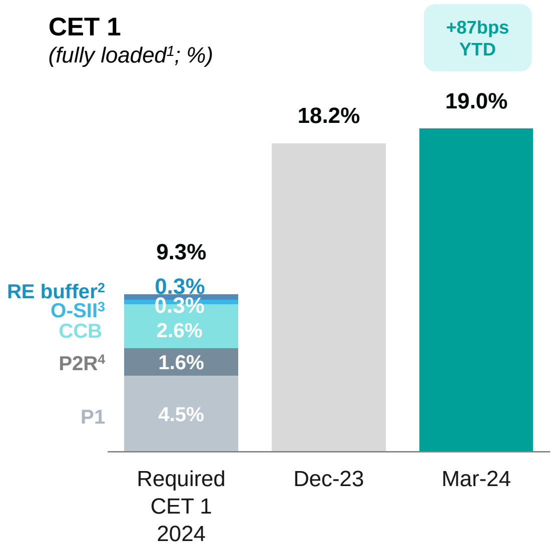
Backed by a solid financial performance, in the period fully loaded CET1 ratio increased by 87bps to 19.0% while the Total Capital ratio increased by 82bps to 21.8% (Dec/23: 18.2% and 21.0% respectively). The organic capital generation reflects the capital accretive business model with a solid top-line performance, efficient operations and disciplined capital allocation.

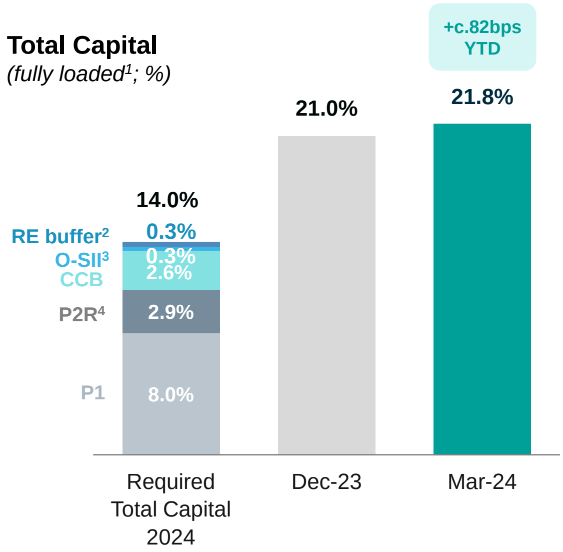
Capital Ratios (CRD IV/CRR) (€mn)		31-Dec-23 (fully loaded)	31-Mar-24 (fully loaded) *
Risk Weighted Assets	(A)	20,399	20,779
Own Funds			
Common Equity Tier 1	(B)	3,703	3,952
Tier 1	(C)	3,705	3,953
Total Own Funds	(D)	4,280	4,529
Common Equity Tier 1 Ratio	**(B/A)**	**18.2%**	**19.0%**
Tier 1 Ratio	**(C/A)**	**18.2%**	**19.0%**
Solvency Ratio	**(D/A)**	**21.0%**	**21.8%**
Leverage Ratio		**7.9%**	**8.2%**

* preliminary

None of the amounts unpaid 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.





(1) Preliminary; 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) P2R in 2024 is 2.85%, which represents a decrease of 15bps

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 Functions. 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 individual 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 individual 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 export activity.

Support Functions

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

€ million	Retail			SMEs and corporate			Support Functions			novobanco		
	Mar-23	Mar-24	▲ €mn	Mar-23	Mar-24	▲ €mn	Mar-23	Mar-24	▲ €mn	Mar-23	Mar-24	▲ €mn
Commercial Banking Income	176	234	58	146	154	9	-6	-14	-8	315	**374**	59
Banking Income	176	235	59	149	154	5	-2	-17	-16	323	**372**	48
Operating Costs	74	79	5	24	26	2	13	13	0	112	**119**	7
Net Operating Income	102	156	53	125	128	3	-15	-31	-15	212	**253**	41
Net Impairments and Provisions	11	12	0	17	17	0	-1	-1	0	28	**28**	0
Income before Taxes	**91**	**144**	**53**	**107**	**111**	**3**	**-14**	**-30**	**-15**	**184**	**225**	**41**
Total Assets	14,257	14,583	326	13,633	14,032	398	15,953	16,430	476	43,843	**45,044**	1,201
Customer credit (net)	13,179	13,413	234	13,629	13,664	34	1	11	10	26,809	**27,087**	278
Net Interest margin	2.41%	3.39%	1.0 p.p	3.63%	3.71%	0.1 p.p	-0.17%	-0.47%	-0.3 p.p	2.34%	**2.88%**	0.5 p.p
Commercial Cost to Income	42.2%	33.9%	-8.3 p.p	16.7%	17.1%	0.4 p.p	-	-	-	35.5%	**31.8%**	-3.7 p.p

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 265 branches operate under the new distribution model and 243 have a Virtual Teller Machine (VTM), 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, along with wage domiciliation (+15% YoY), being supported by initiatives such as (i) client loyalty program aimed at strengthening and deepening the commercial relationship; (ii) 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; and (iii) reactivation of inactive customer program.

With a focus on building best-in-class customer franchise in Portugal, novobanco launched a transformation program aimed at strengthening its position as a customer-focused, efficient, and simple omnichannel bank. This quarter, the Bank has further scaled and accelerated its transformation efforts, focusing on improving customer journeys. This strategic shift is evidenced by notable increases in customer satisfaction across several areas: mortgage satisfaction rose to 91.7% (+4pp YoY); personal loan satisfaction remained high at 93.5%; and satisfaction with wage domiciliation and account services improved to 85.3% (+4pp YoY). Additionally, the overall retail quality of service climbed to 86.3%, and the performance of the Bank's app also saw a boost to 84.2% (+1pp YoY).

As of March, Customer credit (net) totalled €13.4bn (+2% YoY; including small businesses loans), with growth primarily driven by mortgage origination in the period (1Q24: €0.3bn), following the introduction of enhanced mortgage offerings, including fixed-rate products. As of February, novobanco's mortgage market share was 9% (flat YTD). Additionally, and reflecting the investment done on new functionalities available on digital channels, personal loans origination via digital channels rose by 35% YoY. In the period, the customer base of the small businesses increased by 3% and, reflecting improvement on payments offering, POS terminals increased by 2.6%.

The Net Interest Margin increased to 3.39% (+98 bps YoY), which together with higher volumes and commercial activity resulted in €234mn of Commercial Banking Income (+33% YoY). Operating costs increased by 7% YoY, to €79mn, leading to a Commercial Cost to Income ratio of 34% in the period.

All in all, the Retail segment had an Income before Tax of €144mn (1Q23: €91mn) 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 platform aiming to simplify the day-to-day of corporate customers and enhanced functionalities, such as in short-term loans and treasury management. Strong digital engagement among Corporate customers, with about 80% actively using digital channels, leading to a 2.4pp YoY increase in the satisfaction index for website user experience, to 84.2% and an increase of 1.5pp overall quality of service to 94.4%.

The Bank continues to reinforce its commitment to Portuguese businesses, highlighting in the quarter:

- Enhancement of Factoring and Confirming Solutions: with a 24% growth in cumulative invoicing, with non-recourse factoring showing an annual increase of 38% and holding a market share of 11%;

- Innovation in Payment Methods: the Bank continues to increase its presence in POS, introducing innovative solutions such as NB Express Cash, VTM automatic machines for business deposits, and a new digital payment platform to optimize e-commerce collections,

- Support for Investment and Sectorial Financing: provision of several sectorial financing lines, such as the tourism support line and lines for agriculture, as well as a sustainability financing line with a ceiling of €250mn. The Bank is also supporting the economy with European funds, boasting significant experience and a market share of 22%.

Novobanco maintains a strong presence in the exports sector, with a wide range of products and specialised advice for international trade, being about 60% of national exports made by novobanco clients. The know-how in this segment is reflected in a 20.5% market share (+0.5pp YTD) and by being, for the 6th consecutive year, elected the best Trade Finance Bank in Portugal by Global Finance.

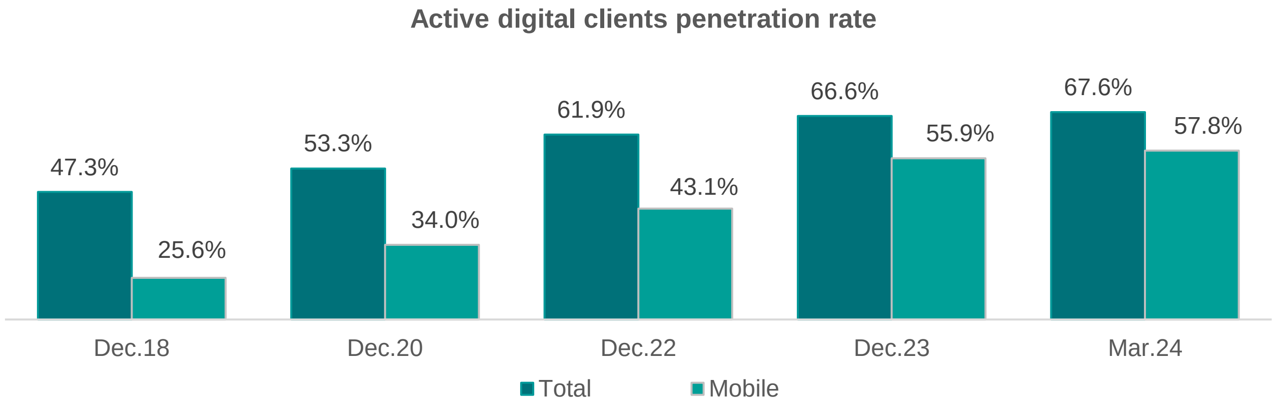
The Bank thus occupies a leading position in terms of support provided to the Portuguese companies, with market shares of 13.9% in loans (Dec/23: 14.1%) and 13.8% in deposits from Non-financial Companies (flat YTD), reflecting companies' confidence in novobanco.

As of March 2024, Credit to customers (net) totalled €13.7bn (+0.3% YoY). Reflecting the interest rates environment, in the period, Net Interest Margin increased to 3.71% (1Q23: 3.63%), which resulted in Commercial Banking Income of €154mn (+6% YoY). Operating costs increased 9% to €26mn. All in all, Income before Tax totalled €111mn (+3% YoY; +€3mn).

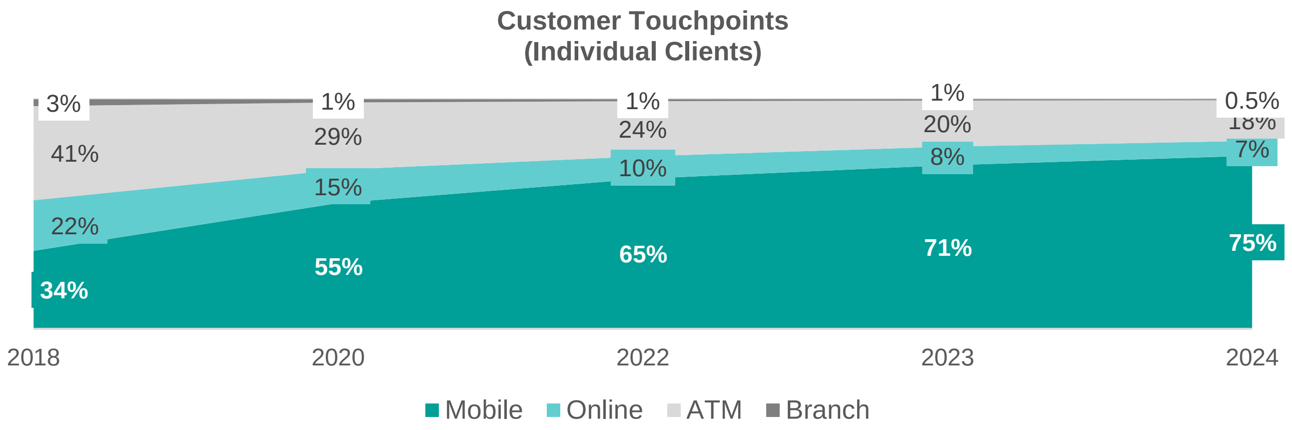
Digital Transformation

As a customer-centric bank, novobanco pursues the following goals through digital transformation, in both the Corporate and Retail segments (i) 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 (ii) 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 67.6% by Mar/24 (+5pp YoY; the number of digital customers increased by 15% YoY) and annual growth of 24% in the number of active mobile customers (58% of customers are mobile).



In March 2024, more than 70% of the operations in retail segment can be carried out in self-service mode, this figure increased to 85% and 94% in the small businesses and medium-large companies' segments, respectively. Consequently, there has been a continuous increase in sales made via digital channels, with a 76% rise compared to the same period last year (excluding naturally high deposit sales), particularly in products such as Credit Cards (+239% YoY; 8% of product sales; +5pp YoY), Insurance (+114% YoY; 12% of segment sales; +5pp YoY), and Personal Loans (+25% YoY; 25% of product sales; +7pp YoY).



In the period, 82% of individual clients' contacts with novobanco were made through the digital channels (+5 pp YoY). Reflecting a reinforced focus on a "mobile digital first" strategy, mobile continues to be the main mean of contact of individual clients, with annual interactions (as measured by the number of *logins*) growing by 41%.

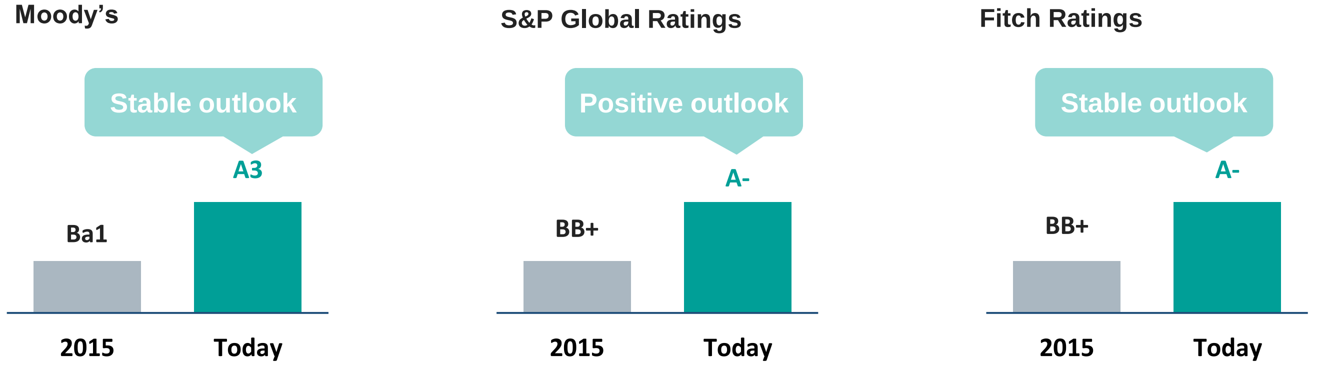
ECONOMIC ENVIRONMENT

The first quarter of 2024 showed resilience in global economic activity, aligning with a soft-landing scenario across major economies. This trend was bolstered by low unemployment rates, increases in real wages, and surplus savings that boosted consumption. Additionally, productivity gains in the USA and robust corporate balance sheets contributed positively. However, inflation remained persistent, particularly in services. In the USA, inflation climbed to 3.5% YoY in March, while the unemployment rate dropped to 3.8%. In the Eurozone, inflation slowed to 2.4% YoY, with a stable unemployment rate of 6.5%. Rising oil prices, up 13.6% for the quarter and 9.7% year-on-year for Brent at USD 87.5 per barrel, stoked inflation concerns. These increases were partly driven by heightened geopolitical risks in the Middle East and the ongoing war in Ukraine, raising fears of supply disruptions. Tensions in the Middle East also led to higher maritime freight prices and some disruptions in global supply chains.

The American Federal Reserve kept the fed funds target rate unchanged at 5.25%-5.5% and the ECB kept the deposit facility rate at 4%. Both signalled a reduction in reference interest rates in 2024. But the persistence of inflation led the market to revise downwards expectations of policy rate cuts. The 3-month Euribor remained relatively stable in the quarter (-2 bps, to 3.89%), although rising year-on-year (+85bps). And, between January and March, the 10-year Treasury and Bund yields rose 32 and 27bps, respectively, to 4.2% and 2.298%. Despite the rise in market interest rates, the main stock indices registered appreciation, reflecting the favourable evolution of economic activity and company results, the expectation (despite everything) of interest rate cuts and the attractiveness of the technology sector, partly associated with developments in artificial intelligence. The S&P 500 and Nasdaq indices appreciated 10.2% and 9.1% in the quarter, respectively. In Europe, the Euro Stoxx 600 and DAX rose 7% and 10.4%. The euro depreciated 2.5% against the dollar, to EUR/USD 1.0789, with the widening of the interest differential between economies.

In Portugal, GDP will have grown around 0.5%-0.7% in the 1st quarter of 2024 compared to the end of 2023, above the 0.1% expected in the Euro Zone. The economy continued to benefit from the dynamism of tourism activity, with the number of overnight stays increasing, in the January-February period, 4.9% YoY in the non-resident segment. Business confidence evolved favourably in services and retail, falling slightly in industry. With exports of goods expanding and imports falling in nominal and year-on-year terms, the goods trade balance deficit reduced in the January-February period. Consumer confidence improved in March, in a context of moderate expansion in retail sales (+0.7% YoY in February). Loans to companies and housing registered, in February, negative annual variations (-0.8% and -1%, respectively), while consumer credit increased by 5.6%. CPI inflation rose to 2.3% YoY in March, with energy prices rising 4.8% YoY. The unemployment rate rose from 6.5% to 6.7% of the active population between December and February. The period of political uncertainty and the election of a minority Government did not produce adverse impacts on the markets. The spread between the PGB and Bund 10-year yields closed the first quarter at 71bps, after a peak of 84bps in January, with the yield on the Portuguese bond closing this period at 3.01%. In March, the S&P agency revised Portugal's sovereign rating upwards, to A-, with a positive outlook.

Portuguese sovereign debt: consistent rating improvement



MAIN INDICATORS

Main Highlights	31-Mar-23	31-Dec-23	31-Mar-24
Activity (€mn)			
Net Assets	43 843	43 501	45 044
Customer Credit (gross)	28 070	28 171	28 296
Customer Deposits	27 526	28 140	29 291
Equity	3 697	4 422	4 554
Tangible book value	3 418	4 126	4 256
Solvency			
Common EquityTier I / Risk Weighted Assets	14.3%	18.2%	19.0% (4)
Tier I / Risk Weighted Assets	14.3%	18.2%	19.0% (4)
Total Capital / Risk Weighted Assets	16.6%	21.0%	21.8% (4)
Leverage Ratio	6.4%	7.9%	8.2% (4)
Liquidity (€mn)			
European Central Bank Funding (3)	1,365	-4,246	-5,322
Eligible Assets for Repo Operations (ECB and others), net of haircut	17 356	14 217	14 440
(Total Credit - Credit Provision) / Customer Deposits (2)	85%	81%	78%
Liquidity Coverage Ratio (LCR) (4)	180%	163%	190% (4)
Net Stable Funding Ratio (NSFR) (4)	111%	118%	123% (4)
Asset Quality			
Overdue Loans > 90 days / Customer Loans (gross)	1.2%	1.3%	1.4%
Non-Performing Loans (NPL) / Customer Loans	5.0%	4.4%	4.3%
Credit Provision / Overdue Loans > 90 days	340.4%	282.4%	280.3%
Credit Provision / Customer Loans (gross)	4.1%	3.7%	3.8%
Cost of Risk (base points) (1)	44	51	34
Profitability			
Net Income for the Period (mn€)	148.4	743.1	180.7
Income before Taxes and Non-controlling interests / Average Net Assets (2)	1.3%	1.7%	1.8%
Banking Income / Average Net Assets (2)	2.9%	3.3%	3.4%
Income before Taxes and Non-controlling interests / Average Equity (2)	20.3%	21.2%	18.4%
Return on Tangible Equity (RoTE)	19.0%	20.4%	17.3%
Efficiency			
Operating Costs / Banking Income (2)	34.6%	33.2%	32.0%
Operating Costs / Commercial Banking Income	35.5%	33.3%	31.8%
Staff Costs / Banking Income (2)	18.0%	17.5%	17.0%
Employees (No.)	**4105**	**4209**	**4227**
Branch Network (No.)	**292**	**290**	**290**

(1) Customer credit cost of risk
(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.

CONSOLIDATED INCOME STATEMENT AS AT 31 MARCH 2024 AND 2023

thousands of Euros

	31.03.2024	31.03.2023
Interest Income	597 994	388 400
Interest Expenses	(298 986)	(142 051)
Net Interest Income	**299 008**	**246 349**
Dividend income	14	-
Fees and commissions income	85 745	81 222
Fees and commissions expenses	(12 382)	(12 727)
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	157	9 979
Gains or losses on financial assets and liabilities held for trading	4 344	(766)
Gains or losses on financial assets mandatorily at fair value through profit or loss	633	564
Gains or losses on financial assets and liabilities designated at fair value through profit and loss	1	-
Gains or losses from hedge accounting	(10 243)	(101)
Exchange differences	2 730	8 893
Gains or losses on derecognition of non-financial assets	(1 188)	(1 372)
Other operating income	13 836	17 748
Other operating expenses	(43 667)	(60 248)
Operating Income	**338 988**	**289 541**
Administrative expenses	(107 713)	(102 134)
Staff expenses	(63 272)	(58 288)
Other administrative expenses	(44 441)	(43 846)
Cash contributions to resolution funds and deposit guarantee schemes	(111)	(256)
Depreciation	(11 256)	(9 757)
Provisions or reversal of provisions	(4 926)	(1 252)
Commitments and guarantees given	(359)	1 118
Other provisions	(4 567)	(2 370)
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	(24 009)	(29 787)
Impairment or reversal of impairment of investment in subsidiaries, joint ventures and associates	1	-
Impairment or reversal of impairment on non-financial assets	1 013	3 350
Share of the profit or loss of investments in subsidiaries, joint ventures and associates accounted for using the ec	536	167
Profit or loss before tax from continuing operations	**192 523**	**149 872**
Tax expense or income related to profit or loss from continuing operations	(10 522)	(744)
Current tax	(3 275)	(3 772)
Deferred tax	(7 247)	3 028
Profit or loss after tax from continuing operations	**182 001**	**149 128**
Profit or loss from discontinued operations	-	(97)
Profit or loss for the period	**182 001**	**149 031**
Attributable to Shareholders of the parent	**180 654**	**148 355**
Attributable to non-controlling interests	1 347	676
	182 001	**149 031**

NOVO BANCO, S.A.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024 AND 31 DECEMBER 2023

thousands of Euros

	31.03.2024	31.12.2023
ASSETS		
Cash, cash balances at central banks and other demand deposits	6 680 176	5 867 189
Financial assets held for trading	720 287	436 148
Financial assets mandatorily at fair value through profit or loss	264 773	264 912
Financial assets at fair value through other comprehensive income	1 330 705	838 523
Financial assets at amortised cost	32 519 005	32 452 537
Securities	8 016 015	7 870 536
Loans and advances to banks	68 785	47 940
Loans and advances to customers	24 434 205	24 534 061
Derivatives – Hedge accounting	626 106	683 063
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(88 856)	(83 498)
Investments in subsidiaries, joint ventures and associates	60 548	59 511
Tangible assets	770 211	757 549
Tangible fixed assets	380 870	363 754
Investment properties	389 341	393 795
Intangible assets	88 025	86 748
Tax assets	945 212	931 036
Current Tax Assets	29 282	29 376
Deferred Tax Assets	915 930	901 660
Other assets	1 037 506	1 117 258
Non-current assets and disposal groups classified as held for sale	90 406	89 814
Total Assets	**45 044 104**	**43 500 790**
LIABILITIES		
Financial liabilities held for trading	98 068	100 639
Financial liabilities measured at amortised cost	38 805 437	37 330 355
Deposits from central banks and other banks	5 121 756	5 745 326
(of which: repos)	3 308 614	3 867 053
Due to customers	31 072 554	29 984 273
(of which: repos)	1 410 805	1 366 382
Debt securities issued, Subordinated debt and liabilities associated to transferred assets	2 108 922	1 107 585
Other financial liabilities	502 205	493 171
Derivatives – Hedge accounting	134 312	124 729
Fair value changes of the hedged items in portfolio hedge of interest rate risk	42 832	62 049
Provisions	429 526	430 829
Tax liabilities	12 635	10 808
Current Tax liabilities	12 635	10 808
Other liabilities	955 645	1 005 846
Liabilities included in disposal groups classified as held for sale	12 035	13 107
Total Liabilities	**40 490 490**	**39 078 362**
EQUITY		
Capital	6 567 844	6 567 844
Accumulated other comprehensive income	(1 119 398)	(1 070 125)
Retained earnings	(7 776 414)	(8 577 074)
Other reserves	6 676 937	6 736 004
Profit or loss attributable to Shareholders of the parent	180 654	743 088
Minority interests (Non-controlling interests)	23 991	22 691
Total Equity	**4 553 614**	**4 422 428**
Total Liabilities And Equity	**45 044 104**	**43 500 790**

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.
Customer credit	Customer loans and debt securities associated with credit operations with clients, being Gross before impairments and Net after impairment
ALM portfolio	Securities booked in the Asset and Liability Management Portfolio, 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.
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 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 and impairment charges accounted in the period for credit risk and debt securities associated with credit operations with clients with gross customer loans and debt securities associated with credit operations with clients.
Non-performing loans	Loans classified as in default according to internal definition – which is line with regulatory definition from article 178 of Capital Requirement Regulation –, i.e. (i) loans with material overdue amount for more than 90 consecutive days or (ii) loans identified as unlikely to pay, in accordance with qualitative criteria.
Non-performing loans ratio	Ratio calculated with non-performing loans / loans to customers (gross)

Non-performing loans coverage ratio	Ratio calculated between impairment on customer loans and non-performing loans
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.
Return on tangible equity	Ratio of net income to average equity, excluding intangibles and CCA receivables.

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: 1Q24 FINANCIAL RESULTS

Date: **Thursday, 2 May 2024**
Time: **13:00 Lisbon/London**
Link: https://channel.royalcast.com/landingpage/novobancoen/20240202_1/

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