



GROUP ACTIVITY AND RESULTS

1Q 2026

PRESS RELEASE

Portugal, 30 April 2026

(Unaudited financial information)

"In the first quarter of 2026, commercial activity continued to progress at a solid pace, with a meaningful increase in customer lending and sustained deposit growth, reflecting the continued confidence of our customers and the strength of our business model. These developments, combined with prudent risk management and a strong focus on efficiency, enabled the Bank to deliver robust results in the quarter.

Looking ahead, novobanco remains firmly committed to Portugal and focused on continuing to create value for customers, employees and shareholders, while supporting the Portuguese economy in a disciplined, sustainable and responsible manner."

Mark Bourke, CEO

HIGHLIGHTS

SUSTAINABLE RESULTS

- Novobanco once again delivered strong results, with net income reaching €200.7mn (1Q25: €177.2mn; +13.2% YoY), driven by a diversified business model, prudent risk management and robust franchising.
- Reaching RoTE of 19.9% and a CET1 ratio of 19.2%. Tangible Book Value reached €4,530mn (+20.2% YoY, pro-forma for the €1.1bn capital reduction).
- Stable Commercial Banking Income at €361.8mn (1Q25: €363.4mn; -0.4% YoY), with Net Interest Income (NII) at €276.2mn (1Q25: €279.1mn) and Fees growing 1.5% YoY to €85.6mn.
- NII performance benefitted from 7.5% YoY increase in average Customer Credit and a proactive a Net Interest Margin (NIM) hedging strategy (1Q26: 2.50%; 1Q25: 2.77%), partially offsetting customer credit repricing on the back of lower rates environment (Euribor 6-month avg: 1Q26: 2.20% vs 1Q25: 2.49%).
- Commissions increased by 1.5% YoY, supported by solid business momentum and the execution of initiatives to enhance fee generation, with growth mainly driven by payments management.
- Commercial Cost to Income ratio of 36.1% (1Q25: 34.5%), reflecting a contained cost base through focus on simplification and processes optimization. Operating Costs totalled €130.6 million (+3.1% vs 2025 average).
- Cost of Risk of -3bps in 1Q26 (1Q25: 17bps), reflecting conservative underwriting approach and the continued strengthening of novobanco's asset quality.

DIVERSIFIED BUSINESS MODEL WITH STRONG DOMESTIC FRANCHISE

- Total customer funds increased 2.5% YtD to €48.2bn (Dec/25: €47.0bn; including off-balance), driven by a resilient volume of customer deposits, up by 3.7% YtD to €33.2bn, reaching a market share of 9.4% (Feb/26; +0.1pp YtD).
- As of 31 March 2026, novobanco's liquidity position remained strong with a buffer of €16.6bn (Dec/25: €17.4bn). Loan to deposit ratio (LtD) stood at 83.0% (Dec/25: 83.9%), LCR was 150% (Dec/25: 160%) and NSFR 117% (Dec/25: 118%).
- Sustainable business growth supported by a strong retail franchise, leading to net customer credit of €31.2bn (+3.5% YtD). The completion of the acquisition of Unibanco's business unit (credit cards) during 1Q26 contributed to an increase in net customer credit portfolio of €0.3 bn. Sustaining a strong credit origination of €1.6bn (+14% YoY), with c.30% in green production.
- The overall market share stood at 9.2% (as of Feb/26, stable YtD), while the share in the mid-sized enterprises segment continued strong at 18.2% (stable YtD), confirming the Bank's strong presence in the Portuguese market, particularly in the corporate segment.
- Non-performing loans (NPL) stood at €839mn (+3.5% vs Dec/25). Net NPL ratio remained at a low level of 0.3% (Dec/25: 0.2%) and NPL ratio at 2.9% (Dec/25: 2.9%), with a 88.6% coverage level (Dec/25: 91.9%).

GROUP RESULTS

The most relevant aspects of the quarter include:

- Net Income of €200.7mn (+13.2% YoY) and RoTE at 19.9%;
- Commercial banking income stable at €361.8mn (-0.4% YoY), driven by the evolution of net interest income, with commercial performance being offset by lower YoY interest rates environment, and the execution of initiatives to enhance fee generation;
- Operating costs totalled €130.6mn (+3.1% vs average of 2025) with Commercial C/I ratio at 36.1%;
- Improved risk profile with provisions for customer credit recording a decrease of €15.2mn YoY, equivalent to -3bps Cost of Risk (vs 17bps in 1Q25). Provisions for other assets and contingencies totalled €-11.2mn (-€11.1mn YoY).

Income Statement (mn€)	1Q25	2Q25	3Q25	4Q25	1Q26	QoQ change		YoY change	
						absolute	%	absolute	%
Net Interest Income	279.1	279.7	270.2	268.2	276.2	8.1	3.0%	-2.9	-1.0%
+ Fees and Commissions	84.3	94.7	87.1	87.6	85.6	-2.0	-2.3%	1.3	1.5%
= Commercial Banking Income	363.4	374.4	357.2	355.7	361.8	6.1	1.7%	-1.6	-0.4%
+ Market Results	0.0	3.0	-1.3	40.5	-4.5	-45.0	...	-4.5	...
+ Other Operating Results	9.8	47.7	13.6	5.8	32.4	26.6	...	22.6	231.0%
= Banking Income	373.2	425.1	369.5	402.1	389.8	-12.3	-3.1%	16.6	4.4%
- Operating Costs	125.2	135.9	123.1	122.3	130.6	8.2	6.7%	5.3	4.2%
= Net Operating Income	248.0	289.2	246.4	279.7	259.2	-20.5	-7.3%	11.3	4.5%
- Net Impairments and Provisions	12.3	-1.2	49.2	69.5	-13.9	-83.5	...	-26.3	-213.0%
Customer credit	12.4	-17.7	4.6	25.7	-2.7	-28.5	...	-15.2	-122.1%
Other Assets and Contingencies	-0.1	16.5	44.6	43.8	-11.2	-55.0	...	-11.1	...
= Income before Taxes	235.6	290.4	197.2	210.2	273.2	63.0	30.0%	37.5	15.9%
- Taxes	25.7	36.1	20.5	-8.5	45.0	53.5	...	19.3	74.9%
- Special Tax on Banks	31.8	-4.9	0.0	0.0	26.4	26.4	...	-5.3	-16.8%
= Income after Taxes	178.1	259.2	176.8	218.7	201.8	-17.0	-7.8%	23.6	13.3%
- Non-controlling Interests	0.9	1.6	1.2	1.1	1.1	0.0	0.3%	0.2	18.3%
= Net Income	177.2	257.7	175.6	217.6	200.7	-17.0	-7.8%	23.4	13.2%

NET INTEREST INCOME

Net Interest Income was €276.2mn (€-2.9mn; -1.0% YoY), reflecting 7.5% YoY increase in average Customer Credit and the proactive hedging strategy, partially offsetting the 29bp YoY decline in the 6-month average Euribor (1Q26: 2.20% vs 1Q25: 2.49%), leading to a Net Interest Margin of 2.50% (1Q25: 2.77%).

Net Interest Income (NII) and Net Interest Margin (NIM) (mn€)	Mar-25			Dec-25			Mar-26		
	Average Balance	Avg. Rate	Income / Costs	Average Balance	Avg. Rate	Income / Costs	Average Balance	Avg. Rate	Income / Costs
Interest Earning Assets	40,281	4.07%	409.5	41,379	3.81%	1,598.7	44,241	3.63%	401.5
Customer Credit	28,989	4.44%	321.9	29,776	4.04%	1,219.7	31,156	3.78%	294.4
Mortgage Loans	10,154	3.92%	99.4	10,435	3.43%	362.8	10,930	3.12%	85.4
Consumer Loans and Others	1,978	6.78%	33.5	2,120	6.35%	136.4	2,429	6.29%	38.2
Corporate Credit	16,857	4.48%	188.9	17,221	4.13%	720.5	17,796	3.84%	170.8
Money Market Placements	1,800	2.85%	12.8	2,785	2.09%	59.1	4,046	1.83%	18.5
Securities ALM and Other Assets	9,492	3.15%	74.8	8,818	3.58%	320.0	9,040	3.92%	88.7
Interest Earning Assets	40,281	4.07%	409.5	41,379	3.81%	1,598.7	44,241	3.63%	401.5
Interest Bearing Liabilities	35,183	1.51%	132.5	36,819	1.34%	499.1	39,807	1.25%	124.6
Customer Deposits	30,100	1.07%	80.6	30,877	0.89%	278.5	32,414	0.80%	64.6
Money Market Funding	1,553	2.37%	9.2	1,808	1.84%	33.8	3,090	1.75%	13.5
Debt Issued and Subordinated Debt	3,529	4.84%	42.7	4,134	4.46%	186.8	4,303	4.32%	46.5
Other Non-Interest Bearing Liabilities	5,098	-	0.0	4,560	-	-	4,434	-	-
Interest Bearing Liabilities	40,281	1.32%	132.5	41,379	1.19%	499.1	44,241	1.13%	124.6
NIM / NII (without stage 3 impairment adjustment)		2.75%	277.1		2.62%	1,099.6		2.50%	277.0
Stage 3 impairment			2.1			-2.5			-0.7
NIM / NII		2.77%	279.1		2.62%	1,097.1		2.50%	276.2
Euribor 6M - Average		2.49%			2.20%			2.20%	

The average rate on assets decreased to 3.63% (-18pb vs 2025), driven by customer credit repricing on the back of rates environment, with average rate on customer credit decreasing to 3.78% (-26bps YtD). The average balance of interest earning assets was €44.2bn (vs €41.4bn in 2025).

The average balance of customer deposits increased to €32.4bn (+5.0% YtD), with an average remuneration rate of 0.80% (2025: 0.89%).

The unfavourable evolution of asset yields (1Q26: 3.63%; 2025: 3.81%) and the decline in liabilities' interest rates (1Q26: 1.13%; 2025: 1.19%) led to the overall Net Interest Margin at 2.50% (2025: 2.62%).

FEES AND COMMISSIONS

Fee income totalled €85.6mn, increasing 1.5% YoY (1Q25: €84.3mn), driven by activity growth and the execution of strategic initiatives. In detail, accounts and payments management fees (€45.2mn; +5.8% YoY) continue to show consistent growth over the quarters, reflecting novobanco's strong franchise.

Fees and Commissions (mn€)	Mar-25	Mar-26	Change	
			absolute	%
Payments Management	42.7	45.2	2.5	5.8%
Commissions on Loans, Guarantees and Similar	20.2	19.2	-1.0	-5.1%
Asset Management and Bancassurance	18.8	17.3	-1.4	-7.7%
Advising, Servicing and Other	2.6	3.9	1.3	49.1%
Fees and Commissions Total	84.3	85.6	1.3	1.5%

CAPITAL MARKETS AND OTHER OPERATING RESULTS

Capital markets results, which include gains and losses from the sale and revaluation of securities, foreign exchange results and hedging, totalled €-4.5mn. As of 31 March 2026, fair value reserves of the securities portfolio amount to €-14.0mn (Dec/25: €+32.0mn).

Other operating results totalled €+32.4mn (1Q25: €+9.8mn), reflecting gains from the recovery of overdue credit and taxes.

OPERATING COSTS

Operating costs totalled €130.6mn (+3.1% vs average of 2025), of which Staff costs were €69.5mn (+1.6% YoY), general and administrative expenses were €47.6mn (+8.5% YoY) and depreciation was €13.4mn (+3.8% YoY), denoting the investments done in the simplification process.

Commercial Cost to Income ratio of 36.1% (1Q25: 34.5%), reflecting a contained cost base through focus on simplification and processes optimization.

Operating Costs (mn€)	Mar-25	Mar-26	Change	
			absolute	%
Staff Costs	68.4	69.5	1.1	1.6%
General and Administrative Costs	43.9	47.6	3.7	8.5%
Depreciation	13.0	13.4	0.5	3.8%
Operating Costs Total	125.2	130.6	5.3	4.2%

As of 31 March 2026, novobanco Group had 4,132 employees (Dec/25: 4,081; +51 employees) and 302 branches (+13 vs Dec/25, from the upgrade of previous business extensions into branches).

NET IMPAIRMENTS AND PROVISIONS

In the quarter, novobanco Group recorded net impairments and provisions of €-13.9mn (€-26.3mn YoY). Customer credit cost of risk was -3bps (1Q25: 17bps), reflecting conservative underwriting approach and the continued strengthening of novobanco's asset quality.

Net Impairments and Provisions (mn€)	Mar-25	Mar-26	Change	
			absolute	%
Customer credit	12.4	-2.7	-15.2	...
Other Assets and Contingencies	-0.1	-11.2	-11.1	...
Net Impairments and Provisions Total	12.3	-13.9	-26.3	...

ACTIVITY, LIQUIDITY AND CAPITAL MANAGEMENT

CUSTOMER CREDIT

As a Portuguese universal Bank, novobanco's 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, 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€)	Mar-25	Dec-25	Mar-26	YtD Change	
				absolute	%
Corporate Loans	13,922	14,602	14,870	268	1.8%
Corporate Securities	3,146	3,031	3,284	252	8.3%
Individual Loans	12,341	13,280	13,806	526	4.0%
Residential Mortgage	10,307	10,966	11,130	164	1.5%
Other Loans	2,035	2,315	2,676	362	15.6%
Customer Credit (gross)	29,409	30,914	31,960	1,046	3.4%
Impairment	862	809	805	-4	-0.5%
Customer Credit (net)	28,547	30,105	31,155	1,050	3.5%

Gross Customer credit increased to €32.0bn (+3.4% YtD), of which corporate customers represented 57%, residential mortgage 35% and other loans to individuals 8%. The completion of the acquisition of Unibanco's business unit, focused on credit cards, during 1Q26 contributed to an increase in net customer credit portfolio of €0.3 bn.

In the Corporate segment, novobanco maintained high levels of Client satisfaction, with 96% of Clients highly satisfied, reflected in an internal NPS of 61.9 (+13.9pp YoY), largely driven by the high satisfaction levels with the service provided by Relationship Managers, reinforcing its positioning as a trusted financial partner. The Bank recorded meaningful market share gains in Factoring and Confirming, with the Factoring market share reaching 16.6%, and consolidated its leadership in Auto & Equipment Leasing, a core product supporting corporate investment, having achieved the position of #1 in the market in 2025, with more than €500mn of cumulative production (+41% vs. 2024), corresponding to a 22.7% market share. Novobanco also stood out in supporting Companies, with more than €110mn contracted under the BPF Reconstruction Support Line, maintained its leading position in LAQO, in partnership with *Turismo de Portugal*, and strengthened its payments offering, reaching a 14.2% market share in POS transaction volumes.

In the Retail segment, novobanco recorded a positive evolution in new client acquisition, with a 68,5% increase compared to 4Q25, supported by a broad range of strategic initiatives, including Client loyalty programmes, cross-segment initiatives and reactivation programmes for inactive Clients. In a context of high competitiveness in the mortgage market, novobanco launched targeted acquisition and retention offers, positioning its value proposition as one of the most attractive in the market, while maintaining a conservative risk policy, as reflected in an average loan-to-value (LTV) at origination remaining at around 60%, which is expected to support a significant increase in portfolio growth over the coming quarters. Additionally, the continued investment in new products and functionalities across digital channels delivered strong results and contributed to maintaining high levels of satisfaction with the personal loans experience, which stood at 93.4%. Digital personal loan sales increased by 46% YoY, representing more than 30% of total personal loan sales, while digital credit card sales grew by 180% YoY, representing c.30% of total credit card sales. In 2025, digital sales represented 52% of total sales, a share that has already exceeded 60% in 1Q26, highlighting the accelerating digital transformation of the Retail business.

Following the business momentum, during the first quarter of 2026, loan origination remained strong at €1.6bn (1Q25: €1.4bn; +14% YoY), of which 60% corporate, 27% mortgage and 13% consumer and others, with green production accounting for more than 30% of total new origination.

The asset quality indicators are as follows:

Asset Quality and Coverage Ratios (mn€)	Mar-25	Dec-25	Mar-26	YtD Change	
				absolute	%
Overdue Loans > 90 days	317	314	326	12	4.0%
Non-Performing Loans (NPL)	851	810	839	29	3.5%
Overdue Loans > 90 days / Customer Loans (gross)	1.2%	1.1%	1.1%	–	p.p.
Non-Performing Loans (NPL) Ratio	3.2%	2.9%	2.9%	–	p.p.
Credit provisions / Customer Loans	3.1%	2.7%	2.6%	-0.1	p.p.
Coverage of Overdue Loans > 90 days	252.8%	237.0%	227.5%	-9.5	p.p.
Coverage of Non-Performing Loans	94.2%	91.9%	88.6%	-3.3	p.p.
Net Non-Performing Loans	0.2%	0.2%	0.3%	0.1	p.p.

Non-performing loans (NPL) stood at €839mn (+3.5% vs Dec/25). Net NPL ratio remained at a low level of 0.3% (Dec/25: 0.2%) and NPL ratio at 2.9% (Dec/25: 2.9%), with a 88.6% coverage level (Dec/25: 91.9%).

As at 31 March 2026, novobanco exposure to real estate was €274.1mn (excludes €25.7mn of non-recurrent assets classified as available for sale), decreasing 6.0% YtD and representing circa 0.6% 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 €9.4bn (€+0.9bn YtD). As of 31 March 2026, ALM portfolio represented 20% of total assets, of which 59% was accounted at amortised cost.

As of 31 March 2026, the securities accounted at amortised cost had unrealised mark-to-market losses of €124mn (net of hedges and taxes).

ALM portfolio (mn€)	Mar-25	Dec-25	Mar-26	YtD Change	
				absolute	relative
Portuguese sovereign debt	1,470	1,130	2,182	1,052	93.1%
Other sovereign debt	5,966	4,639	4,336	-303	-6.5%
Bonds	2,495	2,768	2,912	144	5.2%
ALM portfolio Total (net of impairment)	9,931	8,537	9,429	892	10.5%

FUNDING

Total customer funds increased to €48.2bn (Dec/25: €47.0bn), of which deposits represent 68.9% of the activity funding. Backed by the solid franchise and strong client relationship, in the period, customer deposits increased by €1.2bn to €33.2bn (+3.7% YtD).

Total Funds (mn€)	Mar-25	Dec-25	Mar-26	YtD change	
				absolute	%
Deposits	30,171	32,024	33,211	1,187	3.7%
Other Customer Funds (1)	776	287	398	111	38.7%
Debt Securities	3,417	3,898	3,814	-84	-2.2%
Subordinated Debt	514	502	514	12	2.4%
Customer funds	34,877	36,711	37,936	1,226	3.3%
Off-Balance Sheet Funds (2)	7,305	7,863	7,776	-87	-1.1%
Third party funds (3)	2,095	2,468	2,503	35	1.4%
Off-balance sheet and third party Funds	9,400	10,331	10,279	-52	-0.5%
Total Funds	44,277	47,042	48,215	1,174	2.5%

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

(2) includes Investment Funds, Pension Funds, Bancassurance and Discretionary Asset Management managed by GNBGA

(3) Includes assets acquired through negotiation platforms by novobanco and BEST customers (does not include distributed structured notes as well as stocks) and other third party funds by BEST

LIQUIDITY

In the first quarter of 2026, novobanco maintained a comfortable liquidity position, positively supported by market funding activity as well as by the solid performance of its commercial operations. As of 31 March 2026, novobanco’s Liquidity Coverage Ratio (LCR) stood at 150% (Dec/25: 160%) and the Net Stable Funding Ratio (NSFR) was 117% (Dec/25: 118%), both comfortably above regulatory requirements.

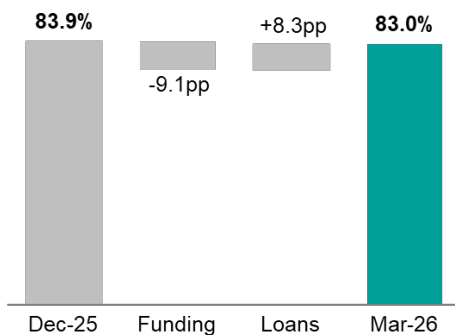
In terms of commercial activity, during the quarter, customer credit (gross) increased by €1.0bn to €32.0bn (Dec/25: €30.9bn), with favourable performance across all segments, while customer deposits rose by €1.2bn to €33.2bn (Dec/25: €32.0bn), mainly driven by strong performance in the corporate segment. On the other hand, the ALM portfolio increased by €0.9bn during the quarter, primarily reflecting higher exposure to the sovereign debt portfolio.

In the first quarter of the year, deposits at the ECB decreased compared to year-end levels, amounting to €1.1bn as of 31 March 2026 (Dec/25: €1.8bn). As of 31 March 2026, the Bank had no ECB funding and therefore net ECB funding (ECB funding minus deposits at European Central Banks) stood at €-1.1bn (Dec/25: €-1.8bn), maintaining its net funding position.

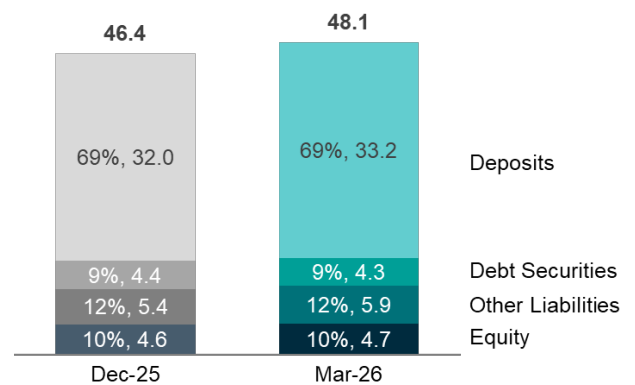
As of 31 March 2026, the portfolio of eligible assets available for rediscount as collateral with the European Central Bank stood at €18.3bn, broadly in line with the levels as of 31 December 2025. The amount of eligible assets available for rediscount with the ECB totalled €13.6bn (net of haircut), also remaining stable compared to year-end 2025. In addition to the above, novobanco holds HQLA assets not eligible with the ECB and deposits at the ECB, resulting in a total liquidity buffer of €16.6bn, mostly composed of high-quality liquid assets.

In terms of MREL requirements, on 5 January 2026, the Bank announced that, as of 31 December 2025, its new consolidated MREL requirements would be equivalent to: (i) 23.09% of total risk-weighted assets (TREA), plus the then-applicable combined capital buffer requirement (Dec/25: 4.1%; including countercyclical capital buffer of 0.75% in Portugal taking effect from 1-Jan-26); and (ii) 5.90% of the leverage ratio exposure (LRE). This decision reflects an increase in TREA requirements from 23.04% to 23.09%, reflecting the benefit of the P2R decrease but impacted by the increase in the Systemic Buffer (considered for MREL under the MCC - Market Confidence Charge).

Loan to Deposit Ratio
(%)



Funding Structure
(%; € billion)



Supported by strong capital generation, novobanco achieved a MREL of 31.8% of TREA as of 31 March 2026 (including 100% of 2025 net income and excluding 1Q26 net income).

MREL (BdP notification; Jan-25; %)	Requirements: from Dec-25 onwards	Mar-26 (3)
TREA (1)	23.1 %	
Combined Buffer	4.1 %	
Total	27.15 %	31.8 %
LRE (2)	5.9 %	12.9 %

(1) TREA - Total Risk Exposure Amount; Dec-25 requirement as announced on January 2026

(2) LRE - Total Leverage Exposure

(3) Considers 100% of 2025 net income and excludes 1Q26 net income

CAPITAL

In March 2026, backed by a strong financial performance, CET1 ratio totalled 19.2% and Total Capital ratio reached 22.0% (with incorporation of 100% of the 2025 Net Income and excluding 1Q26 Net Income). Considering incorporation of 100% of the 1Q26 Net Income, CET1 would be 20.1% and Total Capital 23.0%, denoting a strong capital generation in the quarter (above 25bps).

The organic capital generation reflects the capital accretive business model with a solid top-line performance, efficient operations and disciplined capital allocation.

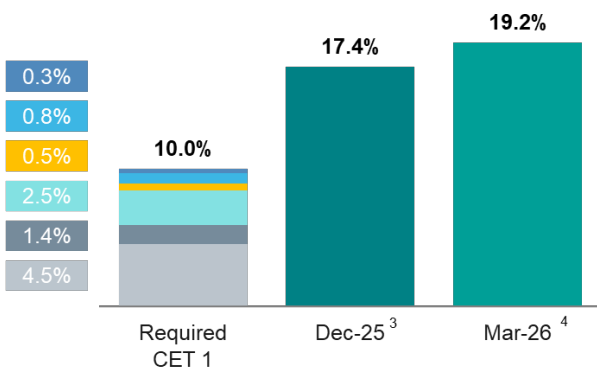
Capital Ratios (CRD IV/CRR) (€mn)		Dec-25 *	Mar-26* (1)
Risk Weighted Assets	(A)	20,224	20,807
Own Funds			
Common Equity Tier 1	(B)	3,521	3,988
Tier 1	(C)	3,522	3,990
Total Own Funds	(D)	4,094	4,576
Common Equity Tier 1 Ratio	(B/A)	17.4%	19.2 %
Tier 1 Ratio	(C/A)	17.4%	19.2 %
Solvency Ratio	(D/A)	20.2%	22.0 %
Leverage Ratio		7.0%	7.8 %

(1) Preliminary

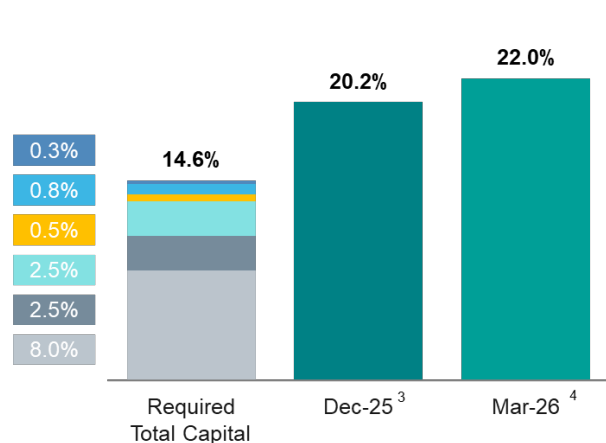
* Mar26 ratios include 100% of 2025 net income and excludes 1Q26 net income; Dec25 ratios include 40% of 2025 net income

CET 1 ratio (%)

■ P1 ■ P2R ■ CCB ■ O-SII ■ CCyB¹ ■ SyB²



Total Capital ratio (%)



(1) Not fixed amount, includes Countercyclical capital buffer of 0.75% in Portugal taking effect from 1-Jan-26; (2) Not fixed amount, capital requirements include a buffer on exposures secured by residential real estate ~30bps; (3) Considers incorporation of 40% of 2025 results; (4) Considers incorporation of 100% of 2025 results and excludes incorporation of 1Q26 results.

ECONOMIC ENVIRONMENT

The global economic environment in 1Q26 was shaped by rising uncertainty and geopolitical risks. This climate was driven, among other events, by the intensification of the conflict in Ukraine and the outbreak of the US/Israel-Iran conflict in late February. This conflict impacted various energy production and distribution infrastructures in the Persian Gulf and led to the closure of the Strait of Hormuz in early March. The resulting disruption to oil and natural gas supply caused Brent futures to surge by 94.5% during the quarter to \$118/barrel, while European natural gas prices rose by 80.2% over the same period to €51/MWh.

Rising inflation expectations led the market to anticipate higher interest rates. In the Euro Area, the 6-month Euribor rose from 2.11% to 2.48%. The 10-year Bund yield increased from 2.85% to 3%. The ECB kept policy interest rates unchanged. However, by the end of March, the market was pricing in two to three 25bps hikes by the end of 2026. In the US, the Federal Reserve maintained the fed funds target rate at 3.5%–3.75%, while the 10-year Treasury yield rose from 4.17% to 4.32%. Against this backdrop, the S&P 500 and Nasdaq equity indices retreated by 4.6% and 7.1%, respectively. In Europe, the DAX and Euro Stoxx 600 fell by 7.4% and 1.5%. Stock market performance was also dampened by fears of potential overvaluations in the IT sector and possible disruptions to software service business models caused by AI. Increased risk aversion benefited the US dollar, which appreciated 1.7% against the euro to EUR/USD 1.155.

Despite the adverse environment, economic activity proved resilient across major economies. In the US, GDP is estimated to have grown by 2.3% QoQ annualised, compared to 0.5% in 4Q25, supported by a relatively stable labour market and stronger growth in business investment and public spending. In the Euro Area, GDP likely maintained the 0.2% quarterly growth seen in the previous quarter, bolstered by a low unemployment rate and increased fiscal policy support. In China, GDP grew by 5% YoY, a slight acceleration from the previous quarter.

In addition to the war in the Middle East, the Portuguese economy was impacted in 1Q26 by extreme weather events that primarily hit the Central region, causing significant damage to housing, factories, farmland, and transport, communications, and electricity distribution infrastructure. This damage temporarily weighed on production, consumption, and exports, particularly in the affected regions. Consequently, Portuguese GDP likely recorded near-zero quarterly growth in 1Q26, corresponding to a YoY expansion of around 2%. Between January and March, YoY inflation rose from 1.9% to 2.7%, driven by increases in energy prices (5.7% YoY) and food (6.4% YoY). The Portuguese economy continued to show positive fundamentals, evidenced by a low unemployment rate (5.8% of the active population in February) and favourable financing conditions. The 10-year PGB spread against the Bund rose from 30bps to 45bps in the first quarter, reflecting the broader market risk aversion, but remained lower than Spain (50bps), France (72bps), and Italy (90bps). Sovereign ratings remained at A+ from S&P and A from Fitch.

MAIN INDICATORS

	Mar-25	Dec-25	Mar-26
Activity (€mn)			
Net Assets	43,716	46,446	48,124
Customer Credit (gross)	29,409	30,914	31,960
Customer Deposits	30,171	32,024	33,211
Equity	5,011	4,617	4,729
Tangible book value	3,769	4,426	4,530
Solvency *			
Common Equity Tier I / Risk Weighted Assets (4) *	16.0%	17.4%	19.2%
Tier I / Risk Weighted Assets (4) *	16.0%	17.4%	19.2%
Total Capital / Risk Weighted Assets (4) *	18.8%	20.2%	22.0%
Leverage Ratio (4) *	7.3%	7.0%	7.8%
Liquidity (€mn)			
European Central Bank Funding (3)	-1,290	-1,790	-1,129
Eligible Assets for Repo Operations (ECB and others), net of haircut	17,540	18,640	18,313
(Total Credit - Credit Provision) / Customer Deposits (2)	82%	84%	83%
Liquidity Coverage Ratio (LCR) (4)	160%	160%	150%
Net Stable Funding Ratio (NSFR) (4)	120%	118%	117%
Asset Quality			
Overdue Loans > 90 days / Customer Loans (gross)	1.2%	1.1%	1.1%
Non-Performing Loans (NPL) / Customer Loans	3.2%	2.9%	2.9%
Credit Provision / Overdue Loans > 90 days	252.8%	237.0%	227.5%
Credit Provision / Customer Loans (gross)	3.1%	2.7%	2.6%
Cost of Risk (base points) (1)	17	8	-3
Profitability			
Net Income for the Period (mn€)	177.2	828.1	200.7
Income before Taxes and Non-controlling interests / Average Net Assets (2)	2.2%	2.1%	2.3%
Banking Income / Average Net Assets (2)	3.5%	3.5%	3.3%
Income before Taxes and Non-controlling interests / Average Equity (2)	19.4%	21.4%	24.2%
Return on Tangible Equity (RoTE) *	21.7%	21.6%	19.9%
Efficiency			
Operating Costs / Banking Income (2)	33.6%	32.3%	33.5%
Operating Costs / Commercial Banking Income	34.5%	34.9%	36.1%
Staff Costs / Banking Income (2)	18.3%	18.2%	17.8%
Employees (No.)			
	4,213	4,081	4,132
Branch Network (No.)			
	290	289	302

(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

* Mar26 ratios include 100% of 2025 net income and excludes 1Q26 net income; Dec25 ratios include 40% of 2025 net income

** includes 40% of 2025 net income

FINANCIAL STATEMENTS

NOVO BANCO, S.A.

CONSOLIDATED INCOME STATEMENT AS AT 31 MARCH 2026 AND 2025

	thousands of Euros	
	31.03.2026	31.03.2025
Interest Income	489,617	516,206
Interest Expenses	(213,379)	(237,094)
Net Interest Income	276,238	279,112
Dividend income	303	61
Fees and commissions income	95,329	96,097
Fees and commissions expenses	(10,248)	(12,128)
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	9,874	1,675
Gains or losses on financial assets and liabilities held for trading	(4,132)	2,722
Gains or losses on financial assets mandatorily at fair value through profit or loss	(398)	583
Gains or losses on financial assets and liabilities designated at fair value through profit and loss	–	68
Gains or losses from hedge accounting	(6,713)	(4,898)
Exchange differences	3,526	1,238
Gains or losses on derecognition of non-financial assets	(284)	804
Other operating income	35,690	17,055
Other operating expenses	(36,372)	(41,729)
Operating Income	362,813	340,661
Administrative expenses	(117,107)	(112,277)
Staff expenses	(69,485)	(68,376)
Other administrative expenses	(47,622)	(43,901)
Cash contributions to resolution funds and deposit guarantee schemes	(114)	(112)
Depreciation	(13,446)	(12,958)
Provisions or reversal of provisions	14,740	4,696
Commitments and guarantees given	4,362	3,385
Other provisions	10,378	1,311
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	(1,697)	(15,952)
Impairment or reversal of impairment on non-financial assets	899	(1,080)
Share of the profit or loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	655	890
Profit or loss before tax from continuing operations	246,744	203,869
Tax expense or income related to profit or loss from continuing operations	(44,986)	(25,721)
Current tax	(6,240)	(7,108)
Deferred tax	(38,746)	(18,613)
Profit or loss after tax from continuing operations	201,759	178,147
Profit or loss from discontinued operations	–	–
Profit or loss for the period	201,759	178,147
Attributable to Shareholders of the parent	200,655	177,215
Attributable to non-controlling interests	1,104	933
	201,759	178,147

NOVO BANCO, S.A.
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2026 AND 31 DECEMBER 2025

thousands of Euros

	31.03.2026	31.12.2025
ASSETS		
Cash, cash balances at central banks and other demand deposits	1,518,636	2,169,209
Financial assets held for trading	671,632	206,024
Financial assets mandatorily at fair value through profit or loss	228,563	225,426
Financial assets at fair value through other comprehensive income	3,437,336	3,621,033
Financial assets at amortised cost	39,045,450	37,347,223
Securities	8,773,234	7,920,427
Loans and advances to banks	2,374,012	2,324,006
Loans and advances to customers	27,898,205	27,102,790
Derivatives – Hedge accounting	516,645	617,528
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(81,410)	(74,013)
Investments in subsidiaries, joint ventures and associates	68,794	67,822
Tangible assets	665,128	672,990
Tangible fixed assets	409,538	417,302
Investment properties	255,590	255,688
Intangible assets	170,140	161,484
Tax assets	812,294	818,158
Current Tax Assets	7,872	7,959
Deferred Tax Assets	804,422	810,200
Other assets	1,038,432	581,017
Non-current assets and disposal groups classified as held for sale	32,367	32,546
Total Assets	48,124,007	46,446,445
LIABILITIES		
Financial liabilities held for trading	60,380	64,595
Financial liabilities measured at amortised cost	42,051,637	40,262,839
Deposits from central banks and other banks	3,161,062	3,029,353
(of which: repos)	2,266,943	2,239,390
Due to customers	33,608,671	32,310,857
(of which: repos)	10,045	–
Debt securities issued, Subordinated debt and liabilities associated to transferred assets	4,327,786	4,399,774
Other financial liabilities	954,117	522,854
Derivatives – Hedge accounting	183,996	151,791
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(27,852)	20,822
Provisions	421,173	532,208
Tax liabilities	18,551	15,739
Current Tax liabilities	18,551	15,739
Other liabilities	675,614	769,230
Liabilities included in disposal groups classified as held for sale	11,844	12,416
Total Liabilities	43,395,343	41,829,639
EQUITY		
Capital	2,245,000	2,245,000
Accumulated other comprehensive income	(1,118,994)	(1,031,801)
Retained earnings	787,250	13,814
Other reserves	2,586,074	2,532,235
Profit or loss attributable to Shareholders of the parent	200,655	828,085
Minority interests (Non-controlling interests)	28,679	29,473
Total Equity	4,728,664	4,616,807
Total Liabilities And Equity	48,124,007	46,446,445

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 placed with clients and off- balance sheet customer and third party funds.
Off-Balance Sheet Funds and Third party funds	Off-balance sheet funds managed by Group companies, including mutual funds, real estate investment funds, pension funds, bancassurance, portfolio management and discretionary management. Third-party resources are funds from the Group's clients invested in assets managed by entities outside the Group.
Loan to deposit ratio	Ratio of [gross loans - (accumulated provisions / impairment for credit)] to deposits and other customer funds.
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 between impairment charges recorded in the year for loans to customers, guarantees and debt securities associated with credit operations, and the balance of gross loans to customers and debt securities associated with credit operations portfolio.
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 and excluding intangibles.

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

Disclaimer
 The totals and variations presented and the ratios were calculated on the basis of the values in euros and not those presented in the body of the report.

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