

**FIRST SUPPLEMENT**  
**(dated 14 September 2017)**  
**to the**  
**BASE PROSPECTUS**  
**(dated 19 July 2017)**



**BANCO SANTANDER TOTTA, S.A.**  
**(incorporated with limited liability in Portugal)**

**€12,500,000,000**

**COVERED BONDS PROGRAMME**

This Supplement dated 14 September 2017 (the “**Supplement**”) to the Base Prospectus dated 19 July 2017 (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 € 12,500,000,000 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.

For the purposes of the applicable legal provisions, each of the Issuer, the members of its Board of Directors, the members of its Audit Board and its Statutory Auditor (see “*Management and Statutory Bodies*” in the Base Prospectus) hereby declare that, to the best of their 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. References to, and the definitions of, the Base Prospectus shall be construed as referring to the base prospectus dated 19 July 2017, prepared in connection with the Programme, as supplemented by this Supplement dated 14 September 2017.

## II. RISK FACTORS

2. The first sentence of the first paragraph of the risk factor headed **“Portugal may be subject to further rating reviews by the rating agencies, with implications on the funding of the economy and on the Issuer’s activity”**, in the section headed **“Risks Specific to the Issuer”**, under the chapter headed **“Risk Factors”** of the Base Prospectus with the wording:

“Current ratings of the Portuguese Republic are as follows: S&P: BB+ as of 18 September 2015, with stable outlook as of 17 March 2017; Moody’s: Ba1 as of 27 July 2014, with stable outlook as of 5 May 2017; Fitch: BB+ as of 4 November 2011, with a positive outlook as of 16 June 2017; DBRS: BBB (low) as of 30 January 2012, with stable outlook as of 21 April 2017.” shall be amended as follows:

“Current ratings of the Portuguese Republic are as follows: S&P: BB+ as of 18 September 2015, with stable outlook as of 17 March 2017; Moody’s: Ba1 as of 27 July 2014, with a positive outlook as of 1 September 2017; Fitch: BB+ as of 4 November 2011, with a positive outlook as of 16 June 2017; DBRS: BBB (low) as of 30 January 2012, with stable outlook as of 21 April 2017.”

## III. DESCRIPTION OF THE ISSUER

3. In the section headed **“Recent Developments”**, under the chapter **“Description of the Issuer”** of the Base Prospectus, three new paragraphs shall be added at the end of such section, with the following wording:

“On 5 September 2017, BST disclosed to the market that, following the aforementioned acquisition of Banco Popular Español, S.A. by Banco Santander, S.A. within the context of a resolution measure approved by the Single Resolution Mechanism under the SRM Regulation and the consolidation of the Banco Popular group’s business into the BST Group, the following transactions were approved:

- The purchase by BST from Banco Popular Español, S.A. of 100 per cent. of the share capital of Banco Popular Portugal, S.A;

- The purchase by Totta Urbe - Empresa de Administração e Construções, S.A. from Consulteam - Management Consultants, S.A. of its asset portfolio; and

- The purchase by Santander Totta, SGPS, S.A. from Banco Popular Español, S.A. of 84.07 per cent. of the share capital of Eurovida - Companhia de Seguros de Vida, S.A..

On the same date, the Boards of Directors of BST and of Banco Popular Portugal, S.A. also approved a simplified merger project, which was registered on 6 September 2017, pursuant to article 116 of the Portuguese Companies Code, whereby Banco Popular Portugal, S.A., including all its assets and liabilities, will be incorporated into BST. Such merger project is available at the commercial registry certificate of the Issuer and at <https://publicacoes.mj.pt/Index.aspx>

In the context of the simplified merger project mentioned above, meetings of holders of Covered Bonds which were issued and outstanding prior to the registration of said simplified merger project will take place to consider and vote on said merger. Holders of Covered Bonds may resolve to judicially oppose the envisaged merger on the grounds that it will be detrimental to the exercise of their rights. Such opposition will not prevent the conclusion and definitive registration of the merger, provided that the opposition is dismissed by the competent court under the terms set out in Portuguese law or the opposition is withdrawn or the Issuer satisfies the opposition request or issues a surety as established by agreement or by a court decision or the holders of Covered Bonds give their consent to the definitive registration of the merger or the Issuer provides a deposit of the amounts that may be declared due to the holders of Covered Bonds, all in accordance with the Portuguese law.

The standard legal proceedings will now follow with the relevant supervisory authorities, including with the ECB, with respect to said merger.”

#### **IV. OVERVIEW OF THE COVERED BONDS PROGRAMME**

4. The first sentence of the paragraph that makes up the section headed “**Listing and Admission to Trading**”, under the chapter headed “**Overview of the Covered Bonds Programme**” of the Base Prospectus, with the wording:

“This document dated 19 July 2017 has been approved by the CMVM as a base prospectus and application will be made to Euronext for the admission of Covered Bonds issued under the Programme to trading on the regulated market Euronext Lisbon.” shall be amended as follows:

“This document dated 19 July 2017, as supplement on 14 September 2017, has been approved by the CMVM as a base prospectus and application will be made to Euronext for the admission of Covered Bonds issued under the Programme to trading on the regulated market Euronext Lisbon.”