

Final Terms dated 17 March 2016

Santander International Debt, S.A. Unipersonal

Issue of USD 4.945.500 Callable Fixed Rate Senior unsecured Instruments due 23 March 2021

Guaranteed by Banco Santander, S.A.
under the €32,000,000,000 Programme for the Issuance of Debt Instruments
guaranteed by Banco Santander, S.A.

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Instruments in Ireland, Luxembourg or any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC), as amended, (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Instruments. Accordingly any person making or intending to make an offer in that Relevant Member State of the Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Instruments in any other circumstances.

The Base Prospectus together with the relevant Final Terms has been published on the websites on the Irish Stock Exchange (www.ise.ie) and the Central Bank of Ireland (<http://www.centralbank.ie>) in an agreed electronic format.

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions (the "**General Terms and Conditions**" and together with the applicable Annex(es) the "**Terms and Conditions**") set forth in the Base Prospectus dated 15 June 2015, the First Supplement to the Base Prospectus dated 20 August 2015 and the Second Supplement dated 1 February 2016 for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU)) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer, the Guarantor and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 15 June 2015 as so supplemented. The Base Prospectus and the Supplement to the Base Prospectus are available for viewing at the registered office of the Issuer and the head office of the Guarantor (being Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain), the offices of the Issue and Paying Agent, The Bank of New York Mellon, London Branch at One Canada Square, London E14 5AL and at the offices of each Paying Agent and copies may be obtained from the addresses specified above. The Base Prospectus has been published on the websites on the Irish Stock Exchange (www.ise.ie) and the Central Bank of Ireland (<http://www.centralbank.ie>).

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| 1. | (i) | Issuer: | Santander International Debt, S.A. Unipersonal |
| | (ii) | Guarantor: | Banco Santander, S.A. |
| 2. | (i) | Series Number: | 372 |
| | (ii) | Tranche Number: | 1 |

| | | |
|-----|---|--|
| 3. | Applicable Annex(es): | Not Applicable |
| 4. | Specified Currency: | USD |
| 5. | Aggregate Principal Amount: | |
| | (i) Series: | USD 4,945,500 |
| | (ii) Tranche: | USD 4,945,500 |
| 6. | Issue Price: | 98.38 per cent. of the Aggregate Principal Amount (the "Issue Price") |
| 7. | Specified Denominations: | USD 1,500 |
| | | For so long as the Instruments trade through the Clearing Systems and the Clearing Systems so permit, the Instruments will trade in minimum amounts of USD 150,000 and incremental amounts of USD 1,500 thereon |
| | | The Instruments will be initially issued and subsequently traded in aggregate principal amounts of not less than USD 150,000. Accordingly, any investor in the Instruments will not be permitted to acquire or trade Instruments in aggregate principal amounts of less than USD 150,000 |
| 8. | Calculation Amount: | The Specified Denomination |
| 9. | (i) Issue Date: | 23 March 2016 |
| | (ii) Interest Commencement Date: | Issue Date |
| 10. | Maturity Date: | 23 March 2021 |
| 11. | Interest Basis: | Fixed Rate (further particulars specified below) |
| 12. | Redemption/Payment Basis: | Redemption at par |
| 13. | Put/Call Options: | Issuer Call (further particulars specified below) |
| 14. | (i) Status of the Instruments: | Senior |
| | (ii) Status of the Guarantee: | Senior |
| | (iii) Date Board approval for issuance of Instruments obtained: | 15 March 2016 |

15. **Method of distribution:** Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Instrument Provisions** Applicable. Condition 4A of the Terms and Conditions applies

(i) **Rate(s) of Interest:** 2 per cent. per annum for the first Interest Period

2 per cent. per annum for the second Interest Period

2 per cent. per annum for the third Interest Period

2.25 per cent. per annum for the fourth Interest Period, subject to the exercise of the Issuer Call

2.50 per cent. per annum for the fifth Interest Period, subject to the exercise of the Issuer Call

(ii) **Interest Payment Date(s):** 23 March in each year commencing on 23 March 2017, up to and including the Maturity Date, adjusted in accordance with the Business Day Convention, which is the Modified Following Business Day Convention

(iii) **Fixed Coupon Amount(s):** USD 30 per Specified Denomination for the first Interest Period

USD 30 per Specified Denomination for the second Interest Period

USD 30 per Specified Denomination for the third Interest Period

USD 33.75 per Specified Denomination for the fourth Interest Period

USD 37.50 per Specified Denomination for the fifth Interest Period

(iv) **Day Count Fraction:** 30/360, Unadjusted

(v) **Determination Dates:** Not applicable

(vi) **Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s)** Not Applicable

| | | |
|-----|--|----------------|
| 17. | Reset Instrument Provisions: | Not Applicable |
| 18. | Other Variable Interest Rate Instrument Provisions: | Not Applicable |
| 19. | Floating Rate and CMS-Linked Instrument Provisions: | Not Applicable |
| 20. | Equity Index-Linked Interest Instruments Provisions: | Not Applicable |
| 21. | Additional provisions applicable to Equity Index-Linked Interest Instruments: | Not Applicable |
| 22. | Inflation-Linked Interest Instruments Provisions: | Not Applicable |
| 23. | Key Dates relating to Variable Interest Rate Instruments (and if so specified applicable to other kind of Instruments): | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

24. **Call Option:** Applicable
- (i) Optional Early Redemption Date(s) (Call): 23 March 2019 and 23 March 2020
- (ii) Optional Early Redemption Amount (Call) of each Instrument: USD 1,500 per Instrument of specified denomination
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: Not Applicable
- (b) Maximum Redemption Amount: Not Applicable
- (iv) Notice period: Not later than 10 Business Days' notice prior to the relevant Early Redemption Date (Call)
25. **Put Option:** Not Applicable
26. **Maturity Redemption Amount of each Instrument:** USD 1,500 per Instrument of USD 1,500 specified denomination
27. **Early Redemption Amount and Early Redemption Amount (Capital Disqualification Event)**
- Early Redemption Amount(s) of each Instrument payable on redemption for taxation reasons, on a capital disqualification event (if applicable) or on event of default: As set out in the General Terms and Conditions

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

28. **Form of Instruments:** Bearer
- Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments in the limited circumstances specified in the Permanent Global Instrument

- | | | |
|-----|--|-------------------|
| 29. | New Global Note: | Yes |
| 30. | Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): | No |
| 31. | Details relating to Partly Paid Instruments: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Instruments and interest due on late payment: | No |
| 32. | Business Day: | London & New York |
| 33. | Relevant Financial Centre: | London & New York |
| 34. | Relevant Financial Centre Day: | London & New York |
| 35. | Amount of each instalment ("Instalment Amount"), date on which each payment is to be made ("Instalment Date"): | Not Applicable |
| 36. | Commissioner: | Mr. Jesus Merino |

DISTRIBUTION

- | | | |
|-----|--|---|
| 37. | (i) If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable |
| | (ii) Date of Subscription Agreement: | Not Applicable |
| 38. | If non-syndicated, name and address of Dealer/Manager: | Banco Santander International 1401 Brickell Avenue, Suite 1500 Miami, FL 33131 USA The Dealer shall act on a best effort basis and shall have no underwriting commitments |
| 39. | Total commission and concession: | Not applicable |
| 40. | US Selling Restrictions: | Reg. S Compliance Category 2; TEFRA D |
| 41. | Public Offer: | Not Applicable |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Regulated Market of the Irish Stock Exchange of the Instruments described herein pursuant to the €32,000,000,000 Programme for the Issuance of Debt Instruments of Santander International Debt, S.A. Unipersonal and Santander Issuances, S.A. Unipersonal guaranteed by Banco Santander, S.A.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

CONFIRMED

SANTANDER INTERNATIONAL DEBT, S.A. UNIPERSONAL

By:

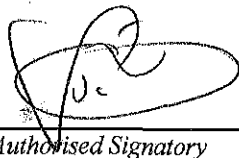


Authorised Signatory

Date 23 March 2016

BANCO SANTANDER, S.A.

By:



Authorised Signatory

Date 23 March 2016

PART B — OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Application has been made by the Issuer (or on its behalf) for the Instruments to be listed on the Official List of the Irish Stock Exchange and admitted to trading on the Regulated Market of the Irish Stock Exchange with effect from the Issue Date.

2. RATINGS

The Instruments to be issued have been rated:

S&P: A-

Moody's: A3

Fitch: A-

These credit ratings have been issued by Standard & Poor's Credit Market Services Europe Limited, Moody's Investor Services España, S.A. and Fitch Ratings España, S.A.U.

Each of Standard & Poor's Credit Market Services Europe Limited, Moody's Investor Services España, S.A. and Fitch Ratings España, S.A.U. is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such each of Standard & Poor's Credit Market Services Europe Limited, Moody's Investor Services España, S.A. and Fitch Ratings España, S.A.U. is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in paragraph 5.4 ("*Placing and Underwriting*") of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | | |
|-----|------------------------|--|
| (i) | Reasons for the offer: | See "Use of Proceeds" wording in Base Prospectus |
|-----|------------------------|--|

| | | |
|-------|-------------------------|-------------------------|
| (ii) | Estimated net proceeds: | EUR 4,865,382.90 |
| (iii) | Estimated total | EUR 600€ (Listing Fees) |
| | expenses: | |

5. **Fixed Rate Instruments only- HISTORIC INTEREST RATES**

Not Applicable

6. **Floating Rate Instruments only — HISTORIC INTEREST RATES**

Details of historic LIBOR can be obtained from Reuters Screen

7. **CMS Linked notes Only- HISTORIC RATES**

Not Applicable

8. **Inflation Linked instruments, Equity Linked instruments only- PERFORMANCE OF INDEX/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISK AND OTHER INFORMATION CONCERNING THE UNDERLYING:**

Not Applicable

9. **OPERATIONAL INFORMATION**

ISIN: XS1382789136

Common Code: 138278913

WKN: Not Applicable

Any other Clearing System other than Euroclear and Clearstream

Banking, société anonyme and the relevant identification numbers:

Not Applicable

Delivery:

Delivery free of payment

Names and addresses of additional Paying Agent(s) (if any):

Not applicable

Intended to be held in a manner which would allow Eurosystem eligibility:

Yes. Note that the designation "yes" simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

10. TERMS AND CONDITIONS OF THE OFFER

Offer Price: 100%

Offer Period: Not Applicable

Conditions to which the offer is subject: Not Applicable

Description of the application process: Not Applicable

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: Not Applicable

by applicants:

Details of the minimum and/or maximum amount of application:

Minimum Amount of application: USD 150,000

Maximum Amount of application: Not Applicable

Details of the method and time limits for paying up and delivering the Instruments:

Not Applicable

Manner in and date on which results of the offer are to be made public:

Not Applicable

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

Not Applicable

Categories of potential investors to which the Instruments are offered and whether tranche(s) have been reserved for certain countries:

This is disclosed in the Base Prospectus; US Selling Restrictions, Reg. S Compliance Category 2 and TEFRA D applies

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:

Not Applicable

Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

Not Applicable

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.

Not Applicable

ISSUE SPECIFIC SUMMARY

Issue of USD 4,945,500 Callable Fixed Rate Senior unsecured Instruments due 23 March 2021
Guaranteed by Banco Santander, S.A.
under the €32,000,000,000 Programme for the Issuances of Debt Instruments
guaranteed by Banco Santander, S.A

SECTION A – INTRODUCTION AND WARNINGS

| Element | |
|---------|--|
| A.1 | <p>This summary of the programme should be read as an introduction to the Base Prospectus and the applicable Final Terms dated 17 March 2016. Any decision to invest in any Instruments should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference and the applicable Final Terms. Where a claim relating to information contained in the Base Prospectus and the applicable Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus and the applicable Final Terms before the legal proceedings are initiated. No civil liability will attach to the Issuer or the Guarantor in any such Member State solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus and the applicable Final Terms or, if following the implementation of the relevant provisions of Directive 2010/73/EU in the relevant Member State, it does not provide, when read together with the other parts of this Base Prospectus and the applicable Final Terms, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in the instruments.</p> |
| A.2 | <p>Certain Tranches of Instruments with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a "Public Offer".</p> |

SECTION B – ISSUER AND GUARANTOR

| Element | |
|---------|---|
| B.1 | <p>Legal and commercial name of the Issuer Santander International Debt, S.A.U. ("Santander International" or "an Issuer") (" ").</p> |
| B.2 | <p>Domicile / legal form / legislation / country of incorporation The registered office address of the Issuer is Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain. The Issuer was incorporated in Spain as a limited liability company (<i>sociedad anónima</i>) for an unlimited duration and is subject to the Consolidated Text of Law on Limited Liability Companies 1/2010 dated 2 July (<i>Texto Refundido de la Ley de Sociedades de Capital</i>) ("Spanish Corporations Law"). The Issuer is a wholly-owned subsidiary of Banco Santander, S.A. (the "Guarantor"). Santander International Debt, S.A.U. was incorporated in Spain by a public deed on 21 April 2004 and registered in the Mercantile Registry of Madrid on 5 May 2004.</p> |
| B.4b | <p>Trend information The global financial services sector is likely to remain competitive with a large number of financial service providers and alternative distribution channels. Additionally, consolidation in the sector (through mergers, acquisitions or alliances) is likely to occur as other major banks look to increase their market share, combine complementary businesses or strengthen their balance sheets. In addition, regulatory changes will take place in the future that the Group expects will increase the overall level of regulation in the markets. The following are the most important trends, uncertainties and events that are reasonably likely to have a material adverse effect on the Santander Group or that would cause the disclosed financial information not to</p> |

| | |
|-----|---|
| | <p>be indicative of its future operating results or its financial condition:</p> <p><i>Economic and Industry Conditions</i></p> <ul style="list-style-type: none"> • general economic or industry conditions in Spain, the U.K., the U.S., other European countries, Brazil, other Latin American countries and the other areas in which the Group has significant business activities or investments; • exposure to various types of market risks, principally including interest rate risk, foreign exchange rate risk and equity price risk; • a worsening of the economic environment in Spain, the U.K., other European countries, Brazil, other Latin American countries, and the U.S., and an increase of the volatility in the capital markets; • the effects of a continued decline in real estate prices, particularly in Spain and the U.K.; • monetary and interest rate policies of the European Central Bank and various central banks; • inflation or deflation; • the effects of non-linear market behaviour that cannot be captured by linear statistical models, such as the VaR model the Group uses; • changes in competition and pricing environments; • the inability to hedge some risks economically; • the adequacy of loss reserves; • acquisitions or restructurings of businesses that may not perform in accordance with its expectations; • changes in demographics, consumer spending, investment or saving habits; • potential losses associated with prepayment of its loan and investment portfolio, declines in the value of collateral securing its loan portfolio, and counterparty risk; and • changes in competition and pricing environments as a result of the progressive adoption of the internet for conducting financial services and/or other factors. <p><i>Political and Governmental Factors</i></p> <ul style="list-style-type: none"> • political stability in Spain, the U.K., other European countries, Latin America and the U.S.; • changes in Spanish, U.K., E.U., Latin American, U.S. or other jurisdictions' laws, regulations or taxes, including changes in regulatory capital and liquidity requirements; and • increased regulation in light of the global financial crisis. <p><i>Transaction and Commercial Factors</i></p> <ul style="list-style-type: none"> • damage to its reputation; • its ability to integrate successfully our acquisitions and the challenges inherent in diverting management's focus and resources from other strategic opportunities and from operational matters while it integrates these acquisitions; and • the outcome of its negotiations with business partners and governments. <p><i>Operating Factors</i></p> <ul style="list-style-type: none"> • potential losses associated with an increase in the level of non-performance by counterparties to other types of financial instruments; • technical difficulties and/or failure to improve or upgrade its information technology; • changes in its ability to access liquidity on acceptable terms, including as a result of changes in its credit spreads or a downgrade in its credit ratings or those of its more significant subsidiaries; • its exposure to operational losses (e.g., failed internal or external processes, people and systems); • changes in its ability to recruit, retain and develop appropriate senior management and skilled personnel; • the occurrence of force majeure, such as natural disasters, that impact its operations or impair the asset quality of its loan portfolio; and • the impact of changes in the composition of its balance sheet on future net interest income. |
| B.5 | <p>Description of the Group</p> <p>Both the Issuer and the Guarantor are part of Santander Group (or, the "Group"). The Issuer is an instrumental companies of the Guarantor which is the parent entity of the Santander Group. As of 31 December 2014, the Group was made up of 833 companies that consolidate by the global integration method. In addition, another 209 companies are either affiliate, multi-group or listed companies in which the Group has more than 5% of its share capital. From these 209 companies, the following are remarkable because of the results they have obtained: Santander Consumer USA Inc., Attijariwafa Bank Société Anonyme, Olivant Investments Switzerland S.A., Federal Reserve Bank of Boston and Zurich Santander Insurance América, S.L.</p> |

| B.9 | Profit forecast or estimate Not Applicable – no profit forecasts or estimates have been made in the Base Prospectus. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------------|--|------------------|--|--|--|--|-------------------------|------------------|------------------|--|--|--------------------|------------|------------|--|--|-----------------------------------|------------|------------|--|--|-----------------------|------------|------------|--|--|---------------------|-----|-----|--|--|---------------------|------|-------|--|--|--|--|--|--|--|-------------------------|--------------|--------------|--|--|--------------------|------------|------------|--|--|-----------------------------------|------------|------------|--|--|-----------------------|------------|------------|--|--|---------------------|-----|-----|--|--|---------------------|-----|-----|--|--|
| B.10 | Audit report qualifications Not Applicable – no qualifications are contained in any audit report included in the Base Prospectus. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.12 | <p>Selected historical key financial information</p> <p>The summarised financial statements under Spanish GAAP of the Issuer as of, and for each of the years ended, 31 December 2013 and 31 December 2014 and as of, and for the six month period ended 30 June 2015 and 2014, has been extracted without any adjustment from, and is qualified by reference to and should be read in conjunction with, the Issuer’s financial statements in respect of those dates and periods:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3"></th> <th colspan="2" style="text-align: center;">As at and for the year ended (in thousand euro)</th> </tr> <tr> <th style="text-align: left;">Santander International</th> <th style="text-align: center;">31 December 2014</th> <th style="text-align: center;">31 December 2013</th> <th colspan="2"></th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td style="text-align: right;">20,315,310</td> <td style="text-align: right;">22,217,635</td> <td colspan="2"></td> </tr> <tr> <td>Deposits at Banco Santander</td> <td style="text-align: right;">19,895,918</td> <td style="text-align: right;">21,743,952</td> <td colspan="2"></td> </tr> <tr> <td>Debt instruments.....</td> <td style="text-align: right;">20,284,390</td> <td style="text-align: right;">22,196,447</td> <td colspan="2"></td> </tr> <tr> <td>Share Capital</td> <td style="text-align: right;">180</td> <td style="text-align: right;">180</td> <td colspan="2"></td> </tr> <tr> <td>Profit/(Loss)</td> <td style="text-align: right;">1467</td> <td style="text-align: right;">2,414</td> <td colspan="2"></td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3"></th> <th colspan="2" style="text-align: center;">As at and for the year ended (in thousand euro)</th> </tr> <tr> <th style="text-align: left;">Santander International</th> <th style="text-align: center;">30 June 2015</th> <th style="text-align: center;">30 June 2014</th> <th colspan="2"></th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td style="text-align: right;">18,880.531</td> <td style="text-align: right;">23.142.026</td> <td colspan="2"></td> </tr> <tr> <td>Deposits at Banco Santander</td> <td style="text-align: right;">18.613.263</td> <td style="text-align: right;">22.734.821</td> <td colspan="2"></td> </tr> <tr> <td>Debt instruments.....</td> <td style="text-align: right;">18.711.381</td> <td style="text-align: right;">22.852.040</td> <td colspan="2"></td> </tr> <tr> <td>Share Capital</td> <td style="text-align: right;">180</td> <td style="text-align: right;">180</td> <td colspan="2"></td> </tr> <tr> <td>Profit/(Loss)</td> <td style="text-align: right;">488</td> <td style="text-align: right;">432</td> <td colspan="2"></td> </tr> </tbody> </table> | | | | As at and for the year ended (in thousand euro) | | Santander International | 31 December 2014 | 31 December 2013 | | | Total Assets | 20,315,310 | 22,217,635 | | | Deposits at Banco Santander | 19,895,918 | 21,743,952 | | | Debt instruments..... | 20,284,390 | 22,196,447 | | | Share Capital | 180 | 180 | | | Profit/(Loss) | 1467 | 2,414 | | | | | | As at and for the year ended (in thousand euro) | | Santander International | 30 June 2015 | 30 June 2014 | | | Total Assets | 18,880.531 | 23.142.026 | | | Deposits at Banco Santander | 18.613.263 | 22.734.821 | | | Debt instruments..... | 18.711.381 | 22.852.040 | | | Share Capital | 180 | 180 | | | Profit/(Loss) | 488 | 432 | | |
| | | | As at and for the year ended (in thousand euro) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Santander International | 31 December 2014 | 31 December 2013 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 20,315,310 | 22,217,635 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deposits at Banco Santander | 19,895,918 | 21,743,952 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt instruments..... | 20,284,390 | 22,196,447 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Share Capital | 180 | 180 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit/(Loss) | 1467 | 2,414 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | As at and for the year ended (in thousand euro) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Santander International | 30 June 2015 | 30 June 2014 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 18,880.531 | 23.142.026 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deposits at Banco Santander | 18.613.263 | 22.734.821 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt instruments..... | 18.711.381 | 22.852.040 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Share Capital | 180 | 180 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit/(Loss) | 488 | 432 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p><i>Statements of no significant or material adverse change</i></p> <p>There has been no significant change in the financial position of the Issuer since 30 June 2015 and there has been no material adverse change in the prospects of the Issuer since 31 December 2014.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.13 | <p>Events impacting the Issuer’s solvency</p> <p>Not Applicable – There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer’s solvency.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.14 | <p>Dependence upon other group entities</p> <p>Both the Issuer and the Guarantor are part of Santander Group. The Issuer is an instrumental company of the</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | |
|-------------|---|
| | <p>Guarantor which is the parent entity of the Santander Group. The Issuer's sole business is raising debt to be on-lent to the Guarantor and other members of the Group on an arm's length basis. The Issuer is accordingly dependent upon the Guarantor and other members of the Group servicing such loans.</p> |
| B.15 | <p>Principal activities</p> <p>The Issuer's businesses consist on the following:</p> <p>Santander International Debt, S.A.U.: the exclusive object of the company is to issue ordinary or senior debt with the guarantee of the Guarantor.</p> |
| B.16 | <p>Controlling shareholders</p> <p>The Issuer is wholly and directly owned subsidiaries of the Guarantor.</p> |
| B.17 | <p>Credit ratings</p> <p>The Issuer has not been assigned any credit rating by any rating agency.</p> <p>The Instruments to be issued have been rated:</p> <p>S&P: A-</p> <p>Moody's: A3</p> <p>Fitch: A-</p> <p>These credit ratings have been issued by Standard & Poor's Credit Market Services Europe Limited, Moody's Investor Services España, S.A. and Fitch Ratings España, S.A.U.</p> <p>Each of Standard & Poor's Credit Market Services Europe Limited, Moody's Investor Services España, S.A. and Fitch Ratings España, S.A.U. is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the CRA Regulation). As such each of Standard & Poor's Credit Market Services Europe Limited, Moody's Investor Services España, S.A. and [Fitch Ratings España, S.A.U. is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.</p> |
| B.18 | <p>Description of the Guarantee</p> <p>The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by Santander International under the Senior Instruments, receipts and coupons on an unsubordinated basis. Such obligations constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and, upon the insolvency of the Guarantor (and unless they qualify as subordinated claims pursuant to Article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions), rank <i>pari passu</i> and rateably without preference among such obligations of the Guarantor in respect of Senior Instruments and at least <i>pari passu</i> with all other unsubordinated and unsecured indebtedness and monetary obligations involving or otherwise related to borrowed money of the Guarantor, present and future. Its obligations in that respect are contained in the senior guarantee.</p> |
| B.19 | <p>Information about the Guarantor</p> |
| | <p>B.1 Legal and commercial name of the Guarantor</p> <p>The legal name of the Guarantor is Banco Santander, S.A. and operates under the trading name of "Santander".</p> |
| | <p>B.2 Domicile / legal form / legislation / country of incorporation</p> <p>The Guarantor is domiciled in Spain and has its registered office at Paseo de Pereda, 9-12, Santander. The principal operating headquarters of the Guarantor are located at Ciudad Grupo Santander, Avda. de Cantabria s/n, 28660 Boadilla del Monte, Madrid. The telephone number of the principal operating headquarters of the Bank is +34 91 259 6520. The Guarantor was incorporated in Spain and has the legal form of a public limited liability company (<i>sociedad anónima</i>) and is subject to the Spanish Corporations Law. Its activities are subject to special Spanish legislation governing credit institutions in general and to the supervision, control and regulation of the Bank of Spain in particular.</p> |
| | <p>B.4b Trend information</p> |

| | | | | | | | | |
|--|--|---------|---------|----------|---|-----------|-----------|-----------|
| | See Element B.4b above. | | | | | | | |
| | B.5 Description of the Group See Element B.5 above. | | | | | | | |
| | B.9 Profit forecast or estimate Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus | | | | | | | |
| | B.10 Audit report qualifications Not Applicable - No qualifications are contained in any audit report included in the Base Prospectus | | | | | | | |
| | B.12 Selected historical key financial information The summarised consolidated financial statements of the Group as of, and for each of the years ended, 31 December 2013 and 31 December 2014, has been extracted without any adjustment from, and is qualified by reference to and should be read in conjunction with, the Guarantor' consolidated financial statements in respect of those dates and periods: | | | | | | | |
| | <i>Summarised Consolidated Balance Sheet of the Group under IFRS-IASB for the years ended 31 December 2014, 31 December 2013 and 31 December 2012</i> (Millions of Euros) | | | | | | | |
| | ASSETS | 2014 | 2013 | 2012 (*) | LIABILITIES AND EQUITY | 2014 | 2013 | 2012 (*) |
| | CASH AND BALANCES WITH CENTRAL BANKS | 69,428 | 77,103 | 118,488 | FINANCIAL LIABILITIES HELD FOR TRADING: | 109,792 | 94,673 | 143,242 |
| | | | | | Deposits from central banks | 2,041 | 3,866 | 1,128 |
| | | | | | Deposits from credit institutions | 5,531 | 7,468 | 8,292 |
| | FINANCIAL ASSETS HELD FOR TRADING: | 148,888 | 115,289 | 177,917 | Customer deposits | 5,544 | 8,500 | 8,897 |
| | Loans and advances to credit institutions | 1,815 | 5,503 | 9,843 | Marketable debt securities | - | 1 | 1 |
| | Loans and advances to customers | 2,921 | 5,079 | 9,162 | Trading derivatives | 79,048 | 58,887 | 109,743 |
| | Debt instruments | 54,374 | 40,841 | 43,101 | Short positions | 17,628 | 15,951 | 15,181 |
| | Equity instruments | 12,920 | 4,967 | 5,492 | Other financial liabilities | - | - | - |
| | Trading derivatives | 76,858 | 58,899 | 110,319 | | | | |
| | OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS: | 42,673 | 31,381 | 28,356 | OTHER FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS: | 62,317 | 42,311 | 45,418 |
| | Loans and advances to credit institutions | 28,592 | 13,444 | 10,272 | Deposits from central banks | 6,321 | 2,097 | 1,014 |
| | Loans and advances to customers | 8,971 | 13,196 | 13,936 | Deposits from credit institutions | 19,039 | 9,644 | 10,862 |
| | Debt instruments | 4,231 | 3,875 | 3,460 | Customer deposits | 33,127 | 26,484 | 28,638 |
| | Equity instruments | 879 | 866 | 688 | Marketable debt securities | 3,830 | 4,086 | 4,904 |
| | | | | | Subordinated liabilities | - | - | - |
| | | | | | Other financial liabilities | - | - | - |
| | AVAILABLE-FOR-SALE FINANCIAL ASSETS: | 115,250 | 83,799 | 92,266 | FINANCIAL LIABILITIES AMORTISED COST: | 961,052 | 863,114 | 959,321 |
| | Debt instruments | 110,249 | 79,844 | 87,724 | Deposits from central banks | 17,290 | 9,788 | 50,938 |
| | Equity instruments | 5,001 | 3,955 | 4,542 | Deposits from credit institutions | 105,147 | 76,534 | 80,732 |
| | | | | | Customer deposits | 608,956 | 572,853 | 589,104 |
| | LOANS AND RECEIVABLES: | 781,635 | 714,484 | 756,858 | Marketable debt securities | 193,059 | 171,390 | 201,064 |
| | Loans and advances to credit institutions | 51,306 | 56,017 | 53,785 | Subordinated liabilities | 17,132 | 16,139 | 18,238 |
| | Loans and advances to customers | 722,819 | 650,581 | 696,014 | Other financial liabilities | 19,468 | 16,410 | 19,245 |
| | Debt instruments | 7,510 | 7,886 | 7,059 | CHANGES IN THE FAIR VALUE OF HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK | 31 | 87 | 598 |
| | | | | | HEDGING DERIVATIVES | 7,255 | 5,283 | 6,444 |
| | HELD-TO-MATURITY INVESTMENTS | | | | LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE | 21 | 1 | 2 |
| | CHANGES IN THE FAIR VALUE OF HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK | 1,782 | 1,627 | 2,274 | LIABILITIES UNDER INSURANCE CONTRACTS | 713 | 1,430 | 1,425 |
| | HEDGING DERIVATIVES | 7,346 | 8,301 | 7,936 | PROVISIONS: | 15,376 | 14,589 | 16,002 |
| | NON-CURRENT ASSETS HELD FOR SALE | 5,376 | 4,892 | 5,700 | Provision for pensions and similar obligations | 9,412 | 9,126 | 10,353 |
| | INVESTMENTS: | 3,471 | 5,536 | 4,454 | Provisions for taxes and other legal contingencies | 2,916 | 2,727 | 3,100 |
| | Associates | 1,775 | 1,829 | 1,957 | Provisions for contingent liabilities and commitments | 654 | 693 | 617 |
| | Jointly controlled entities | 1,696 | 3,707 | 2,497 | Other provisions | 2,394 | 2,043 | 1,932 |
| | INSURANCE CONTRACTS LINKED TO PENSIONS | 345 | 342 | 405 | TAX LIABILITIES: | 9,379 | 6,079 | 7,765 |
| | | | | | Current | 4,852 | 4,254 | 5,162 |
| | | | | | Deferred | 4,527 | 1,825 | 2,603 |
| | | | | | OTHER LIABILITIES | 10,646 | 8,554 | 8,216 |
| | | | | | TOTAL LIABILITIES | 1,176,582 | 1,036,121 | 1,188,433 |

| | | | | | | | |
|-------------------------------------|-----------|-----------|-----------|---|-----------|-----------|-----------|
| REINSURANCE ASSETS | 340 | 356 | 424 | EQUITY | | | |
| TANGIBLE ASSETS: | 23,256 | 13,654 | 13,860 | SHAREHOLDERS' EQUITY: | 91,663 | 84,480 | 81,269 |
| Property, plant and equipment- | 16,889 | 9,974 | 10,315 | Share capital | 6,292 | 5,667 | 5,161 |
| For own use | 8,324 | 7,787 | 8,136 | Registered | 6,292 | 5,667 | 5,161 |
| Leased out under an operating lease | 8,565 | 2,187 | 2,179 | Less: Uncalled capital | - | - | - |
| Investment property | 6,367 | 3,680 | 3,545 | Share premium | 38,611 | 36,804 | 37,412 |
| INTANGIBLE ASSETS: | 30,401 | 26,241 | 28,062 | Reserves | 41,160 | 38,056 | 37,100 |
| Goodwill | 27,548 | 23,281 | 24,626 | Accumulated reserves (losses) | 40,973 | 37,793 | 36,845 |
| Other intangible assets | 2,853 | 2,960 | 3,436 | Reserves (losses) of entities accounted for using the equity method | -187 | 263 | 255 |
| TAX ASSETS: | 27,956 | 26,944 | 27,098 | Other equity instruments | 265 | 193 | 250 |
| Current | 5,792 | 5,751 | 6,111 | Equity component of compound financial instruments | - | - | - |
| Deferred | 22,164 | 21,193 | 20,987 | Other | 265 | 193 | 250 |
| OTHER ASSETS | 8,149 | 5,814 | 5,547 | Less: Treasury shares | (10) | (9) | (287) |
| Inventories | 1,099 | 80 | 173 | Profit for the year attributable to the Parent | 5,816 | 4,175 | 2,283 |
| Other | 7,050 | 5,734 | 5,374 | Less: Dividends and remuneration | (471) | (406) | (650) |
| | | | | VALUATION ADJUSTMENTS | (10,858) | (14,152) | (9,472) |
| | | | | Available-for-sale financial assets | -1,560 | 35 | (249) |
| | | | | Cash flow hedges | 204 | (233) | (219) |
| | | | | Hedges of net investments in foreign operations | (3,570) | (1,874) | (2,957) |
| | | | | Exchange differences | (5,385) | (8,768) | (3,011) |
| | | | | Non-current assets held for sale | - | - | - |
| | | | | Entities accounted for using the equity method | (85) | (446) | (152) |
| | | | | Other valuation adjustments | (3,582) | (2,866) | (2,884) |
| | | | | NON-CONTROLLING INTERESTS | 8,909 | 9,314 | 9,415 |
| | | | | Valuation adjustments | (655) | (1,541) | (308) |
| | | | | Other | 9,564 | 10,855 | 9,723 |
| | | | | TOTAL EQUITY | 89,714 | 79,642 | 81,212 |
| TOTAL ASSETS | 1,266,296 | 1,118,763 | 1,269,648 | TOTAL LIABILITIES AND EQUITY | 1,266,296 | 1,118,763 | 1,269,648 |
| | | | | MEMORANDUM ITEMS: | | | |
| | | | | CONTINGENT LIABILITIES | 44,078 | 41,049 | 45,033 |
| | | | | CONTINGENT COMMITMENTS | 208,040 | 172,797 | 216,042 |

(*) Presented for comparison purposes only.

Summarised consolidated Balance Sheet of the Group IFRS-IASB for the six month periods ended 30 June 2015 and 31 December 2014

SANTANDER GROUP

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2015 AND 31 DECEMBER 2014

(Millions of euros)

| ASSETS | 30/06/15 | 31/12/14 (*) | LIABILITIES AND EQUITY | 30/06/15 | 31/12/14 (*) |
|---|----------|--------------|---|-----------|--------------|
| CASH AND BALANCES WITH CENTRAL BANKS | 67,962 | 69,428 | FINANCIAL LIABILITIES HELD FOR TRADING | 107,888 | 109,792 |
| FINANCIAL ASSETS HELD FOR TRADING | 151,201 | 148,888 | OTHER FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | 55,372 | 62,317 |
| OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | 37,245 | 42,673 | FINANCIAL LIABILITIES AT AMORTISED COST | 1,029,054 | 961,052 |
| AVAILABLE-FOR-SALE FINANCIAL ASSETS | 129,035 | 115,250 | CHANGES IN THE FAIR VALUE OF HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK | 81 | 31 |
| LOANS AND RECEIVABLES | 844,932 | 781,635 | HEDGING DERIVATIVES | 10,086 | 7,255 |
| HELD-TO-MATURITY INVESTMENTS | - | - | LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE | - | 21 |
| CHANGES IN THE FAIR VALUE OF HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK | 1,417 | 1,782 | LIABILITIES UNDER INSURANCE CONTRACTS | 648 | 713 |
| HEDGING DERIVATIVES | 6,107 | 7,346 | PROVISIONS | 15,470 | 15,376 |
| NON-CURRENT ASSETS HELD FOR SALE | 5,608 | 5,376 | TAX LIABILITIES: | 7,297 | 9,379 |
| INVESTMENTS: | 3,559 | 3,471 | Current | 2,522 | 4,852 |
| Associates | 1,931 | 1,775 | Deferred | 4,775 | 4,527 |
| Jointly controlled entities | 1,628 | 1,696 | OTHER LIABILITIES | 11,536 | 10,646 |
| INSURANCE CONTRACTS LINKED TO PENSIONS | 337 | 345 | TOTAL LIABILITIES | 1,237,424 | 1,176,582 |
| REINSURANCE ASSETS | 340 | 340 | SHAREHOLDERS' EQUITY: | 101,904 | 91,663 |
| | | | Share capital | 7,158 | 6,292 |
| | | | Share premium | 45,072 | 38,611 |

| | | | | | |
|-------------------------------|------------------|------------------|--|------------------|------------------|
| TANGIBLE ASSETS: | 24,054 | 23,256 | Reserves | 45,924 | 41,160 |
| Property, plant and equipment | 18,251 | 16,889 | Other equity instruments | 308 | 265 |
| Investment property | 5,803 | 6,367 | Less: Treasury shares | (103) | (10) |
| INTANGIBLE ASSETS: | 31,652 | 30,401 | Profit for the period attributable to the Parent | 4,261 | 5,816 |
| Goodwill | 28,594 | 27,543 | Less: Dividends and remuneration | (716) | (471) |
| Other intangible assets | 3,058 | 2,853 | VALUATION ADJUSTMENTS: | (10,407) | (10,858) |
| TAX ASSETS: | 27,149 | 27,956 | Available-for-sale financial assets | 700 | 1,560 |
| Current | 4,833 | 5,792 | Cash flow hedges | 75 | 204 |
| Deferred | 22,316 | 22,164 | Hedges of net investments in foreign operations | (4,684) | (3,370) |
| OTHER ASSETS | 8,778 | 8,149 | Exchange differences | (2,612) | (5,385) |
| | | | Non-current assets held for sale | - | - |
| | | | Entities accounted for using the equity method | (127) | (85) |
| | | | Other valuation adjustments | (3,759) | (3,582) |
| | | | NON-CONTROLLING INTERESTS | 10,455 | 8,909 |
| | | | Valuation adjustments | (647) | (655) |
| | | | Other | 11,102 | 9,564 |
| | | | EQUITY | 101,952 | 89,714 |
| TOTAL ASSETS | 1,339,376 | 1,266,296 | TOTAL LIABILITIES AND EQUITY | 1,339,376 | 1,266,296 |
| | | | MEMORANDUM ITEMS: | | |
| | | | CONTINGENT LIABILITIES | 44,359 | 44,078 |
| | | | CONTINGENT COMMITMENTS | 218,641 | 208,040 |

(*) Presented for comparison purposes only (see Note 1.e).

Condensed Consolidated Income Statement of the Group IFRS-LASB for the years ended 31 December 2014, 2013 and 2012

(Millions of Euros)

| | (Debit) Credit | | |
|---|----------------|---------------|---------------|
| | 2014 | 2013 | 2012 (*) |
| Interest and similar income | 54,656 | 51,447 | 58,791 |
| Interest expense and similar charges | (25,109) | (25,512) | (28,868) |
| NET INTEREST INCOME | 29,547 | 25,935 | 29,923 |
| Income from equity instruments | 435 | 378 | 423 |
| Share of results of entities accounted for using the equity method | 243 | 500 | 427 |
| Fee and commission income | 12,515 | 12,473 | 12,732 |
| Fee and commission expense | (2,819) | (2,712) | (2,471) |
| Gains/losses on financial assets and liabilities (net) | 3,974 | 3,234 | 3,329 |
| Held for trading | 2,377 | 1,733 | 1,460 |
| Other financial instruments at fair value through profit or loss | 239 | (6) | 159 |
| Financial instruments not measured at fair value through profit or loss | 1,427 | 1,622 | 1,789 |
| Other | (69) | (115) | (79) |
| Exchange differences (net) | (1,124) | 160 | (189) |
| Other operating income | 5,214 | 5,903 | 6,693 |
| Income from insurance and reinsurance contracts issued | 3,532 | 4,724 | 5,541 |
| Sales and income from the provision of non-financial services | 343 | 322 | 369 |
| Other | 1,339 | 857 | 783 |
| Other operating expenses | (5,373) | (6,205) | (6,607) |
| Expenses of insurance and reinsurance contracts | (3,395) | (4,607) | (4,948) |
| Changes in inventories | (255) | (229) | (232) |
| Other | (1,723) | (1,369) | (1,427) |
| GROSS INCOME | 42,612 | 39,666 | 44,260 |
| Administrative expenses | (17,899) | (17,452) | (17,801) |
| Staff costs | (10,242) | (10,069) | (10,306) |
| Other general administrative expenses | (7,657) | (7,383) | (7,495) |
| Depreciation and amortisation charge | (2,287) | (2,391) | (2,183) |
| Provisions (net) | (3,009) | (2,445) | (1,472) |
| Impairment losses on financial assets (net) | (10,710) | (11,227) | (18,880) |
| Loans and receivables | (10,521) | (10,986) | (18,523) |
| Other financial instruments not measured at fair value through profit or loss | (189) | (241) | (357) |
| Impairment losses on other assets (net) | (938) | (503) | (508) |
| Goodwill and other intangible assets | (701) | (41) | (151) |
| Other assets | (237) | (462) | (357) |
| Gains/(losses) on disposal of assets not classified as non-current assets held for sale | 3,136 | 2,152 | 906 |
| Gains from bargain purchases arising in business | 17 | - | - |

| | | | |
|--|---------------|--------------|--------------|
| combinations | | | |
| Gains/(losses) on non-current assets held for sale not classified as discontinued operations | (243) | (422) | (757) |
| PROFIT BEFORE TAX | 10,679 | 7,378 | 3,565 |
| Income tax | (3,718) | (2,034) | (584) |
| PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS | 6,961 | 5,344 | 2,981 |
| PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (net) | (26) | (15) | 70 |
| CONSOLIDATED PROFIT FOR THE YEAR | 6,935 | 5,329 | 3,051 |
| <i>Profit attributable to the Parent</i> | <i>5,816</i> | <i>4,175</i> | <i>2,283</i> |
| <i>Profit attributable to non-controlling interests</i> | <i>1,119</i> | <i>1,154</i> | <i>768</i> |
| EARNINGS PER SHARE | | | |
| From continuing and discontinued operations | | | |
| <i>Basic earnings per share (euros)</i> | <i>0.48</i> | <i>0.39</i> | <i>0.23</i> |
| <i>Diluted earnings per share (euros)</i> | <i>0.48</i> | <i>0.38</i> | <i>0.23</i> |
| From continuing operations | | | |
| <i>Basic earnings per share (euros)</i> | <i>0.48</i> | <i>0.39</i> | <i>0.22</i> |
| <i>Diluted earnings per share (euros)</i> | <i>0.48</i> | <i>0.38</i> | <i>0.22</i> |

(*) Presented for comparison purposes only

Condensed Consolidated Income Statements of the Group IFRS-IASB for the six-month periods ended 30 June 2015 and 2014

(Millions of euros)

| | (Debit) Credit | |
|--|----------------------|--------------------------|
| | 01/01/15 to 30/06/15 | 01/01/14 to 30/06/14 (*) |
| INTEREST AND SIMILAR INCOME | 29,182 | 26,580 |
| INTEREST EXPENSE AND SIMILAR CHARGES | (12,240) | (12,218) |
| NET INTEREST INCOME | 16,942 | 14,362 |
| INCOME FROM EQUITY INSTRUMENTS | 273 | 251 |
| SHARE OF RESULTS OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD | 200 | 108 |
| FEE AND COMMISSION INCOME | 6,606 | 6,034 |
| FEE AND COMMISSION EXPENSE | (1,495) | (1,300) |
| GAINS/LOSSES ON FINANCIAL ASSETS AND LIABILITIES (net) | (298) | 1,328 |
| EXCHANGE DIFFERENCES (net) | 1,333 | (50) |
| OTHER OPERATING INCOME | 1,844 | 2,944 |
| OTHER OPERATING EXPENSES | (1,753) | (3,066) |
| GROSS INCOME | 23,652 | 20,611 |
| ADMINISTRATIVE EXPENSES | (9,611) | (8,721) |
| <i>Staff costs</i> | <i>(5,591)</i> | <i>(4,999)</i> |
| <i>Other general administrative expenses</i> | <i>(4,020)</i> | <i>(3,722)</i> |
| DEPRECIATION AND AMORTISATION CHARGE | (1,195) | (1,165) |
| PROVISIONS (net) | (1,560) | (1,506) |
| IMPAIRMENT LOSSES ON FINANCIAL ASSETS (net) | (5,295) | (5,369) |
| PROFIT FROM OPERATIONS | 5,991 | 3,850 |
| IMPAIRMENT LOSSES ON OTHER ASSETS (net) | (287) | (831) |
| GAINS/(LOSSES) ON DISPOSAL OF ASSETS NOT CLASSIFIED AS NON-CURRENT ASSETS HELD FOR SALE | 193 | 2,302 |
| GAINS FROM BARGAIN PURCHASES ARISING IN BUSINESS COMBINATIONS | | |
| GAINS/(LOSSES) ON NON-CURRENT ASSETS HELD FOR SALE NOT CLASSIFIED AS DISCONTINUED OPERATIONS | (56) | (85) |
| PROFIT BEFORE TAX | 5,841 | 5,236 |
| INCOME TAX | (765) | (1,948) |
| PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS | 5,076 | 3,288 |
| PROFIT/LOSS FROM DISCONTINUED OPERATIONS (net) | | |
| CONSOLIDATED PROFIT FOR THE PERIOD | 5,076 | 3,288 |
| <i>Profit attributable to the Parent</i> | <i>4,261</i> | <i>2,756</i> |
| <i>Profit attributable to non-controlling interests</i> | <i>815</i> | <i>532</i> |
| EARNINGS PER SHARE: | | |
| <i>From continuing and discontinued operations:</i> | | |
| <i>Basic earnings per share (euros)</i> | <i>0.30</i> | <i>0.24</i> |
| <i>Diluted earnings per share (euros)</i> | <i>0.30</i> | <i>0.24</i> |
| <i>From continuing operations:</i> | | |
| <i>Basic earnings per share (euros)</i> | <i>0.30</i> | <i>0.24</i> |
| <i>Diluted earnings per share (euros)</i> | <i>0.30</i> | <i>0.24</i> |

(*) Presented for comparison purposes only

| | |
|--|--|
| | Statements of no significant or material adverse change |
| | There has been no significant change in the financial position of the Santander Group (including the Guarantor) since 30 June 2015 and there has been no material adverse change in the prospects of the Guarantor since 31 December 2014. |
| | <p>B.13 Events impacting the Guarantor's solvency Capital expenditures and divestitures:</p> <ul style="list-style-type: none"> • Sale of Altamira Asset Management (platform for managing the recovery of Banco Santander, S.A.'s loans in Spain and for managing and marketing the properties obtained through this activity) • Public offering of shares of Santander Consumer USA • Agreement with El Corte Inglés in the area of consumer finance • Acquisition of GetNet Tecnologia Em Captura e Processamento de Transações H.U.A.H. S.A. • Acquisition of non-controlling interests in Banco Santander (Brasil) S.A. • Sale of part of Custody business in Spain, Mexico and Brazil • Agreement with GE Capital in Sweden, Denmark and Norway • Agreement with Banque PSA Finance • Agreement with CNP to acquire a 51% stake in three insurance companies based in Ireland • Agreement to acquire Carfinco • Metrovacesa, S.A. - this entity is now fully consolidated with the Group • Invitation to tender notes series 22 issued by Santander Issuances, S.A. Unipersonal (the American Securities) for purchase • Invitation to tender certain securities issued by Santander Issuances, S.A. Unipersonal and Santander Perpetual, S.A. Unipersonal (the European Securities) for purchase • Santander sold 5.2% of its Polish unit as KBC places its 16.2% in the market • Agreement with Warburg Pincus and General Atlantic to foster the global development of the Group's asset management unit • Banco Santander (Brasil) optimised its equity structure • Cooperation agreement and purchase of 7.2% stake in Bank of Shanghai • Transfer of interest in Banco Santander (Brasil), S.A. • Merger of Bank Zachodni WBK S.A. and Kredyt Bank S.A. • Valores Santander grant the holders of Valores Santander an option to convert their securities • Invitation to tender certain securitization bonds for cash • Sale of its Colombian unit to the Chilean group Corpbanca • Agreement with Abbey Life Assurance • Placement of shares of Grupo Financiero Santander, S.A.B. de C.V. on the secondary market • Invitation to tender offer • Santander and Elavon agreement • Mergers by absorption of Banesto and Banco Banif • Insurance business in Spain • Capital Increases : As of December 31, 2012, its capital had increased by 1,412,136,547 shares, or 15.85% of its total capital as of December 31, 2011, to 10,321,179,750 shares • Asset quality review • Scrip dividends • Capital increase • Merger of Santander Asset Management and Pioneer Investments |
| | <p>B.14 Dependence upon other Group entities The Guarantor is the Parent Company of the Santander Group. The Guarantor is not dependent upon any other entity in the Group.</p> |
| | <p>B.15 The Guarantor's Principal activities The Guarantor and its consolidated subsidiaries are a financial group operating through a network of offices and subsidiaries across Spain, the United Kingdom and other European countries, Brazil and other Latin American countries and the US, offering wide range of financial products. At 30 June 2015, the Santander Group operated through 5,444 branch offices in Continental Europe 901 branches in the United Kingdom, 5,782 branches in Latin America and 783 branches in the United States.</p> |

B.16 Controlling shareholders

The Guarantor is not aware of any person which exerts or may exert control over the Guarantor within the terms of Article 4 of Law 24/1988, of 28 July, of the Securities Market (*Law 24/1988 of 28 July of the Securities Market*).

B.17 Credit ratings

In accordance with the last available public information, the Guarantor has been rated by the rating agencies as follows:

| Rating Agency | Short | Long | Perspective |
|-----------------------|-----------|------|-------------|
| Fitch Ratings (1) | F2 | A- | Stable |
| Moody's (2) | P-2 | A3 | Positive |
| Standard & Poor's (3) | A-2 | A- | Stable |
| DBRS (4) | R-1 (Low) | A | Stable |
| Scope Ratings (5) | S-1 | A+ | Stable |
| GBB-Rating (6) | | A+ | Stable |

(1) Fitch Ratings España, S.A.U. (**Fitch Ratings**), (2) Moody's Investor Service España, S.A. (**Moody's**), (3) Standard & Poor's Credit Market Services Europe Limited (**Standard & Poor's**), (4) DBRS Ratings Limited (**DBRS**), (5) Scope Ratings GmbH (**Scope Ratings**), (6) GBB-Rating Gesellschaft für Bonitätsbeurteilung GmbH (**GBB-Rating**).

The Instruments issued under the Programme have been rated by the rating agencies as follows:

| Rating Agency | Short-term Senior Instrument | Long-term Senior Instruments | Subordinated Instruments |
|-----------------------|------------------------------|------------------------------|--------------------------|
| Fitch Ratings (1) | F2 | A- | BBB+ |
| Moody's (2) | P-2 | A3 | Baa2 |
| Standard & Poor's (3) | A-2 | A- | BBB- |

SECTION C – SECURITIES

| Element | |
|------------|--|
| C.1 | <p>Type and class of the Securities</p> <p>Type and class of the Securities</p> <ul style="list-style-type: none"> • Santander International Debt issue of USD 4,945,500 Callable Fixed Rate Instruments due 23 March 2021, Series 372 • Senior Instruments • Fixed • Tranche 1 • Series: 372 • Bearer <p>ISIN Code: XS1382789136 Common Code: 138278913</p> |
| C.2 | <p>Currency of the Securities</p> <p>US Dollars ("USD")</p> |
| C.5 | <p>Restrictions on free transferability</p> <p>The Instruments may not be transferred prior to the issue date. Selling restrictions apply to offers, sales or transfers of the Instruments under the applicable laws in various jurisdictions. A purchaser of the Instruments is required to make certain agreements and representations as a condition to purchasing the Instruments.</p> <p>Minimum tradeable amount: For so long as the Instruments trade through the Clearing Systems and the Clearing Systems so permit, the Instruments will trade in minimum amounts of USD 150,000 and incremental amounts of USD 1,500 thereon.</p> <p>With regards to Spain, the Instruments may not be offered, sold or distributed, nor may any subsequent resale of Instruments be carried out in Spain, except in circumstances which do not constitute a public offer of</p> |

securities in Spain within the meaning of the Spanish Securities Market Law (*Law 24/1988 of 28 July of the Securities Market*), as amended and restated, or without complying with all legal and regulatory requirements under Spanish securities laws. No publicity or marketing of any kind shall be made in Spain in relation to the Instruments.

United States of America Selling Restrictions: Reg. S Compliance Category 2; TEFRA D

Neither the Instruments nor the Guarantee have been or will be registered under the United States Securities Act of 1933 (the "Securities Act") and the Instruments may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

C.8 Description of the rights attaching to the Securities

Status:

The Senior Instruments, being Instruments that can only be issued by Santander International, and the receipts and coupons relating to them, constitute direct, unconditional, unsubordinated and unsecured obligations of Santander International and, upon the insolvency of Santander International (and unless they qualify as subordinated claims pursuant to Article 92 of Law 22/2003 (*Ley Concursal*) of 9 July 2003 (the "Insolvency Law" or "Law 22/2003") or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions), rank *pari passu* and rateably without preference among themselves and the payment obligations of Santander International under the Senior Instruments, receipts and coupons related to them rank at least *pari passu* with all other unsecured and unsubordinated indebtedness and monetary obligations involving or otherwise related to borrowed money of Santander International, present or future.

Guarantee:

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by Santander International under the Senior Instruments, receipts and coupons on an unsubordinated basis. Such obligations constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and, upon the insolvency of the Guarantor (and unless they qualify as subordinated claims pursuant to Article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions), rank *pari passu* and rateably without preference among such obligations of the Guarantor in respect of Senior Instruments and at least *pari passu* with all other unsubordinated and unsecured indebtedness and monetary obligations involving or otherwise related to borrowed money of the Guarantor, present and future. Its obligations in that respect are contained in the senior guarantee.

Deed of covenant: The Instruments have the benefit of a deed of covenant dated 15 June 2015.

Taxation: All amounts payable in respect of the Instruments, the receipts and coupons, the senior guarantee and the subordinated guarantee by the Issuer or the Guarantor will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, subject to Condition 7 "Taxation" the relevant Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the holder of any Instrument or coupon of such amounts as would have been received by them had no such withholding or deduction been required.

Under Spanish Law 10/2014 and Royal Decree 1065/2007, each as amended, each Issuer and the Guarantor is required to provide to the Spanish tax authorities certain information relating to the Instruments. If The Bank of New York Mellon, London Branch (the "Issue and Paying Agent") fails to provide the relevant Issuer or, as the case may be, the Guarantor with the required information, the relevant Issuer or the Guarantor (as the case may be) will be required to withhold tax and may pay income in respect of the relevant Instruments net of the Spanish withholding tax applicable to such payments, generally at the rate of 19% (exceptionally, during the tax period 2015 the withholding tax rate applicable is 20%).

None of the Issuer, the Guarantor, Banco Santander, S.A. and Morgan Stanley & Co. International plc. (the "Arrangers"), Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc., Merrill Lynch International, Nomura International plc, Société Générale, The Royal Bank of Scotland plc, UBS Limited and Crédit Agricole Corporate and Investment Bank (all these dealers together with the Arrangers, the "Dealers") or the European clearing systems assumes any responsibility therefor.

Events of Default:

For Senior Instruments this includes non-payment, breach of other obligations, winding up, cessation of business, insolvency proceedings and arrangements with creditors of the relevant Issuer or the Guarantor and if the senior guarantee ceases to be a valid and binding obligation of the Guarantor.

Governing law:

The issue of the Instruments, including their legal nature (*obligaciones u otros valores que reconozcan o creen deuda*), the status of the Instruments, the status of the guarantee in respect of the Instruments, the capacity of the Issuer, the relevant corporate resolutions and, when required, the appointment of the Commissioner and the constitution of the Syndicates of Holders of the Instruments will be governed by Spanish law.

The terms and conditions of the Instruments, the Issue and Paying Agency Agreement, the Deed of Covenant and, save for, in each case, the status of the guarantee, the Deed of Senior Guarantee and all non-contractual obligations arising out of or in connection with the terms and conditions of the Instruments, the Issue and Paying Agency Agreement, the Deed of Covenant and , the Deed of Senior Guarantee, are governed by English law.

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| C.9 | Payment Features |
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[Issue specific summary:

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| Issue Price: | 98.38 per cent of the Aggregate Nominal Amount per Instrument |
| Issue Date: | 23 March 2016 |
| Calculation Amount: | USD 1,500 |
| Maturity Date: | 23 March 2021 |

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| C.10 | Derivative component on interest <i>Not applicable. -The Instruments do not have a derivative component in the interest payment</i> |
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| C.11 | Listing and Admission to trading Each Series may be listed on the official list of the Irish Stock Exchange and traded on the regulated market of the Irish Stock Exchange.. |
|-------------|--|

SECTION D – RISKS

| Element | |
|------------|--|
| D.2 | <p>Key risks regarding the Issuer and the Guarantor</p> <p>The Issuer is a finance vehicle established by the Guarantor for the purpose of issuing Instruments under the Programme and on-lending the proceeds within the Santander Group. The Issuer is therefore dependent upon other members of the Group paying interest on and repaying their loans in a timely fashion. Should any Group member fail to pay interest on or repay any loan in a timely fashion this could have a material adverse effect on the ability of the relevant Issuer to fulfil its obligations under Instruments issued under the Programme. The main risks relating to the Santander Group operation are, amongst others:</p> <ul style="list-style-type: none"> • Because the Group's loan portfolio is concentrated in Continental Europe, the United Kingdom, Latin America and the United States, adverse changes affecting the economies of Continental Europe, the United Kingdom, certain Latin America countries or the United States could adversely affect the Group's financial condition. • The Group is vulnerable to disruptions and volatility in the global financial markets. • The Group may suffer adverse effects as a result of the ongoing economic and sovereign debt tensions in the |

Eurozone.

- Exposure to sovereign debt could have a material adverse effect on the Group.
- The Group growth, asset quality and profitability in Latin America may be adversely affected by volatile macroeconomic and political conditions.
- The Group is exposed to risk of loss from legal and regulatory proceedings.
- The Group is subject to substantial regulation which could adversely affect its business and operations.
- The Group is subject to review by taxing authorities, and an incorrect interpretation by the Group of their laws and regulations may have a material adverse effect on the Group.
- The Group may not be able to detect money laundering and other illegal or improper activities fully or on timely basis, which could expose the Group to additional liability and could have a material adverse effect on it.
- Changes in taxes and other assessments may adversely affect the Group.
- Changes in accounting standards could impact reported earnings.
- The Group's financial statements are based in part on assumptions and estimates which, if inaccurate, could cause material misstatement of the results of the Group operations and financial position.
- Disclosure controls and procedures over financial reporting may not prevent or detect all errors or acts of fraud.
- Liquidity and funding risks are inherent in the Group's business and could have a material adverse effect on the Group.
- Credit, market and liquidity risk may have an adverse effect on the Group's credit ratings and its cost of funds. Any downgrading in the Group's credit rating would likely increase its cost of funding, require the Group to post additional collateral or take other actions under some of the Group's derivative contracts and adversely affect its margins and results of operations.
- Failure to successfully implement and continue to improve the Group's risk management policies, procedures and methods, including its credit risk management system, could materially and adversely affect the Group, and the Group may be exposed to unidentified or unanticipated risks.
- If the Group is unable to effectively control the level of non-performing or poor credit quality loans in the future, or if the Group's loan loss reserves are insufficient to cover future loan losses, this could have a material adverse effect on the Group.
- The Group's loan and investment portfolios are subject to risk of prepayment, which could have a material adverse effect on the Group.
- The value of the collateral securing the Group's loans may not be sufficient, and the Group may be unable to realise the full value of the collateral securing its loan portfolio.
- The Group is subject to counterparty risk in its banking business.
- The Group's financial results are constantly exposed to market risk. The Group is subject to fluctuations in interest rates and other market risks, which may materially and adversely affect the Group.
- Market conditions have resulted and could result in material changes to the estimated fair values of the Group's financial assets. Negative fair value adjustments could have a material adverse effect on the Group's operating results, financial condition and prospects.
- The Group is subject to market, operational and other related risks associated with the Group's derivative transactions that could have a material adverse effect on the Group.
- The financial problems faced by the Group's customers could adversely affect the Group.
- Changes in the Group's pension liabilities and obligations could have a material adverse effect on the Group.
- The Group depends in part upon dividends and other funds from subsidiaries.
- Increased competition and industry consolidation may adversely affect the Group's results of operations.
- The Group's ability to maintain its competitive position depends, in part, on the success of new products and services the Group offers its clients and the Group's ability to continue offering products and services from third parties, and the Group may not be able to manage various risks it faces as the Group expands its range of products and services that could have a material adverse effect on the Group.
- If the Group is unable to manage the growth of its operations this could have an adverse impact on its profitability.
- Goodwill impairments may be required in relation to acquired businesses.
- The Group relies on recruiting, retaining and developing appropriate senior management and skilled personnel.
- The Group relies on third parties for important products and services.
- Damage to the Group's reputation could cause harm to the Group's business prospects.
- The Group engages in transactions with its subsidiaries or affiliates that others may not consider to be on an arm's-

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| | <p>length basis.</p> <ul style="list-style-type: none"> • Any failure to effectively improve or upgrade the Group's information technology infrastructure and management information systems in a timely manner could have a material adverse effect on the Group. • Risks relating to data collection, processing and storage systems are inherent in the Group business. • Failure to protect personal information could adversely affect the Group. |
| D.3 | <p>Key risks regarding the Securities</p> <p>There are also risks associated with the Instruments and with the markets. These risks may include, amongst others:</p> <ul style="list-style-type: none"> • Taxation in Spain: Under Spanish Law, payments of income in respect of the listed Instruments will not be subject to Spanish withholding tax provided that the relevant Issuer or the Guarantor receives certain information concerning the Instruments. If such information is not received by the relevant Issuer or the Guarantor, as the case may, it will be required to apply Spanish withholding tax to any payment of interest in respect of the relevant Instruments, or income arising from the payment of Instruments issued below par; • The US Hiring Incentives to Restore Employment Act withholding may affect payments on the Instruments; • U.S. Foreign Account Tax Compliance Act Withholding; • Withholding under the EU Savings Directive; • The implementation of the EU Crisis Management Directive could materially affect the value of any Instruments. • The Commissioner (which owes certain obligations to the Syndicate of Holders (as described in the Issue and Paying Agency Agreement) will be appointed by the relevant Issuer and may also be an employee or officer of such Issuer or of the Guarantor; • The Spanish Insolvency Law, provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (<i>administradores concursales</i>) within a certain period, (ii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency may not be enforceable, and (iii) interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall cease to accrue as from the date of the declaration of insolvency and any amount of interest accrued up to such date (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated. In addition, recent amendments to the Insolvency Law have been implemented which, in certain instances, have the effect of modifying or impairing creditors' rights; • Prospective investors should make their own evaluations to determine whether an investment in the Instruments is appropriate in their particular circumstances and should consult with their legal, business and tax advisers accordingly; • Instruments issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market; • Instruments may be redeemable at the relevant Issuer's option in certain circumstances. If such option is exercised, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Instruments. • Because the Global Instruments are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer and/or the Guarantor; • Instruments subject to optional redemption by the Issuer, which is likely to limit their market value. • In accordance with applicable regulations, the Subordinated Instruments may not be early redeemed due to the non-payment of the Subordinated Instruments, or of other debts of the Issuer or of any members of its group. • The Group may issue Instruments with interest determined by reference to an inflation or equity index (each, a Relevant Index). Potential investors should be aware that the market price of such Instruments may be volatile and that they may receive no interest. In addition, potential investors should be aware that: (i) a Relevant Index may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices; (ii) if a Relevant Index is applied to Instruments in conjunction with a multiplier greater than one (or contains some other leverage factor) the effect of changes in the Relevant Index on interest payable likely will be magnified; and (iii) the timing of changes in a Relevant Index may affect the actual yield to investors. • The Issuer may issue Instruments where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its interest payments. • The Issuer may issue Inverse Floating Rate Instruments which have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Instruments typically are more volatile than |

market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms).

- The Issuer may issue Fixed/Floating Rate Instruments. Such Instruments may bear interest at a rate that may convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Instruments since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing.
- The Issuer may issue Instruments at a substantial discount or premium from their principal amount. The market values of such Instruments tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.
- The investment in Equity Index-Linked Interest Instruments and Inflation Linked Interest Instruments entails certain risks and it is only suitable for certain potential kind of investors.
- The terms of Equity Index-Linked Interest Instruments and Inflation Linked Interest Instruments differ from those of ordinary debt securities and may not pay interest on maturity, depending on the performance of the relevant underlying Index or Share Index.
- The value of Equity Index-Linked Interest Instruments and Inflation Linked Interest Instruments may be influenced by unpredictable factors beyond the Issuer's and the Guarantor's control.
- There are certain considerations regarding the use of Equity Index-Linked Interest Instruments or Inflation Linked Interest Instruments as hedging instruments involving correlation risks.
- The effect of the liquidity of the relevant underlying Index or Share Index on Equity Index- Linked Interest Instruments and Inflation Linked Interest Instruments pricing.
- Exchange rates and exchange controls may affect the value or return of the Equity Index-Linked Interest Instruments or Inflation Linked Interest Instruments.
- Investors have no shareholder rights.
- Potential conflicts of interest between the investor and the Calculation Agent.
- The Calculation Agent may determine that a Market Disruption Event or a failure to open of an Exchange or Related Exchange has occurred or exists on a relevant date of valuation, and any consequential postponement of such date of valuation may have an adverse effect on the value of the Instruments.
- When determining the value and/or performance of the relevant underlying Indices or Share Indices in respect of a Series of Equity Index-Linked Interest Instruments or Inflation Linked Interest Instruments may provide for a cap or be subjected to a floor, such that any value and/or performance of the relevant underlying Index or Share Index (or individual basket components) in excess or below the applicable cap or floor, respectively, will not be taken into account for the purposes of the relevant determination.
- One or more independent credit rating agencies may assign credit ratings to the Instruments. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Additionally, the risks relating to investment in the Instruments depend on their features and may include, *inter alia*, risks relating to (but not limited to) operational/business risk, credit risk, liquidity risk, interest rate risk, regulatory risk, reputational risk, competition risk, unsecured obligations, market risk, hedging and potential conflicts of interest, tax liabilities, expenses and taxation, third party risk, structural risks relating to particular Instruments, including with respect to certain underlying, no claim against the reference item(s) to which the Instruments relate, exchange rate risks, settlement disruption, illegality and cancellation, time lag after redemption or exercise, settlement risk, possible illiquidity of Instruments, equity risk, underlying volatility risk, fund risk, failure to deliver due to illiquidity, inflation risk, modification, meetings, market disruption, optional redemption, a requirement to hold a minimum amount of Instruments, transfer restrictions and exchange, listing and legal regulation risk.

SECTION E – OFFER

| Element | |
|---------|--|
| E.2b | <p>Use of proceeds</p> <p>The net proceeds of the issue of each tranche of Instruments will be used for the general funding purposes of the Group.</p> |
| E.3 | <p>Terms and conditions of the offer:</p> <p>Denomination</p> <p>Instruments will be issued in USD 1,500 specified denominations.</p> <p>Minimum tradeable amount: USD 150,000</p> |

| | |
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| | <p>Interest: 2.00 per cent per annum for the period from and including the Issue Date to but excluding 23 March 2019; 2,25 per cent per annum for the period from and including 23 March 2019 to but excluding 23 March 2020. 2,50 per cent per annum for the period from and including 23 March 2020 to but excluding the Maturity Date</p> <p>Issue Price: 98.38%.</p> <p>Maturity: 23 March 2021</p> <p>Redemption: At par.</p> <p>Early redemption will be permitted for taxation reasons. The Issuer has the right to redeem the Instruments at the relevant Early Redemption Amount by giving ten (10) business days of notice, prior to the relevant Early Redemption (Call) Date.</p> <p>Purchase: The Issuer and the Guarantor and any of their respective subsidiaries or any third party designated by any of them, may at any time purchase Instruments in the open market or otherwise and at any price provided that, in the case of Definitive Instruments, all unmatured Coupons appertaining thereto are purchased therewith.</p> <p>Clearing Systems: Euroclear, Clearstream, Luxembourg and/or, in relation to any Instruments, any other clearing system as may be specified in the relevant Final Terms.</p> <p>Terms and conditions of the offer: The Instruments are not being offered to the public in a Public Offer.</p> |
| E.4 | <p>Description of any interest of natural and legal persons involved in the issue/offer that is material to the issue/offer including conflicting interests</p> <p>The relevant Dealers may be paid fees in relation to any issue of Instruments under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business.</p> |
| E.7 | <p>Expenses charged to the investor by the Issuer or an Offeror</p> <p>No expenses are being charged to the subscriber or purchaser of the Instruments <i>by the Issuer</i></p> |

