

## FINAL TERMS FOR COVERED BONDS

Final Terms dated 21 December 2016

Novo Banco, S.A.

Issue of €450,000,000 Floating Rate Covered Bonds due 2023

under the €10,000,000,000.00 Conditional Pass-through Covered Bonds Programme

**THE COVERED BONDS (AS DESCRIBED HEREIN) ARE MORTGAGE COVERED BONDS ISSUED IN ACCORDANCE WITH DECREE-LAW 59/2006, OF 20 MARCH 2006 (AS AMENDED, THE “COVERED BONDS LAW”) AND FURTHER APPLICABLE REGULATIONS. THE ISSUER HAS THE CAPACITY TO ISSUE COVERED BONDS IN ACCORDANCE WITH THE COVERED BONDS LAW. THE FINANCIAL OBLIGATIONS OF THE ISSUER UNDER THE COVERED BONDS ARE SECURED ON THE COVER POOL MAINTAINED BY THE ISSUER IN ACCORDANCE WITH THE COVERED BONDS LAW.**

This document constitutes the Final Terms relating to the issue of Covered Bonds described herein.

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Covered Bonds (the “Terms and Conditions”) set forth in the Base Prospectus dated 21 December 2016 which constitutes a base prospectus for the purposes of Directive 2003/71/EC, as amended (the “Prospectus Directive”). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at Novo Banco, S.A., Avenida da Liberdade, 195, 1250-142 Lisbon, and physical copies may be obtained from the same address and electronic copies from the website of the Issuer (<http://www.novobanco.pt>).

1	Issuer:	Novo Banco, S.A.
2	(i) Series Number:	5
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Euro (“€”)
4	Aggregate Nominal Amount of Covered Bonds:	
	A. Series:	€ 450,000,000
	B. Tranche:	€ 450,000,000
	Specify whether Covered Bonds to be admitted to trading	Yes
5	(i) Issue Price:	100 per cent. of the Aggregate Nominal Amount

	(ii) Net Proceeds (Required only for listed issues)	€ 450,000,000
6	Specified Denominations:	€ 100,000
7	(i) Issue Date:	22 December 2016
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	Interest Payment Date falling in or nearest to 22 December 2023
9	Extended Maturity Date:	Interest Payment Date falling in or nearest to 22 December 2066
10	Interest Basis:	
	(i) Period to (and including) Maturity Date or the Pass-through Date, as applicable:	EURIBOR 3month+0.25 per cent. Floating Rate  (further particulars specified below)
	(ii) Period from (but excluding) the Pass-through Date up to (and including) Extended Maturity Date:	EURIBOR 1month+0.25 per cent. Floating Rate  (further particulars specified below)
11	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date in the following basis:  Redemption at par  If the maturity of the Covered Bonds is extended pursuant to Condition 6.8, redemption will be made in accordance with Condition 6.9.
12	Change of Interest or Redemption/Payment Basis	Not Applicable
13	Put/Call Options:	Not Applicable
14	(i) Status of the Covered Bonds:	The Covered Bonds will be direct, unconditional and unsubordinated and secured obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves. The Covered Bonds will qualify as mortgage covered bonds for the purposes

of the Covered Bonds Law.

- (ii) Date of Board approval for issuance of Covered Bonds obtained: 20 December 2016

15 Method of distribution: Non-syndicated

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16 Fixed Rate Covered Bonds Provisions Not Applicable

17 Floating Rate Covered Bonds Provisions

- To Maturity Date or Pass-through Date, as applicable: Applicable

- From Pass-through Date up to Extended Maturity Date: Applicable

(i) Specified Period(s)/Specified Interest Payment Dates:

- To Maturity Date or Pass-through Date, as applicable: 22 March, 22 June, 22 September, 22 December on each year

- From Pass-through Date up to Extended Maturity Date: In each month up to the Extended Maturity Date, on the same day of the month of the Pass-through Date. For the avoidance of doubt, the first Interest Payment Date after the Pass-through Date will fall on the same day of the month of the Pass-through Date in the immediately following month.

(ii) Business Day Convention:

- To Maturity Date or Pass-through Date, as applicable: Modified Following Business Day Convention
- From Pass-through Date up to Extended Maturity Date: Modified Following Business Day Convention

(iii) Additional Business Centre(s):

- To Maturity Date or Pass-through Date, as applicable: Not Applicable
- From Pass-through Date up to Extended Maturity Date: Not Applicable

(iv) Manner in which the Rate of Interest



and Interest Amount is to be determined:

Screen Rate Determination

- To Maturity Date or Pass-through Date, as applicable:

- From Pass-through Date up to Extended Maturity Date:

Screen Rate Determination

- (v) Party responsible (the “**Calculation Agent**”) for calculating the Rate of Interest and Interest Amount (if not the Agent):

- To Maturity Date or Pass-through Date, as applicable:

Not Applicable

- From Pass-through Date up to Extended Maturity Date:

Not Applicable

- (vi) Screen Rate Determination:

- i. To Maturity Date or Pass-through Date, as applicable:

Applicable

Reference Rate:

Euribor 3 month

Interest Determination Date:

The second day of on which the TARGET2 System is open prior to the start of each Interest Period

Relevant Screen Page:

Reuters EURIBOR01

- ii. From Pass-through Date up to Extended Maturity Date:

Applicable

Reference Rate:

Euribor 1 month

Interest Determination Date:

The second day of on which the TARGET2 System is open prior to the start of each Interest Period

Relevant Screen Page:

Reuters EURIBOR01

- (vii) ISDA Determination:

- To Maturity Date or Pass-through Date, as applicable:

Not Applicable

- From Pass-through Date up to Extended Maturity Date:

Not Applicable



(viii) Margin(s):

To Maturity Date or Pass-through Date, as applicable: + 0.25 per cent. per annum

From Pass-through Date up to Extended Maturity Date: + 0.25 per cent. per annum

(ix) Minimum Rate of Interest:

• To Maturity Date or Pass-through Date, as applicable: Minimum of Interest Rate should be 0%.

• From Pass-through Date up to Extended Maturity Date: Minimum of Interest Rate should be 0%.

(x) Maximum Rate of Interest:

• To Maturity Date or Pass-through Date, as applicable: Not Applicable

• From Pass-through Date up to Extended Maturity Date: Not Applicable

(xi) Day Count Fraction:

• To Maturity Date or Pass-through Date, as applicable: Actual/360

• From Pass-through Date up to Extended Maturity Date: Actual/360

18 Zero Coupon Covered Bonds Provisions Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

19 Call Option Not Applicable

20 Put Option Not Applicable

21 Final Redemption Amount of each Covered Bond €100,000 per Covered Bond of €100,000 Specified Denomination

**GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

22 Form of Covered Bonds: Book-entry form  
Bearer Covered Bonds  
Held through Interbolsa



- |    |   |                |
|----|---|----------------|
| 23 | Additional Financial Centre(s):   | Not Applicable |
| 24 | Details relating to Partly Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment: | Not Applicable |
| 25 | Details relating to Instalment Covered Bonds:   | Not Applicable |
|    | (i) Instalment Amount(s):   | Not Applicable |
|    | (ii) Instalment Date(s):  | Not Applicable |
| 26 | Redenomination applicable:  | Not Applicable |

#### **DISTRIBUTION**

- |    |  |                  |
|----|--|------------------|
| 27 | (i) If syndicated, names of Dealers:                                       | Not Applicable   |
|    | (ii) Stabilising Manager (if any):   | Not Applicable   |
|    | (iii) Commission Payable / Selling Concession:                             | Not Applicable   |
| 28 | If non-syndicated, name of relevant Dealer:                                | Novo Banco, S.A. |
| 29 | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | Not applicable   |

#### **LISTING AND ADMISSION TO TRADING APPLICATION**

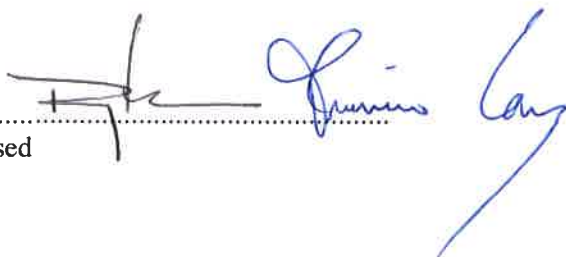
These Final Terms comprise the final terms required to list and have admitted to trading the issue of the Covered Bonds described herein pursuant to the €10,000,000,000.00 Conditional Pass-through Covered Bonds Programme of Novo Banco, S.A.

#### **RESPONSIBILITY**

The Issuer is responsible for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: .....  
Duly authorised




## PART B – OTHER INFORMATION

### 1. Listing and admission to trading

- (i) Listing: Irish Stock Exchange
- (ii) Admission to trading: Application has been made for the Covered Bonds to be admitted to trading on Irish Stock Exchange with effect from 22 December.
- (iii) Estimate of total expenses related to admission to trading € 600

### 2. Rating

- Rating: The Covered Bonds to be issued are expected to be rated:
- Moody's: Baa1
- DBRS: A

### 3. Interests of Natural and Legal Persons Involved in the Issue

So far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer. The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuers and its affiliates in the ordinary course of business.

### 4. Estimated Net Proceeds and Total Expenses

- (i) Estimated net proceeds €449,999,400
- (ii) Estimated total expenses: €600

### 5. Operational Information

- (i) ISIN Code: PTNOBEOE0018
- (ii) Common Code: 154261257
- (iii) Any clearing system(s) other than Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. as operator of the *Central de Valores Mobiliários* and the relevant identification number(s) and Not Applicable

addresses:

(iv) Delivery: Delivery free of payment

(v) Names and addresses of additional Paying Agent(s) (if any): Not Applicable

(vi) Intended to be held in a manner which would allow Eurosystem eligibility: Yes

Note that the designation “yes” simply means that the Covered Bonds are intended upon issue to be registered with Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. in its capacity as a securities settlement system, and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. *(Include this text if “yes” selected)*

## 6. Repurchase Commitment

(i) Applicability of the Repurchase Commitment: No

(ii) Repurchase amount: Not Applicable

