

Report Reference Date: **30-12-2016**
Report Frequency: Quarterly

1. Credit Ratings ¹	Long Term				Short Term			
	Moody's	S&P	Fitch	DBRS	Moody's	S&P	Fitch	DBRS
Euro 12,500,000,000 Covered Bonds Programme	A1	n/a	A	A	n/a	n/a	n/a	n/a
Banco Santander Totta, SA	Baa3	BB+	BBB	BBB (high)	NP	B	F2	R-1 (low)
Portugal	Ba1	BB+	BB+	BBB (low)	NP	B	B	R-2 (middle)

¹ Ratings as of Report Reference Date

2. Covered Bonds	Issue Date	Coupon	Maturity Date	Soft Bullet Date	Remaining Term (years)	Nominal Amount
Covered Bonds Outstanding					4,69	6.950.000.000,00
Syndicated Covered Bonds Issues						
Covered Bond 12 (PTBSQDOE0020)	01/04/2014	Fixed	03/04/2017	03/04/2018	0,26	1.000.000.000,00
Covered Bond 13 (PTBSQEOE0029)	11/06/2014	Fixed	11/06/2019	11/06/2020	2,45	750.000.000,00
Covered Bond 15 (PTBSRBOE0021)	27/10/2015	Fixed	27/10/2020	27/10/2021	3,83	750.000.000,00
Private Placements Covered Bonds Issues						
Covered Bond 14 (PTBSRAOE0022)	04/03/2015	Fixed	04/03/2022	04/03/2023	5,18	750.000.000,00
Covered Bond 16 (PTBSRCOE0020)	24/02/2016	Fixed	24/02/2021	24/02/2022	4,16	450.000.000,00
Covered Bond 17 - (PTBSRDOE0029)	15/04/2016	Fixed	15/04/2023	15/04/2024	6,29	750.000.000,00
Covered Bond 18 - (PTBSRF0E0019)	26/07/2016	Fixed	26/07/2023	26/07/2024	6,57	750.000.000,00
Covered Bond 19 - (PTBSRG0E0026)	19/12/2016	Fixed	19/12/2023	19/12/2024	6,97	1.750.000.000,00

CRD Compliant (Yes/No)

3. Asset Cover Test	Remaining Term (years)	Yes
Mortgage Credit Pool	24,86	8.050.839.025,44
Other Assets (Deposits and Securities at market value)²	0,00	0,00
Cash and Deposits	0,00	0,00
RMBS	0,00	0,00
Other securities	0,00	0,00
Total Cover Pool	24,86	8.050.839.025,44
% of ECB eligible assets		0,00%
Overcollateralization³ with cash collateral (OC)		15,84%
Committed overcollateralization (Fitch) - Minimum OC level to keep the current Mortgage Covered Bond Programme rating		14,00%
Committed overcollateralization (DBRS) - Minimum OC level to keep the current Mortgage Covered Bond Programme rating		15,00%
Legal minimum overcollateralization		5,26%

4. Other Triggers

Net Present Value of Assets (incl. derivatives) ⁴	7.715.379.008,16
Net Present Value of Liabilities (incl. derivatives) ⁴	6.903.439.723,12
Net Present Value of Assets (incl. derivatives) - Net present value of liabilities (incl. derivatives) ≥ 0	OK
Net Present Value of Assets (incl. derivatives) - Net present value of liabilities (incl. derivatives) ≥ 0 (stress of + 200bps)	OK
Net Present Value of Assets (incl. derivatives) - Net present value of liabilities (incl. derivatives) ≥ 0 (stress of - 200bps)	OK
Other Assets <= 20% (Cover Pool + Other Assets)	OK
Deposits with a remaining term > 100 days <= 15% Covered Bonds Nominal	OK
Estimated Interest from Mortgage Credit and Other Assets - Estimated Interest from Covered Bonds >= 0	OK
Mortgage Credit + Other Assets WA Remaining Term - Covered Bonds WA Remaining Term >= 0	OK

5. Currency Exposure

Cover Pool Includes

Assets in a currency different than Euro (yes/no)	No
Liabilities in a currency different than Euro (yes/no)	No
Cross currency swaps in place (yes/no)	No
Currency Exposure Detail	n/a

6. Mortgage Credit Pool

Main Characteristics

Number of Loans	165.429
Aggregate Original Principal Balance (EUR)	11.649.503.296,98
Aggregate Current Principal Balance (EUR)	8.050.839.025,44
Average Original Principal Balance per loan (EUR)	70.419,96
Average Current Principal Balance per loan (EUR)	48.666,43
Current principal balance of the 5 largest borrowers	7.802.907,25
Weight of the 5 largest borrowers (current principal balance) %	0,10%
Current principal balance of the 10 largest borrowers	13.372.820,10
Weight of the 10 largest borrowers (current principal balance) %	0,17%
Weighted Average Seasoning (months)	107,12
Weighted Average Remaining Terms (months)	302,47
Weighted Average Current Unindexed LTV ⁵ (%)	53,47%
Weighted Average Current Indexed LTV ⁵ (%)	54,31%
Weighted Average Interest Rate (%)	1,15%
Weighted Average Spread (%)	1,27%
Max Maturity Date (yyyy-mm-dd)	2067/01/02

Subsized Loans

	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Yes	30.527	18,45%	926.002.590	11,50%
No	134.902	81,55%	7.124.836.435	88,50%

Insured Property⁶

	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Yes	165.429	100,00%	8.050.839.025	100,00%
No	0	0,00%	0	0,00%

Interest Rate Type

	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Fixed	5.688	3,44%	187.670.862	2,33%
Floating	159.741	96,56%	7.863.168.163	97,67%

Repayment Type

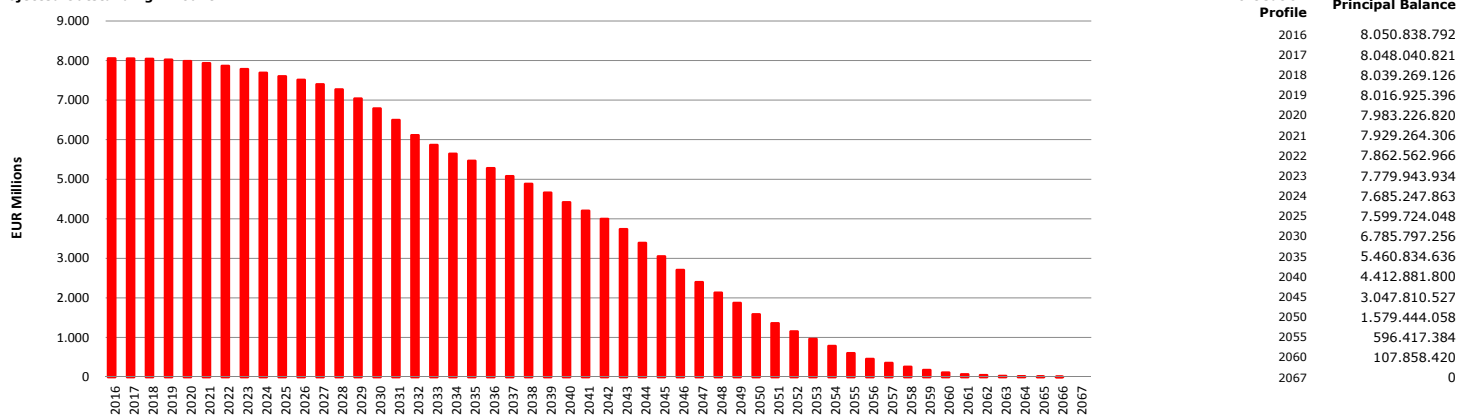
	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Annuity / French	163.922	99,09%	7.953.913.996	98,80%
Linear	0	0,00%	0	0,00%
Increasing instalments	196	0,12%	2.101.086	0,03%
Bullet	0	0,00%	0	0,00%
Interest-only	1.288	0,78%	94.443.342	1,17%
Other	23	0,01%	380.602	0,00%

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6. Mortgage Credit Pool (continued)

	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Seasoning				
Up to 1 year	5.339	3,23%	486.576.890	6,04%
1 to 2 years	5.785	3,50%	510.792.432	6,34%
2 to 3 years	2.995	1,81%	237.293.125	2,95%
3 to 4 years	2.584	1,56%	175.256.362	2,18%
4 to 5 years	2.834	1,71%	183.989.952	2,29%
5 to 6 years	5.091	3,08%	341.286.208	4,24%
6 to 7 years	11.647	7,04%	827.668.825	10,28%
7 to 8 years	11.543	6,98%	715.854.104	8,89%
8 to 9 years	13.873	8,39%	770.494.504	9,57%
9 to 10 years	16.495	9,97%	914.299.189	11,36%
10 to 11 years	9.915	5,99%	479.746.592	5,96%
11 to 12 years	8.345	5,04%	332.651.334	4,13%
More than 12 years	68.983	41,70%	2.074.929.509	25,77%
Remaining Term				
Up to 5 years	13.609	8,23%	121.232.224	1,51%
5 to 8 years	12.264	7,41%	243.525.039	3,02%
8 to 10 years	6.535	3,95%	177.360.783	2,20%
10 to 12 years	7.447	4,50%	243.496.993	3,02%
12 to 14 years	13.597	8,22%	477.410.723	5,93%
14 to 16 years	17.286	10,45%	676.194.574	8,40%
16 to 18 years	10.612	6,41%	472.292.056	5,87%
18 to 20 years	7.282	4,40%	363.981.835	4,52%
20 to 22 years	7.417	4,48%	397.280.240	4,93%
22 to 24 years	7.891	4,77%	464.267.296	5,77%
24 to 26 years	6.963	4,21%	418.491.202	5,20%
26 to 28 years	10.035	6,07%	610.240.417	7,58%
28 to 30 years	10.194	6,16%	681.752.571	8,47%
30 to 40 years	28.643	17,31%	2.250.510.581	27,95%
More than 40 years	5.654	3,42%	452.802.495	5,62%
Current Indexed LTV				
Up to 40%	62.494	37,78%	1.728.697.927	21,47%
40 to 50%	23.420	14,16%	1.149.288.615	14,28%
50 to 60%	27.089	16,38%	1.518.221.760	18,86%
60 to 70%	30.021	18,15%	1.927.538.477	23,94%
70 to 80%	22.405	13,54%	1.727.092.247	21,45%
More than 80%	0	0,00%	0	0,00%
Loan Purpose				
Owner-occupied	156.737	94,75%	7.554.274.594	93,83%
Second Home	8.674	5,24%	496.131.225	6,16%
Buy to let	18	0,01%	433.207	0,01%
Other	0	0,00%	0	0,00%
Property Type				
Residential				
Flat	102.386	61,89%	4.647.567.738	57,73%
House	62.500	37,78%	3.372.609.346	41,89%
Other	543	0,33%	30.661.942	0,38%
Commercial				
Geographical Distribution				
North	53.337	32,24%	2.520.323.761	31,31%
Center	32.619	19,72%	1.491.604.548	18,53%
Lisbon	54.527	32,96%	2.878.012.792	35,75%
Alentejo	12.081	7,30%	474.482.007	5,89%
Algarve	9.496	5,74%	501.785.200	6,23%
Madeira	2.411	1,46%	137.643.563	1,71%
Azores	958	0,58%	46.987.155	0,58%
Delinquencies⁷				
	Number of Loans		Total Loan Amount	
> 30 days to 60 days	392		16.412.846	
> 60 days to 90 days	78		2.329.773	
> 90 days	0		0	

Projected Outstanding Amount^b



^b Includes mortgage pool and other assets; assumes no prepayments.

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7. Expected Maturity Structure

In EUR	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	5-10 Years	>10 Years
Residencial Mortgages ^b	1.676.212	6.988.596	18.263.877	31.202.787	48.633.609	411.288.181	7.532.785.763
Commercial Mortgages	0	0	0	0	0	0	0
Other Assets ²	0	0	0	0	0	0	0
Cover Pool	1.676.212	6.988.596	18.263.877	31.202.787	48.633.609	411.288.181	7.532.785.763
Covered Bonds	1.000.000.000	0	750.000.000	750.000.000	450.000.000	4.000.000.000	0

^b Includes mortgage pool and other assets; assumes no prepayments.

8. Liquidity Cushion

Liquidity Cushion (according to Fitch's definition)^c

	Nominal Amount
Liquidity Cushion amount	0,00
Deposits with eligible financial institutions	0,00
Eligible securities	0,00
Liquidity Cushion requirement calculation	
Required Liquidity Cushion	0,00
Interest due month 1	0,00
Interest due month 2	0,00
Interest due month 3	0,00

^c At least equal to the interest payments due on the Covered Bonds Outstanding before swaps for the next 3 months

9. Derivative Financial Instruments

	Nominal Amount
Total Amount of Derivatives in the Cover pool	6.950.000.000,00
Of Which Interest Rate Derivatives^b	6.950.000.000,00
Fixed to Floating Swaps	0,00
Interest Basis Swaps	6.950.000.000,00
Of Which Currency Swaps	0,00
^b External Counterparties (No)	

10. Contacts

Corporate Finance Division - Long Term Funding
Other Reports on BST website
ECBC Label Website

Dfc@santander.pt
<https://www.santandertotta.pt/pt/Investor-Relations/Emissao-de-Divida/2016.html>
<https://coveredbondlabel.com/>

Notes

¹ Soft Bullet Date (Extended Maturity)

If the covered bonds are not redeemed on the relevant maturity date, the maturity will automatically be extended on a monthly basis up to one year. In that event, the covered bonds can be redeemed in whole or in part on a monthly basis up to and including the Extended Maturity Date.

² Other Assets

In addition to the mortgage assets, other assets (or substitution assets) may be included in the cover pool up to an amount equal to 20% of the cover pool, subject to the following eligibility criteria:
- Deposit with the Bank of Portugal in cash or ECB eligible securities, or
- Deposits held with credit institutions rated at least A-.

³ Overcollateralisation

The overcollateralisation ratios are calculated by dividing (i) the total outstanding balance of the assets included in the cover pool by (ii) the total nominal amount of the covered bonds (both excluding accrued interest). For clarification purposes, all assets included in the covered pool are eligible assets.

⁴ Net Present Value (NPV)

The NPV of the assets is obtained by discounting all future cash flows with the IRS curve plus average spread for new transactions.
The NPV of the liabilities is obtained by discounting all future cash flows based on the funding curve of the issuer.
Substitution assets as well as any derivatives in the pool are marked at their market value.
NPV of liabilities cannot exceed the NPV of the portfolio assigned to the bond, including derivatives.
Stress testing - Net present value is also calculated for a 200 bps shift upwards and downwards of the discounting curve.

⁵ Loan-to-Value

The Current LTV is calculated by dividing the outstanding balance of the loan by the value of the underlying property (last physical valuation).
The Current indexed LTV is calculated by dividing the outstanding balance of the loan by the latest valuation amount of the underlying property (i.e. indexed value or last physical valuation).
A full valuation of the underlying properties must have been performed by an independent appraiser, at origination or after, prior to the inclusion of the mortgage loan in the cover pool.
Properties (both residential and commercial) should also be revalued regularly:
- For commercial assets this must be done on an annual basis;
- Residential properties must be revalued at least every 3 years - if the individual mortgage credit value exceeds € 500.000
- Also the value of the mortgage property should be checked on a frequent basis, at least every three years, in order to identify the properties that require appraisal by an expert (this procedure can be done using statistical models approved by the Bank of Portugal).

⁶ Insured Property

All mortgages must have property damage insurance covering fire and floods.

⁷ Delinquencies

A loan is considered to be delinquent if any payment is in arrears by more than 30 days. According to the Portuguese covered bonds legislation, any loan which is in arrears by more than 90 days must be removed from the pool and substituted by another loan which fulfills the eligibility criteria. Therefore, there are no NPL's included in the cover pool.