

SECOND SUPPLEMENT

(dated 20 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 20 September 2017 (the “**Supplement**”) to the Base Prospectus dated 19 July 2017 as supplemented on 14 September 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 and by this Supplement dated 20 September 2017.
2. All references to the outlook assigned by Moody's to the Issuer shall be deemed to refer to a stable outlook.

II. COVER PAGE

3. 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 positive outlook from Moody’s Investors Service Ltd. (“**Moody’s**”), “BB+” with a credit watch (stable) 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 positive outlook from Fitch Ratings Limited (“**Fitch**”) and “BBB (high)” with a stable outlook from DBRS, Inc. (“**DBRS**”).”

III. RISK FACTORS

4. 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 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:

“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.”

5. The first sentence of the third 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:

“The rating agencies S&P, Moody’s, Fitch and DBRS have, on more than one occasion over the last few years, downgraded the long term rating of Portugal, although S&P and Moody’s, on September 2015 and 27 July 2014, respectively, revised the rating upwards, to BB+ and Ba1, respectively, while remaining in the speculative grade range.” shall be amended as follows:

“The rating agencies S&P, Moody’s, Fitch and DBRS have, on more than one occasion over the last years, downgraded the long term rating of Portugal, although S&P and Moody’s, in 15 September 2017 and 27 July 2014, respectively, revised the rating upwards, to BBB- and Ba1 (remaining in this case in the speculative grade range), respectively.”

6. The fifth sentence of the second paragraph of the risk factor headed “**The BST Group is constrained in its ability to obtain funding in the capital markets and may depend on the ECB for funding and liquidity**”, in the section headed “**Risks Specific to the Issuer**”, under the chapter headed “**Risk Factors**” of the Base Prospectus with the wording:

“As the Portuguese Government elected not to negotiate a precautionary programme at the end of the Adjustment Programme, the eligibility of Portuguese public debt will depend on the maintenance of an “investment grade” rating by at least one rating agency (DBRS is the only rating agency that attributes an “investment grade” rating to Portugal). In this context, a credit rating downgrade of Portugal by DBRS would result in the non-eligibility of Portuguese public debt for financing with the ECB.” shall be amended as follows:

“As the Portuguese Government elected not to negotiate a precautionary programme at the end of the Adjustment Programme, the eligibility of Portuguese public debt will depend on the maintenance of an “investment grade” rating by at least one rating agency (DBRS and S&P are currently the only rating agencies that attribute an “investment grade” rating to Portugal). In this context, a credit rating downgrade of Portugal by DBRS and S&P would result in the non-eligibility of Portuguese public debt for financing with the ECB.”

7. The fourth sentence of the second paragraph of the risk factor headed “**The turbulence in the main financial markets, specifically the interbank and debt markets, could affect the Issuer’s liquidity position and its ability to increase loan volumes**”, in the section headed “**Risks Specific to the Issuer**”, under the chapter headed “**Risk Factors**” of the Base Prospectus with the wording:

“The Portuguese Republic has regained market access, even though three of the agencies (Fitch, Moody’s and S&P) continue to attribute a rating to Portugal below investment grade.” shall be amended as follows:

“The Portuguese Republic has regained market access, even though two of the rating agencies (Fitch and Moody’s) continue to attribute a rating to Portugal below investment grade.”

IV. OVERVIEW OF THE COVERED BONDS PROGRAMME

8. 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 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.” shall be amended as follows:

“This document dated 19 July 2017, as supplemented on 14 September 2017 and as further supplemented on 20 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.”

V. DESCRIPTION OF THE ISSUER

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

“On 18 September 2017, BST informed the market on the rating decision of Moody’s, which kept the long and short term debt rating of BST at Ba1 and NP, respectively, revised the corresponding outlook from positive to stable, taking into account the acquisition of Banco Popular Portugal.

On 19 September 2017, BST informed the market on the rating decision of S&P which reviewed its long and short term debt rating assigned to BST from BB+ to BBB- and B to A-3, respectively, and kept the corresponding outlook stable.”