FOURTH SUPPLEMENT

(dated 5 June 2018)

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 5 June 2018 (the "**Supplement**") to the Base Prospectus dated 19 July 2017 as supplemented on 14 September 2017, on 20 September 2017 and on 23 November 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 a supplement dated 14 September 2017, by a supplement dated 20 September 2017, by a supplement dated 23 November 2017 and by this Supplement dated 5 June 2018.

II. COVER PAGE

1. The first sentence of the third paragraph of the second page of the cover page of the Base Prospectus, with the wording:

   "The Issuer has been assigned a long-term debt rating of "Ba1" with a stable outlook from Moody's Investors Service Ltd. ("**Moody's**"), "BBB-" with a stable outlook from Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), "BBB" with a positive outlook from Fitch Ratings Limited ("**Fitch**") and "BBB (high)" with a stable outlook from DBRS, Inc. ("**DBRS**"). shall be amended as follows:

   "The Issuer has been assigned a long-term debt rating of "Ba1" with a stable outlook from Moody's Investors Service Ltd. ("**Moody's**"), "BBB-" with a stable outlook from Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), "BBB +" with a stable outlook from Fitch Ratings Limited ("**Fitch**") and "A" with a stable outlook from DBRS, Inc. ("**DBRS**")."

III. GENERAL DISCLAIMERS

1. After the second disclaimer of the Base Prospectus headed "**Prohibition of Sales to EEA Retail Investors**" the following additional disclaimers shall be introduced as follows:

   "MiFID II product governance / target market – The Final Terms in respect of any Covered Bonds will include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering,

selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

BENCHMARKS REGULATION

Amounts payable on Floating Rate Covered Bonds may be calculated by reference to one of the Euro Interbank Offered Rate ("**EURIBOR**") or the London Interbank Offered Rate ("**LIBOR**") as specified in the relevant Final Terms. As at the date of this Base Prospectus, the administrator of LIBOR (the ICE Benchmark Administration Limited) is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**"). The administrator of EURIBOR (the European Money Markets Institute ("**EMMI**")) is not included on such register.

As far as the Issuer is aware, the transitional provisions in Article 51 including its pars. (1) and (3), of the Benchmarks Regulation apply, such that EMMI is not currently required to obtain authorisation or registration."

IV. RISK FACTORS

1. 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: BBB- as of 15 September 2017, with stable outlook as of 15 September 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." shall be amended as follows:

"The current credit ratings of the Portuguese Republic are as follows: S&P: BBB- as of 15 September 2017, with stable outlook as of 15 September 2017; Moody's: Ba1 as of 27 July 2014, with a positive outlook as of 1 September 2017; Fitch: BBB as of 15 December 2017, with a stable outlook as of 15 December 2017; DBRS: BBB as of 20 April 2018, with stable outlook as of 20 April 2018."

2. The fourteenth paragraph of the risk factor headed "**Potential impact of recovery and resolution measures 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:

"As of the date of this Base Prospectus, any amounts which the Portuguese Resolution Fund may be required to disburse under the contingent capital mechanism described above cannot be estimated. Accordingly, it is also not possible to estimate any impact which any such disbursements could have on the Portuguese Resolution Fund and its resources and, consequently, on the credit institutions which are contributing participants of the Portuguese Resolution Fund, including the Issuer." shall be replaced by the following:

"The Portuguese Resolution Fund has disclosed on its website (www.fundoderesolucao.pt) its annual management report and accounts for the financial year ended on 31 December 2016 ("**Resolution Fund 2016 Accounts**"), from which the information below has been summarised or extracted.

By law, the financing of any eventual losses incurred by the Portuguese Resolution Fund in the pursuit of its statutory purpose is of the exclusive responsibility of the participating institutions. On 31 December 2016, these losses amounted to EUR 4,760 million, corresponding to the Portuguese Resolution Fund's own negative resources, according to the last publicly disclosed information in this regard (see pages 14, 17 and 18 of the Resolution Fund's 2016 Accounts with respect to the Portuguese Resolution Fund's activity, and pages 33, 34, 42 and 43 with respect to its financial statements of the same document). Additionally, these accumulated losses essentially reflect the recognition of an impairment loss in 2016 of 100 per cent. of the shares held in Novo Banco S.A., in the amount of EUR 4,900 million, and, less significantly, the impairment loss of the credit right over Banif for the financial support provided concerning the intake of losses for the year 2015 (see page 49 of the Resolution Fund 2016 Accounts). As mentioned above, the Portuguese Resolution Fund now holds 25 per cent. of Novo Banco's share capital.

It should further be noted that, as at 31 December 2016, the Portuguese Resolution Fund was involved in several legal proceedings, either as a defendant or as an interested counterparty. In particular, the resolution measure applied to BES, in the form of a transfer of the majority of its activity and assets to a bridge bank (Novo Banco), can be identified as the main underlying cause of the increasing number of judicial lawsuits against the Portuguese Resolution Fund. It should be noted that lawsuits regarding the application of resolution measures are legally unprecedented, which makes it impossible to apply related case-law in their assessment and to estimate the possible associated contingent financial effect (see page 50, note 22 of the Resolution Fund 2016 Accounts).

On 30 March 2016, the Memorandum of Understanding on the Dialogue Procedure with Unqualified Investors which are Holders of Commercial Paper of the Espírito Santo Group (*Memorando de Entendimento sobre um Procedimento de Diálogo com os Investidores não Qualificados Titulares de Papel Comercial do Grupo Espírito Santo*) was signed between the Portuguese Government, the Bank of Portugal, the Portuguese Securities Market Commission (CMVM), BES and AIPEC - *Associação de Indignados e Enganados do Papel Comercial*. The work developed in the context of this dialogue procedure resulted in a solution framework which implies the express renunciation, by those investors in agreement, of all rights, claims and legal proceedings against the Portuguese Resolution Fund, and against Novo Banco S.A. and its future shareholders. In accordance with the public information, as of the date of the Resolution Fund 2016 Accounts, the Portuguese Resolution Fund shall address this solution with financing from the banks, with a possible State guarantee (see page 50, note 22.1 of the Resolution Fund 2016 Accounts). This solution is currently being implemented, also further to approval of according legislation by the Portuguese legislative bodies.

In accordance with the law, the Portuguese Resolution Fund shall pay compensation to the shareholders and to the creditors of a credit institution subject to a resolution measure in the event that it is determined that they have borne losses superior to those they would have borne had the resolution measure not been applied and had the credit institution subject to resolution entered into liquidation at the moment this measure was applied. Furthermore, in accordance with the law, the Bank of Portugal has designated an independent entity for the purposes of carrying out an estimate of the credit recovery levels of each class of creditors of BES in the hypothetical scenario of liquidation on 3 August 2014, had the resolution measure not been applied. As announced in a Bank of Portugal statement published on 6 July 2016, given the independent character of the designated entity, the contents of its report and respective conclusions do not necessarily correspond to the opinion or position

of the Bank of Portugal. This statement also presents a summary of the results of the independent estimate carried out by the designated entity, and clarifies that BES' secured and privileged credits were transferred to Novo Banco under the terms of the resolution measure established by the Bank of Portugal. The right to compensation by the Portuguese Resolution Fund, with respect to the ordinary creditors whose credits were not transferred to Novo Banco, will only be decided at the close of BES' process of liquidation. Until then, it will still be necessary to further clarify a complex set of legal and operational questions, notably concerning entitlement to the right to compensation by the Portuguese Resolution Fund. As such and all things considered, it is impossible for the time being to estimate the compensation amount to be paid upon termination of the BES liquidation. The Portuguese Resolution Fund considers that there are still insufficient elements to assess the existence and/or value of this potential liability, both in terms of the resolution measure applied to BES and the resolution measure applied to Banif (see page 51, note 23.2 of the Resolution Fund 2016 Accounts).

On 29 December 2015, the Bank of Portugal clarified that the Portuguese Resolution Fund is responsible for neutralising, by way of payment of compensation to Novo Banco, any possible negative effects of future decisions arising from the resolution procedure, and which result in liabilities or contingencies for the bank. Considering the lack of judicial precedent in this regard, it is impossible to reliably estimate the potential contingent financial effect (see page 52, note 23.3 of the Resolution Fund 2016 Accounts).

As mentioned above, the sale of Novo Banco included the aforementioned contingent capital mechanism and the Portuguese Resolution Fund accepted to retain 25 per cent. of Novo Banco's share capital.

The Portuguese Resolution Fund has provided a guarantee in the amount of EUR 746 million over the bonds issued by Oitante S.A. With the aim of ensuring that the Fund will have the necessary financial resources at its disposal for the enforcement of this guarantee at the maturity date, in the event that Oitante, the principal debtor, defaults on its obligations, the Portuguese State has counter-guaranteed the abovementioned bond issue. In the last quarter of 2016, Oitante S.A. carried out early partial redemptions in the total amount of EUR 90 million, thereby reducing the amount of the guarantee provided by the Portuguese Resolution Fund to EUR 656 million (see page 51, note 23.1 of the Resolution Fund 2016 Accounts).

The recognition and payment of costs by the Portuguese Resolution Fund with respect to Novo Banco's sale process is under clarification. This may possibly result in the Portuguese Resolution Fund incurring expenses of EUR 16.5 million (of which EUR 9.7

million refer to the years 2014 and 2015, and EUR 6.8 million refer to the year 2016) (see page 52, note 23.4 of the Resolution Fund 2016 Accounts). The costs with respect to 2017 are not included in the Resolution Fund 2016 Accounts, from which this information has been extracted."

On 28 March 2018, Novo Banco announced the results for financial year 2017 and reported a net loss of 1.4 billion euros. On the same date, the Portuguese Resolution Fund issued a press release as follows:

"In the context of the share purchase and subscription agreement between the Resolution Fund and Lone Star (as referred above), as at 28 March 2018 the amounts to be paid by the Resolution Fund to Novo Banco in 2018 in respect of the 2017 financial statements amount to 792 million euros. A contingent capital mechanism was set up under which Novo Banco may be compensated up to a maximum of 3.89 billion euros for losses in case specific cumulative conditions are met, related to i) the performance of specific assets of Novo Banco and ii) the evolution of the capital ratios of the bank. The amount now announced by Novo Banco falls within the scope of the obligations of the Resolution Fund and is within the defined limit.

The payment due by the Resolution Fund in 2018 will be made after a legal certification of Novo Banco's financial statements and after a verification procedure, from an independent entity, to confirm if the amount to be paid by the Resolution Fund was correctly ascertained.

The Resolution Fund will firstly use the financial resources directly or indirectly received from contributions from the banking sector. The remaining will be provided by a State loan, in the terms agreed in October 2017. The exact amount of that loan is not yet set, but it is estimated that it will not go over 450 million euros, standing below the 850 million euros' annual limit, inscribed in the State Budget.

The payment due by the Resolution Fund is in line with the normal execution of the agreements related to the sale of Novo Banco, as announced about a year ago and will take place in accordance with the proceedings timely established.

So far, the Resolution Fund has disbursed the total amount of 4900 million euros to support the resolution measure applied to Banco Espírito Santo, S.A., corresponding to Novo Banco' capitalization in August 2014. Since then, the Resolution Fund has not carried out any payments related to Novo Banco's capitalization but has however entered a provision for 792 million euros into its 2017 accounts related to the payment due in 2018. In return, the Resolution Fund maintains the participation of 25% in Novo Banco's equity."

On 24 May 2018, the Portuguese Resolution Fund made a payment to Novo Banco in the context of the contingent capital mechanism. On the same date, the Portuguese Resolution Fund issued a press release as follows:

"*The Resolution Fund made the payment to Novo Banco resulting from the application of the contingent capital mechanism agreed in the context of the sale process concluded on 18 October 2017.*

The amount paid by the Resolution Fund on this date was €791,694,980.

The Resolution Fund used its own resources, received from the contributions paid, directly or indirectly by the banking sector, supplemented by a State loan in the amount of €430,000, 000.

The payment was made after the legal certification of Novo Banco's financial statements and after the necessary verification procedures were concluded, which confirmed that the necessary conditions, that in the terms foreseen in the agreement give rise to the payment, were met, as well as after the exact amount to be paid by the Resolution Fund was confirmed.

This payment is the result of the agreements executed in March 2017.

On the occasion, it was disclosed that the conditions agreed in the context of the partial sale of the Resolution Fund's participation in Novo Banco include a contingent capital mechanism that determines that the Resolution Fund commits to make payments to Novo Banco, in case certain cumulative conditions are met, these are related to: (i) the performance of specific assets of Novo Banco and (ii) the evolution of the capital ratios of the bank. The amount now paid falls within the scope of the obligations of the Resolution Fund."

3. "After the risk factor headed "**Changes in market interest rates may affect the interest rates charged on the interest-earning assets differently from the interest rates paid on interest-bearing liabilities**", in the section headed "**Other factors that may affect an Issuer's ability to fulfil its obligations under the Covered Bonds**", under the chapter headed "**Risk Factors**" of the Base Prospectus the following risk factor shall be introduced as follows:

"**Banking institutions may become legally obligated to reflect negative index rates in the calculation of the loan interest rates in consumer and residential loan agreements**

The Portuguese Parliament has recently approved a law under which banking institutions are obliged to reflect negative index interest rates in the calculation of loan interest rates in consumer and residential loan agreements.

This new draft law, project-Law 90/XIII (the "**Negative Interest Rate Draft Law**"), which is yet to be ratified by the President of the Republic and published in the official gazette, will be amending Decree-Law 74-A/2017 of 23 June, (the "**Residential Loans Law**") which partially transposed EU Directive 2014/17 of the European Parliament and of the Council of 4 February 2014, on credit agreements for consumers relating to residential immovable property (the "**Residential Loans Directive**").

If ratified and published in the official gazette, the Negative Interest Rate Draft Law will establish that negative index interest rates will have to be deducted from the principal amounts of outstanding debts. This law will also offers banks the possibility of attributing their clients a credit corresponding to the negative interest rate, which may subsequently be set-off against positive interest rates.

This Negative Rate Draft Law will apply to loans which are currently in place, irrespective of specific contractual clauses.

Please note that the Issuer cannot predict how this law will affect future payments to be made by the borrowers in the context of the Mortgage Loans."

4. After the risk factor headed "**Benefit of special creditor privilege** (*privilégio creditório*)", in the section headed "**Risks Specific to the Covered Bonds**", under the chapter headed "**Risk Factors**" of the Base Prospectus the following risk factor shall be introduced as follows:

"**The value of and return on any Covered Bonds linked to a benchmark may be adversely affected by ongoing national and international regulatory reform in relation to benchmarks**

Interest rates and indices which are deemed to be "benchmarks" (including LIBOR and EURIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark". Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and applies

from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities (such as the BST) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Covered Bonds linked to or referencing LIBOR or EURIBOR, in particular, if the methodology or other terms of LIBOR or EURIBOR are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of LIBOR or EURIBOR.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks" (including LIBOR or EURIBOR): (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Covered Bonds linked to or referencing LIBOR or EURIBOR.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any covered Bonds linked to or referencing LIBOR or EURIBOR.

Future discontinuance of LIBOR may adversely affect the value of Floating Rate Covered Bonds which reference LIBOR

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the

administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Covered Bonds which reference LIBOR will be determined for the relevant period by the fall-back provisions applicable to such Covered Bonds. Depending on the manner in which the LIBOR rate is to be determined under the Terms and Conditions, this may (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the LIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Covered Bonds which reference LIBOR. "

5. The fourth paragraph of point **"(c) Portuguese Tax Rules**" of the risk factor headed "**Reliance upon Interbolsa procedures and Portuguese law**", under the chapter headed "**Risk Factors"** of the Base Prospectus with the wording:

"Furthermore, interest and other types of investment income obtained by non-resident holders (individuals or legal persons) without a Portuguese permanent establishment to which the income is attributable to that are domiciled in a country included in the "tax havens" list approved by Ministerial Order no. 150/2004, of 13 February 2004 (as amended by Ministerial Order no. 292/2011, of 8 November 2011 and Ministerial Order no. 345-A/2016, of 30 December 2016) is subject to withholding tax at a rate of 35 per cent., which is the final tax on that income." shall be amended as follows:

"Furthermore, interest and other types of investment income obtained by non-resident holders (individuals or legal persons) without a Portuguese permanent establishment to which the income is attributable to, are domiciled in a country included in the "tax havens" list approved by Ministerial Order no. 150/2004, of 13 February 2004 (as amended from time to time) is subject to withholding tax at a rate of 35 per cent., which is the final tax on that income."

6. The last sentence of the first paragraph of the risk factor headed "**Administrative cooperation in the field of taxation**" in the section headed **"Risks specific to the Cover Pool",** under the chapter headed "**Risk Factors**" of the Base Prospectus with the wording:

"Notwithstanding the repeal of the Savings Directive as of 1 January 2016, certain provisions will continue to apply for a transitional period." shall be deleted.

7. The third paragraph of the risk factor headed "**Foreign Account Tax Compliance Act**" in the section headed "**Risks specific to the Cover Pool**", under the chapter headed "**Risk Factors**" of the Base Prospectus with the wording:

"Portugal signed an IGA with the United States on 6 August 2015, and has implemented through Law no. 82-B/2014, of 31 December 2014, the legal framework based on the reciprocal exchange of information with the United States on financial accounts subject to disclosure. The IGA has entered into force in 10 August 2016, and through Decree-Law no. 64/2016, of 11 October 2016, the Portuguese government approved the regulation required to comply with FATCA. Under this legislation, the Issuer is required to obtain information regarding certain accountholders and report such information to the Portuguese Tax Authorities, which, in turn, will report such information to the IRS. The exchange of information regarding information related to calendar years 2014 and 2015 was due by 10 January 2017. For the following calendar years reporting is due by 31 July 2018." shall be amended as follows:

"Portugal signed an IGA with the United States on 6 August 2015, and has implemented through Law no. 82-B/2014, of 31 December 2014, the legal framework based on the reciprocal exchange of information with the United States on financial accounts subject to disclosure. The IGA has entered into force in 10 August 2016, and through Decree-Law no. 64/2016, of 11 October 2016, as amended by Law no. 98/2017, of 24 August 2017, the Portuguese government approved the regulation required to comply with FATCA. Under this legislation, the Issuer is required to obtain information regarding certain accountholders and report such information to the Portuguese Tax Authorities, which, in turn, will report such information to the IRS. The exchange of information regarding information related to calendar years 2014 and 2015 was due by 10 January 2017. For the following calendar years reporting is due by 31 July of each year comprising the information gathered respecting the previous year."

V. OVERVIEW OF THE COVERED BONDS PROGRAMME

1. 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, as supplemented on 14 September 2017, on 20 September 2017 and on 23 November 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 supplemented on 14 September 2017, on 20 September 2017, on 23 November 2017 and further supplemented on 5 June 2018, 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."

VI. DOCUMENTS INCORPORATED BY REFERENCE

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

"(d) the audited consolidated financial statements of the Issuer (prepared in accordance with IFRS) in respect of the financial year ended 31 December 2017 (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 balance sheet	Page 121 (out of 270)
Consolidated income statement	Page 122 (out of 270)
Consolidated statement of other comprehensive income	Page 123 (out of 270)
Consolidated statement of changes in consolidated Shareholders' equity	Page 124 (out of 270)
Consolidated statement of cash flow	Page 125 (out of 270)
Notes to the consolidated financial statements	Pages 126 to 257 (out of 270)
Legal Certification of accounts and audit report	Pages 258 to 270 (out of 270)

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

VII. FINAL TERMS FOR COVERED BONDS

1. After the third paragraph of the chapter headed "**Final Terms for Covered Bonds**" the following paragraph and footnote shall be introduced as follows:

"[MIFID II PRODUCT GOVERNANCE

*Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]*[1]"

VIII. DESCRIPTION OF THE ISSUER

1. After the ninth paragraph of the section headed "**Recent Developments**", under the chapter headed "**Description of the Issuer**" of the Base Prospectus, with the following wording:

"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 were held on 19 October 2017 to consider and vote on the envisaged merger and no judicial opposition was submitted by holders of Covered Bonds." the following paragraphs shall be introduced as follows:

"On 27 December 2017, BST announced that upon the attainment of the relevant authorisations, the simplified merger project mentioned above has been concluded with the

[1] Legend do be included on front of the Final Terms, to outline the product approval process of any applicable manufacturer.

incorporation of Banco Popular Portugal, S.A. into BST. Banco Popular Portugal, S.A. therefore ceased to exist as a legal entity and all of its rights and obligations have been transferred to BST.

Additionally, on 27 December 2017, BST announced the following actions taken in the context of the strategy of consolidation of the BST Group in Portugal:

- Acquisition of the control over the company Primestar Servicing, S.A., company that managed up until that date the credit recoveries and real estate assets of Banco Popular Portugal, S.A.;
- Acquisition of the informatic activities that companies Ingenieria de Software Bancário (Sucursal em Portugal) and Produban – Servicios Informaticos Generales (Sucursal em Portugal) performed in Portugal for BST."

IX. TAXATION

1. The first paragraph of subsection "*Individuals resident in Portugal"* of the section headed "**Covered bonds not held through a centralised control system**", under the chapter headed **"Taxation"** of the Base Prospectus with the wording:

"Interest and other types of investment income obtained on Covered Bonds by a Portuguese resident individual is subject to personal income tax. If the payment of interest or other investment income is made available to Portuguese resident individuals, withholding tax applies at a rate of 28 per cent., which is the final tax on that income unless the individual elects to include it in his taxable income, subject to tax at progressive rates of up to 48 per cent. In the latter case, an additional income tax rate will be due on the part of the taxable income exceeding EUR 80.000 as follows: (i) 2.5 per cent. on the part of the taxable income up to EUR 250.000 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding EUR 250.000; Also, if the option of income aggregation is made an additional surcharge will also be due for the tax year of 2017 according to the taxpayer`s taxable income, as follows: (i) 0 per cent. for taxable income up to EUR 20.261.00; (ii) 0.88 per cent. for taxable income exceeding EUR 20.261.00 up to EUR 40.522.00; (iii) 2.75 per cent. for taxable income exceeding EUR 40.522,00 up to EUR 80.640,00; (iv) 3.21 per cent. for taxable income exceeding EUR 80.640. Accrued interest qualifies as interest, rather than as capital gains, for tax purposes." shall be amended as follows:

"Interest and other types of investment income obtained on Covered Bonds by a Portuguese resident individual is subject to personal income tax. If the payment of interest or other investment income is made available to Portuguese resident individuals,

withholding tax applies at a rate of 28 per cent., which is the final tax on that income unless the individual elects to include it in his taxable income, subject to tax at progressive rates of up to 48 per cent. In the latter case, an additional income tax rate will be due on the part of the taxable income exceeding EUR 80.000 as follows: (i) 2.5 per cent. on the part of the taxable income up to EUR 250.000 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding EUR 250.000. Accrued interest qualifies as interest, rather than as capital gains, for tax purposes."

2. The last sentence of the fourth paragraph of subsection "*Individuals resident in Portugal"* of the section headed "**Covered bonds not held through a centralised control system**", under the chapter headed **"Taxation"** of the Base Prospectus with the wording:

"Also, if the option of income aggregation is made an additional surcharge will also be due for the tax year of 2017 according to the taxpayer taxable income, as follows: (i) 0 per cent. for taxable income up to EUR 20.261,00; (ii) 0.88 per cent. for taxable income exceeding EUR 20.261,00 up to EUR 40.522,00; (iii) 2.75 per cent. for taxable income exceeding EUR 40.522,00 up to EUR 80.640,00; (iv) 3.21 per cent. for taxable income exceeding EUR 80.640." shall be deleted.

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

"Corporate taxpayers with a taxable income of more than EUR 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 EUR 1.500.000 up to EUR 7.500.000, (ii) 5 per cent. on the part of the taxable profits that exceeds EUR 7.500.000 up to EUR 35.000.000, and (iii) 7 per cent. on the part of the taxable profits that exceeds EUR 35.000.000." shall be amended as follows:

"Corporate taxpayers with a taxable income of more than EUR 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 EUR 1.500.000 up to EUR 7.500.000, (ii) 5 per cent. on the part of the taxable profits that exceeds EUR 7.500.000 up to EUR 35.000.000, and (iii) 9 per cent. on the part of the taxable profits that exceeds EUR 35.000.000".

4. The fourth paragraph of subsection "*Non-resident individuals, and legal persons with no permanent establishment to which income derived from the Covered Bonds is attributable*

to" of the section headed "**Covered bonds not held through a centralised control system**", under the chapter headed "**Taxation**" of the Base Prospectus with the wording:

"Withholding tax at a rate of 35 per cent. applies in case of investment income payments to individuals or companies domiciled in a country, territory or region subject to a clearly more favourable tax regime included in the "low tax jurisdictions" list approved by Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, amended by Ministerial Order (*Portaria*) no. 292/2011, and Ministerial Order no. 345-A/2016, of 30 December 2016 (the "**Ministerial Order**")". shall be amended as follows:

"Withholding tax at a rate of 35 per cent. applies in case of investment income payments to individuals or companies domiciled in a in a country, territory or region subject to a clearly more favourable tax regime included in the "low tax jurisdictions" list approved by Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, as amended from time to time (the "**Ministerial Order**")."

5. The last sentence of the second paragraph of subsection "*Acquisition of Covered Bonds through gift or inheritance"* of the section headed "**Covered bonds not held through a centralised control system**", under the chapter headed "**Taxation**" of the Base Prospectus with the wording:

"Corporate taxpayers with a taxable income of more than EUR 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 EUR 1.500.000 up to EUR 7.500.000, (ii) 5 per cent. on the part of the taxable profits that exceeds EUR 7.500.000 up to EUR 35.000.000, and (iii) 7 per cent. on the part of the taxable profits that exceeds EUR 35.000.000." shall be amended as follows:

"Corporate taxpayers with a taxable income of more than EUR 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 EUR 1.500.000 up to EUR 7.500.000, (ii) 5 per cent. on the part of the taxable profits that exceeds EUR 7.500.000 up to EUR 35.000.000, and (iii) 9 per cent. on the part of the taxable profits that exceeds EUR 35.000.000".

6. The last sentence of the first paragraph of the section headed "**Administrative cooperation in the field of taxation**", under the chapter headed "**Taxation**" of the Base Prospectus with the following wording:

"Notwithstanding the repeal of the Savings Directive as of 1 January 2016, certain provisions will continue to apply for a transitional period." shall be deleted.

7. The fourth paragraph of the section headed "**Foreign Account Tax Compliance Act",** under the chapter headed "**Taxation**" of the Base Prospectus with the following wording:

"Portugal signed an IGA with the United States on 6 August 2015, and has implemented through Law no. 82-B/2014, of 31 December 2014, the legal framework based on the reciprocal exchange of information with the United States on financial accounts subject to disclosure. The IGA has entered into force in 10 August 2016, and through Decree-Law no. 64/2016, of 11 October 2016, the Portuguese government approved the regulation required to comply with FATCA. Under this legislation, the Issuer is required to obtain information regarding certain accountholders and report such information to the Portuguese Tax Authorities, which, in turn, will report such information to the IRS." shall be amended as follows:

"Portugal signed an IGA with the United States on 6 August 2015, and has implemented through Law no. 82-B/2014, of 31 December 2014, the legal framework based on the reciprocal exchange of information with the United States on financial accounts subject to disclosure. The IGA has entered into force in 10 August 2016, and through Decree-Law no. 64/2016, of 11 October 2016, amended through Law no. 98/2017, of 24 August 2017, the Portuguese government approved the regulation required to comply with FATCA. Under this legislation, the Issuer is required to obtain information regarding certain accountholders and report such information to the Portuguese Tax Authorities, which, in turn, will report such information to the IRS."

X. GENERAL INFORMATION

8. The paragraph of the section headed "**Significant or material change**", under the chapter headed "**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 30 June 2017 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2016." shall be amended as follows:

"There has been no significant change in the financial or trading position of the Issuer since 31 December 2017 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2017."

9. The third paragraph of the section headed "**Accounts**", under the chapter headed "**General Information**" of the Base Prospectus, with the wording:

"The financial statements of the Issuer in respect of the financial years ended 31 December 2015 and 31 December 2016 and the unaudited financial statements of the Issuer in respect

of the six-month period ended 30 June 2017 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 2015 and 31 December 2016, the unaudited financial statements of the Issuer in respect of the six-month period ended 30 June 2017 and the financial statements of the Issuer in respect of the financial year ended 31 December 2017 are incorporated by reference in this Base Prospectus."

10. The paragraph (b) of the section headed "**Documents Available**", under the chapter headed "**General Information**" of the Base Prospectus, with the wording:

"the audited consolidated financial statements of the Issuer and the auditor's report contained in the Issuer's Annual Report in respect of the financial years ended 31 December 2015 and 31 December 2016 and the unaudited financial statements of the Issuer in respect of the six-month period ended 30 June 2017 (Portuguese and English versions)." shall be amended as follows:

"the audited consolidated financial statements of the Issuer and the auditor's report contained in the Issuer's Annual Report in respect of the financial years ended 31 December 2015 and 31 December 2016, the unaudited financial statements of the Issuer in respect of the six-month period ended 30 June 2017 and the audited consolidated financial statements of the Issuer and the auditor's report contained in the Issuer's Annual Report in respect of financial year ended 31 December 2017 (Portuguese and English versions)."