

Report Reference Date: **30-06-2016**  
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	Baa3	BB+	BBB	BBB (high)	NP	B	F2	R-1 (low)
Portugal	Ba1	BB+	BB+	BBB (low)	NP	B	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>2,68</b>	<b>6 950 000 000,00</b>
<b>Syndicated Covered Bonds Issues</b>						
Covered Bond 12 (PTBSQDOE0020)	01/04/2014	Fixed	03/04/2017	03/04/2018	0,76	1 000 000 000,00
Covered Bond 13 (PTBSQEOE0029)	11/06/2014	Fixed	11/06/2019	11/06/2020	2,95	750 000 000,00
Covered Bond 15 (PTBSRBOE0021)	27/10/2015	Fixed	27/10/2020	27/10/2021	4,33	750 000 000,00
<b>Private Placements Covered Bonds Issues</b>						
Covered Bond 10 (PTBTCKOE0018)	26/07/2013	Floating	26/07/2016	26/07/2017	0,07	750 000 000,00
Covered Bond 11 - Tranche 1 (PTBSQBOE0022)	19/12/2013	Floating	19/12/2016	19/12/2017	0,47	500 000 000,00
Covered Bond 11 - Tranche 2 (PTBSQAOE0023)	19/12/2013	Floating	19/12/2016	19/12/2017	0,47	500 000 000,00
Covered Bond 11 - Tranche 3 (PTBSQCOE0021)	13/01/2014	Fixed	13/01/2017	13/01/2018	0,54	750 000 000,00
Covered Bond 14 (PTBSRAOE0022)	04/03/2015	Fixed	04/03/2022	04/03/2023	5,68	750 000 000,00
Covered Bond 16 (PTBSRCOE0020)	24/02/2016	Fixed	24/02/2021	24/02/2022	4,66	450 000 000,00
Covered Bond 17 - (PTBSRDOE0029)	15/04/2016	Fixed	15/04/2023	15/04/2024	6,79	750 000 000,00

**CRD Compliant (Yes/No)** **Yes**

3. Asset Cover Test	Remaining Term (years)	Nominal Amount
<b>Mortgage Credit Pool</b>	<b>24,89</b>	<b>8 085 325 112,04</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>24,89</b>	<b>8 085 325 112,04</b>
% of ECB eligible assets		0,00%
<b>Overcollateralization<sup>3</sup> with cash collateral (OC)</b>		<b>16,34%</b>
<b>Committed overcollateralization (Fitch)</b> - Minimum OC level to keep the current Mortgage Covered Bond Programme rating		<b>15,00%</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>	7 674 056 651,33
Net Present Value of Liabilities (incl. derivatives) <sup>4</sup>	7 019 236 574,93
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>

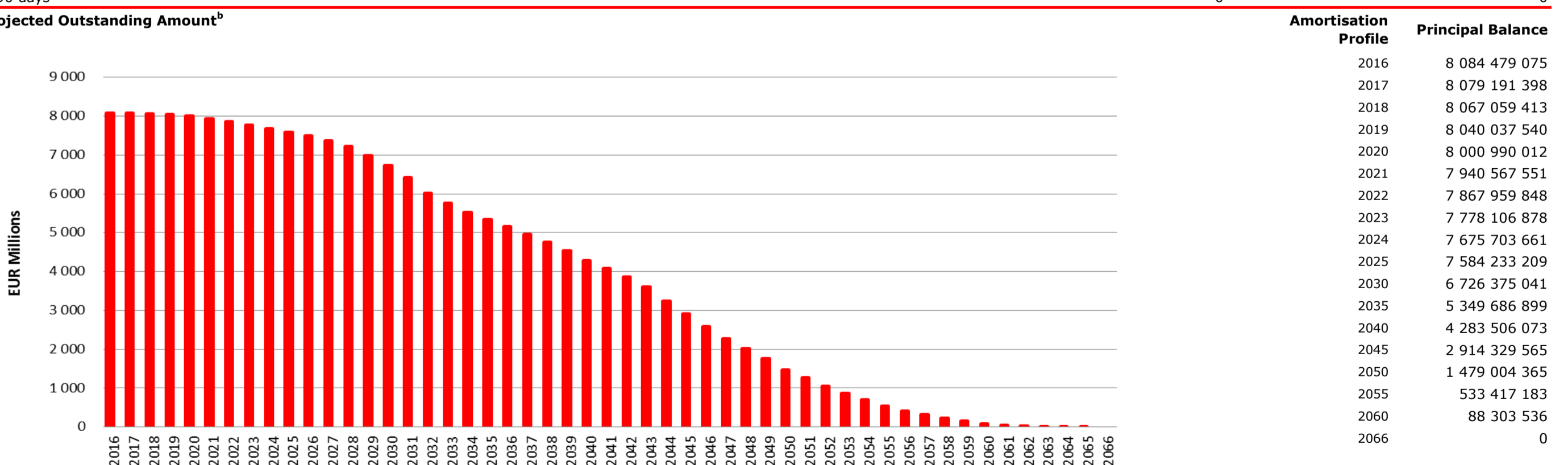
6. Mortgage Credit Pool	
<b>Main Characteristics</b>	
Number of Loans	165 977
Aggregate Original Principal Balance (EUR)	11 566 298 782,91
Aggregate Current Principal Balance (EUR)	8 085 325 112,04
Average Original Principal Balance per loan (EUR)	69 686,15
Average Current Principal Balance per loan (EUR)	48 713,53
Current principal balance of the 5 largest borrowers	7 059 981,32
Weight of the 5 largest borrowers (current principal balance) %	0,09%
Current principal balance of the 10 largest borrowers	12 128 292,18
Weight of the 10 largest borrowers (current principal balance) %	0,15%
Weighted Average Seasoning (months)	105,46
Weighted Average Remaining Terms (months)	302,87
Weighted Average Current Unindexed LTV <sup>5</sup> (%)	53,89%
Weighted Average Current Indexed LTV <sup>5</sup> (%)	54,77%
Weighted Average Interest Rate (%)	1,21%
Weighted Average Spread (%)	1,27%
Max Maturity Date (yyyy-mm-dd)	2066/07/02
<b>Subsized Loans</b>	
	<b>Number of Loans</b> <b>% Total Loans</b> <b>Amount of Loans</b> <b>% Total Amount</b>
Yes	31 251 18,83% 976 089 923 12,07%
No	134 726 81,17% 7 109 235 189 87,93%
<b>Insured Property<sup>6</sup></b>	
	<b>Number of Loans</b> <b>% Total Loans</b> <b>Amount of Loans</b> <b>% Total Amount</b>
Yes	165 977 100,00% 8 085 325 112 100,00%
No	0 0,00% 0 0,00%
<b>Interest Rate Type</b>	
	<b>Number of Loans</b> <b>% Total Loans</b> <b>Amount of Loans</b> <b>% Total Amount</b>
Fixed	5 251 3,16% 139 781 445 1,73%
Floating	160 726 96,84% 7 945 543 667 98,27%
<b>Repayment Type</b>	
	<b>Number of Loans</b> <b>% Total Loans</b> <b>Amount of Loans</b> <b>% Total Amount</b>
Annuity / French	164 240 98,95% 7 979 120 432 98,69%
Linear	0 0,00% 0 0,00%
Increasing instalments	211 0,13% 2 396 580 0,03%
Bullet	0 0,00% 0 0,00%
Interest-only	1 502 0,90% 103 395 102 1,28%
Other	24 0,01% 412 999 0,01%

Report Reference Date: **30-06-2016**  
Report Frequency: Quarterly

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

	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
<b>Seasoning</b>				
Up to 1 year	5 703	3,44%	501 993 090	6,21%
1 to 2 years	4 238	2,55%	365 447 488	4,52%
2 to 3 years	2 562	1,54%	182 421 343	2,26%
3 to 4 years	2 893	1,74%	195 574 937	2,42%
4 to 5 years	3 415	2,06%	223 626 104	2,77%
5 to 6 years	8 238	4,96%	582 046 919	7,20%
6 to 7 years	13 611	8,20%	947 648 748	11,72%
7 to 8 years	10 640	6,41%	621 676 514	7,69%
8 to 9 years	17 395	10,48%	976 638 522	12,08%
9 to 10 years	13 263	7,99%	738 172 625	9,13%
10 to 11 years	9 486	5,72%	414 230 034	5,12%
11 to 12 years	8 482	5,11%	348 017 244	4,30%
More than 12 Years	66 051	39,80%	1 987 831 543	24,59%
<b>Remaining Term</b>				
Up to 5 years	12 420	7,48%	112 297 263	1,39%
5 to 8 years	12 582	7,58%	244 405 130	3,02%
8 to 10 years	6 936	4,18%	189 579 706	2,34%
10 to 12 years	7 030	4,24%	231 271 007	2,86%
12 to 14 years	12 627	7,61%	445 542 858	5,51%
14 to 16 years	15 648	9,43%	613 644 087	7,59%
16 to 18 years	13 882	8,36%	606 034 983	7,50%
18 to 20 years	7 753	4,67%	384 458 341	4,76%
20 to 22 years	7 385	4,45%	395 767 860	4,89%
22 to 24 years	7 847	4,73%	455 923 591	5,64%
24 to 26 years	7 099	4,28%	432 860 503	5,35%
26 to 28 years	8 835	5,32%	534 449 163	6,61%
28 to 30 years	10 742	6,47%	699 879 987	8,66%
30 to 40 years	29 423	17,73%	2 277 069 640	28,16%
More than 40 years	5 768	3,48%	462 140 993	5,72%
<b>Current Indexed LTV</b>				
Up to 40%	61 261	36,91%	1 701 126 870	21,04%
40 to 50%	23 017	13,87%	1 126 200 760	13,93%
50 to 60%	26 625	16,04%	1 492 455 121	18,46%
60 to 70%	30 185	18,19%	1 891 399 493	23,39%
70 to 80%	24 889	15,00%	1 874 142 869	23,18%
More than 80%	0	0,00%	0	0,00%
<b>Loan Purpose</b>				
Owner-occupied	157 408	94,84%	7 595 077 079	93,94%
Second Home	8 551	5,15%	489 782 711	6,06%
Buy to let	18	0,01%	465 321	0,01%
Other	0	0,00%	0	0,00%
<b>Property Type</b>				
<b>Residential</b>				
Flat	103 157	62,15%	4 697 670 522	58,10%
House	62 270	37,52%	3 356 435 920	41,51%
Other	550	0,33%	31 218 671	0,39%
<b>Commercial</b>				
<b>Geographical Distribution</b>				
North	53 348	32,14%	2 521 937 636	31,19%
Center	32 715	19,71%	1 506 040 550	18,63%
Lisbon	54 763	32,99%	2 879 168 521	35,61%
Alentejo	12 192	7,35%	484 036 514	5,99%
Algarve	9 587	5,78%	508 871 725	6,29%
Madeira	2 426	1,46%	139 571 892	1,73%
Azores	946	0,57%	45 698 273	0,57%
<b>Delinquencies<sup>7</sup></b>				
	<b>Number of Loans</b>		<b>Total Loan Amount</b>	
> 30 days to 60 days	423		18 704 611	
> 60 days to 90 days	103		3 381 125	
> 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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### 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 <sup>b</sup>	2 701 653	8 278 312	18 464 616	33 940 428	49 171 778	434 763 786	7 538 004 538
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>2 701 653</b>	<b>8 278 312</b>	<b>18 464 616</b>	<b>33 940 428</b>	<b>49 171 778</b>	<b>434 763 786</b>	<b>7 538 004 538</b>
<b>Covered Bonds</b>	<b>3 500 000 000</b>	<b>0</b>	<b>750 000 000</b>	<b>0</b>	<b>1 200 000 000</b>	<b>1 500 000 000</b>	<b>0</b>

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

### 8. Liquidity Cushion

	Nominal Amount
<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

### 9. Derivative Financial Instruments

	Nominal Amount
<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)

### 10. Contacts

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

[Dfc@santander.pt](mailto:Dfc@santander.pt)  
[https://www.santandertotta.pt/pt\\_PT/Investor-Relations/Emissao-de-Divida/2016.html](https://www.santandertotta.pt/pt_PT/Investor-Relations/Emissao-de-Divida/2016.html)  
<https://coveredbondlabel.com/>

### 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.