Results Presentation 2016

Unaudited financial information

12 April 2017

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NOVO BANCO

Portuguese Economy – Highlights

Note prepared in April 2017

MAIN ECONOMIC THEMES

- GDP increased 0.6% QoQ and 1.9% YoY in Q4 2016, above expectations, with a stronger contribution from domestic demand.
- Economic sentiment continues to improve and the coincident indicator of economic activity has accelerated in Q1 2017. The unemployment rate is showing a downward trend (10% of the labour force in February 2017 vs. 12.1% in January 2016). External demand for tourism services remains very strong.
- PGB yields remain sensitive to external developments and particularly, to the expectation of global reflation. The 10Y yield rose from 2.52% to 3.76% in 2016, and stands at 3.92% in April 2017, with the spread vs. Bunds at around 367 bps.

PUBLIC AND EXTERNAL ACCOUNTS

- The budget deficit fell to 2.1% of GDP in 2016, from 4.4% in 2015 (3.1% excluding one-offs), below target. The primary balance improved from 0.2% to 2.1% of GDP. The 2017 Budget points to a deficit of 1.6% of GDP.
- Public debt increased from 129% to 130.4% of GDP in 2016 (close to 122% excluding Central government deposits) and it should reach around 128.9% of GDP in 2017. By March, Portugal had covered 36% of its PGB financing needs for 2017.
- The combined current and capital balance reached a surplus of 1.5% of GDP in 2016 (i.e. net financing capacity), up from 1% in 2014 and 0.3% in 2015. Sovereign ratings on hold (DBRS at BBB low, i.e. investment grade level).

OUTLOOK

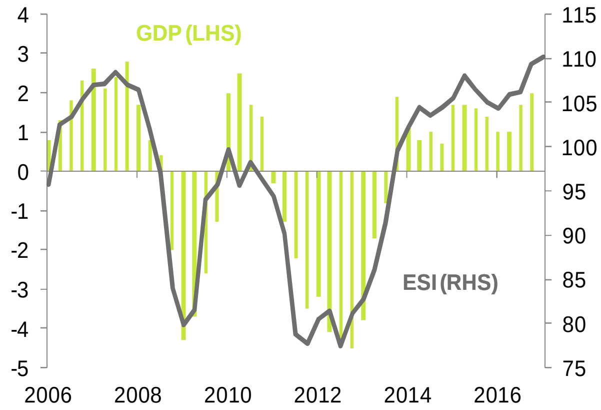
- After 1.4% in 2016, GDP should grow around 1.6% in 2017, with upside risks. We expect a moderation in private consumption, a recovery in investment and a higher contribution from net external demand.
- Better than expected growth in Europe, domestic political stability, support from the ECB's asset purchase programme, a stabilisation of the banking sector, improving financing conditions, strong growth in tourism and stronger public and private investment should support activity growth.
- The economy remains vulnerable to negative external shocks. Growth remains constrained by high indebtedness levels and by ongoing adjustments in the banking sector.

MAIN RISKS

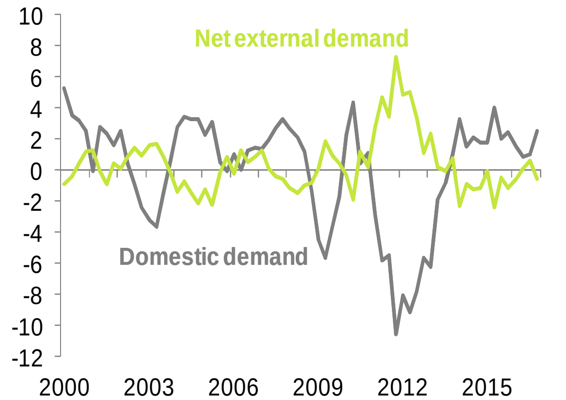
- Deterioration of investor sentiment associated with global political and financial market uncertainty (e.g. European fragmentation, tapering of ECB asset purchases, US economic and foreign policies, etc.), impacting financing conditions.
- Fiscal and economic impacts of adjustments in the banking sector.
- Difficulties in achieving further structural fiscal consolidation, preventing an improvement in sovereign ratings.
- Stronger than expected growth could come from the impact of the ECB's QE, stronger than expected growth in Europe and short term effects of expansionary fiscal policy.

Portuguese Economy – Highlights

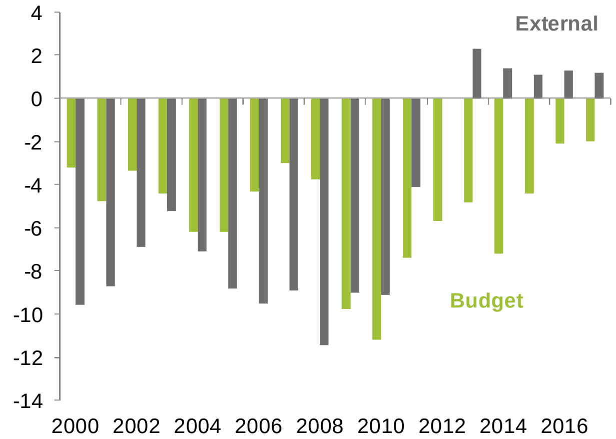
Economic Sentiment Indicator vs. GDP growth *(% YoY)*.



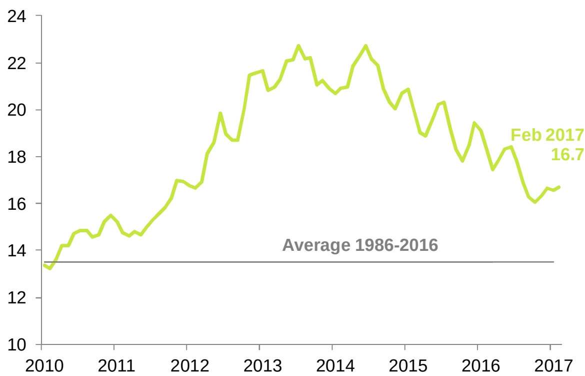
Contributions of domestic and net external demand to GDP growth *(p.p.)*.



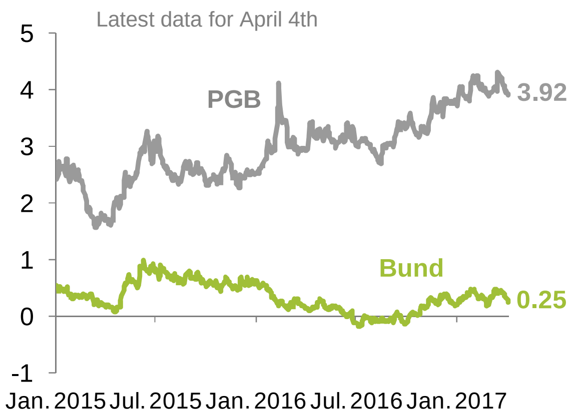
Budget and external balances *(% GDP)*.



Households financial stress indicator [(1)] *(net balances, 3m MA)*.



PGB vs. Bund 10Y yield *(%)*.



OECD leading indicator [(2)] *(long term = 100)*

(1) Net balance of respondents reporting the need to increase indebtedness and tap savings to finance current expenditure; (2) Based on domestic and export order books, industrial production, share prices and unfilled job vacancies. **Sources:** INE, European Commission, Bank of Portugal, Bloomberg, OECD, NB Economic Research.

Portuguese Economy – Main economic indicators 2010-2017

Annual growth rates (%), except where indicated	2010	2011	2012	2013	2014	2015	2016F	2017F
GDP	1.9	-1.8	-4.0	-1.1	0.9	1.6	1.4	1.6
Private Consumption	2.4	-3.6	-5.5	-1.2	2.3	2.6	2.3	1.6
Public Consumption	-1.3	-3.8	-3.3	-1.9	-0.5	0.8	0.8	0.4
Investment	3.4	-14.0	-18.1	-5.1	5.1	4.6	-0.9	3.4
Exports	9.5	7.0	3.4	6.9	4.3	6.1	4.4	4.9
Imports	7.8	-5.8	-6.3	4.7	7.8	8.2	4.4	4.8
Inflation (%)	1.4	3.7	2.8	0.3	-0.3	0.5	0.6	1.3
Budget Balance (% GDP)	-11.2	-7.4	-5.7	-4.8	-7.2*	-4.4**	-2.1***	-1.6
Public Debt (% GDP)	96.2	111.4	126.2	129.0	130.6	129.0	130.2	128.9
Unemployment (% Labour Force)	10.8	12.7	15.6	16.2	13.9	12.4	11.1	9.9
Current & Capital Account Balance (% GDP)	-9.1	-4.1	0.0	2.3	1.0	0.3	1.5	1.1

* Excluding one-off operations (e.g. SOE financing, BPN Crédito write-offs, tax credits to investment , severance payments to public sector workers), the deficit in 2014 stood at 3.6% of GDP. ** Excluding the recapitalisation of Banif, the deficit reached 3% of GDP. *** Includes one-off measures, including the ones associated to the extraordinary tax debt settlement scheme PERES and to the corporate assets' revaluation.

F: Forecast.

Sources: INE, Bank of Portugal, NB Economic Research.

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Appendix: Balance Sheet and Income Statement

NOVO BANCO

Highlights

1. **Increase of Net Operating Income to EUR 386.6mn**, +209% than the 2015 amount:
   - Banking income with a 11.1% YoY growth, underpinned by increases in net interest income (+14.2%) and capital markets results (+ 25.2%).
   - Operating costs were reduced by EUR 164mn (-21.7% YoY), to EUR 590.9mn.

2. **2016 negative Net Income of EUR 788.3mn, less 15% than in 2015:**
   - Compares favorably with 2015 (net loss of EUR 929.5mn*), with a reduction of EUR 141.2mn.
   - Net Income impacted by high level of impairment (EUR 1,375mn), including a provision for restructuring costs of EUR 98.2mn and EUR 135mn related to the full annulment of the goodwill of the insurance business.

3. **Targets set in the Restructuring Plan were fully met:**
   - Branch reduction to 537 (compared with a commitment of 550 branches).
   - 6,096 employees as at Dec.2016 (reduction of 1,312 compared with Nov.2015).
   - Reduction of operating costs in EUR 204mn**, above the EUR 150mn reduction commitment.

** 2015 restated figures*
*** EUR 204mn reduction compared with Nov.2015 annualized figure of EUR 759mn*

Highlights

4. Regulatory limits were complied:

- Liquidity Coverage Ratio (LCR) of 107%, above the 80% required at the end of the year and considering the early redemption of EUR 3.5bn of Government Guaranteed Bonds.
- An estimated Common Equity Tier 1 (CET1) of 12.0% in Dec.2016, not including any capital increase and in line with the main Portuguese banks.

5. Commercial Business:

- Loan portfolio reduction of EUR 3.7bn to EUR 33.8bn, particularly targeted at the international portfolio, and with a softening of this reduction throughout the year.
- Total deposits of EUR 25.6bn, with a stabilization after March and a EUR 0.9bn growth in the 4Q2016.

6. The Board of Directors has reasonable expectations that the consolidated accounts now presented will not be subject to qualifications by the auditors**,** namely regarding to the exposure to Banco Económico and to Deferred Tax Assets, and will be the first NOVO BANCO accounts without any qualifications.

Highlights

Results

- **Net Interest Income increasing by 14.2%** reflecting e lower level of overdue interest annulments and benefitting from the decrease in the cost of liabilities by 54pb.
- **Banking Income of EUR 977.5mn (+11.1%)** underpinned by increases in Net Interest Income (+14.2%) and Capital Markets (+25.2%).
- **Operating Costs** with a good performance **decreasing by 21.7%** to EUR 590.9mn.
- **Net Operating Income of EUR 386.6mn**, **with significant growth (+209.2%) compared with 2015**.
- **Total Provisions of EUR 1,374.7mn.** Provisions include EUR 672.6mn for credit, EUR 315.9mn for securities and EUR 386.2mn for other assets.
- **Negative Net Income of EUR 788.3mn** but which **compares favourably with net loss of EUR 929.5mn in 2015**.

Income Statement *(EUR mn)*

	2015	2016	Change %
Net Interest Income	450.7	514.5	14.2%
+ Fees and Commissions	355.6	277.1	(22.1%)
= Commercial Banking Income	**806.2**	**791.6**	**(1.8%)**
+ Capital Markets and Other Results	73.4	185.8	153.1%
= Banking Income	**879.6**	**977.5**	**11.1%**
- Operating Costs	754.7	590.9	(21.7%)
= Net Operating Income	**125.0**	**386.6**	**209.2%**
- Net Provisions	1,057.9	1,374.7	29.9%
= Income Before Taxes	**(933.0)**	**(988.1)**	**(5.9%)**
- Taxes and Non-controlling interest	(11.3)	(190.6)	-
= Net Income	**(929.5)**	**(788.3)**	**15.2%**

* Restated figures

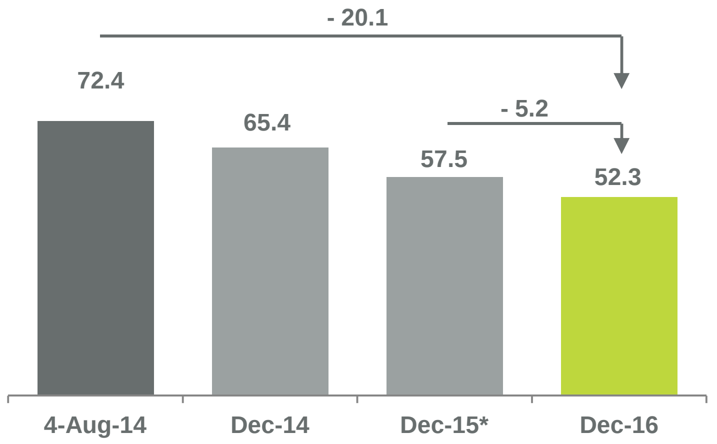
Highlights

Activity and Capital

- In line with the ongoing balance sheet deleveraging process, particularly targeted at the international portfolio, net customer loans contracted by EUR 3.7bn in 2016, (an important part was due to the transfer of BESV and NB Ásia to assets being discontinued).
- **Deposits with positive performance in 4Q (+EUR 0.9bn).** Total Deposits of EUR 25.6bn, a decrease of EUR 1.8bn (to a large extent due to the retransfer of bonds to BES).
- Net funding from the ESCB*** reduced by EUR 1.9bn from Dec-15 to EUR 5.1bn.
- Net amount of the non strategic assets ("Side Bank") of EUR 8,737M (Dec.15: EUR 10,843M).
- **Estimated CET1 phased-in ratio of 12.0%** for Dec-16 stable compared with Jun-16 (estimated CET1 under the full implementation regime of 9.8%).

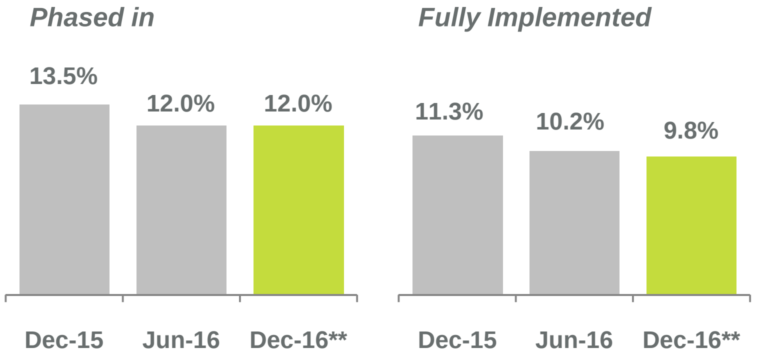
*** ESCB – European System of Central Banks

Assets *(EUR bn)*



* Restated figures

CET1 Ratios



** Estimated figures for Dec-16

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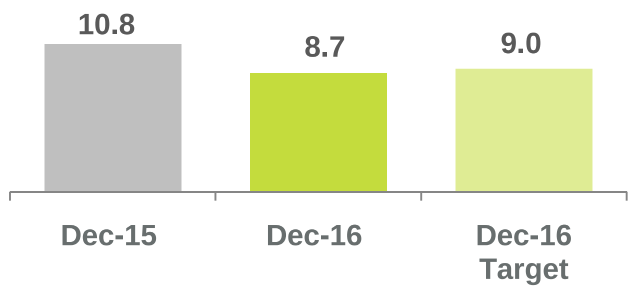
Reaching the targets of the commitments of the Restructuring Plan agreed with the EC

Restructuring Plan

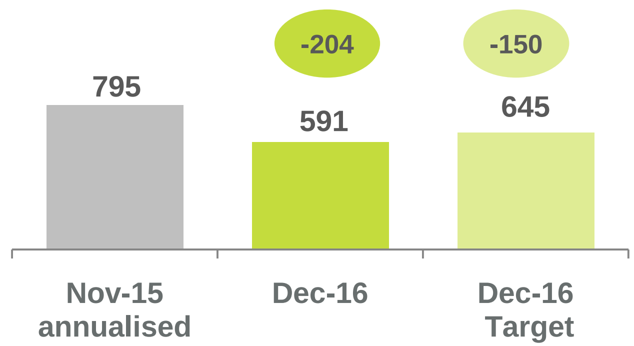
- a Concentration in banking and retail and corporate activities in Portugal and Spain
- b Divestment from non-strategic assets
- c EUR 150mn reduction in recurring operating costs in 2016 (excluding the restructuring costs)
- d Staff cut of 1,000 employees*
- e Downsizing of the distribution network to 550 branches

Dec-2016 Targets

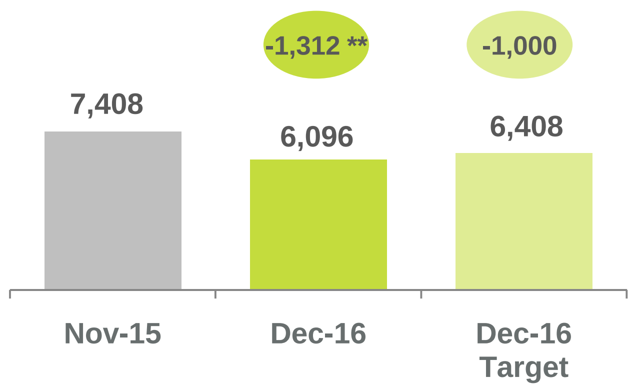
a+b Reduction of Side Bank assets to EUR 9bn



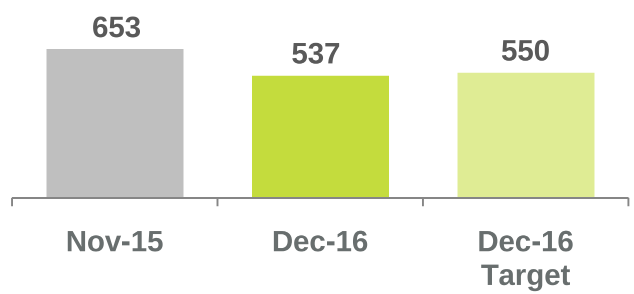
c Reduction of EUR 150mn in Recurring Operating Costs



d Staff cut of 1,000 employees*



e Downsizing to 550 branches



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*based in data from Nov.2015

** - 1,107 excluding 205 employees in units being discontinued

e - estimated

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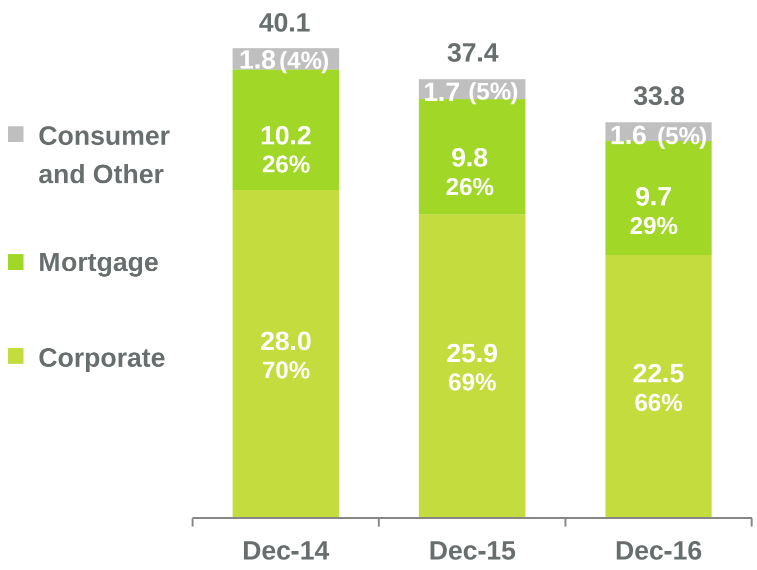
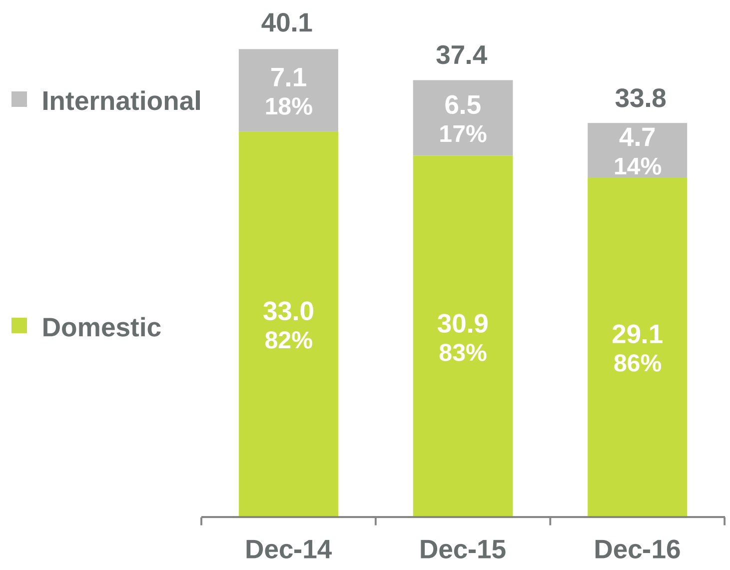
Decrease of Customer Loans in line with the balance sheet deleveraging process and a result of the selective lending policy

Loans per Segment *(Gross, EUR bn)*



Loans per Geography *(Gross, EUR bn)*

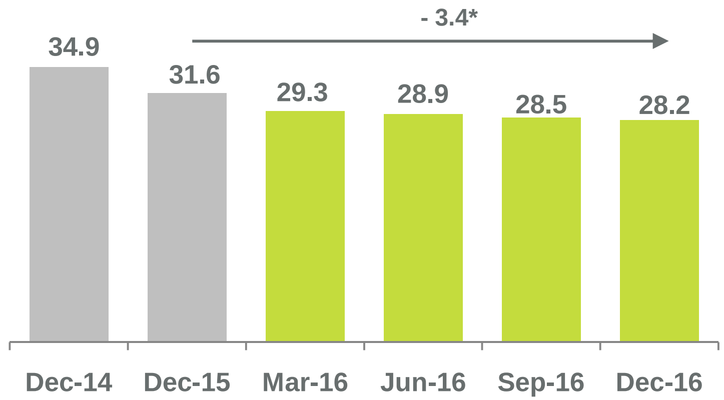


- The decrease in Gross Loans in large part reflecting the transfer of BESV and NB Ásia to assets being discontinued.

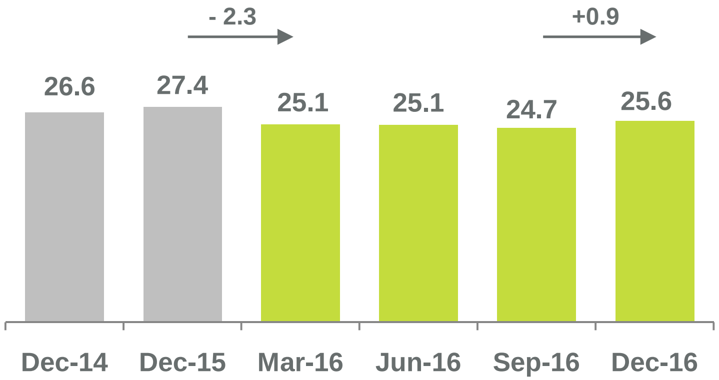
- Mortgage and Consumer Loans had good production figures in 2016 (+110% and +104%, respectively, compared with 2015).
- Loan production for small and micro companies increased 49%.

In the 4Q16 Deposits increased EUR 0.9bn recovering from the downturn in the beginning of the year.

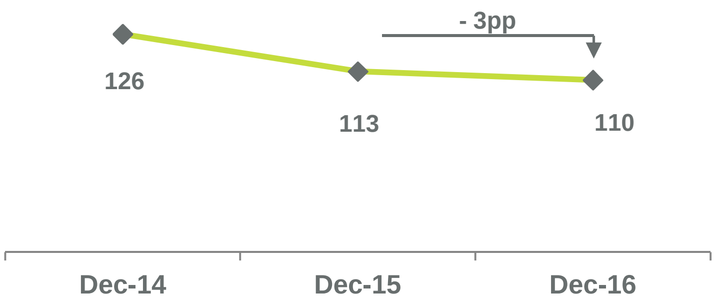
Net Loans *(EUR bn)*



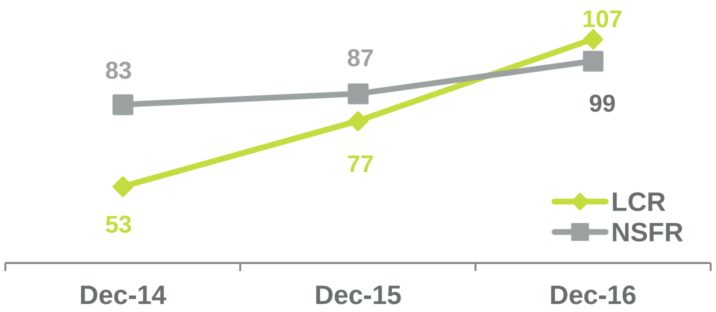
Deposits *(EUR bn)*



Loan to Deposit Ratio *(%)*



Liquidity Ratios *(%)*



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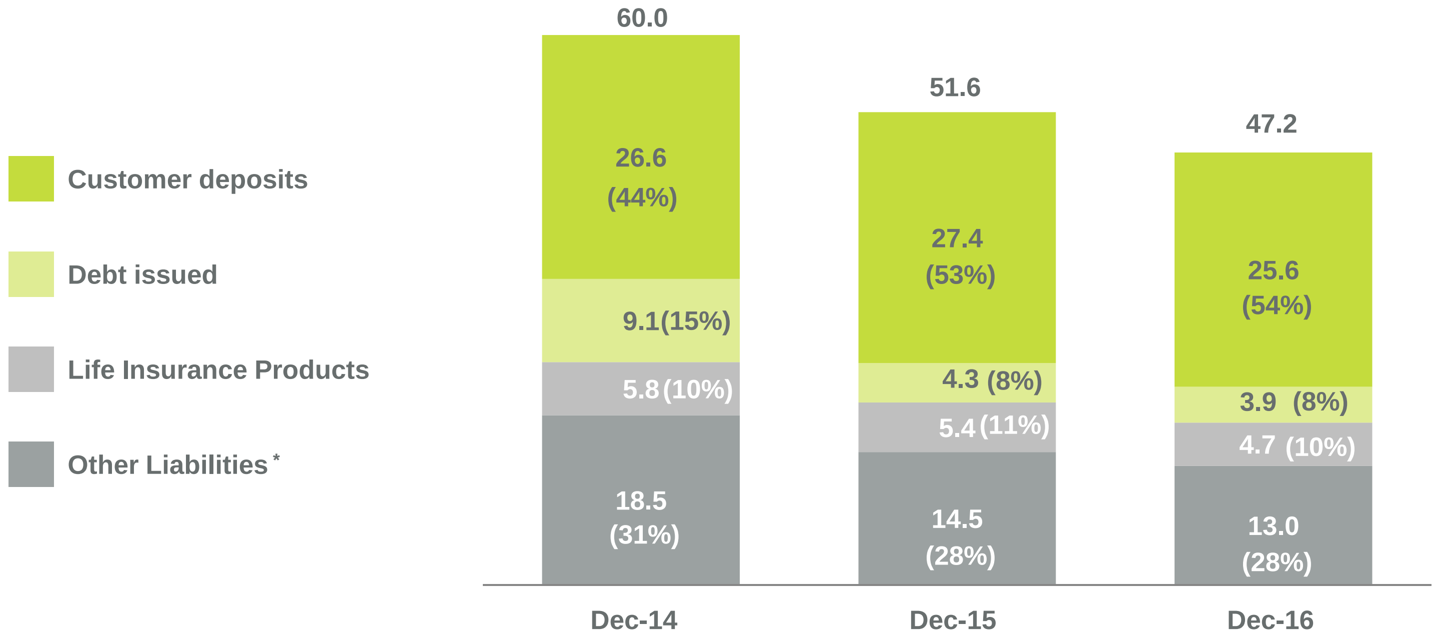
** In Gross Loans the decrease was of EUR 3.7 billion of which EUR 1.9 billion (-6%) in the domestic activity and EUR 1.8 billion (-28%) in the international activity which, mainly reflects the transfer of BES Vénétie and NB Asia to discontinued assets)*

Customer Deposits increase weight in funding structure
(excluding Shareholders Equity)

Evolution of the funding structure *(EUR bn, as a % of Total Liabilities)*



- Customer deposits continue to be the main funding source (54% of Liabilities).

- Debt issued decreased by EUR 0.4bn due to reimbursements and the repurchase of own senior debt.

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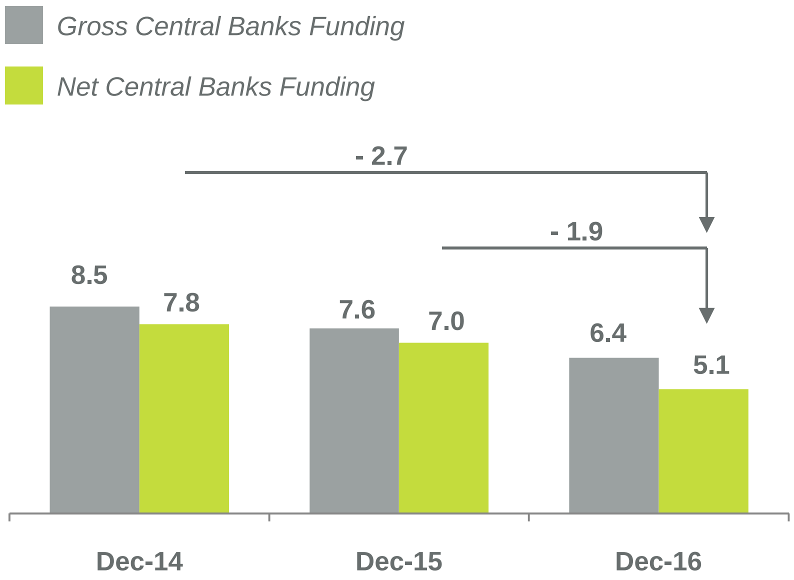
* Includes funding from ECB, Money Market funds and units being discontinued (BESV, NB Ásia, as well as ES Ventures and FCR ES Ventures II and III (Portugal) units whose sale was completed in 2017)

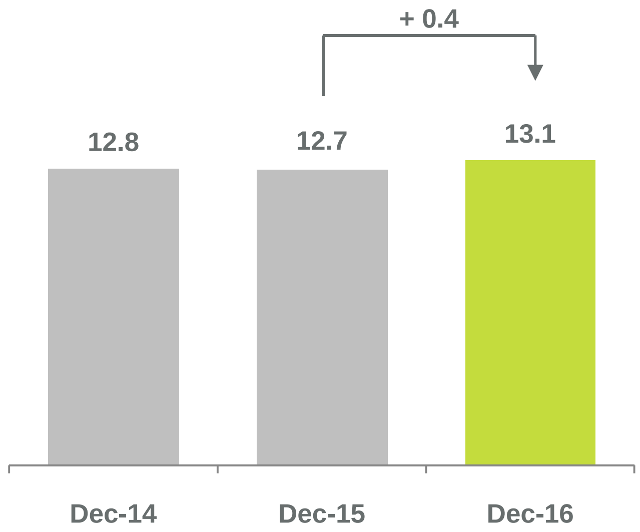
Improvement in liquidity with lower net ESCB* funding needs

ESCB Funding *(EUR bn)*



- Net Funding with the ECB had a significant decrease in 2016.

Eligible Assets *(EUR bn)*

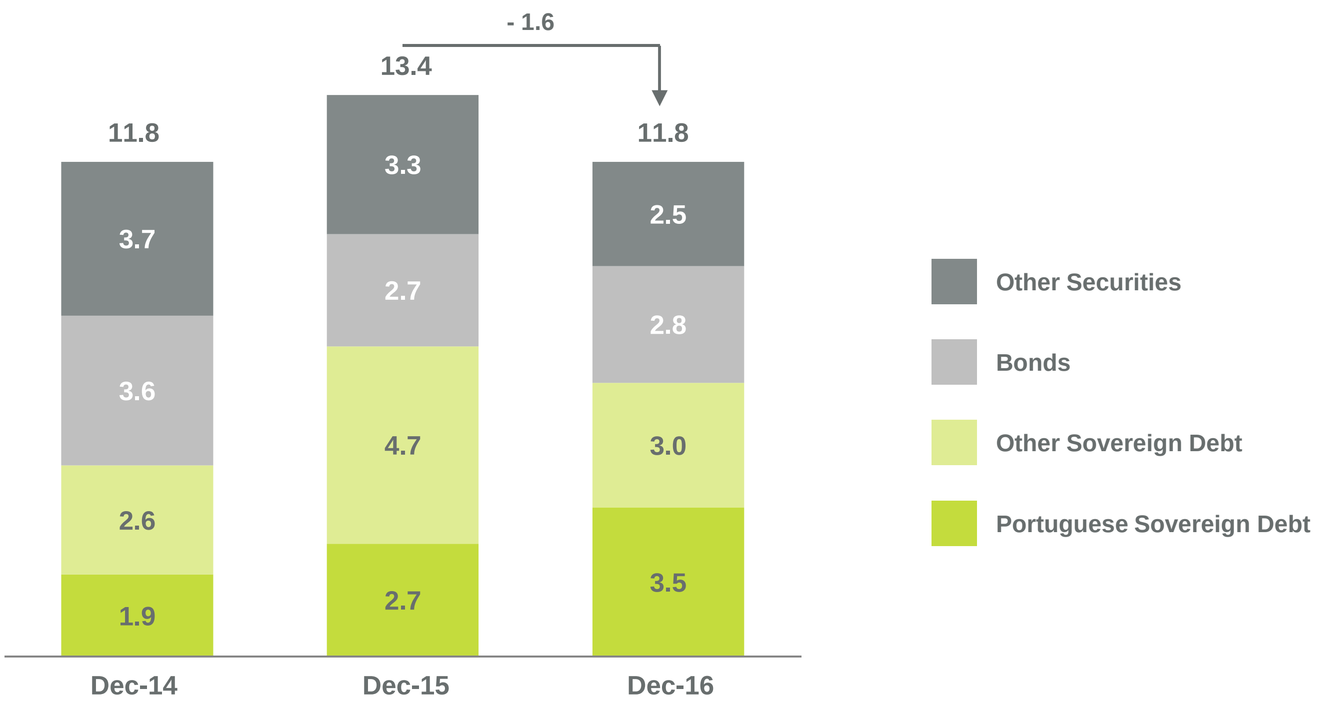


- Increase of EUR 0.4bn in the portfolio of securities available for rediscount.

* ESCB – European System of Central Banks

Securities portfolio based in securities with lower risk and higher liquidity

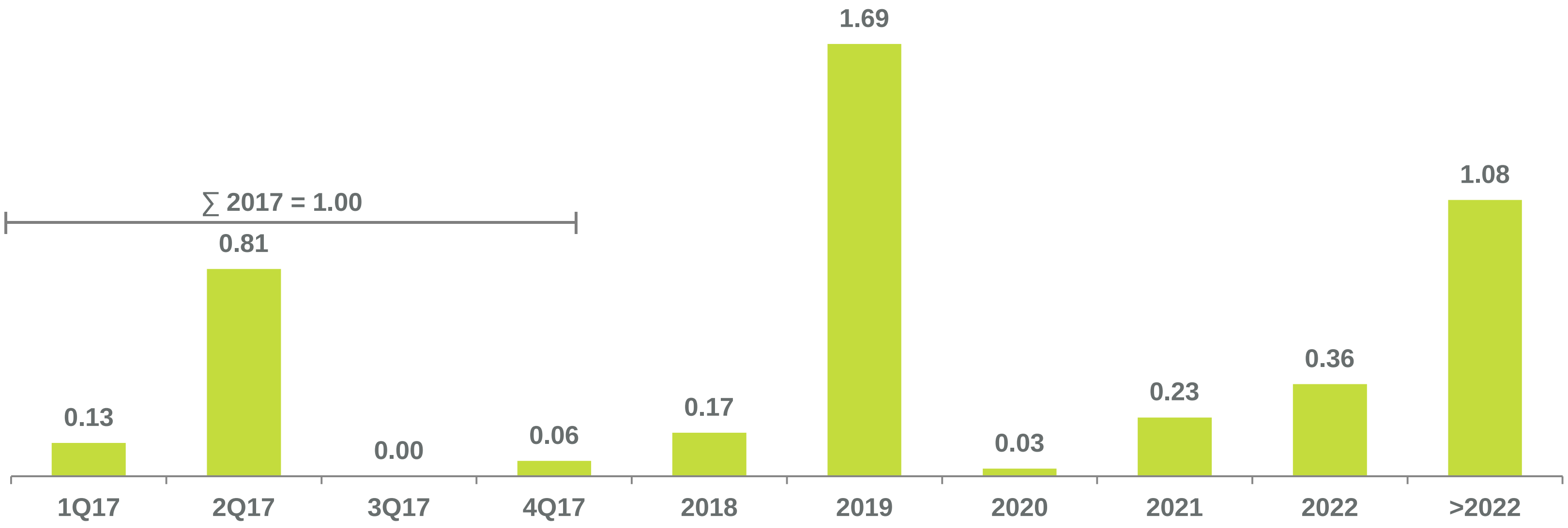
Evolution of Securities Portfolio *(EUR bn)*



- Sovereign Bonds from Euro Zone countries account for 55% of total securities portfolio. Weight of Portuguese Sovereign Debt increased to 30% of total Securities Portfolio.
- Positive fair value reserve of EUR 151mn (Dec-15: EUR 104mn).

In 2017 wholesale MLT* debt reimbursements** amount to EUR 1.0bn

Wholesale MLT* Funding *(EUR bn)*



- In 2016 the Bank reimbursed around EUR 0.4bn of Wholesale MLT* debt.
- In 2017 planned reimbursements amount to roughly EUR 1.0bn.

- All the debt guaranteed by the Portuguese Republic was cancelled (EUR 1.7bn in Nov. and Dec. 2016) or repaid (EUR 1.8bn in Jan. and Feb. 2017).

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** Médiium long term*

*** estimated reimbursements based on 31 December 2016 status*

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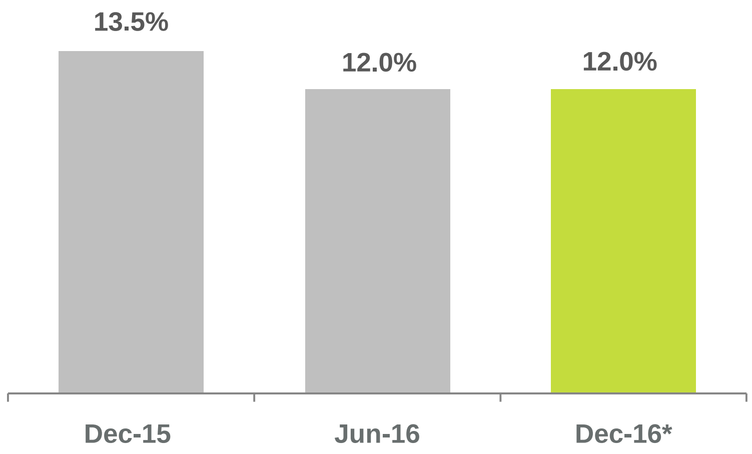
Estimated CET1 phased-in ratio of 12.0% in 2016

CET1 phased-in ratio evolution



Capital Ratios (phased-in)

BIS III (CRD IV / CRR)

EUR mn	Dec-15	Jun-16	Dec-16*
Risk Weighted Assets (A)	**38,168**	**36,105**	**33,627**
Own Funds			
CET1 (B)	5,142	4,332	**4,051**
Tier1 (C)	5,142	4,332	**4,051**
Total (D)	5,142	4,343	**4,051**
CET1 phased-in Ratio (B/A)	**13.5%**	**12.0%**	**12.0%**
Tier1 Ratio (C/A)	13.5%	12.0%	**12.0%**
Solvency Ratio (D/A)	13.5%	12.0%	**12.0%**
CET1 fully implemented Ratio	**11.3%**	**10.2%**	**9.8%**

- Estimated CET1 phased-in ratio of 12.0% in Dec-16.
- Estimated CET1 fully implemented ratio of 9.8% in Dec-16.

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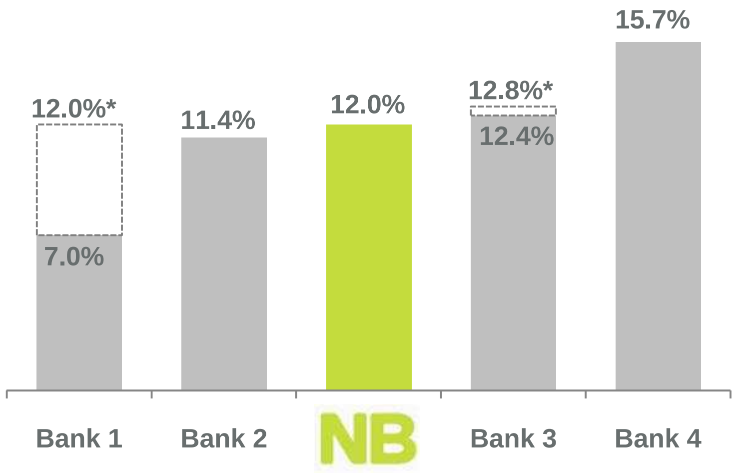
* Estimated figures for Dec-16

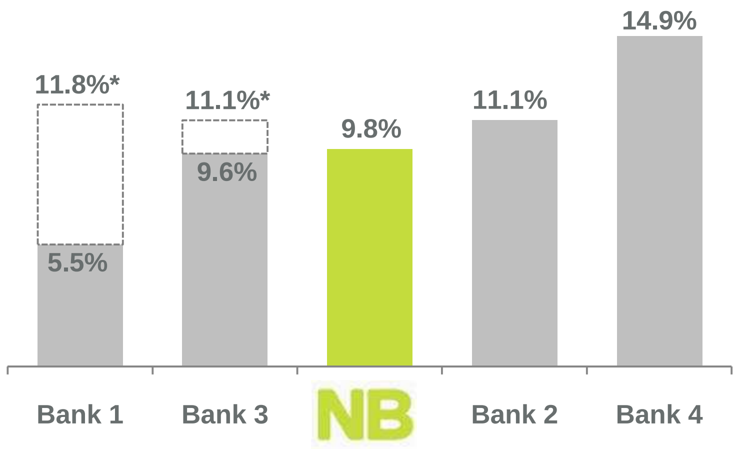
Solvency Ratios compared with Other Portuguese Banks

CET1 phased-in Ratios of Portuguese Banks * *(Dec-16)*



- CET1 phased-in Ratio in line with main competitors before planned recapitalizations in 2017.

CET1 fully implemented Ratios of Portuguese Banks *(Dec-16)*



- CET1 fully implemented Ratio also close to the sector average before the recapitalizations in 2017.

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* Source: press releases of results of CGD, Millennium BCP, Santander Totta and BPI and where applicable the proforma data advanced by the banks referring to capitalizations performed or to be performed in 2017

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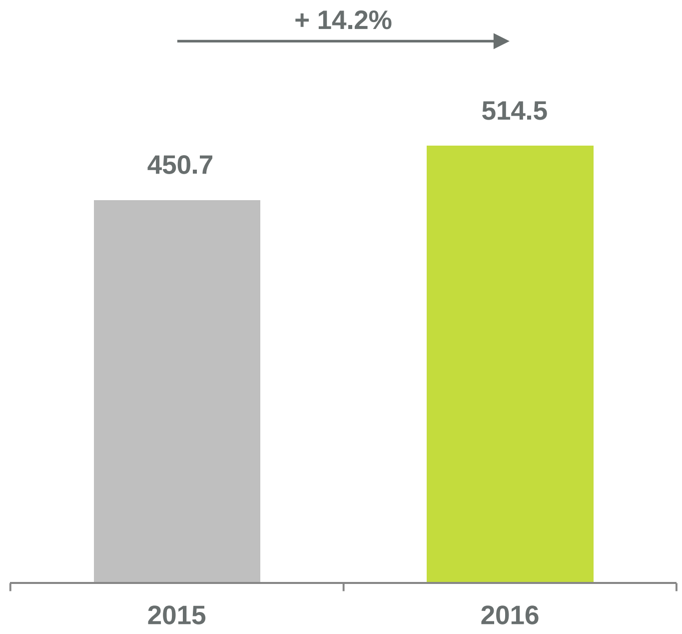
Net Interest Income with a significant increase

Net Interest Income *(EUR mn)*

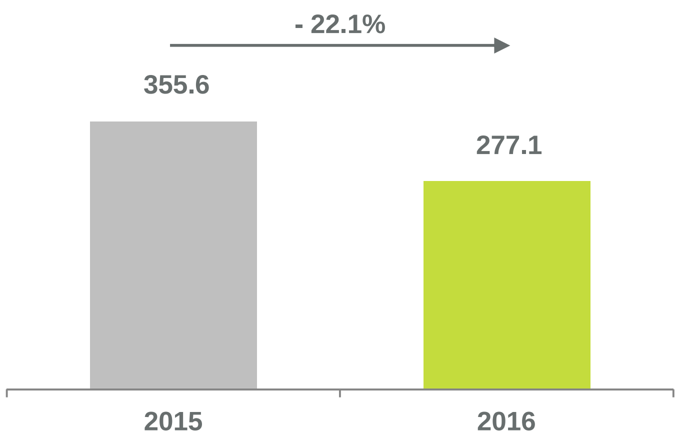


	2015	2016
Net Interest Margin	**0.93%**	**1.10%**

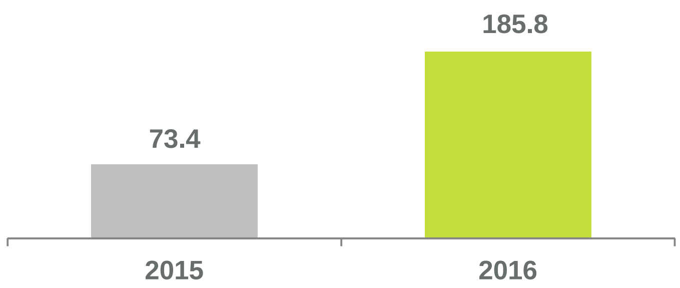
- Growth of Net Interest Income on the back of:
  - reduction of the cost of liabilities in 54bps (from 1.93% in 2015 to 1.39% in 2016) higher than the decrease in the interest rate on assets which was 37bps; and
  - lower level of annulment of overdue interest.
- Net Interest Margin improved by 17bps to 1.10%.

Fees and Commissions reflecting the redefinition of the perimeter of GNB. Capital Markets and Other Results increase 153%.

Fees and Commissions *(EUR mn)*



Capital Markets and Other Results *(EUR mn)*



- Reduction in Fees and Commissions reflects:
  - Redefinition of the perimeter of GNB, which reduced the volume of activity and business risk profile in certain sectors and regions;
  - Negative effect of the EUR 32.9M fees paid on debt issues guaranteed by the Portuguese Republic (already cancelled or matured between Nov. 2016 and Feb. 2017).

- Capital markets results of +EUR 147.6mn given the positive performance in several market areas.
- Other Results +EUR 38.2mn:

  (i) positive: the new ACT* +EUR 28.2mn and

  (ii) negative: losses on real estate funds' assets recognised as investment properties.

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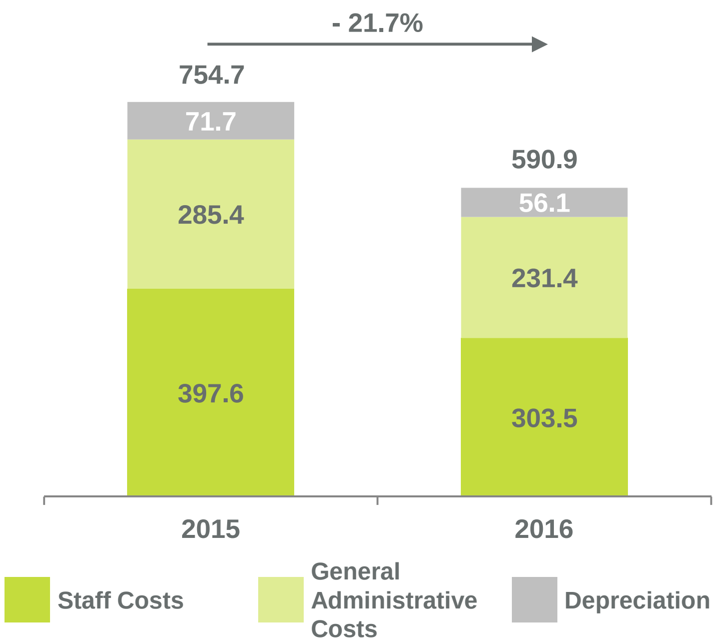
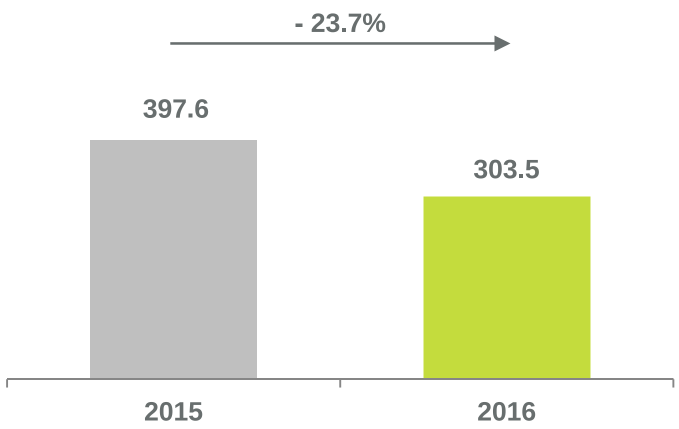
** ACT: Collective Bargaining Agreement*

Operating Costs decreased by 21.7% in 2016

Operating Costs *(EUR mn)*



Staff Costs *(EUR mn)*



- Reduction of Operating Costs across different types of costs reflecting the implementation of the restructuring measures.

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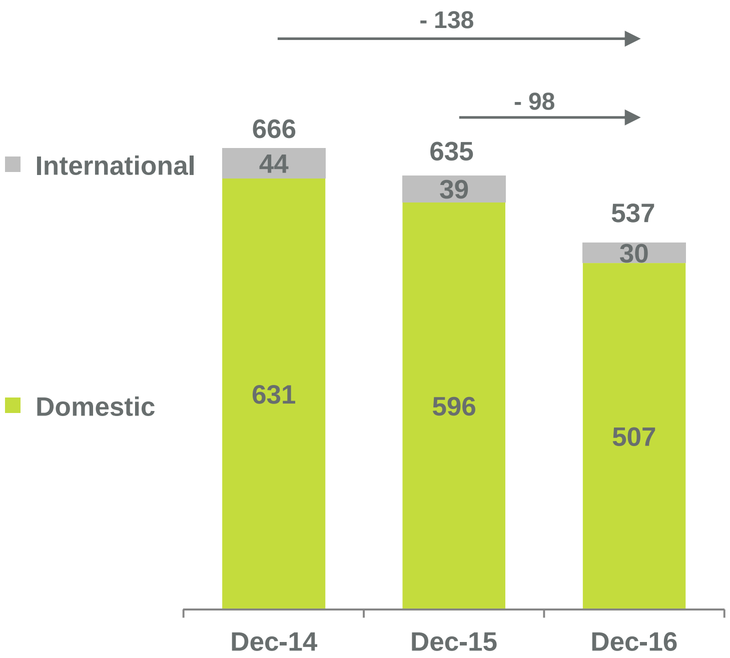
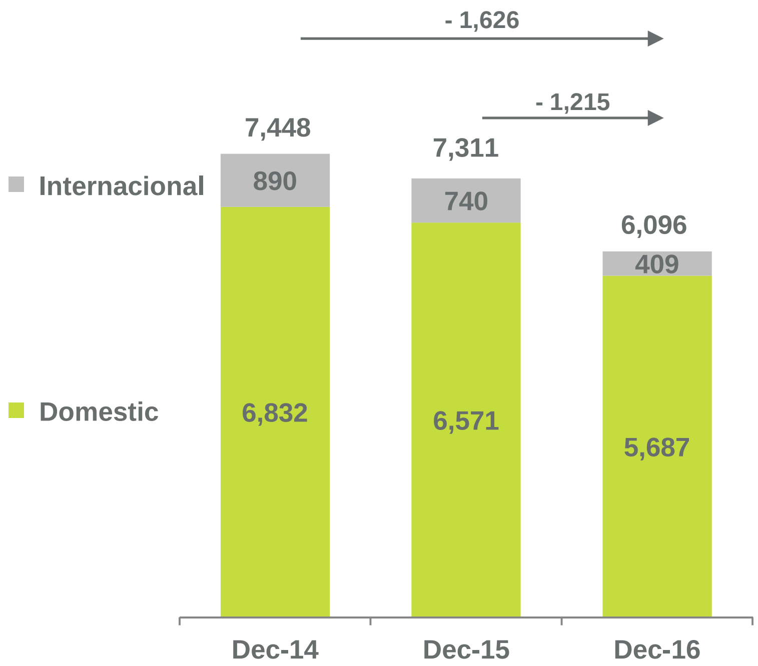
Downsizing of the branch network and headcount reduction

Branch Network



- Branch Network reflecting the new business reality and the fulfilment of the target of 550 branches included in the Restructuring Plan.

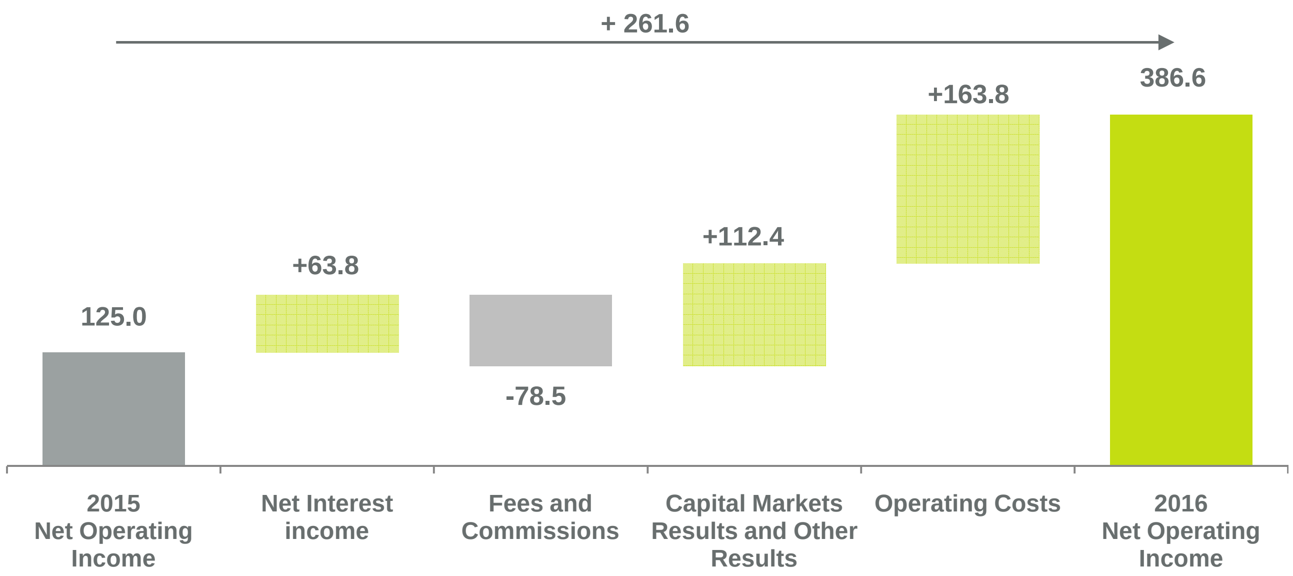
Employees



- Comparing with Nov-15 (base date for the commitments assumed in the Restructuring Plan), the effective reduction was 1,312 employees.

Net Operating Income more that trebled compared with 2015

Evolution of Net Operating Income *(EUR mn)*



- Net Operating Income in 2016 benefited not only from the improvement in Net Interest Income but mostly from the decrease in Operating Costs.

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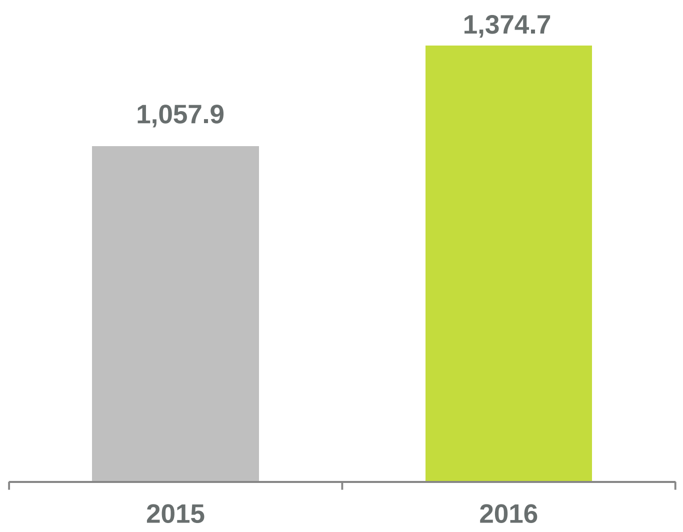
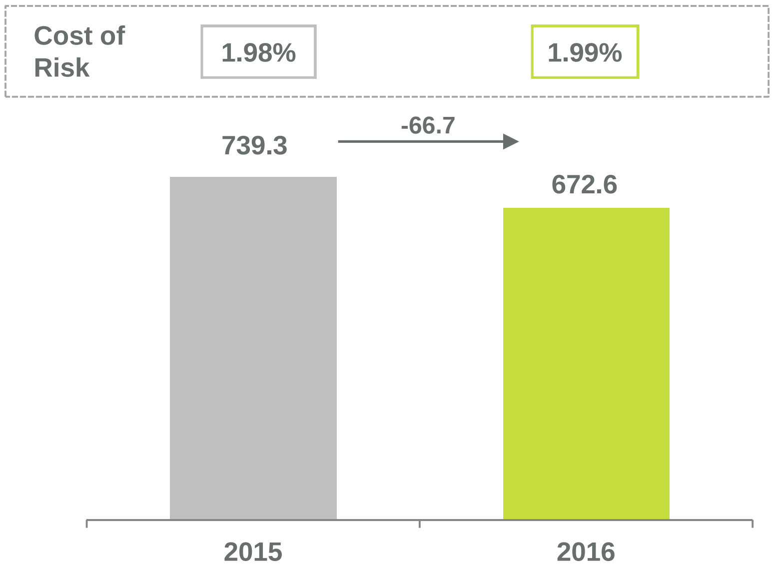
Credit Provisions decreased by 9% in 2016 but still high total provisions penalize results

Total Provisions *(EUR mn)*



Credit Provisions *(EUR mn)*



- Provisions included a EUR 98.2mn provision for the costs of the restructuring process and EUR 135mn related to the full annulment of the goodwill of the insurance business.

- Coverage of credit by provisions increased to 16.5% in Dec-16 from 15.6% in Dec-15.

Credit Risk Indicators

Credit Quality and Coverage

- Credit Risk indicators have increased in 2016 due to: (i) increase in overdue loans (+2.5%) and (ii) reduction of the customer loan book (-9.8%).

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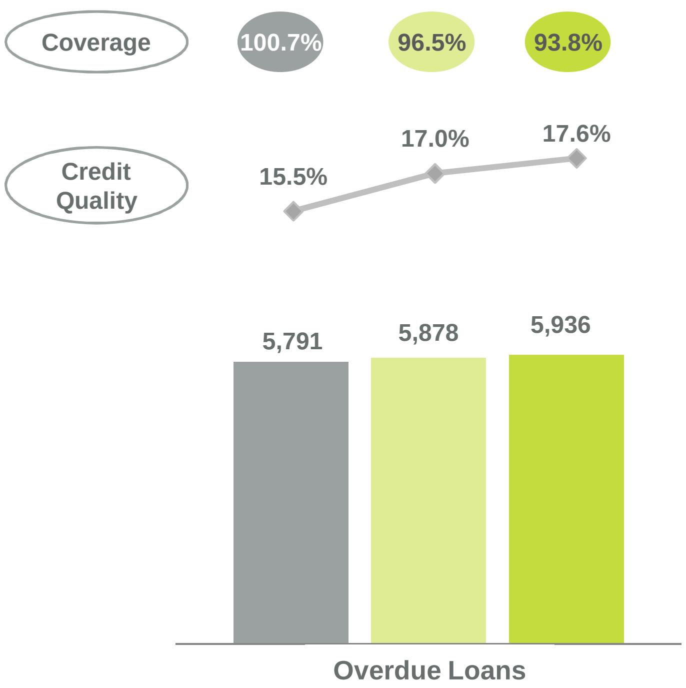
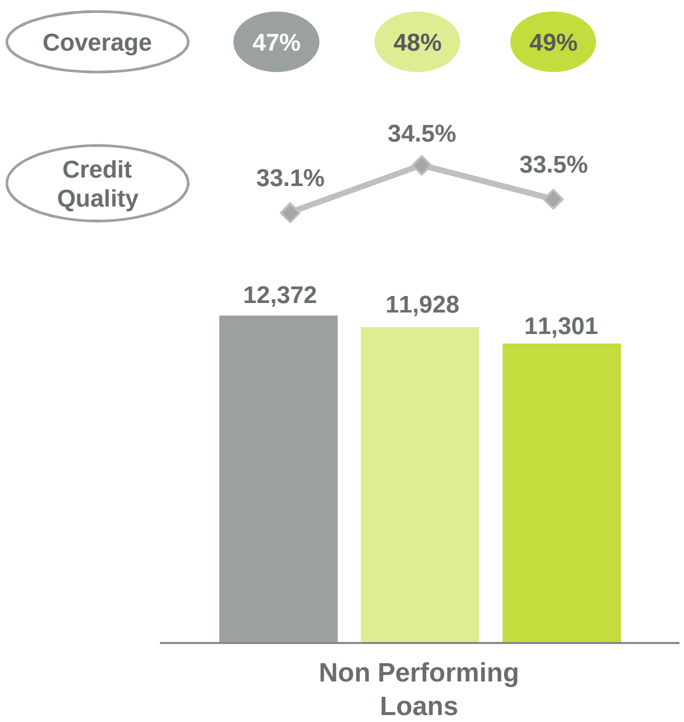
* According to Banco de Portugal instruction nr. 23/2011

Credit Risk Indicators

Overdue Loans *(EUR M)*



Non Performing Loans* *(EUR M)*



■ Dec-15 ■ Jun-16 ■ Dec-16

- Non Performing Loans ratio increases (0.4 pps) despite the decrease in the stock of EUR 1,070mn and increase in coverage.

** Concept includes total exposure of loan contracts:*
(i) With overdue amount > 90 days;
(ii) Flagged as default according with internal definition compliant with the article 178 of the CRR;
(iii) With specific impairment.
For corporate loans this classification is considered at client level

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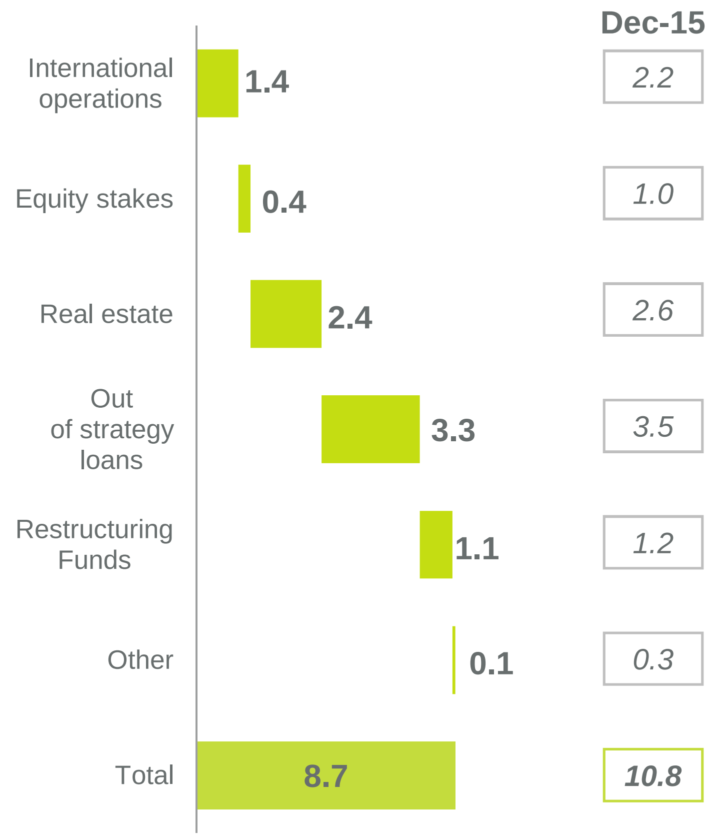
Proactive down-sizing of the Side Bank

Side Bank concept: Non-core assets include all assets that are not part of Commercial Franchise, which is being positioned as a viable bank primarily focused on the Portuguese market. This includes **non-core assets, such as non-core equity stakes, out of strategy loans, real estate, restructuring funds and all international activity** that is not linked to domestic clients.

Net Assets Side Bank

Dec-16, estimated net book value, EUR bn



Strategic Goals

- Wind-down or sale of non-core operations.
- Orderly sale process aimed at value maximisation either initiated or to be initiated.
- Staggered sales, considering the preservation of NOVO BANCO's capital
- Orderly deleverage to maximise value;
- Detailed business plan with identified options.
- Opportunistic sales.

- **Commitment to a gradual and orderly divestment, aiming organizational simplification and preservation of capital**
- **Decrease of EUR 2.1bn from EUR 10.8bn in Dec-15**
- **The 2016 target of reducing Side Bank total assets to EUR 9bn was reached.**

(1) Total sales in 2016 >EUR 500mn compares with sales objective of ~EUR 700mn for both Side Bank and Commercial Franchise

Agenda

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NOVO BANCO is a reference Bank in Portugal

NOVO BANCO's Profile

Strong Business Model

- **NOVO BANCO is a reference institution in the Portuguese financial sector, with net assets of EUR 52.3bn** (3rd largest bank in Portugal).
- **Reference bank in Corporate segment**, 83% of Large Corporate and 79% of SMEs are clients of **NOVO BANCO**.
- One of the **leading banks in Retail and Private Banking in Portugal**, backed by a segmented commercial approach and by a multi-channel strategy. 480 thousand frequent digital clients (+5% comparing with 2015) and 175 thousand *mobile channel* clients (+61% YoY increase including a 112% increase in the business segment).

Indicators

- **Net Loans of EUR 28.2mM in Dec-16.**
- **Deposits of EUR 25.6mM in Dec-16.**
- **Loan to Deposit ratio of 110% in Dec-16.**
- Estimated capital ratios in Dec-16: **CET1 phased-in of 12.0%** and **CET1 fully implemented of 9.8%**.

Awards in Several Areas

Best financial app
Apple Store
e *Google Play*

App	Apple Store	Google Play	Average
NOVO BANCO	3.9	4.4	4.4
Bank B	2.9	4.1	4.1
Bank C	3.5	4.2	4.1
Bank D	3.3	4.1	4.0
Bank E	3.5	3.6	3.6

Best Trade Finance Bank Award 2016

BEST TRADE FINANCE BANK AWARD • 2016
GLOBAL FINANCE

Best Securities Services Provider Award 2016

BEST SECURITIES SERVICES PROVIDER AWARD • 2016
GLOBAL FINANCE

Best Trade Bank in Portugal 2016
Trade & Forfating Review

Europe Structured Products & Derivatives Awards 2016
SRP AWARDS
Best Performance, Portugal
Novo Banco

***Best Performance Distributor*, Portugal**
Structured Retail Products
(Euromoney Group)

Agenda

Portuguese Economy

Highlights

Liquidity

Capital

Results

Side Bank

Summary

Appendix: Balance Sheet and Income Statement

NOVO BANCO

Consolidated Balance Sheet

(EUR mn)	***31 Dec.15****	***31 Dec. 16***
Cash and deposits with central banks	776	1,469
Deposits with banks	340	371
Financial assets held for trading	775	657
Financial assets at fair value through profit and loss	1,526	1,204
Available for sale financial assets	11,811	10,558
Loans and advances to banks	1,691	724
Loans and advances to customers	31,584	28,184
Derivatives held for risk management purposes	319	223
Non current assets held for sale	3,182	8
Non current assets held for sale: - discontinued operations	40	1,217
Investment properties	55	1,206
Other tangible assets	312	206
Intangible assets	221	45
Investments in associated companies	405	159
Current tax assets	39	31
Deferred tax assets	2,523	2,604
Technical reserves of reinsurance ceded	8	6
Other assets	1,910	3,460
Total Assets	**57,517**	**52,333**

(EUR mn)	***31 Dec.15****	***31 Dec. 16***
Deposits from central banks	7,633	6,410
Financial liabilities held for trading	744	633
Deposits from banks	4,157	3,578
Due to customers	27,582	25,990
Debt securities issued	4,225	3,818
Derivatives held for risk management purposes	78	108
Investment contracts	4,043	3,396
Non current liabilities held for sale	163	2
Non current liabilities held for sale: - discontinued operations	93	749
Provisions	465	365
Technical reserves	1,344	1,334
Current tax liabilities	39	17
Deferred tax liabilities	12	19
Other subordinated debt	56	48
Other liabilities	948	719
Total Liabilities	**51,582**	**47,185**
Share capital	4,900	4,900
Revaluation reserves, other reserves and retained earnings	1,908	955
Net income for the period	(930)	(788)
Non-controlling interests	57	81
Total Equity	**5,935**	**5,148**
Total Liabilities + Equity	**57,517**	**52,333**

* Restated figures

Consolidated Income Statement

(EUR mn)	***2015****	***2016***
Net Interest Income	**450.7**	**514.5**
Dividend income	11.5	37.8
Fee and Commission income	471.5	378.3
Fee and Commission expense	(133.4)	(113.0)
Net gains / (losses) from financial assets at fair value through profit or loss	(84.2)	22.9
Net gains / (losses) from available-for-sale financial assets	230.8	116.4
Net gains / (losses) from foreign exchange revaluation	30.1	(6.6)
Net gains / (losses) from sale of other assets	(12.3)	(51.7)
Insurance earned premiums, net of reinsurance	38.3	49.2
Claims incurred, net of reinsurance	(237.0)	(167.7)
Change of the technical provision, net of reinsurance	166.1	105.3
Other operating income and expense	(103.7)	37.0
Operating Income	**828.3**	**922.5**
Staff costs	(397.6)	(303.5)
General and administrative costs	(285.4)	(231.4)
Depreciation and amortisation	(71.7)	(56.1)
Provisions and impairments	(1,057.9)	(1,374.7)
Sale of subsidiaries and associates	0,2	24.3
Results from associated companies consolidated by equity method	16.6	4.1
Income before taxes	**(967.4)**	**(1,014.6)**
Income tax		
Current	(58.6)	(16.3)
Deferred	78.7	243.9
Income from continuing activities	**(947.3)**	**(787.0)**
Income from discontinued activities	3.0	(10.4)
Net income for the period	**(944.3)**	**(797.5)**
Non-controlling interests	14.8	9.1
Net income attributable to the shareholders	**(929.5)**	**(788.3)**

NOVO BANCO

* Restated figures

Disclaimer

This document may include certain statements relating to the NOVO BANCO Group that are neither reported financial results nor other historical information. The statements, which may include targets, forecasts, projections, descriptions of anticipated cost savings, statements regarding the possible development or possible assumed future results of operations and any statement preceded by, followed by or that includes the words “believes”, “expects”, “aims”, “intends”, “may” or similar expressions or negatives thereof are or may constitute forward-looking statements.

By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by forward-looking statements. These factors include, but are not limited to, changes in economic conditions in individual countries in which the NOVO BANCO Group conducts its business, fiscal or other policies adopted by various governments and regulatory authorities of Portugal and other jurisdictions, levels of competition from other banks and financial services companies as well as future exchange rates and interest rates.

NOVO BANCO does not undertake any obligation to release publicly any revision to the forward-looking information included in this document to reflect events, circumstances or unanticipated events occurring after the date hereof and accepts no liability for any of such statements.

This document contains unaudited information for 2016.

NOVO BANCO

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