

Final Terms dated 12 February 2014

**Santander International Debt, S.A. Unipersonal**  
Issue of EUR 20,000,000 Floating Rate Instruments due February 2017  
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, Germany 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 have been published on the websites on the Irish Stock Exchange ([www.ise.ie](http://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 21 June 2013 and the First Supplement to the Base Prospectus dated 30 August 2013, and the Second Supplement to the Base Prospectus dated 10 October 2013 and the Third Supplement to the Base Prospectus dated 5 December 2013 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area)) (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 21 June 2013 as so supplemented. The Base Prospectus and the Supplements to the Base Prospectus are available for viewing at the registered office of each of the Issuers 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, Citibank, N.A., London Branch at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB 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](http://www.ise.ie)), the Central Bank of Ireland (<http://www.centralbank.ie>).

- |    |      |                 |                                                |
|----|------|-----------------|------------------------------------------------|
| 1. | (i)  | Issuer:         | Santander International Debt, S.A. Unipersonal |
|    | (ii) | Guarantor :     | Banco Santander, S.A.                          |
| 2. | (i)  | Series Number:  | 288                                            |
|    | (ii) | Tranche Number: | 1                                              |

|     |                                                                 |                                                                                                                                                                                                                                                                                           |
|-----|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.  | Applicable Annex(es)                                            | Not applicable                                                                                                                                                                                                                                                                            |
| 4.  | Specified Currency:                                             | Euro (“EUR”)                                                                                                                                                                                                                                                                              |
| 5.  | Aggregate Principal Amount:                                     | EUR 20,000,000                                                                                                                                                                                                                                                                            |
|     | (i) Series:                                                     | EUR 20,000,000                                                                                                                                                                                                                                                                            |
|     | (ii) Tranche:                                                   | EUR 20,000,000                                                                                                                                                                                                                                                                            |
| 6.  | Issue Price:                                                    | 98.50 per cent. of the Aggregate Principal Amount                                                                                                                                                                                                                                         |
| 7.  | Specified Denominations:                                        | EUR 1,000                                                                                                                                                                                                                                                                                 |
|     |                                                                 | 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 EUR 100,000 and incremental amounts of EUR 1,000 thereon.                                                                          |
|     |                                                                 | The Instruments will be initially issued and subsequently traded in aggregate principal amounts of not less than EUR 100,000. Accordingly, any investor in the Instruments will not be permitted to acquire or trade Instruments in aggregate principal amounts of less than EUR 100,000. |
| 8.  | Calculation Amount:                                             | EUR 1,000                                                                                                                                                                                                                                                                                 |
| 9.  | (i) Issue Date:                                                 | 17 February 2014                                                                                                                                                                                                                                                                          |
|     | (ii) Interest Commencement Date:                                | Issue Date                                                                                                                                                                                                                                                                                |
| 10. | Maturity Date:                                                  | Interest Payment Date falling in February 2017                                                                                                                                                                                                                                            |
| 11. | Interest Basis:                                                 | 3 Months EURIBOR plus Margin Floating Rate (further particulars specified below)                                                                                                                                                                                                          |
| 12. | Redemption/Payment Basis:                                       | Redemption at par                                                                                                                                                                                                                                                                         |
| 13. | Put/Call Options:                                               | Investor Put<br>(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: | 6 February 2014                                                                                                                                                                                                                                                                           |

15. Method of distribution: Non-syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16. **Fixed Rate Instrument Provisions** Not Applicable

17. **Floating Rate and CMS-Linked Instrument Provisions** Applicable

- (i) Interest Period(s): The period from and including the Interest Commencement Date to but excluding the First Interest Payment Date and thereafter, each period from and including an Interest Payment Date to but excluding the next Interest Payment Date
- (ii) Interest Payment Dates: 17 February, 17 May, 17 August and 17 November in each year from and including 17 May 2014 to and including the Maturity Date, all dates being subject to adjustment in accordance with the Business Day Convention specified below
- (iii) First Interest Payment Date: 17 May 2014
- (iv) Business Day Convention: Modified Following Business Day Convention
- (v) Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination
- (vi) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Agent): Banco Santander, S.A.
- (vii) Margin Plus Rate: Applicable
- (viii) Specified Percentage Multiplied by Rate: Not Applicable
- (ix) Difference in Rates: Not Applicable
- (x) Screen Rate Determination of Rate
  - Reference Rate: The 3 EURIBOR rate for 3 months deposits in EUR appearing on the Relevant Screen page at 11:00 am (Brussels time) on the Interest Determination Date
  - Interest Determination Date(s): The second TARGET Business Day prior to the start of each Interest Period
  - Relevant Screen Page: Reuters EURIBOR 01
  - Relevant Time: 11.00 a.m. Brussels time

|        |                                                                                                                               |                            |
|--------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| (xi)   | ISDA Determination:                                                                                                           | Not Applicable             |
| (xii)  | Margin(s):                                                                                                                    | + 0.70 per cent. per annum |
| (xiii) | Minimum Rate of Interest:                                                                                                     | Not Applicable             |
| (xiv)  | Maximum Rate of Interest:                                                                                                     | Not Applicable             |
| (xv)   | Day Count Fraction:                                                                                                           | Act/360                    |
| (xvi)  | Step-up Provisions                                                                                                            | Not applicable             |
| 18.    | <b>Other Variable Interest Rate Instrument Provisions</b>                                                                     | Not Applicable             |
| 19.    | <b>Equity Index-Linked Interest Instruments Provisions</b>                                                                    | Not Applicable             |
| 20.    | <b>Additional provisions applicable to Equity Index-Linked Interest Instruments</b>                                           | Not Applicable             |
| 21.    | <b>Inflation-Linked Interest Instruments Provisions</b>                                                                       | Not Applicable             |
| 22.    | <b>Key Dates relating to Variable Interest Rate Instruments (and if so specified applicable to other kind of Instruments)</b> | Not Applicable             |

**PROVISIONS RELATING TO REDEMPTION**

|       |                                                            |                                                                                                                                                                                                                                                              |
|-------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 23.   | <b>Call Option:</b>                                        | Not Applicable                                                                                                                                                                                                                                               |
| 24.   | <b>Put Option</b>                                          | Applicable                                                                                                                                                                                                                                                   |
| (i)   | Optional Early Redemption Date(s):                         | The Interest Payment Dates falling on or nearest to 17 February 2015 and to 17 February 2016                                                                                                                                                                 |
| (ii)  | Optional Early Redemption Amount (Put) of each Instrument: | EUR 1,000 per Instrument of EUR 1,000 specified denomination                                                                                                                                                                                                 |
| (iii) | Notice period                                              | Not later than 15 Business Days prior to the Optional Early Redemption Date by written notice to the Issue and Paying Agent, the Calculation Agent and the Issuer (in the form provided by the Issue and Paying Agent and/or the relevant clearing systems). |

25. **Maturity Redemption Amount of each Instrument** EUR 1,000 per Instrument of EUR 1,000 specified denomination
26. **Early Redemption Amount (Tax)**
- Early Redemption Amount(s) of each Instrument payable on redemption for taxation reasons or on event of default: As set out in the General Terms and Conditions

#### **GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS**

27. **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
28. New Global Note: Yes
29. Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): No
30. 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: Not Applicable
31. Business Day: New York and TARGET 2 Business Day
32. Relevant Financial Centre: Not Applicable
33. Relevant Financial Centre Day: Not Applicable
34. Amount of each instalment (“Instalment Amount”), date on which each payment is to be made (“Instalment Date”): Not Applicable
35. Temporary Commissioner: Mr. Jesús Merino

#### **DISTRIBUTION**

- |     |                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 36. | (i) If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|     | (ii) Date of Subscription Agreement                                              | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 37. | If non-syndicated, name and address of Dealer/Manager:                           | <p>Banco Santander International<br/> 1401 Brickell Avenue, Suite 1500<br/> Miami, FL 33131<br/> USA</p> <p>The Dealer shall act on a best effort basis and shall have no underwriting commitments.</p>                                                                                                                                                                                                                                                                                                                                                                   |
| 38. | Total commission and concession:                                                 | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 39. | US Selling Restrictions:                                                         | <p>Reg. S Compliance Category 2; TEFRA D</p> <p>Neither the Instruments nor the Guarantee have been or will be registered under the United States Securities Act of 1933 (the "<b>Securities Act</b>") 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.</p> |
| 40. | 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 Ireland 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:

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*Authorised Signatory*

Date: 12 February 2014

**BANCO SANTANDER, S.A.**

By:

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*Authorised Signatory*

Date: 12 February 2014

## 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: BBB

Moody's: Baa2 rating, with a negative outlook

Fitch: BBB+

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/OFFER

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 19,700,000                                   |
| (iii) | Estimated total         | EUR 500 (Listing Fees)                           |

### 5. Fixed Rate Instruments only— YIELD

Indication of yield: Not Applicable

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

Details of historic EURIBOR rates can be obtained from Reuters.



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 RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Not Applicable

9. **OPERATIONAL INFORMATION**

ISIN: XS1030896200

Common Code: 103089620

WKN: Not applicable

Any other Clearing System other than Euroclear and Clearstream Banking, société anonyme and the relevant identification numbers: Not applicable

Delivery: Delivery against 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 does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra day 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

Details of the minimum and/or maximum amount of application: Minimum Amount of application: EUR 100,000  
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

**Santander International Debt, S.A. Unipersonal**  
Issue of EUR 20,000,000 Floating Rate Instruments due February 2017 Series 288  
(the “**Instruments**”)  
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.

### SECTION A – INTRODUCTION AND WARNINGS

| Element    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A.1</b> | <p>This summary should be read as an introduction to the Base Prospectus and the Final Terms dated 12 February 2014. Any decision to invest in the Instruments should be based on a consideration of the Base Prospectus as a whole, including any documents incorporated by reference and the Final Terms. Where a claim relating to information contained in the Base Prospectus and the 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 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 the Base Prospectus and the 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 the Base Prospectus and the 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> |
| <b>A.2</b> | <p>Certain Tranches of Securities 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> <p><i>Not Applicable</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

### SECTION B – ISSUER AND GUARANTOR

| Element    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>B.1</b> | <p><b>Legal and commercial name of the Issuer</b><br/><i>Santander International Debt, S.A.U</i></p>                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>B.2</b> | <p><b>Domicile / legal form / legislation / country of incorporation</b><br/>The registered office address of the Issuer is Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain.</p> <p>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</i></p> |

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                    | <p><i>Sociedades de Capital</i>) ("<b>Spanish Corporations Law</b>"). The Issuer is a wholly-owned subsidiary of Banco Santander, S.A. (the "<b>Guarantor</b>").</p> <p><i>Santander International Debt, S.A.U.</i> 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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>B.4b</b></p> | <p><b>Trend information</b></p> <p>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 we expect will increase the overall level of regulation in the markets.</p> <p>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 be indicative of its future operating results or its financial condition:</p> <ul style="list-style-type: none"> <li>• a continued downturn in the Spanish and the United Kingdom real estate markets, and a corresponding increase in mortgage defaults, which could impact the Group's non performing loans and decrease consumer confidence and disposable income;</li> <li>• uncertainties relating to economic growth expectations and interest rates cycles, especially in the United States, Spain, the United Kingdom, other European countries and Latin America, and the impact they may have over the yield curve and exchange rates;</li> <li>• the continued effect of the global economic slowdown on Europe and the US and fluctuations in local interest and exchange rates;</li> <li>• continued changes in the macroeconomic environment, such as sustained unemployment above historical levels, could further deteriorate the quality of the Group's customers' credit;</li> <li>• increases in the Group's cost of funding, partially as a result of the fragility of the Spanish, Portuguese, Irish and Greek economies, could adversely affect the Group's net interest margin as a consequence of timing differences in the repricing of the Group's assets and liabilities;</li> <li>• the effects of withdrawal of significant monetary and fiscal stimulus programs and uncertainty over government responses to growing public deficits;</li> <li>• continued instability and volatility in the financial markets;</li> <li>• a drop in the value of the euro relative to the US dollar, the sterling pound or Latin American currencies;</li> <li>• inflationary pressures, particularly in Latin America, because of the effect they may have in relation to increases of interest rates and decreases of growth;</li> <li>• increased consolidation of the global financial services sector, which could further reduce the Group's spreads;</li> <li>• although it is foreseeable that entry barriers to domestic markets in Europe will eventually be lowered, the Group's possible plans of expansion into other markets could be affected by regulatory requirements of the national</li> </ul> |

|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             | <p>authorities of these countries;</p> <ul style="list-style-type: none"> <li>• acquisitions or restructurings of businesses that do not perform in accordance with the Group’s expectations or that subject the Group to previously unknown risks;</li> <li>• increased regulation, government intervention and new laws prompted by the financial crisis which could change the Group’s industry and require it to modify its businesses or operations; and</li> <li>• the risk of further reductions in liquidity and increases of credit spreads as a consequence of the crisis in the financial markets, which could affect not only the Group’s cost of funding but also the value of its proprietary portfolios and the assets under the management of the Group.</li> </ul>                     |
| <b>B.5</b>  | <p><b>Description of the Group</b></p> <p>Both the Issuer and the Guarantor are part of Santander Group (or, the “<b>Group</b>”). The Issuer is an instrumental company of the Guarantor which is the parent entity of the Santander Group. As of 31 December 2012, the Group was made up of 740 companies that consolidate by the global integration method. In addition, another 131 companies are either affiliate, multi-group or listed companies in which the Group has more than 5% of its share capital. From these 131 companies, the following are remarkable because of the results they have obtained: Attijariwafa Bank Société Anonyme, Federal Home Loan Bank of Pittsburg, Federal Reserve Bank of Boston, Metrovacesa, S.A., Santander Consumer USA Inc., and Saudi Hollandi Bank.</p> |
| <b>B.9</b>  | <p><b>Profit forecast or estimate</b></p> <p>Not Applicable – no profit forecasts or estimates have been made in the Base Prospectus</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>B.10</b> | <p><b>Audit report qualifications</b></p> <p>Not Applicable – no qualifications are contained in any audit report included in the Base Prospectus</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

**B.12 Selected historical key financial information**

The summarised financial statements of the Issuer as of, and for each of the years ended, 31 December 2011 and 31 December 2012 and as of, and for the six months periods ended 30 June 2013 and 2012, 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:

|                                     | <b>As at and for the year ended<br/>(in thousand euro)</b> |                         |
|-------------------------------------|------------------------------------------------------------|-------------------------|
|                                     | <b>31 December 2012</b>                                    | <b>31 December 2011</b> |
| <b>Santander International Debt</b> |                                                            |                         |
| Total Assets .....                  | 27,744,214                                                 | 27,089,064              |
| Deposits at Banco Santander .....   | 27,335,692                                                 | 26,694,785              |
| Debt instruments .....              | 27,379,905                                                 | 26,713,716              |
| Share Capital .....                 | 180                                                        | 180                     |
| Profit/(Loss) .....                 | 865                                                        | 524                     |

|                                     | <b>As at and for the period ended<br/>(in thousand euro)</b> |                         |
|-------------------------------------|--------------------------------------------------------------|-------------------------|
|                                     | <b>30 June 2013</b>                                          | <b>31 December 2012</b> |
| <b>Santander International Debt</b> |                                                              |                         |
| Total Assets .....                  | 24,425,205                                                   | 27,744,214              |
| Deposits at Banco Santander .....   | 23,992,755                                                   | 27,335,692              |
| Debt instruments .....              | 24,046,364                                                   | 27,379,905              |
| Share Capital .....                 | 180                                                          | 180                     |
| Profit/(Loss) .....                 | 2.589                                                        | 865                     |

***Statements of no significant or material adverse change***

There has been no significant change in the financial position of the Issuer since 30 June 2013 and there has been no material adverse change in the prospects of the Issuer since 31 December 2012.

**B.13 Events impacting the Issuer's solvency**

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

**B.14 Dependence upon other group entities**

The Issuer is an instrumental company of the Guarantor which is the parent entity of the Santander Group. Each 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. Each Issuer is accordingly dependent upon the Guarantor and other members of the Group servicing such loans.

**B.15 Principal activities**

The Issuer's business consists on the following:

***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>B.16</b></p> | <p><b>Controlling shareholders</b><br/>The Issuer is a wholly and directly owned subsidiary of the Guarantor.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p><b>B.17</b></p> | <p><b>Credit ratings</b><br/>Credit ratings have been carried by the following rating agencies in relation to the Instruments:</p> <p>S&amp;P: BBB</p> <p>Moody's: Baa2 rating, with a negative outlook</p> <p>Fitch: BBB+</p> <p>These credit ratings have been issued by Standard &amp; 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 &amp; 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 <b>CRA Regulation</b>).</p>                                                                                                                                                                                                                                                                                                                                                               |
| <p><b>B.18</b></p> | <p><b>Description of the Guarantee</b><br/>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> |
| <p><b>B.19</b></p> | <p><b>Information about the Guarantor</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>B.1</b></p>  | <p><b>Legal and commercial name of the Guarantor</b><br/>The legal name of the Guarantor is Banco Santander, S.A. and operates under the trading name of "Santander".</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>B.2</b></p>  | <p><b>Domicile / legal form / legislation / country of incorporation</b><br/>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.</p> <p>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>B.4b</b></p> | <p><b>Trend information</b><br/>See Element B.4b above.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p><b>B.5</b></p>  | <p><b>Description of the Group</b><br/>See Element B.5 above.</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 Selected historical key financial information**

The summarised consolidated financial statements of the Group as of, and for each of the years ended, 31 December 2011 and 31 December 2012 and as of, and for the nine periods ended 30 September 2013 and 2012, 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:

**(a) Summarised Consolidated Balance Sheet of the Group for the years ended 31 December 2012 and 31 December 2011**

| ASSETS                                                                              | 2012    | 2011 (*) | LIABILITIES AND EQUITY                                                             | 2012    | 2011 (*) |
|-------------------------------------------------------------------------------------|---------|----------|------------------------------------------------------------------------------------|---------|----------|
| CASH AND BALANCES WITH CENTRAL BANKS                                                | 118,488 | 96,524   | FINANCIAL LIABILITIES HELD FOR TRADING:                                            | 143,242 | 146,948  |
|                                                                                     |         |          | <i>Deposits from central banks</i>                                                 | 1,128   | 7,740    |
|                                                                                     |         |          | <i>Deposits from credit institutions</i>                                           | 8,292   | 9,287    |
| FINANCIAL ASSETS HELD FOR TRADING:                                                  | 177,917 | 172,638  | <i>Customer deposits</i>                                                           | 8,897   | 16,574   |
| <i>Loans and advances to credit institutions</i>                                    | 9,843   | 4,636    | <i>Marketable debt securities</i>                                                  | 1       | 77       |
| <i>Loans and advances to customers</i>                                              | 9,162   | 8,056    | <i>Trading derivatives</i>                                                         | 109,743 | 103,083  |
| <i>Debt instruments</i>                                                             | 43,101  | 52,704   | <i>Short positions</i>                                                             | 15,181  | 10,187   |
| <i>Equity instruments</i>                                                           | 5,492   | 4,744    | <i>Other financial liabilities</i>                                                 | -       | -        |
| <i>Trading derivatives</i>                                                          | 110,319 | 102,498  | OTHER FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS:                  | 45,418  | 44,909   |
| OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:                        | 28,356  | 19,563   | <i>Deposits from central banks</i>                                                 | 1,014   | 1,510    |
| <i>Loans and advances to credit institutions</i>                                    | 10,272  | 4,701    | <i>Deposits from credit institutions</i>                                           | 10,862  | 8,232    |
| <i>Loans and advances to customers</i>                                              | 13,936  | 11,748   | <i>Customer deposits</i>                                                           | 28,638  | 26,982   |
| <i>Debt instruments</i>                                                             | 3,460   | 2,649    | <i>Marketable debt securities</i>                                                  | 4,904   | 8,185    |
| <i>Equity instruments</i>                                                           | 688     | 465      | <i>Subordinated liabilities</i>                                                    | -       | -        |
| AVAILABLE-FOR-SALE FINANCIAL ASSETS:                                                | 92,266  | 86,613   | <i>Other financial liabilities</i>                                                 | -       | -        |
| <i>Debt instruments</i>                                                             | 87,724  | 81,589   | FINANCIAL LIABILITIES AT AMORTISED COST:                                           | 959,321 | 935,669  |
| <i>Equity instruments</i>                                                           | 4,542   | 5,024    | <i>Deposits from central banks</i>                                                 | 50,938  | 34,996   |
| LOANS AND RECEIVABLES:                                                              | 758,228 | 779,525  | <i>Deposits from credit institutions</i>                                           | 80,732  | 81,373   |
| <i>Loans and advances to credit institutions</i>                                    | 53,785  | 42,389   | <i>Customer deposits</i>                                                           | 589,104 | 588,977  |
| <i>Loans and advances to customers</i>                                              | 697,384 | 730,296  | <i>Marketable debt securities</i>                                                  | 201,064 | 189,110  |
| <i>Debt instruments</i>                                                             | 7,059   | 6,840    | <i>Subordinated liabilities</i>                                                    | 18,238  | 22,992   |
| HELD-TO-MATURITY INVESTMENTS                                                        | -       | -        | <i>Other financial liabilities</i>                                                 | 19,245  | 18,221   |
| CHANGES IN THE FAIR VALUE OF HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK | 2,274   | 2,024    | CHANGES IN THE FAIR VALUE OF HEDGED ITEM IN PORTFOLIO HEDGES OF INTEREST RATE RISK | 598     | 876      |
| HEDGING DERIVATIVES                                                                 | 7,936   | 9,898    | HEDGING DERIVATIVES                                                                | 6,444   | 6,444    |
| NON-CURRENT ASSETS HELD FOR SALE                                                    | 4,330   | 5,338    | LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE                       | 1       | 42       |
| INVESTMENTS:                                                                        | 4,454   | 4,155    | LIABILITIES UNDER INSURANCE CONTRACTS                                              | 1,425   | 517      |
| <i>Associates</i>                                                                   | 1,957   | 2,082    | PROVISIONS:                                                                        | 12,872  | 15,572   |
| <i>Jointly controlled entities</i>                                                  | 2,497   | 2,073    | <i>Provision for pensions and similar obligations</i>                              | 7,077   | 9,045    |
|                                                                                     |         |          | <i>Provisions for taxes and other legal contingencies</i>                          | 3,100   | 3,663    |
|                                                                                     |         |          | <i>Provisions for contingent liabilities and commitments</i>                       | 617     | 659      |
|                                                                                     |         |          | <i>Other provisions</i>                                                            | 2,078   | 2,205    |
|                                                                                     |         |          | TAX LIABILITIES:                                                                   | 8,019   | 8,174    |
|                                                                                     |         |          | <i>Current</i>                                                                     | 5,162   | 5,101    |
|                                                                                     |         |          | <i>Deferred</i>                                                                    | 2,857   | 3,073    |



|                                            |                  |                  |                                                                            |                  |                  |
|--------------------------------------------|------------------|------------------|----------------------------------------------------------------------------|------------------|------------------|
| INSURANCE CONTRACTS LINKED TO PENSIONS     | 405              | 2,146            | OTHER LIABILITIES                                                          | 7,962            | 9,516            |
| REINSURANCE ASSETS                         | 424              | 254              | <b>TOTAL LIABILITIES</b>                                                   | <b>1,185,302</b> | <b>1,168,667</b> |
| TANGIBLE ASSETS:                           | 13,860           | 13,846           | EQUITY                                                                     |                  |                  |
| <i>Property, plant and equipment-</i>      | <i>10,315</i>    | <i>9,995</i>     | SHAREHOLDERS' EQUITY:                                                      | 81,244           | 80,896           |
| <i>For own use</i>                         | <i>8,136</i>     | <i>7,797</i>     | <i>Share capital</i>                                                       | <i>5,161</i>     | <i>4,455</i>     |
| <i>Leased out under an operating lease</i> | <i>2,179</i>     | <i>2,198</i>     | <i>Registered</i>                                                          | <i>5,161</i>     | <i>4,455</i>     |
| <i>Investment property</i>                 | <i>3,545</i>     | <i>3,851</i>     | <i>Less: Uncalled capital</i>                                              | -                | -                |
| INTANGIBLE ASSETS:                         | 28,062           | 28,083           | <i>Share premium</i>                                                       | <i>37,412</i>    | <i>31,223</i>    |
| <i>Goodwill</i>                            | <i>24,626</i>    | <i>25,089</i>    | <i>Reserves</i>                                                            | <i>37,153</i>    | <i>32,980</i>    |
| <i>Other intangible assets</i>             | <i>3,436</i>     | <i>2,994</i>     | <i>Accumulated reserves (losses)</i>                                       | <i>36,898</i>    | <i>32,921</i>    |
| TAX ASSETS:                                | 25,868           | 22,901           | <i>Reserves (losses) of entities accounted for using the equity method</i> | 255              | 59               |
| <i>Current</i>                             | <i>6,111</i>     | <i>5,140</i>     | <i>Other equity instruments</i>                                            | 250              | 8,708            |
| <i>Deferred</i>                            | <i>19,757</i>    | <i>17,761</i>    | <i>Equity component of compound financial instruments</i>                  | -                | 1,668            |
| OTHER ASSETS                               | 6,760            | 8,018            | <i>Other</i>                                                               | 250              | 7,040            |
| <i>Inventories</i>                         | <i>173</i>       | <i>319</i>       | <i>Less: Treasury shares</i>                                               | (287)            | (251)            |
| <i>Other</i>                               | <i>6,587</i>     | <i>7,699</i>     | <i>Profit for the year attributable to the Parent</i>                      | 2,205            | 5,351            |
|                                            |                  |                  | <i>Less: Dividends and remuneration</i>                                    | (650)            | (1,570)          |
|                                            |                  |                  | VALUATION ADJUSTMENTS                                                      | (6,590)          | (4,482)          |
|                                            |                  |                  | <i>Available-for-sale financial assets</i>                                 | (249)            | (977)            |
|                                            |                  |                  | <i>Cash flow hedges</i>                                                    | (219)            | (202)            |
|                                            |                  |                  | <i>Hedges of net investments in foreign operations</i>                     | (2,957)          | (1,850)          |
|                                            |                  |                  | <i>Exchange differences</i>                                                | (3,013)          | (1,358)          |
|                                            |                  |                  | <i>Non-current assets held for sale</i>                                    | -                | -                |
|                                            |                  |                  | <i>Entities accounted for using the equity method</i>                      | (152)            | (95)             |
|                                            |                  |                  | <i>Other valuation adjustments</i>                                         | -                | -                |
|                                            |                  |                  | NON-CONTROLLING INTERESTS                                                  | 9,672            | 6,445            |
|                                            |                  |                  | <i>Valuation adjustments</i>                                               | (46)             | 435              |
|                                            |                  |                  | <i>Other</i>                                                               | 9,718            | 6,010            |
| <b>TOTAL ASSETS</b>                        | <b>1,269,628</b> | <b>1,251,526</b> | <b>TOTAL EQUITY</b>                                                        | <b>84,326</b>    | <b>82,859</b>    |
|                                            |                  |                  | <b>TOTAL LIABILITIES AND EQUITY</b>                                        | <b>1,269,628</b> | <b>1,251,526</b> |

(\* ) Presented for comparison purposes only

(b) Summarized consolidated Balance Sheet of the Group for the nine months periods ended 30 September 2013 and 2012

**BALANCE SHEET** (EUR Million)

|                                                                       | 30.09.13         | 30.09.12         | Variation        |              | 31.12.12         |
|-----------------------------------------------------------------------|------------------|------------------|------------------|--------------|------------------|
|                                                                       |                  |                  | Amount           | (%)          |                  |
| <b>ASSETS</b>                                                         |                  |                  |                  |              |                  |
| Cash on hand and deposits at central banks                            | 88,099           | 95,979           | (7,881)          | (8.2)        | 118,488          |
| Trading portfolio                                                     | 153,292          | 199,727          | (46,435)         | (23.2)       | 177,917          |
| Debt securities                                                       | 43,179           | 41,521           | 1,658            | 4.0          | 43,101           |
| Customer loans                                                        | 9,998            | 20,639           | (10,641)         | (51.6)       | 9,162            |
| Equities                                                              | 6,080            | 5,097            | 983              | 19.3         | 5,492            |
| Trading derivatives                                                   | 79,669           | 122,472          | (42,803)         | (34.9)       | 110,319          |
| Deposits from credit institutions                                     | 14,367           | 9,998            | 4,369            | 43.7         | 9,843            |
| Other financial assets at fair value                                  | 38,660           | 29,150           | 9,510            | 32.6         | 28,356           |
| Customer loans                                                        | 11,878           | 15,788           | (3,911)          | (24.8)       | 13,936           |
| Other (deposits at credit institutions, debt securities and equities) | 26,782           | 13,361           | 13,421           | 100.4        | 14,420           |
| Available-for-sale financial assets                                   | 93,346           | 97,189           | (3,843)          | (4.0)        | 92,267           |
| Debt securities                                                       | 88,929           | 92,803           | (3,874)          | (4.2)        | 87,724           |
| Equities                                                              | 4,417            | 4,386            | 31               | 0.7          | 4,542            |
| Loans                                                                 | 725,796          | 781,509          | (55,713)         | (7.1)        | 756,858          |
| Deposits at credit institutions                                       | 52,939           | 58,649           | (5,711)          | (9.7)        | 53,785           |
| Customer loans                                                        | 664,946          | 716,253          | (51,307)         | (7.2)        | 696,013          |
| Debt securities                                                       | 7,911            | 6,607            | 1,305            | 19.7         | 7,059            |
| Investments                                                           | 5,032            | 4,676            | 356              | 7.6          | 4,453            |
| Intangible assets and property and equipment                          | 16,826           | 17,055           | (229)            | (1.3)        | 17,296           |
| Goodwill                                                              | 23,729           | 25,178           | (1,449)          | (5.8)        | 24,626           |
| Other                                                                 | 47,402           | 49,543           | (2,141)          | (4.3)        | 49,338           |
| <b>Total assets</b>                                                   | <b>1,192,181</b> | <b>1,300,006</b> | <b>(107,825)</b> | <b>(8.3)</b> | <b>1,269,598</b> |
| <b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>                           |                  |                  |                  |              |                  |
| Trading portfolio                                                     | 128,983          | 172,388          | (43,405)         | (25.2)       | 143,241          |
| Customer deposits                                                     | 15,085           | 23,086           | (8,001)          | (34.7)       | 8,897            |
| Marketable debt securities                                            | 1                | 122              | (121)            | (99.5)       | 1                |
| Trading derivatives                                                   | 79,816           | 123,459          | (43,643)         | (35.3)       | 109,743          |
| Other                                                                 | 34,081           | 25,721           | 8,360            | 32.5         | 24,600           |
| Other financial liabilities at fair value                             | 48,996           | 42,259           | 6,737            | 15.9         | 45,418           |
| Customer deposits                                                     | 28,633           | 22,788           | 5,845            | 25.6         | 28,638           |
| Marketable debt securities                                            | 6,475            | 6,769            | (294)            | (4.3)        | 4,904            |
| Due to central banks and credit institutions                          | 13,889           | 12,702           | 1,186            | 9.3          | 11,876           |
| Financial liabilities at amortized cost                               | 896,554          | 961,851          | (65,297)         | (6.8)        | 959,321          |
| Due to central banks and credit institutions                          | 99,054           | 138,261          | (39,207)         | (28.4)       | 131,670          |
| Customer deposits                                                     | 589,716          | 584,199          | 5,516            | 0.9          | 589,104          |
| Marketable debt securities                                            | 174,960          | 199,256          | (24,296)         | (12.2)       | 201,064          |
| Subordinated debt                                                     | 15,300           | 19,090           | (3,791)          | (19.9)       | 18,238           |
| Other financial liabilities                                           | 17,525           | 21,044           | (3,519)          | (16.7)       | 19,245           |
| Insurance liabilities                                                 | 1,324            | 1,129            | 195              | 17.3         | 1,425            |
| Provisions                                                            | 14,665           | 15,952           | (1,287)          | (8.1)        | 16,148           |
| Other liability accounts                                              | 20,020           | 24,039           | (4,019)          | (16.7)       | 22,771           |
| <b>Total liabilities</b>                                              | <b>1,110,542</b> | <b>1,217,618</b> | <b>(107,076)</b> | <b>(8.8)</b> | <b>1,188,324</b> |
| Shareholders' equity                                                  | 83,954           | 81,281           | 2,672            | 3.3          | 81,333           |
| Capital stock                                                         | 5,546            | 4,949            | 597              | 12.1         | 5,161            |
| Reserves                                                              | 75,320           | 74,862           | 459              | 0.6          | 74,528           |
| Attributable profit to the Group                                      | 3,311            | 1,872            | 1,439            | 76.9         | 2,295            |
| Less: dividends                                                       | (223)            | (401)            | 178              | (44.4)       | (650)            |
| Equity adjustments by valuation                                       | (12,133)         | (8,561)          | (3,572)          | 41.7         | (9,474)          |
| Minority interests                                                    | 9,818            | 9,667            | 151              | 1.6          | 9,415            |
| <b>Total equity</b>                                                   | <b>81,639</b>    | <b>82,388</b>    | <b>(749)</b>     | <b>(0.9)</b> | <b>81,275</b>    |
| <b>Total liabilities and equity</b>                                   | <b>1,192,181</b> | <b>1,300,006</b> | <b>(107,825)</b> | <b>(8.3)</b> | <b>1,269,598</b> |

**(c) Condensed Consolidated Income Statement of the Group for the periods ended 31 December 2012 and 31 December 2011**

|                                                                                              | (Debit) Credit |               |
|----------------------------------------------------------------------------------------------|----------------|---------------|
|                                                                                              | 2012           | 2011 (*)      |
| Interest and similar income                                                                  | 59,024         | 60,856        |
| Interest expense and similar charges                                                         | (28,877)       | (30,035)      |
| <b>NET INTEREST INCOME</b>                                                                   | <b>30,147</b>  | <b>30,821</b> |
| Income from equity instruments                                                               | 423            | 394           |
| Share of results of entities accounted for using the equity method                           | 427            | 57            |
| Fee and commission income                                                                    | 12,827         | 12,749        |
| Fee and commission expense                                                                   | (2,519)        | (2,277)       |
| Gains/losses on financial assets and liabilities (net)                                       | 3,329          | 2,838         |
| <i>Held for trading</i>                                                                      | 1,460          | 2,113         |
| <i>Other financial instruments at fair value through profit or loss</i>                      | 159            | 21            |
| <i>Financial instruments not measured at fair value through profit or loss</i>               | 1,789          | 803           |
| <i>Other</i>                                                                                 | (79)           | (99)          |
| Exchange differences (net)                                                                   | (189)          | (522)         |
| Other operating income                                                                       | 6,693          | 8,050         |
| <i>Income from insurance and reinsurance contracts issued</i>                                | 5,541          | 6,748         |
| <i>Sales and income from the provision of non-financial services</i>                         | 369            | 400           |
| <i>Other</i>                                                                                 | 783            | 902           |
| Other operating expenses                                                                     | (6,585)        | (8,032)       |
| <i>Expenses of insurance and reinsurance contracts</i>                                       | (4,948)        | (6,356)       |
| <i>Changes in inventories</i>                                                                | (232)          | (249)         |
| <i>Other</i>                                                                                 | (1,405)        | (1,427)       |
| <b>GROSS INCOME</b>                                                                          | <b>44,553</b>  | <b>44,078</b> |
| Administrative expenses                                                                      | (17,928)       | (17,781)      |
| <i>Staff costs</i>                                                                           | (10,323)       | (10,326)      |
| <i>Other general administrative expenses</i>                                                 | (7,605)        | (7,455)       |
| Depreciation and amortisation charge                                                         | (2,189)        | (2,109)       |
| Provisions (net)                                                                             | (1,622)        | (2,601)       |
| Impairment losses on financial assets (net)                                                  | (18,906)       | (11,868)      |
| <i>Loans and receivables</i>                                                                 | (18,549)       | (11,040)      |
| <i>Other financial instruments not measured at fair value through profit or loss</i>         | (357)          | (828)         |
| <b>PROFIT FROM OPERATIONS</b>                                                                | <b>3,908</b>   | <b>9,719</b>  |
| Impairment losses on other assets (net)                                                      | (508)          | (1,517)       |
| <i>Goodwill and other intangible assets</i>                                                  | (151)          | (1,161)       |
| <i>Other assets</i>                                                                          | (357)          | (356)         |
| Gains/(losses) on disposal of assets not classified as non-current assets held for sale      | 906            | 1,846         |
| Gains from bargain purchases arising in business combinations                                | -              | -             |
| Gains/(losses) on non-current assets held for sale not classified as discontinued operations | (757)          | (2,109)       |
| <b>PROFIT BEFORE TAX</b>                                                                     | <b>3,549</b>   | <b>7,939</b>  |
| Income tax                                                                                   | (575)          | (1,776)       |
| <b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>                                        | <b>2,974</b>   | <b>6,163</b>  |
| LOSS FROM DISCONTINUED OPERATIONS (Net)                                                      | (7)            | (24)          |
| <b>CONSOLIDATED PROFIT FOR THE YEAR</b>                                                      | <b>2,967</b>   | <b>6,139</b>  |
| <i>Profit attributable to the Parent</i>                                                     | 2,205          | 5,351         |
| <i>Profit attributable to non-controlling interests</i>                                      | 762            | 788           |

**(d) Condensed Consolidated Income Statement of the Group for the periods ended 30 September 2013 and 2012**

|  |                                                                                                                                                                                                                                                    |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |                                                                                                                                                                                                                                                    |
|  |                                                                                                                                                                                                                                                    |
|  | <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 Santander Group (including the Guarantor) since 30 September 2013 and there has been no material adverse change in the prospects of the Guarantor since 30 June 2013.</p> |
|  | <p><b>B.13 Events impacting the Guarantor's solvency</b><br/> Not Applicable - There are no recent events particular to the Guarantor which are to a material extent relevant to an evaluation of its solvency</p>                                 |
|  | <p><b>B.14 Dependence upon other Group entities</b><br/> 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>B.15 The Guarantor's Principal activities</b></p> <p>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.</p> <p>At 31 December 2012, the Santander Group operated through 6,437 branch offices in Continental Europe, 1,189 branches in the United Kingdom, 6,044 branches in Latin America and 722 branches in the United States.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |               |             |      |             |                          |    |      |        |                    |     |      |          |                                  |     |     |        |                 |           |   |          |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------|------|-------------|--------------------------|----|------|--------|--------------------|-----|------|----------|----------------------------------|-----|-----|--------|-----------------|-----------|---|----------|
|                                  | <p><b>B.16 Controlling shareholders</b></p> <p>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 (<i>Law 24/1988 of 28 July of the Securities Market</i>).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |               |             |      |             |                          |    |      |        |                    |     |      |          |                                  |     |     |        |                 |           |   |          |
|                                  | <p><b>B.17 Credit ratings</b></p> <p>See Element B.17 above regarding the credit rating of the Instruments.</p> <p>In accordance with the last available public information, the Guarantor has been rated by the rating agencies as follows:</p> <table border="1" data-bbox="284 905 1365 1079"> <thead> <tr> <th>Rating Agency</th> <th>Short</th> <th>Long</th> <th>Perspective</th> </tr> </thead> <tbody> <tr> <td><b>Fitch Ratings (1)</b></td> <td>F2</td> <td>BBB+</td> <td>Stable</td> </tr> <tr> <td><b>Moody's (2)</b></td> <td>P-2</td> <td>Baa2</td> <td>Negative</td> </tr> <tr> <td><b>Standard &amp; Poor's (3)</b></td> <td>A-2</td> <td>BBB</td> <td>Stable</td> </tr> <tr> <td><b>DBRS (4)</b></td> <td>R-1 (low)</td> <td>A</td> <td>Negative</td> </tr> </tbody> </table> <p>(1) Fitch Ratings España, S.A.U. (<b>Fitch Ratings</b>)<br/> (2) Moody's Investor Service España, S.A. (<b>Moody's</b>)<br/> (3) Standard &amp; Poor's Credit Market Services Europe Limited (<b>Standard &amp; Poor's</b>)<br/> (4) DBRS Ratings Limited (<b>DBRS</b>)</p> <p>The above mentioned rating agencies are registered in accordance with the provisions of Regulation (EC) n 1060/2009 of the European Parliament and Council, of 16 September 2009, on credit rating agencies.</p> | Rating Agency | Short       | Long | Perspective | <b>Fitch Ratings (1)</b> | F2 | BBB+ | Stable | <b>Moody's (2)</b> | P-2 | Baa2 | Negative | <b>Standard &amp; Poor's (3)</b> | A-2 | BBB | Stable | <b>DBRS (4)</b> | R-1 (low) | A | Negative |
| Rating Agency                    | Short                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Long          | Perspective |      |             |                          |    |      |        |                    |     |      |          |                                  |     |     |        |                 |           |   |          |
| <b>Fitch Ratings (1)</b>         | F2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | BBB+          | Stable      |      |             |                          |    |      |        |                    |     |      |          |                                  |     |     |        |                 |           |   |          |
| <b>Moody's (2)</b>               | P-2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Baa2          | Negative    |      |             |                          |    |      |        |                    |     |      |          |                                  |     |     |        |                 |           |   |          |
| <b>Standard &amp; Poor's (3)</b> | A-2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | BBB           | Stable      |      |             |                          |    |      |        |                    |     |      |          |                                  |     |     |        |                 |           |   |          |
| <b>DBRS (4)</b>                  | R-1 (low)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | A             | Negative    |      |             |                          |    |      |        |                    |     |      |          |                                  |     |     |        |                 |           |   |          |

## SECTION C – SECURITIES

| Element |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| C.1     | <p><b>Type and class of the Securities</b></p> <ul style="list-style-type: none"> <li>• Santander International Debt issue of EUR 20,000,000 Floating Rate Instruments due February 2017, Series nº 288</li> <li>• <i>Senior Instruments</i></li> <li>• <i>Floating rate interest</i></li> <li>• <i>Series: 288</i></li> <li>• <i>Tranche:1</i></li> <li>• <i>Bearer Instruments</i></li> <li>• <i>ISIN Code: XS1030896200 / Common Code 103089620</i></li> </ul> |

|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| C.2 | <p><b>Currency of the Securities</b><br/>Euro (“EUR”)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| C.5 | <p><b>Restrictions on free transferability</b></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 EUR 100,000 and incremental amounts of EUR 1,000 thereon.</p> <p>The Instruments will be initially issued and subsequently traded in aggregate principal amounts of not less than EUR 100,000. Accordingly, any investor in the Instruments will not be permitted to acquire or trade Instruments in aggregate principal amounts of less than EUR 100,000.</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 securities in Spain within the meaning of the Spanish Securities Market Law (<i>Law 24/1988 of 28 July of the Securities Market</i>), 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.</p> <p>United States of America Selling Restrictions: Reg. S Compliance Category 2; TEFRA D</p> <p>Neither the Instruments nor the Guarantee have been or will be registered under the United States Securities Act of 1933 (the "<b>Securities Act</b>") 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.</p> |
| C.8 | <p><b>Description of the rights attaching to the Securities</b><br/><b>Status:</b></p> <p><i>The Senior Instruments, 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.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

**Guarantees:**

*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 21 June 2013.

**Taxation:** All amounts payable in respect of the Instruments, the receipts and coupons and the senior 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, the 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 13/1985 and Royal Decree 1065/2007, each as amended, the Issuer and the Guarantor is required to provide to the Spanish tax authorities certain information relating to the Instruments. If Citibank, N.A., London Branch. (the "**Issue and Paying Agent**") fails to provide the Issuer or, as the case may be, the Guarantor with the required information, the 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.

None of the Issuer, the Guarantor and Banco Santander International (the **Dealer**) assumes any responsibility therefor.

**Events of Default:**

*Applicable in case of Senior Instruments: Non-payment, breach of other obligations, winding up, cessation of business, insolvency proceedings and arrangements with creditors of the 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 the appointment of the Commissioner and the constitution of the Syndicates of Holders of the Instruments will be

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                | <p>governed by Spanish law.</p> <p>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 <i>Deed of Senior Guarantee</i> 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 <i>Deed of Senior Guarantee</i>, are governed by English law.</p> |
| <b>C.9</b>                     | <b>Payment Features</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <i>Issue specific summary:</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Issue Price:                   | 98,50 per cent of the Aggregate Principal Amount                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Issue Date:                    | 17 February 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Calculation Amount:            | EUR 1,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Maturity Date :                | 17 February 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>C.10</b>                    | <b>Derivative component on interest</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                | <i>Not applicable – The Instruments do not have a derivative component in the interest payment</i>                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>C.11</b>                    | <b>Listing and Admission to trading</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                | <i>The Instruments will be listed on the official list of the Irish Stock Exchange and traded on the regulated market of the Irish Stock Exchange.</i>                                                                                                                                                                                                                                                                                                                                                |

## SECTION D – RISKS

| Element    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>D.2</b> | <p><b>Key risks regarding the Issuer and the Guarantor</b></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 Issuer to fulfil its obligations under Instruments issued. The main risks relating to the Santander Group operation are, amongst others:</p> <ul style="list-style-type: none"> <li>• Since the Group's loan portfolio is concentrated in Continental Europe, the United Kingdom and Latin America, adverse changes affecting the economies of Continental Europe, the United Kingdom or certain Latin American countries could adversely affect our financial</li> </ul> |



condition.

- The Group is vulnerable to the current disruptions and volatility in the global financial markets.
- We may suffer adverse effects as a result of the ongoing economic and sovereign debt tensions in the eurozone.
- Our financial results are constantly exposed to market risk. We are subject to fluctuations in interest rates and other market risks, which may materially and adversely affect us.
- Market conditions have, and could result, in material changes to the estimated fair values of our financial assets. Negative fair value adjustments could have a material adverse effect on our operating results, financial condition and prospects.
- If we are unable to effectively control the level of non-performing or poor credit quality loans in the future, or if our loan loss reserves are insufficient to cover future loan losses, this could have a material adverse effect on us.
- Failure to successfully implement and continue to improve our risk management policies, procedures and methods, including our credit risk management system could materially and adversely affect us and we may be exposed to unidentified or unanticipated risks.
- Our loan and investment portfolios are subject to risk of prepayment, which could have a material adverse effect on us.
- We may generate lower revenues from fee and commission based businesses.
- Our financial statements are based in part on assumptions and estimates which, if inaccurate, could cause material misstatement of the results of our operations and financial position.
- Competition with other financial institutions could adversely affect us.
- We are exposed to risks faced by other financial institutions.
- The financial problems faced by our customers could adversely affect us.
- Liquidity and funding risks are inherent in our business and could have a material adverse effect on us.
- Credit, market and liquidity risk may have an adverse effect on our credit ratings and our cost of funds. Any downgrading in our credit rating would likely increase our cost of funding, require us to post additional collateral or take other actions under some of our derivative contracts and adversely affect our interest margins and results of operations.
- We are subject to market, operational and other related risks associated with our derivative transactions that could have a material adverse effect on us.
- Our ability to maintain our competitive position depends, in part, on the success of new products and services we offer our clients and our ability to continue offering products and services from third parties, and we may not be able to manage various risks we face as we expand our range of products and services that could have a material adverse effect on us.
- Any failure to effectively improve or upgrade our information technology infrastructure and management information systems in a timely manner could have a material adverse effect on us.
- We may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and could have a material adverse effect on us.
- If we are unable to manage the growth of our operations, this could have an adverse impact on our profitability.
- We are exposed to risk of loss from legal and regulatory proceedings.
- We are subject to substantial regulation which could adversely affect our business and operations.
- Operational risks, including risks relating to data collection, processing and storage systems are inherent in our business.
- We rely on recruiting, retaining and developing appropriate senior management and skilled

|            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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|            | <p>personnel.</p> <ul style="list-style-type: none"> <li>• Damage to our reputation could cause harm to our business prospects.</li> <li>• Changes in accounting standards could impact reported earnings.</li> <li>• We rely on third parties for important products and services.</li> <li>• We engage in transactions with our subsidiaries or affiliates that others may not consider to be on an arm's-length basis.</li> <li>• Our business could be affected if its capital is not managed effectively or if changes limiting our ability to manage our capital position are adopted.</li> <li>• Portions of our loan portfolio are subject to risks relating to force majeure events and any such event could materially adversely affect our operating results.</li> <li>• Our growth, asset quality and profitability in Latin America may be adversely affected by volatile macroeconomic and political conditions.</li> <li>• Changes in our pension liabilities and obligations could have a material adverse effect on us.</li> <li>• Changes in taxes and other assessments may adversely affect us.</li> <li>• Exposure to sovereign debt could have a material adverse effect on us.</li> <li>• We depend in part upon dividends and other funds from subsidiaries.</li> <li>• Our corporate disclosure may differ from disclosure regularly published by issuers of securities in other countries, including the United States.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>D.3</b> | <b>Key risks regarding the Securities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|            | <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"> <li>• Taxation in Spain: Under Spanish Law, payments of income in respect of the 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 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 Instruments, [<i>or income arising from the payment of Instruments issued below par</i>];</li> <li>• In certain circumstances a portion of payments made on or with respect to the Instruments may be subject to US reporting obligations which, if not satisfied, may require US tax to be withheld;</li> <li>• Withholding under the EU Savings Directive;</li> <li>• The temporary Commissioner (which owes certain obligations to the Syndicate of Holders (as described in the Issue and Paying Agency Agreement) will be appointed by the Issuer and may also be an employee or officer of such Issuer or of the Guarantor;</li> <li>• 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;</li> <li>• Prospective investors should make their own evaluations to determine whether an investment in the Instruments is appropriate in their particular circumstances and should</li> </ul> |

- consult with their legal, business and tax advisers accordingly;
- The Instruments are new securities which may not be widely distributed and for which there is currently no active trading market;
  - 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 Issuer and/or the Guarantor;
  - One or more independent credit rating agencies have assigned certain 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     |                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>E.2b</b> | <p><b>Use of proceeds</b></p> <p>The net proceeds of the issue of the Instruments will be used for the general funding purposes of the Group.</p>                                                                                                                                                                                                                                |
| <b>E.3</b>  | <p><b>Terms and conditions of the offer:</b></p> <p><b>Denomination</b></p> <p>EUR 1,000</p> <p>Minimum tradeable amount: EUR 100,000</p> <p><b>Interest</b></p> <p>Instruments will bear an interest of 3 Months EURIBOR plus 0.70%; Floating Rate.</p> <p><b>Issue Price</b></p> <p><i>98.50 per cent of the nominal amount of the Instruments.</i></p> <p><b>Maturity</b></p> |

|                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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|                   | <p>Interest Payment Date falling on or about 17 February 2017</p> <p><b>Redemption</b></p> <p><i>At par.</i></p> <p>Early redemption will be permitted for taxation reasons and as an Investor Put Option to be exercised on or about the Interest payment Dates falling on or nearest to 17 February 2015 and 17 February 2016.</p> <p><b>Purchase</b></p> <p>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 unmaturing Coupons appertaining thereto are purchased therewith.</p> <p><b>Clearing Systems</b></p> <p><i>Euroclear and Clearstream, Luxembourg.</i></p> <p><b>Terms and conditions of the offer:</b></p> <p>The Instruments <i>are not</i> being offered to the public in a Public Offer.</p> |
| <p><b>E.4</b></p> | <p><b>Description of any interest of natural and legal persons involved in the issue/offer that is material to the issue/offer including conflicting interests</b></p> <p>The relevant Dealer and its affiliates may 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> <p><i>Other than as mentioned above, so far as the Issuer is aware, no person involved in the Issue of the Instruments has an interest material to the offer, including conflicting interests.</i></p>                                                                                                                                                                                                                                                          |
| <p><b>E.7</b></p> | <p><b>Expenses charged to the investor by the Issuer or an Offeror</b></p> <p><i>No expenses are being charged to an investor by the Issuer.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |