

Report Reference Date: **30-06-2014**  
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	Baa1	n/a	BBB	A (low)	n/a	n/a	n/a	n/a
Banco Santander Totta, SA	Ba1	BB	BBB-	BBB (high)	NP	B	F3	R-1 (low)
Portugal	Ba2	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>2,20</b>	<b>7.130.000.000,00</b>
<b>Syndicated Covered Bonds Issues</b>						
Covered Bond 2 (PTCPP7OEO020)	21/10/2009	Fixed	21/10/2014	21/10/2015	0,31	1.000.000.000,00
Covered Bond 12 (PTBSQDOEO020)	01/04/2014	Fixed	03/04/2017	03/04/2018	2,76	1.000.000.000,00
Covered Bond 13 (PTBSQEOEO029)	11/06/2014	Fixed	11/06/2019	11/06/2020	4,95	750.000.000,00
<b>Private Placements Covered Bonds Issues</b>						
Covered Bond 7 (PTBTXGOEO019)	04/11/2011	Floating	04/11/2014	04/11/2015	0,35	130.000.000,00
Covered Bond 8 (PTBTAHOEO015)	20/07/2012	Floating	20/07/2015	20/07/2016	1,05	250.000.000,00
Covered Bond 9 - Tranche 1 (PTBTAIOEO014)	02/04/2013	Floating	02/04/2016	02/04/2017	1,76	500.000.000,00
Covered Bond 9 - Tranche 2 (PTBTAJEOEO013)	15/04/2013	Floating	15/04/2016	15/04/2017	1,79	1.000.000.000,00
Covered Bond 10 (PTBTCKOEO018)	26/07/2013	Floating	26/07/2016	26/07/2017	2,07	750.000.000,00
Covered Bond 11 - Tranche 1 (PTBSQBOEO022)	19/12/2013	Floating	19/12/2016	19/12/2017	2,47	500.000.000,00
Covered Bond 11 - Tranche 2 (PTBSQAOEO023)	19/12/2013	Floating	19/12/2016	19/12/2017	2,47	500.000.000,00
Covered Bond 11 - Tranche 3 (PTBSQCOEO021)	13/01/2014	Fixed	13/01/2017	13/01/2018	2,54	750.000.000,00

CRD Compliant (Yes/No)

3. Asset Cover Test	Remaining Term (years)	Nominal Amount
<b>Mortgage Credit Pool</b>	<b>25,15</b>	<b>8.231.382.237,59</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>25,15</b>	<b>8.231.382.237,59</b>
% of ECB eligible assets		0,00%
<b>Overcollateralization<sup>3</sup> with cash collateral (OC)</b>		<b>15,45%</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>1</sup>	7.459.893.624,00
Net present value of liabilities (incl. derivatives) <sup>1</sup>	7.239.996.832,00
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

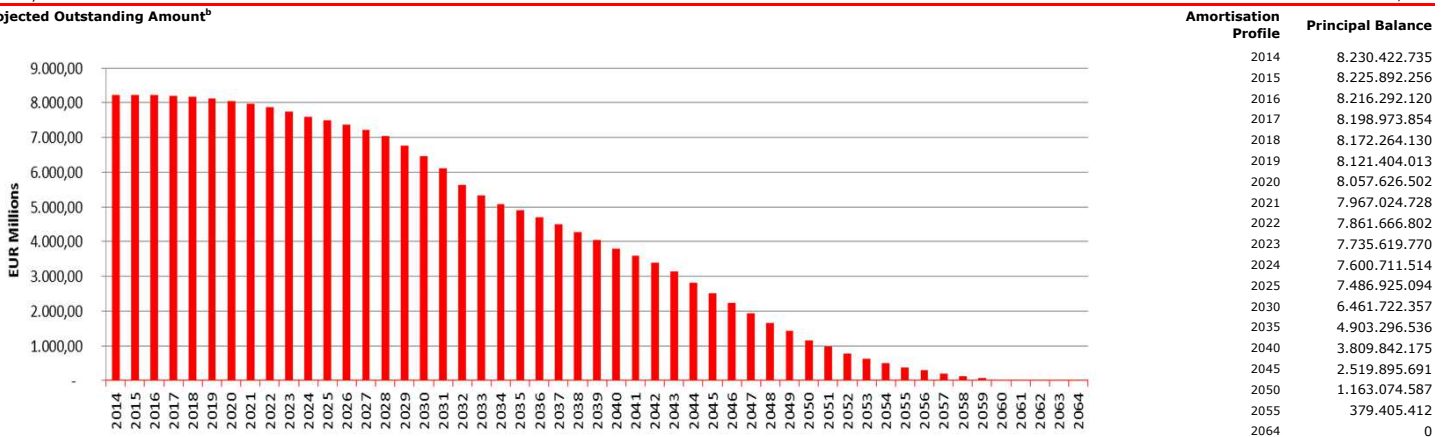
Main Characteristics				
Number of Loans				166.471
Aggregate Original Principal Balance (EUR)				11.201.811.711,13
Aggregate Current Principal Balance (EUR)				8.231.382.237,59
Average Original Principal Balance per loan (EUR)				67.289,87
Average Current Principal Balance per loan (EUR)				49.446,34
Current principal balance of the 5 largest borrowers				8.422.164,65
Weight of the 5 largest borrowers (current principal balance) %				0,10%
Current principal balance of the 10 largest borrowers				14.167.662,15
Weight of the 10 largest borrowers (current principal balance) %				0,17%
Weighted Average Seasoning (months)				94,80
Weighted Average Remaining Terms (months)				306,01
Weighted Average Current Unindexed LTV <sup>5</sup> (%)				56,05%
Weighted Average Current Indexed LTV <sup>5</sup> (%)				56,69%
Weighted Average Interest Rate (%)				1,63%
Weighted Average Spread (%)				1,16%
Max Maturity Date (yyyy-mm-dd)				2064/07/02
Subsidized Loans				
Yes	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Yes	34.016	20,43%	1.170.266.075	14,22%
No	132.455	79,57%	7.061.116.163	85,78%
Insured Property <sup>6</sup>				
Yes	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Yes	166.471	100,00%	8.231.382.238	100,00%
No	0	0,00%	0	0,00%
Interest Rate Type				
Fixed	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Fixed	6.224	3,74%	160.379.889	1,95%
Floating	160.247	96,26%	8.071.002.348	98,05%
Repayment Type				
Number of Loans	% Total Loans	Amount of Loans	% Total Amount	
166.031	99,74%	8.226.647.939	99,94%	
0	0,00%	0	0,00%	
403	0,24%	3.857.697	0,05%	
4	0,00%	198.167	0,00%	
0	0,00%	0	0,00%	
33	0,02%	678.435	0,01%	

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6. Mortgage Credit Pool (continued)

Seasoning	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Up to 1 year	2.403	1,44%	169.517.072	2,06%
1 to 2 years	3.034	1,82%	216.105.888	2,63%
2 to 3 years	3.666	2,20%	252.759.073	3,07%
3 to 4 years	8.687	5,22%	649.637.109	7,89%
4 to 5 years	14.178	8,52%	1.049.222.001	12,75%
5 to 6 years	10.938	6,57%	677.449.780	8,23%
6 to 7 years	20.195	12,13%	1.199.632.054	14,57%
7 to 8 years	13.025	7,82%	788.594.313	9,58%
8 to 9 years	9.116	5,48%	437.275.617	5,31%
9 to 10 years	8.228	4,94%	363.837.312	4,42%
10 to 11 years	10.971	6,59%	497.147.205	6,04%
11 to 12 years	11.846	7,12%	470.109.129	5,71%
More than 12 Years	50.184	30,15%	1.460.095.683	17,74%
Remaining Term	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Up to 5 years	8.748	5,25%	79.774.946	0,97%
5 to 8 years	12.381	7,44%	234.238.409	2,85%
8 to 10 years	9.204	5,53%	247.523.605	3,01%
10 to 12 years	7.329	4,40%	236.349.088	2,87%
12 to 14 years	7.519	4,52%	285.356.327	3,47%
14 to 16 years	13.303	7,99%	532.850.982	6,47%
16 to 18 years	16.382	9,84%	711.802.431	8,65%
18 to 20 years	14.473	8,69%	699.353.729	8,50%
20 to 22 years	7.293	4,38%	394.454.364	4,79%
22 to 24 years	7.196	4,32%	414.911.328	5,04%
24 to 26 years	7.603	4,57%	467.644.220	5,68%
26 to 28 years	6.620	3,98%	428.888.986	5,21%
28 to 30 years	8.305	4,99%	523.603.006	6,36%
30 to 40 years	32.879	19,75%	2.418.976.897	29,39%
More than 40 years	7.236	4,35%	555.653.919	6,75%
Current Indexed LTV	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Up to 40%	54.941	33,00%	1.578.570.998	19,18%
40 to 50%	21.974	13,20%	1.065.972.426	12,95%
50 to 60%	25.593	15,37%	1.430.124.713	17,37%
60 to 70%	28.162	16,92%	1.731.118.639	21,03%
70 to 80%	35.801	21,51%	2.425.595.460	29,47%
More than 80%	0	0,00%	0	0,00%
Loan Purpose	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Owner-occupied	158.307	95,10%	7.752.242.000	94,18%
Second Home	8.141	4,89%	478.486.826	5,81%
Buy to let	23	0,01%	653.411	0,01%
Other	0	0,00%	0	0,00%
Property Type	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
Residential				
Fiat	104.581	62,82%	4.844.489.109	58,85%
House	61.299	36,82%	3.353.709.119	40,74%
Other	591	0,36%	33.184.009	0,40%
Commercial				
Geographical Distribution	Number of Loans	% Total Loans	Amount of Loans	% Total Amount
North	53.123	31,91%	2.552.816.786	31,01%
Center	32.403	19,46%	1.531.542.229	18,61%
Lisbon	55.452	33,31%	2.908.122.457	35,33%
Alentejo	12.332	7,41%	507.990.386	6,17%
Algarve	9.886	5,94%	547.405.837	6,65%
Madeira	2.359	1,42%	139.593.928	1,70%
Azores	916	0,55%	43.910.614	0,53%
Delinquencies <sup>7</sup>	Number of Loans	Total Loan Amount		
> 30 days to 60 days	623	0,33%		
> 60 days to 90 days	151	0,06%		
> 90 days	0	0,00%		

Projected Outstanding Amount<sup>8</sup>



<sup>8</sup>Includes mortgage pool and other assets; assumes no prepayments.

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<b>7. Expected Maturity Structure</b>							
In EUR	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	5-10 Years	>10 Years
Residential Mortgages <sup>b</sup>	2.651.924	6.770.276	13.172.493	21.392.647	36.140.263	483.641.118	7.667.613.516
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>2.651.924</b>	<b>6.770.276</b>	<b>13.172.493</b>	<b>21.392.647</b>	<b>36.140.263</b>	<b>483.641.118</b>	<b>7.667.613.516</b>
<b>Covered Bonds</b>	<b>1.130.000.000</b>	<b>1.750.000.000</b>	<b>3.500.000.000</b>	<b>750.000.000</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>8. Liquidity Cushion</b>		<b>Nominal Amount</b>
<b>Liquidity Cushion (according to Fitch's definition)<sup>c</sup></b>		
Liquidity Cushion amount		<b>0,00</b>
Deposits with eligible financial institutions		0,00
Eligible securities		0,00
<b>Liquidity Cushion requirement calculation</b>		
Required Liquidity Cushion		<b>0,00</b>
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

<b>9. Derivative Financial Instruments</b>		<b>Nominal Amount</b>
<b>Total Amount of Derivatives in the Cover pool</b>		<b>7.130.000.000,00</b>
<b>Of Which Interest Rate Derivatives<sup>b</sup></b>		<b>7.130.000.000,00</b>
Fixed to Floating Swaps		1.000.000.000,00
Interest Basis Swaps		7.130.000.000,00
<b>Of Which Currency Swaps</b>		<b>0,00</b>

<sup>b</sup> External Counterparties (No)

<b>10. Contacts</b>	
Corporate Finance Division - Long Term Funding	<a href="mailto:Dfc@santander.pt">Dfc@santander.pt</a>
Other Reports on BST website	<a href="https://www.santandertotta.pt/pt_PT/Investor-Relations/Emissao-de-Divida/2014.html">https://www.santandertotta.pt/pt_PT/Investor-Relations/Emissao-de-Divida/2014.html</a>
ECBC Label Website	<a href="https://coveredbondlabel.com/">https://coveredbondlabel.com/</a>

**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.