FIRST SUPPLEMENT

(dated 26 February 2015)

to the

BASE PROSPECTUS

(dated 14 August 2014)

BANCO SANTANDER TOTTA, S.A.

(incorporated with limited liability in Portugal)

€12,500,000,000

COVERED BONDS PROGRAMME

This Supplement dated 26 February 2015 (the "**Supplement**") to the Base Prospectus dated 14 August 2014 (the "**Base Prospectus**"), constitutes a supplement to the Base Prospectus for the purposes of Articles 135-C, 142 and 238 of the Portuguese Securities Code prepared in connection with the Covered Bonds Programme (the "**Programme**") established by Banco Santander Totta, S.A. (the "**Issuer**", fully identified in the Base Prospectus). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Each of the Issuer, the members of its Board of Directors, the members of its Audit Board (see "*Management and Statutory Bodies*" in the Base Prospectus) and its Statutory Auditor (see "*Management and Statutory Bodies*" in the Base Prospectus) hereby declares that, to the best of its knowledge (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus. To the extent that there is any inconsistency between any statement in this Supplement and any other statement in or incorporated by reference in the Base Prospectus, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

I. GENERAL AMENDMENT

1. This Supplement is a supplement to the Base Prospectus and references to, and the definitions in, the Base Prospectus shall be amended accordingly.

II. OVERVIEW OF THE COVERED BONDS PROGRAMME

2. The first paragraph of the section headed "**Listing and Admission to Trading**", in the chapter headed "**Overview of the Covered Bonds Programme**" of the Base Prospectus, with the wording:

   "This document dated 14 August 2014 has been approved by the CMVM as a base prospectus and application was made to Euronext for the admission of Covered Bonds issued under the Programme to trading on the regulated market Euronext Lisbon ("**Euronext Lisbon**")." shall be amended as follows:

   "This document dated 14 August 2014, as supplemented on 26 February 2015, has been approved by the CMVM as a base prospectus and application was made to Euronext for the admission of Covered Bonds issued under the Programme to trading on the regulated market Euronext Lisbon ("**Euronext Lisbon**").".

III. RISK FACTORS

3. The third paragraph of the sub-section headed "**Withholding under the EU Savings Directive**", in the section headed "**Risks Specific to the Cover Pool**", in the chapter headed "**Risk Factors**" of the Base Prospectus, with the wording:

   "For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those member states which still operate a withholding system when they are implemented. In April 2013, the Luxembourg government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the directive." shall be amended as follows:

   "For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. Luxembourg has abolished the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.".

IV. DOCUMENTS INCORPORATED BY REFERENCE

4. In the chapter headed "**Documents Incorporated by Reference**" of the Base Prospectus, the following wording shall be included as new paragraph (c):

   "(c) the unaudited financial statements of the Issuer in respect of the first semester of 2014 ended 30 June 2014, disclosed on 28 August 2014 and substituted on 3 September 2014 (English language version available at www.santandertotta.com and at www.cmvm.pt), including the information set out at the following pages in particular:

Consolidated financial statements	Page 31-36
Consolidated balance sheets	Page 32
Consolidated statements of income	Page 33
Consolidated statements of income and other comprehensive income	Page 34
Consolidated statement of changes in shareholder's equity	Page 35
Consolidated statements of cash flows	Page 36
Notes to the consolidated financial statements	Page 37-168"

Previous paragraph (c) shall be referred as the new paragraph (d) and previous paragraph (d) shall be referred as the new paragraph (e).

V. DESCRIPTION OF THE ISSUER

5. The first paragraph of the section headed "**Recent Developments**", in the chapter headed "**Description of the Issuer**" of the Base Prospectus, with the wording:

"On 20 March 2014 BST informed the market that it had requested S&P to cease rating the Covered Bonds. On 30 July 2014 BST informed the market that Moody's had upgraded the rating of its Covered Bonds from "Baa1" to "A3". On 7 July 2014 BST informed the market that Fitch had upgraded the rating of its Covered Bonds from "BBB" to "BBB+" with positive outlook." shall be amended as follows:

"On 20 March 2014 BST informed the market that it had requested S&P to cease rating the Covered Bonds. On 30 July 2014 BST informed the market that Moody's had upgraded the rating of its Covered Bonds from "Baa1" to "A3". On 7 July 2014 BST informed the market that Fitch had upgraded the rating of its Covered Bonds from "BBB" to "BBB+" with positive outlook. Furthermore, BST informed the market that on 17 December 2014 DBRS reviewed the rating of the following Covered Bonds from "A (low)" to "A": PTBTAHOE0015 - COVERED BONDS DUE 2015 – SÉRIE 8; PTBTAIOE0014 - COVERED BONDS DUE 2016 – SÉRIE 9-T 1; PTBTAJOE0013 - COVERED BONDS DUE 2016 – SÉRIE 9-T 2; PTBTCKOE0018 - COVERED BONDS DUE 2016 – SÉRIE 10; PTBSQBOE0022 - COVERED BONDS DUE 2016 – SÉRIE 11– T 1; PTBSQAOE0023 - COVERED BONDS DUE 2016 – SÉRIE 11– T 2; PTBSQCOE0021 - COVERED BONDS DUE 2017 – SÉRIE 11– T 3; PTBSQDOE0020 - COVERED BONDS DUE 2017 – SÉRIE 12; PTBSQEOE0029 - COVERED BONDS DUE 2019 – SÉRIE 13.".

VI. TAXATION

6. The first paragraph of the section headed "**Legal persons resident in Portugal and non-residents with a permanent establishment to which income derived from the Covered Bonds is attributable**", in the section 1 headed "**Covered Bonds not held through a centralised control system**", in chapter headed "**Taxation**" of the Base Prospectus, with the wording:

"Interest and capital gains derived from the Covered Bonds and capital gains and losses realised by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal to which the interest or capital gains or losses are attributable are included in their taxable income and are subject to corporate income tax rate at a rate of (i) 23 per cent. or (ii) if the taxpayer is a small or medium enterprise as established in Decree-Law no. 372/2007, of 6 November 2007, 17 per cent. for taxable profits up to €15,000 and 23 per cent. on profits in excess thereof to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5 per cent. of its taxable income. Corporate taxpayers with a taxable income of more than €1,500,000 are also subject to a State surcharge (*derrama estadual*) of (i) 3 per cent. on the part of its taxable profits exceeding €1,500,000 up to €7,500,000, (ii) 5 per cent. on the part of the taxable profits that exceeds €7,500,000 up to €35,000,000, and (iii) 7 per cent. on the part of the taxable profits that exceeds €35,000,000." shall be amended as follows:

"Interest and capital gains derived from the Covered Bonds and capital gains and losses realised by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal to which the interest or capital gains or losses are attributable are included in their taxable income and are subject to corporate income tax rate at a rate of (i) 21 per cent. or (ii) if the taxpayer is a small or medium enterprise as established in Decree-Law no. 372/2007, of 6 November 2007, 17 per cent. for taxable profits up to €15,000 and 21 per cent. on profits in excess thereof to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5 per cent. of its taxable income. Corporate taxpayers with a taxable income of more than €1,500,000 are also subject to a State surcharge (*derrama estadual*) of (i) 3 per cent. on the part of its taxable profits exceeding €1,500,000 up to €7,500,000, (ii) 5 per cent. on the part of the taxable profits that exceeds €7,500,000 up to €35,000,000, and (iii) 7 per cent. on the part of the taxable profits that exceeds €35,000,000.".

7. The second paragraph of the section headed "**Acquisition of Covered Bonds through gift or inheritance**", in the section 1 headed "**Covered Bonds not held through a centralised control system**", in chapter headed "**Taxation**" of the Base Prospectus, with the wording:

"The acquisition of Covered Bonds through gift or inheritance by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal is subject to corporate income tax rate at a rate of (i) 23 per cent. or (ii) if the taxpayer is a small or medium enterprise as established in Decree-Law no. 372/2007, of 6 November 2007, 17 per cent. for taxable profits up to €15,000 and 23 per cent. on profits in excess thereof to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5 per cent. of its taxable income. Corporate taxpayers with a taxable income of more than €1,500,000 are also subject to State surcharge (*derrama estadual*) of (i) 3 per cent. on the part of its taxable profits exceeding €1,500,000 up to €7,500,000, (ii) 5 per cent. on the part of the taxable profits that exceeds €7,500,000 up to €35,000,000, and (iii) 7 per cent. on the part of the taxable profits that exceeds €35,000,000." shall be amended as follows:

"The acquisition of Covered Bonds through gift or inheritance by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal is subject to corporate income tax rate at a rate of (i) 21 per cent. or (ii) if the taxpayer is a small or medium enterprise as established in Decree-Law no. 372/2007, of 6

November 2007, 17 per cent. for taxable profits up to €15,000 and 21 per cent. on profits in excess thereof to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5 per cent. of its taxable income. Corporate taxpayers with a taxable income of more than €1,500,000 are also subject to a State surcharge (*derrama estadual*) of (i) 3 per cent. on the part of its taxable profits exceeding €1,500,000 up to €7,500,000, (ii) 5 per cent. on the part of the taxable profits that exceeds €7,500,000 up to €35,000,000, and (iii) 7 per cent. on the part of the taxable profits that exceeds €35,000,000.".

8. The paragraph of the sub-section (b) headed "**Internationally Cleared Covered Bonds**", in the section 2 headed "**Covered Bonds held through a centralised control system**", in chapter headed "**Taxation**" of the Base Prospectus, with the wording "The amendments introduced by Law 83/2013 of 9 December 2013 apply to debt instruments (including Covered Bonds) issued on or after 1 January 2014 or, if the debt instruments were issued before, to the income obtained after the first interest payment date falling after 31 December 2013.", <u>shall be deleted</u>.

9. A new section headed "**FATCA**" <u>shall be inserted</u> in chapter headed "**Taxation**" of the Base Prospectus immediately before the section headed "**EU Savings Directive**", with the following wording:

   "**FATCA**

   Portugal has very recently implemented, through Law 82-B/2014 of 31 December 2014, the legal framework based on reciprocal exchange of information on financial accounts subject to disclosure in order to comply with FATCA. It is foreseen that additional legislation will be created in Portugal namely regarding with the certain procedures, rules and dates in connection with FATCA.".

10. The third paragraph of the section headed "**EU Savings Directive**", in the chapter headed "**Taxation**" of the Base Prospectus, with the wording:

   "For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive." <u>shall be amended as follows</u>:

   "For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. Luxembourg has abolished the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.".

VII. GENERAL INFORMATION

11. The paragraph under the heading "**Significant or material change**", in the chapter "**General Information**" of the Base Prospectus, with the wording:

"There has been no significant change in the financial or trading position of the Issuer since 31 December 2013 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2013." shall be amended as follows:

"There has been no significant change in the financial or trading position of the Issuer since 30 June 2014 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2013.".

12. The second paragraph of the section headed "**Accounts**", in the chapter "**General Information**" of the Base Prospectus, with the wording:

"The financial statements of the Issuer in respect of the financial years ended 31 December 2012 and 31 December 2013 are incorporated by reference in this Base Prospectus." shall be amended as follows:

"The financial statements of the Issuer in respect of the financial years ended 31 December 2012 and 31 December 2013 and the unaudited financial statements of the Issuer in respect of the first semester of 2014 ended 30 June 2014 are incorporated by reference in this Base Prospectus.".