

Banco Santander Totta, S.A.

Registered at the Commercial Registry Office of Lisbon under the sole registration and

tax number: 500 844 321

Share Capital: 1.256.723.284 Euros

Registered Office: Rua do Ouro, 88 – 1100-063 Lisbon

Parish of Santa Maria Maior, Lisbon

ANNOUNCEMENT**Conversion of bearer securities into registered securities**

Pursuant to Article 3, paragraph 1 of Decree-Law no. 123/2017, of 25 September, Banco Santander Totta, S.A. (the “Company”) makes the following announcement with respect to the procedure for the conversion of bearer securities into registered securities.

I. Identification of the securities

The bearer securities issued by the Company to be converted into nominative securities (“Securities”) are the following:

- Covered bonds, with the nominal unit value of € 100,000 (one hundred thousand euros), in dematerialised book-entry bearer form, admitted to trading on the Euronext Lisbon regulated market, corresponding to the bond issue “Issue of € 750,000,000 1.625 per cent. Covered Bonds due 2019”, with the ISIN code PTBSQEOE0029 and corresponding to Series 13 (thirteen);
- Covered bonds, with the nominal unit value of € 100,000 (one hundred thousand euros), in dematerialised book-entry bearer form, admitted to trading on the Euronext Lisbon regulated market, corresponding to the bond issue “Issue of € 750,000,000 0.875 per cent. Covered Bonds due October 2020”, with the ISIN code PTBSRBOE0021 and corresponding to Series 15 (fifteen);
- Covered bonds, with the nominal unit value of € 100,000 (one hundred thousand euros), in dematerialised book-entry bearer form, admitted to trading on the Euronext Lisbon regulated

market, corresponding to the bond issue “Issue of €450,000,000 0.842 per cent. Covered Bonds due 2021”, with the ISIN code PTBSRCOE0020 and corresponding to Series 16 (sixteen);

- Covered bonds, with the nominal unit value of € 100,000 (one hundred thousand euros), in dematerialised book-entry bearer form, admitted to trading on the Euronext Lisbon regulated market, corresponding to the bond issue “Issue of €750,000,000 0.902 per cent. Covered Bonds due 2023”, with the ISIN code PTBSRDOE0029 and corresponding to Series 17 (seventeen);
- Covered bonds, with the nominal unit value of € 100,000 (one hundred thousand euros), in dematerialised book-entry bearer form, admitted to trading on the Euronext Lisbon regulated market, corresponding to the bond issue “Issue of €750,000,000 0.652 per cent. Covered Bonds due 2023”, with the ISIN code PTBSRFOE0019 and corresponding to Series 18 (eighteen);
- Covered bonds, with the nominal unit value of € 100,000 (one hundred thousand euros), in dematerialised book-entry bearer form, admitted to trading on the Euronext Lisbon regulated market, corresponding to the bond issue “Issue of € 1,000,000,000 0.875 per cent. Covered Bonds due April 2024”, with the ISIN code PTBSRIOE0024 and corresponding to the first tranche of Series 22 (twenty-two);
- Covered bonds, with the nominal unit value of € 100,000 (one hundred thousand euros), in dematerialised book-entry bearer form, admitted to trading on the Euronext Lisbon regulated market, corresponding to the bond issue “Issue of €1,000,000,000 1.481 per cent. Covered Bonds due 2027”, with the ISIN code PTBSRHOE0025 and corresponding to Series 21 (twenty-one);
- Covered bonds, with the nominal unit value of € 100,000 (one hundred thousand euros), in dematerialised book-entry bearer form, admitted to trading on the Euronext Lisbon regulated market, corresponding to the bond issue “Issue of €750,000,000 0.754 per cent. Covered Bonds due 2022”, with the ISIN code PTBSRAOE0022 and corresponding to Series 14 (fourteen);
- Perpetual subordinated bonds, with the nominal unit value of € 0.01 (one cent), in dematerialised book-entry bearer form, corresponding to the bond issue “CPP/2001-OB.PERPETUAS SUBORDINADAS”, with the ISIN code PTCPPPOE0004;

- Perpetual subordinated bonds, with the nominal unit value of € 0.01 (one cent), in dematerialised book-entry bearer form, corresponding to the bond issue “BSP/2001-OB.PERPETUAS SUBORDINADAS”, with the ISIN code PTBSP7OE0000;
- Perpetual subordinated bonds, with the nominal unit value of € 0.01 (one cent), in dematerialised book-entry bearer form, corresponding to the bond issue “BTA/2000-OB.PERPETUAS SUBORDINADAS”, with the ISIN code PTBTAGOE0008; and
- Perpetual subordinated bonds, with the nominal unit value of € 0.01 (one cent), in dematerialised book-entry bearer form, corresponding to the bond issue “MCFACOR/98-OB.PERPETUAS SUBORDINADAS”, with the ISIN code PTMCABOE0009,

in relation to which it was resolved to amend, in the respective conditions of each issuance identified above, their form of representation from “*ao portador*” or “bearer” to “*nominativas*” or “registered”, in accordance with the language of the respective conditions.

II. Legal sources on which the decision is based

The decision to convert the Securities into registered securities is based on Article 2, paragraph 2 of Law no. 15/2017, of 3 May, as supplemented by Decree-Law no. 123/2017, of 25 September, and by Interbolsa Instruction no. 1/2017 - Specific procedures for the conversion of bearer securities into nominative securities.

III. Date of the resolution on the amendments to the documents related to the issuance of the Securities and the decision-making body

The conversion of the Securities into nominative securities and the consequent amendment of the documents related to the Securities were resolved on 25 October 2017 by the Company’s Executive Committee, pursuant to Article 2, paragraph 2 of Decree-Law no. 123/2017, of 25 September.

IV. Scheduled date for conversion in the centralised system

It is expected that the conversion of the Securities in the centralised system managed by Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. will occur on 4 November 2017, by annotation in the individual registration account.

V. Scheduled date for the filing of the request for the registration of amendments to the acts subject to commercial registration

The acts subject to commercial registration will be filed until 4 November 2017, if applicable.

VI. Consequences of non-conversion of the Securities during the transitional period

Pursuant to Article 2, paragraph 2 of Law no. 15/2017, of 3 May, as of 4 November 2017 it will be prohibited to transfer securities not converted into nominative securities and the right to participate in the distribution of results derived from these Securities will be suspended. In accordance with Article 7, paragraphs 1 and 2 of Decree-Law no. 123/2017, of 25 September, Securities not converted into nominative securities until that date will only confer, until their conversion, the legitimacy to request registration in favour of the respective noteholders. The amount corresponding to interest or other income in relation to which payment is suspended shall be deposited with a single entity legally qualified for this purpose, in an account opened in the Company's name, and delivered, upon conversion, to the holder of the Securities in question based on the Company's instructions.

Lisbon, 27 October 2017

Banco Santander Totta, S.A.