Santander

Mortgage Covered Bonds

Investor Report - 30th September 2021

COVERED BOND LABEL

Report Reference Date:	**30-09-2021**
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	Aa2	n/a	A+	AA (low)	n/a	n/a	n/a	n/a
Banco Santander Totta, SA	Baa2	BBB	BBB+	A	NP	A-2	F2	R-1 (low)
Portugal	Baa2	BBB	BBB	BBB (high)	NP	A-2	F2	R-1 (low)

[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					**4,60**	**8.600.000.000,00**
Syndicated Covered Bonds Issues						
Covered Bond 22 (PTBSRIOE0024)	25/04/2017	Fixed	25/04/2024	25/04/2025	2,57	1.000.000.000,00
Covered Bond 23 (PTBSRJOM0023)	26/09/2017	Fixed	26/09/2027	26/09/2028	5,99	1.000.000.000,00
Private Placements Covered Bonds Issues						
Covered Bond 14 (PTBSRAOE0022)	04/03/2015	Fixed	04/03/2022	04/03/2023	0,42	750.000.000,00
Covered Bond 17 (PTBSRDOE0029)	15/04/2016	Fixed	15/04/2023	15/04/2024	1,54	750.000.000,00
Covered Bond 18 (PTBSRFOE0019)	26/07/2016	Fixed	26/07/2023	26/07/2024	1,82	750.000.000,00
Covered Bond 20 (PTBSRKOM0020)	07/12/2017	Fixed	07/12/2027	07/12/2028	6,19	750.000.000,00
Covered Bond 21 (PTBSRHOE0025)	10/04/2017	Fixed	10/04/2027	10/04/2028	5,53	1.000.000.000,00
Covered Bond 24 (PTBSRGOM0034)	05/07/2019	Fixed	05/07/2029	05/07/2030	7,77	1.100.000.000,00
Covered Bond 25 (PTBSRMOM0028)	27/03/2020	Fixed	27/03/2025	27/03/2026	3,49	750.000.000,00
Covered Bond 26 (PTBSRNOM0019)	28/10/2020	Fixed	28/10/2030	28/10/2031	9,08	750.000.000,00
CRD Compliant (Yes/No)						**Yes**

3. Asset Cover Test	Remaining Term (years)	Nominal Amount
Mortgage Credit Pool	**26,26**	**9.957.878.963,31**
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	**26,26**	**9.957.878.963,31**
% of ECB eligible assets		0,00%
Overcollateralization[3] with cash collateral (OC)		**15,79%**
Legal minimum overcollateralization		**5,26%**

4. Other Triggers	
Net Present Value of Assets (incl. derivatives)[4]	**10.145.771.931,53**
Net Present Value of Liabilities (incl. derivatives)[4]	**9.036.003.872,38**
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	175.927
Aggregate Original Principal Balance (EUR)	14.432.542.440,86
Aggregate Current Principal Balance (EUR)	9.957.878.963,31
Average Original Principal Balance per loan (EUR)	82.037,11
Average Current Principal Balance per loan (EUR)	56.602,33
Current principal balance of the 5 largest borrowers	10.374.535,04
Weight of the 5 largest borrowers (current principal balance) %	0,10%
Current principal balance of the 10 largest borrowers	17.908.711,92
Weigth of the 10 largest borrowers (current principal balance) %	0,18%
Weighted Average Seasoning (months)	104,34
Weighted Average Remaining Terms (months)	319,46
Weighted Average Current Unindexed LTV[5] (%)	54,15%
Weighted Average Current Indexed LTV[5] (%)	54,41%
Weighted Average Interest Rate (%)	0,71%
Weighted Average Spread (%)	1,17%
Max Maturity Date (yyyy-mm-dd)	2070/02/02

Subsidized Loans	**Number of Loans**	**% Total Loans**	**Amount of Loans**	**% Total Amount**
Yes	20.785	11,81%	609.689.785	6,12%
No	155.142	88,19%	9.348.189.179	93,88%

Insured Property[6]	**Number of Loans**	**% Total Loans**	**Amount of Loans**	**% Total Amount**
Yes	175.927	100,00%	9.957.878.963	100,00%
No	0	0,00%	0	0,00%

Interest Rate Type	**Number of Loans**	**% Total Loans**	**Amount of Loans**	**% Total Amount**
Fixed	2.165	1,23%	90.007.495	0,90%
Floating	173.762	98,77%	9.867.871.469	99,10%

Repayment Type	**Number of Loans**	**% Total Loans**	**Amount of Loans**	**% Total Amount**
Annuity / French	171.956	97,74%	9.706.210.950	97,47%
Linear	0	0,00%	0	0,00%
Increasing instalments	38	0,02%	442.218	0,00%
Bullet	0	0,00%	0	0,00%
Interest-only	3.929	2,23%	251.186.287	2,52%

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Other	4	0,00%	39.509	0,00%

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6. Mortgage Credit Pool (continued)

Seasoning	**Number of Loans**	**% Total Loans**	**Amount of Loans**	**% Total Amount**
Up to 1 year	5.386	3,06%	627.794.174	6,30%
1 to 2 years	8.257	4,69%	855.795.285	8,59%
2 to 3 years	10.635	6,05%	1.030.839.874	10,35%
3 to 4 years	11.051	6,28%	1.066.174.440	10,71%
4 to 5 years	8.150	4,63%	765.374.585	7,69%
5 to 6 years	5.639	3,21%	468.696.145	4,71%
6 to 7 years	3.822	2,17%	294.786.546	2,96%
7 to 8 years	1.992	1,13%	133.299.978	1,34%
8 to 9 years	1.992	1,13%	117.176.563	1,18%
9 to 10 years	2.214	1,26%	118.758.618	1,19%
10 to 11 years	4.894	2,78%	286.692.513	2,88%
11 to 12 years	10.045	5,71%	601.949.254	6,04%
More than 12 Years	101.850	57,89%	3.590.540.987	36,06%

Remaining Term	**Number of Loans**	**% Total Loans**	**Amount of Loans**	**% Total Amount**
Up to 5 years	13.787	7,84%	107.374.135	1,08%
5 to 8 years	9.583	5,45%	194.768.760	1,96%
8 to 10 years	11.195	6,36%	284.409.345	2,86%
10 to 12 years	13.443	7,64%	402.350.880	4,04%
12 to 14 years	8.366	4,76%	314.485.824	3,16%
14 to 16 years	7.255	4,12%	321.850.883	3,23%
16 to 18 years	7.927	4,51%	386.601.951	3,88%
18 to 20 years	8.271	4,70%	442.211.253	4,44%
20 to 22 years	8.650	4,92%	487.237.051	4,89%
22 to 24 years	12.601	7,16%	721.789.109	7,25%
24 to 26 years	13.424	7,63%	871.603.424	8,75%
26 to 28 years	10.960	6,23%	801.269.029	8,05%
28 to 30 years	9.801	5,57%	807.747.004	8,11%
30 to 40 years	37.871	21,53%	3.553.394.310	35,68%
More than 40 years	2.793	1,59%	260.786.007	2,62%

Current Indexed LTV	**Number of Loans**	**% Total Loans**	**Amount of Loans**	**% Total Amount**
Up to 40%	67.673	38,47%	2.014.747.760	20,23%
40 to 50%	24.808	14,10%	1.395.576.283	14,01%
50 to 60%	28.998	16,48%	1.955.153.631	19,63%
60 to 70%	33.957	19,30%	2.588.871.449	26,00%
70 to 80%	20.491	11,65%	2.003.529.840	20,12%
More than 80%	0	0,00%	0	0,00%

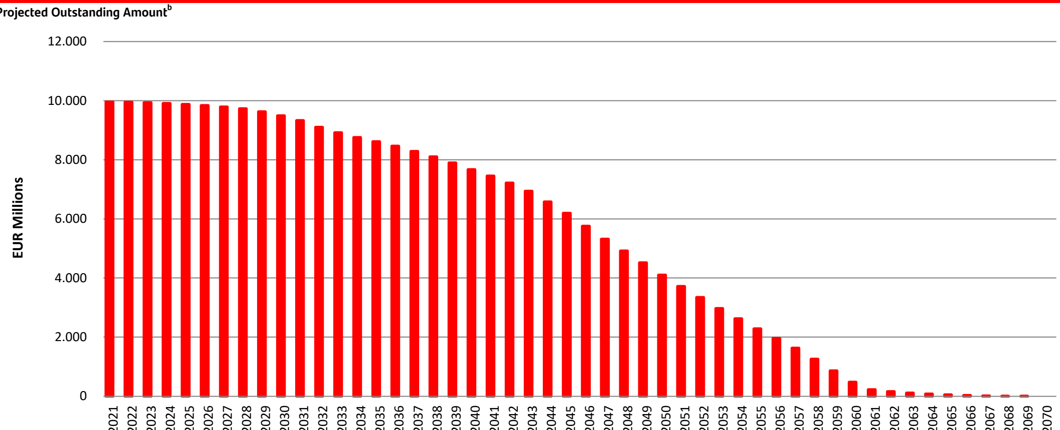
Loan Purpose	**Number of Loans**	**% Total Loans**	**Amount of Loans**	**% Total Amount**
Owner-occupied	165.665	94,17%	9.275.432.967	93,15%
Second Home	10.257	5,83%	682.370.841	6,85%
Buy to let	5	0,00%	75.156	0,00%
Other	0	0,00%	0	0,00%

Property Type	**Number of Loans**	**% Total Loans**	**Amount of Loans**	**% Total Amount**
Residential				
Flat	107.650	61,19%	5.581.089.888	56,05%
House	67.797	38,54%	4.347.419.176	43,66%
Other	480	0,27%	29.369.899	0,29%
Commercial				

Geographical Distribution	**Number of Loans**	**% Total Loans**	**Amount of Loans**	**% Total Amount**
North	57.318	32,58%	3.126.995.693	31,40%
Center	34.427	19,57%	1.746.253.830	17,54%
Lisbon	58.078	33,01%	3.680.548.801	36,96%
Alentejo	11.434	6,50%	474.822.105	4,77%
Algarve	9.717	5,52%	600.610.897	6,03%
Madeira	3.256	1,85%	218.480.238	2,19%
Azores	1.697	0,96%	110.167.400	1,11%

Delinquencies[7]	**Number of Loans**	**Total Loan Amount**
> 30 days to 60 days	54	1.934.613
> 60 days to 90 days	6	191.715
> 90 days	0	0

Projected Outstanding Amount[b]



Amortisation Profile	**Principal Balance**
2021	9.957.448.109
2022	9.950.156.609
2023	9.932.972.635
2024	9.906.754.563
2025	9.877.198.403
2030	9.493.868.474
2035	8.615.122.508
2040	7.667.466.328
2045	6.193.014.376
2050	4.099.578.859
2055	2.283.571.284
2060	478.991.147
2065	47.258.474
2070	0

[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]	4.991.132	14.864.475	23.693.658	29.458.446	34.669.139	479.648.382	9.370.553.731
Commercial Mortgages	0	0	0	0	0	0	0
Other Assets[2]	0	0	0	0	0	0	0
Cover Pool	**4.991.132**	**14.864.475**	**23.693.658**	**29.458.446**	**34.669.139**	**479.648.382**	**9.370.553.731**
Covered Bonds	**750.000.000**	**1.500.000.000**	**1.000.000.000**	**750.000.000**	**0**	**4.600.000.000**	**0**

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

8. Liquidity Cushion	Nominal Amount
Liquidity Cushion (according to Fitch's definition)[c]	
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	**8.600.000.000,00**
Of Which Interest Rate Derivatives[b]	**8.600.000.000,00**
Fixed to Floating Swaps	0,00
Interest Basis Swaps	8.600.000.000,00
Of Which Currency Swaps	**0,00**

[b] External Counterparties (No)

10. Contacts	
Corporate Finance Division - Long Term Funding	mercadosfinanceiros@santander.pt
Other Reports on BST website	https://www.santander.pt/institucional/investor-relations/santander-totta-sa/emissao-de-divida
ECBC Label Website	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.

[5] Loan-to-Value

The Current LTV is calculated by dividing de outstanding balance of the loan by the value of the underlying property (last physical valuation).

The Current indexed LTV is calculated by dividing de 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 satisitcal 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 elegibility criteria. Therefore, there are no NPL's included in the cover pool.