

Report Reference Date: **29-09-2017**  
Report Frequency: Quarterly

1. Credit Ratings <sup>1</sup>	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	Ba1	BBB-	BBB	BBB (high)	NP	A-	F2	R-1 (low)
Portugal	Ba1	BBB-	BB+	BBB (low)	NP	A-	B	R-2 (middle)

<sup>1</sup> Ratings as of Report Reference Date

2. Covered Bonds	Issue Date	Coupon	Maturity Date	Soft Bullet Date	Remaining Term (years)	Nominal Amount
<b>Covered Bonds Outstanding</b>					<b>6,08</b>	<b>6.950.000.000,00</b>
<b>Syndicated Covered Bonds Issues</b>						
Covered Bond 13 (PTBSQEOE0029)	11/06/2014	Fixed	11/06/2019	11/06/2020	1,70	750.000.000,00
Covered Bond 15 (PTBSRBOE0021)	27/10/2015	Fixed	27/10/2020	27/10/2021	3,08	750.000.000,00
Covered Bond 22 (PTBSRIOE0024)	25/04/2017	Fixed	25/04/2024	25/04/2025	6,58	1.000.000.000,00
Covered Bond 23 (PTBSRJOM0023)	26/09/2017	Fixed	26/09/2027	26/09/2028	10,00	1.000.000.000,00
<b>Private Placements Covered Bonds Issues</b>						
Covered Bond 14 (PTBSRAOE0022)	04/03/2015	Fixed	04/03/2022	04/03/2023	4,43	750.000.000,00
Covered Bond 16 (PTBSRBOE0020)	24/02/2016	Fixed	24/02/2021	24/02/2022	3,41	200.000.000,00
Covered Bond 17 - (PTBSRDOE0029)	15/04/2016	Fixed	15/04/2023	15/04/2024	5,55	750.000.000,00
Covered Bond 18 - (PTBSRFOE0019)	26/07/2016	Fixed	26/07/2023	26/07/2024	5,82	750.000.000,00
Covered Bond 21 - (PTBSRHOE0025)	10/04/2017	Fixed	10/04/2027	10/04/2028	9,53	1.000.000.000,00

3. Asset Cover Test	Remaining Term (years)	Nominal Amount
<b>Mortgage Credit Pool</b>	<b>25,14</b>	<b>8.120.927.917,64</b>
<b>Other Assets (Deposits and Securities at market value)<sup>2</sup></b>	<b>0,00</b>	<b>0,00</b>
Cash and Deposits	0,00	0,00
RMBS	0,00	0,00
Other securities	0,00	0,00
<b>Total Cover Pool</b>	<b>25,14</b>	<b>8.120.927.917,64</b>
% of ECB eligible assets		0,00%
<b>Overcollateralization<sup>3</sup> with cash collateral (OC)</b>		<b>16,85%</b>
<b>Committed overcollateralization (Fitch)</b> - Minimum OC level to keep the current Mortgage Covered Bond Programme rating		<b>14,00%</b>
<b>Committed overcollateralization (DBRS)</b> - Minimum OC level to keep the current Mortgage Covered Bond Programme rating		<b>15,00%</b>
<b>Legal minimum overcollateralization</b>		<b>5,26%</b>

4. Other Triggers	
Net Present Value of Assets (incl. derivatives) <sup>4</sup>	8.162.174.407,91
Net Present Value of Liabilities (incl. derivatives) <sup>4</sup>	6.868.327.184,65
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	
<b>Cover Pool Includes</b>	
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
<b>Currency Exposure Detail</b>	<b>n/a</b>

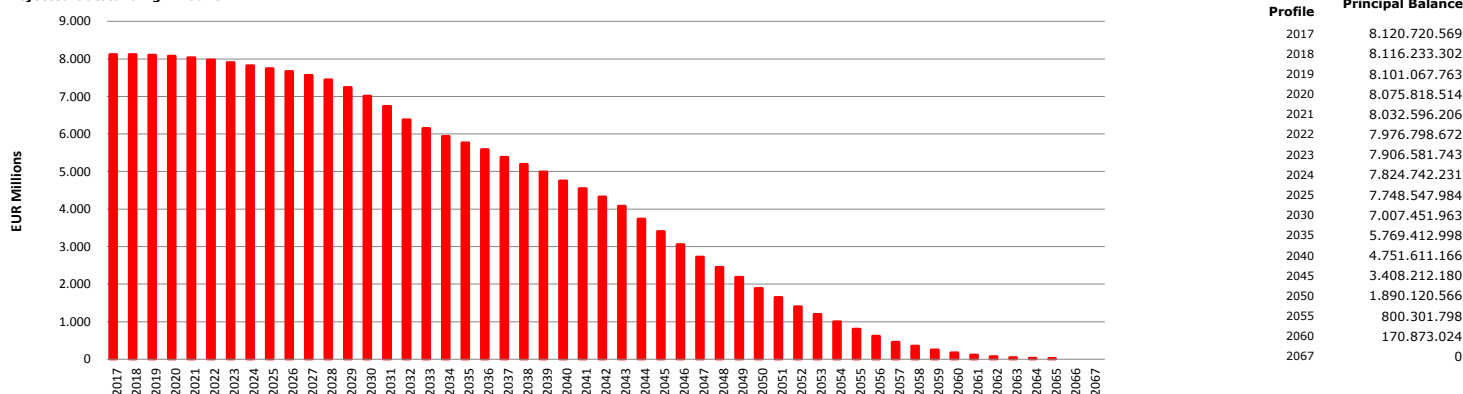
6. Mortgage Credit Pool	
<b>Main Characteristics</b>	
Number of Loans	163.949
Aggregate Original Principal Balance (EUR)	11.852.752.481,89
Aggregate Current Principal Balance (EUR)	8.120.927.917,64
Average Original Principal Balance per loan (EUR)	72.295,36
Average Current Principal Balance per loan (EUR)	49.533,26
Current principal balance of the 5 largest borrowers	8.113.113,27
Weight of the 5 largest borrowers (current principal balance) %	0,10%
Current principal balance of the 10 largest borrowers	14.366.798,03
Weight of the 10 largest borrowers (current principal balance) %	0,18%
Weighted Average Seasoning (months)	106,33
Weighted Average Remaining Terms (months)	305,92
Weighted Average Current Unindexed LTV <sup>5</sup> (%)	53,31%
Weighted Average Current Indexed LTV <sup>5</sup> (%)	54,26%
Weighted Average Interest Rate (%)	1,13%
Weighted Average Spread (%)	1,29%
Max Maturity Date (yyyy-mm-dd)	2067/09/02
<b>Subsidized Loans</b>	
Yes	29.206 17,81% 849.281.848 10,46%
No	134.743 82,19% 7.271.646.070 89,54%
<b>Insured Property<sup>6</sup></b>	
Yes	163.949 100,00% 8.120.927.918 100,00%
No	0 0,00% 0 0,00%
<b>Interest Rate Type</b>	
Fixed	5.542 3,38% 209.422.199 2,58%
Floating	158.407 96,62% 7.911.505.719 97,42%
<b>Repayment Type</b>	
Number of Loans % Total Loans Amount of Loans % Total Amount	
Annuity / French	162.459 99,09% 8.016.417.026 98,71%
Linear	0 0,00% 0 0,00%
Increasing instalments	166 0,10% 1.710.715 0,02%
Bullet	0 0,00% 0 0,00%
Interest-only	1.305 0,80% 102.494.172 1,26%
Other	19 0,01% 306.004 0,00%

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**6. Mortgage Credit Pool (continued)**

	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
<b>Seasoning</b>				
Up to 1 year	6.713	4,09%	709.707.172	8,74%
1 to 2 years	6.500	3,96%	588.531.283	7,25%
2 to 3 years	4.669	2,85%	396.794.008	4,89%
3 to 4 years	2.549	1,55%	187.965.580	2,31%
4 to 5 years	2.556	1,56%	168.728.752	2,08%
5 to 6 years	2.792	1,70%	174.803.510	2,15%
6 to 7 years	6.006	3,66%	399.687.851	4,92%
7 to 8 years	12.317	7,51%	838.883.288	10,33%
8 to 9 years	10.133	6,18%	584.530.625	7,20%
9 to 10 years	15.238	9,29%	809.079.454	9,96%
10 to 11 years	14.496	8,84%	780.610.725	9,61%
11 to 12 years	8.922	5,44%	388.748.818	4,79%
More than 12 years	71.058	43,34%	2.092.856.852	25,77%
<b>Remaining Term</b>				
Up to 5 years	14.682	8,96%	127.467.600	1,57%
5 to 8 years	11.366	6,93%	225.707.437	2,78%
8 to 10 years	6.428	3,92%	176.115.315	2,17%
10 to 12 years	9.488	5,79%	295.548.046	3,64%
12 to 14 years	13.697	8,35%	479.785.399	5,91%
14 to 16 years	15.563	9,49%	604.037.984	7,44%
16 to 18 years	8.706	5,31%	398.240.940	4,90%
18 to 20 years	7.457	4,55%	385.551.032	4,75%
20 to 22 years	7.247	4,42%	387.194.750	4,77%
22 to 24 years	7.515	4,58%	444.324.713	5,47%
24 to 26 years	7.426	4,53%	446.431.564	5,50%
26 to 28 years	10.546	6,43%	651.759.841	8,03%
28 to 30 years	10.171	6,20%	712.268.910	8,77%
30 to 40 years	27.943	17,04%	2.300.635.123	28,33%
More than 40 years	5.714	3,49%	485.859.263	5,98%
<b>Current Indexed LTV</b>				
Up to 40%	63.372	38,65%	1.744.854.676	21,49%
40 to 50%	23.804	14,52%	1.173.179.572	14,45%
50 to 60%	26.745	16,31%	1.524.382.027	18,77%
60 to 70%	29.611	18,06%	1.983.175.131	24,42%
70 to 80%	20.417	12,45%	1.695.336.512	20,88%
More than 80%	0	0,00%	0	0,00%
<b>Loan Purpose</b>				
Owner-occupied	155.161	94,64%	7.607.846.171	93,68%
Second Home	8.774	5,35%	512.696.471	6,31%
Buy to let	14	0,01%	385.276	0,00%
Other	0	0,00%	0	0,00%
<b>Property Type</b>				
<b>Residential</b>				
Fiat	100.921	61,56%	4.652.794.745	57,29%
House	62.507	38,13%	3.438.555.435	42,34%
Other	521	0,32%	29.577.738	0,36%
<b>Commercial</b>				
<b>Geographical Distribution</b>				
North	53.319	32,52%	2.567.456.706	31,62%
Center	32.234	19,66%	1.481.328.179	18,24%
Lisbon	53.953	32,91%	2.928.551.902	36,06%
Alentejo	11.718	7,15%	454.724.592	5,60%
Algarve	9.286	5,66%	495.160.726	6,10%
Madeira	2.466	1,50%	143.834.965	1,77%
Azores	973	0,59%	49.870.847	0,61%
<b>Delinquencies<sup>7</sup></b>				
	<b>Number of Loans</b>		<b>Total Loan Amount</b>	
> 30 days to 60 days	261		10.811.275	
> 60 days to 90 days	31		790.475	
> 90 days	0		0	

**Projected Outstanding Amount<sup>b</sup>**



<sup>b</sup> Includes mortgage pool and other assets; assumes no prepayments.

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<b>7. Expected Maturity Structure</b>							
In EUR	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	5-10 Years	>10 Years
Residencial Mortgages <sup>o</sup>	2.954.378	11.940.881	22.960.546	38.229.605	52.924.372	401.198.789	7.590.719.346
Commercial Mortgages	0	0	0	0	0	0	0
Other Assets <sup>2</sup>	0	0	0	0	0	0	0
<b>Cover Pool</b>	<b>2.954.378</b>	<b>11.940.881</b>	<b>22.960.546</b>	<b>38.229.605</b>	<b>52.924.372</b>	<b>401.198.789</b>	<b>7.590.719.346</b>
<b>Covered Bonds</b>	<b>0</b>	<b>750.000.000</b>	<b>0</b>	<b>950.000.000</b>	<b>750.000.000</b>	<b>4.500.000.000</b>	<b>0</b>

<sup>o</sup> Includes mortgage pool and other assets; assumes no prepayments.

<b>8. Liquidity Cushion</b>		<b>Nominal Amount</b>
<b>Liquidity Cushion (according to Fitch's definition)<sup>c</sup></b>		
Liquidity Cushion amount		0,00
Deposits with eligible financial institutions		0,00
Eligible securities		0,00
<b>Liquidity Cushion requirement calculation</b>		
Required Liquidity Cushion		0,00
Interest due month 1		0,00
Interest due month 2		0,00
Interest due month 3		0,00

<sup>c</sup> At least equal to the interest payments due on the Covered Bonds Outstanding before swaps for the next 3 months

<b>9. Derivative Financial Instruments</b>		<b>Nominal Amount</b>
<b>Total Amount of Derivatives in the Cover pool</b>		<b>6.950.000.000,00</b>
<b>Of Which Interest Rate Derivatives<sup>b</sup></b>		<b>6.950.000.000,00</b>
Fixed to Floating Swaps		0,00
Interest Basis Swaps		6.950.000.000,00
<b>Of Which Currency Swaps</b>		<b>0,00</b>
<sup>b</sup> External Counterparties (No)		

<b>10. Contacts</b>	
Corporate Finance Division - Long Term Funding	<a href="mailto:dfc@santander.pt">dfc@santander.pt</a>
Other Reports on BST website	<a href="https://www.santandertotta.pt/pt_PT/Investor-Relations/Emissao-de-Divida/2017.html">https://www.santandertotta.pt/pt_PT/Investor-Relations/Emissao-de-Divida/2017.html</a>
ECBC Label Website	<a href="https://coveredbondlabel.com/">https://coveredbondlabel.com/</a>

#### **Notes**

##### **<sup>1</sup> 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.

##### **<sup>2</sup> 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-

##### **<sup>3</sup> 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.

##### **<sup>4</sup> 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.

##### **<sup>5</sup> 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).

##### **<sup>6</sup> Insured Property**

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

##### **<sup>7</sup> 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.