THIRD SUPPLEMENT DATED 25 APRIL 2016

TO THE BASE PROSPECTUS DATED 15 JUNE 2015

Santander International Debt, S.A. Unipersonal

(incorporated with limited liability in Spain)
and

Santander Issuances, S.A. Unipersonal

(incorporated with limited liability in Spain)
guaranteed by

Banco Santander, S.A.

(incorporated with limited liability in Spain)

€32,000,000,000 Programme for the Issuance of Debt Instruments

This Third Supplement is dated 25 April 2016

This document constitutes a Supplement (the "**Supplement**") to the Base Prospectus dated 15 June 2015 for the purposes of Article 16 of the Prospectus Directive in and is prepared in connection with the € 32,000,000,000 Programme (the "Programme") for the issuance of debt instruments of Santander International Debt, S.A.U. and Santander Issuances, S.A.U. (each, an "Issuer" and together the "Issuers") and guaranteed by Banco Santander, S.A. (the "Guarantor"). The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the Directive 2010/73/EU ("2010 PD Amending Directive"). The Base Prospectus has been approved on 15 June 2015, by the Central Bank of Ireland (the "CBI"), which is the Irish competent authority for the purpose of the Prospectus Directive and relevant implementing measures in Ireland, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Ireland for the purpose of giving information with regard to the issue of Instruments under the Programme during the period of twelve months after the date thereof.

This Supplement should be read in conjunction with the Base Prospectus dated 15 June 2015, the First Supplement to the Base Prospectus dated 20 August 2015, and the Second Supplement to the Base Prospectus dated 1 February 2016. Each of the Issuers and the Guarantor accept responsibility for the information contained in this Supplement and confirms that, having taken all reasonable care to ensure that such in case, the information contained in this Supplement is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Supplement has been approved by the Central Bank of Ireland (the Central Bank), as competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

This Supplement has been prepared for the purposes of: (i) incorporating by reference into the Base Prospectus certain information of the Guarantor's Audited Condensed Consolidated Accounts and Auditor's Report for the year ended 31 December 2015 (the "2015 Guarantor's Annual Consolidated Accounts") (as listed and defined in Schedule 1 hereto); (ii) updating the information in section "5.1.5. Any recent events particular to the guarantor which are to a material extent relevant to the evaluation of the guarantor's solvency" of the Base Prospectus (as specified in Schedule 2 hereto); (iii) updating the Summary of the Programme on page 1 of the Base Prospectus which shall be deemed updated and replaced with the Summary of the Programme in this supplement (as specified in Schedule 3 hereto);
Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Base Prospectus, to which this Supplement relates.

This Supplement shall be published on the Irish Stock Exchange website (www.ise.ie)

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

If any documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement or the Base Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

Save as disclosed in this Supplement to the Base Prospectus, in the First Supplement to the Base Prospectus dated 20 August 2015 and the Second Supplement to the Base Prospectus dated 1 February 2016 no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

In accordance with Article 16, paragraph 2, of the Prospectus Directive, investors who have already agreed to purchase or subscribe for securities before this Supplement is published have the right, exercisable within a time limit of two working days after the publication of this Supplement, to withdraw their acceptances, which is 27 April 2016.

SCHEDULE 1

2015 GUARANTOR'S ANNUAL CONSOLIDATED ACCOUNTS.

BANCO SANTANDER, S.A. has published an English language translation of its Annual Consolidated Accounts and Auditor's Report for the year ended 31 December 2015 together with Auditor's Report (the "2015 Annual Consolidated Accounts"). By virtue of this Supplement the information contained in the following table is incorporated by reference in the Base Prospectus under paragraph 13 of the section denominated "Financial Information concerning the Guarantor's Assets and Liabilities, Financial Position and Profit and Losses" contained in page 71 of the Base Prospectus.

The table below sets out the relevant page references in the BANCO SANTANDER, S.A. English language translation of its "2015 Annual Consolidated Accounts" where the following information incorporated by reference in the Base Prospectus can be found:

Information incorporated by Reference in the Base Prospectus	**2015 Annual Report PDF Page Reference**
1. Auditor's report on Consolidated Financial Statements	6
2. Audited Consolidated Balance Sheets of the Guarantor at 31 December 2015 and for comparative purposes only the Consolidated Balance Sheets at 31 December 2014 and 2013	10
3. Audited Consolidated Income Statements of the Guarantor for the year ended 31 December 2015 and for comparison purposes only the consolidated income statements for the year ended 31 December 2014 and 2013……………………………………	12
4. Audited Consolidated Statements of Recognised Income and Expense of the Guarantor for the year ended 31 December 2015 and for comparison purposes only the consolidated income statements for the year ended 31 December 2014 and 2015……………………………………	13
5. Audited Consolidated Statements of changes in total equity of the Guarantor for the year ended 31 December 2015 and for comparison purposes only for the years ended 31 December 2014 and 2013………………………………………………….	14
6. Audited Consolidated Statements of Cash Flow of the Guarantor for the year ended 31 December 2015 and for comparison purposes only consolidated cash flow statements for the years ended 31 December 2014 and 2013	16
7. Notes to the Consolidated Financial Statements for the year ended 31 December 2015….…………………………………	17-166
8.Appendix to the Consolidated Financial Statements for the year ended 31 December 2015	207-219

The 2015 Annual Consolidated Accounts has been published on the website of the Guarantor:

http://www.santander.com/csgs/StaticBS?blobcol=urldata&blobheadername1=content-type&blobheadername2=Content-Disposition&blobheadername3=appID&blobheadervalue1=application%2Fpdf&blobheadervalue2=inline%3Bfilename%3D495%5C915%5CInforme+de+Auditoria+ENG+ACCE.pdf&blobheadervalue3=santander.wc.CFWCSancomQP01&blobkey=id&blobtable=MungoBlobs&blobwhere=1278719001396&ssbinary=true

A copy of such documents can be obtained from the Issuers, the Issue and Paying Agent and of the Paying Agents as described in "Documents on Display" on page 76 of the Base Prospectus. Any information not listed in the cross reference list but included in the document incorporated by reference is not relevant for the investor. The document listed in this Supplement is added to the list of the documents set forth in the Base Prospectus on pages 77 to 78.

SHEDULE 2

This Supplement has been produced to amend the Base Prospectus according to the below:
In pages 80-89 of the Base Prospectus in section “5.1.5. Any recent events particular to the guarantor which are to a material extent relevant to the evaluation of the guarantor’s solvency” the following information should be replace the information of this clause:

Principal Capital Expenditures and Divestitures

Acquisitions, Dispositions, Reorganizations

Our principal acquisitions and dispositions in 2015, 2014 and 2013 were as follows:

Merger of Bank Zachodni WBK S.A. and Kredyt Bank S.A.

On February 28, 2012, the Group announced that Banco Santander, S.A. and KBC Bank NV (KBC) had entered into an investment agreement to merge their two subsidiaries in Poland, Bank Zachodni WBK S.A. and Kredyt Bank S.A., respectively, following which the Group would control approximately 76.5% of the entity resulting from the merger and KBC 16.4%, with the remaining 7.1% being owned by non-controlling interests. Also, the Group undertook to place a portion of its ownership interest among investors and to acquire up to 5% of the entity resulting from the merger in order to help KBC to reduce its holding in the merged entity to below 10%. KBC’s objective is to dispose of its entire investment in order to maximize its value.

The transaction was carried out through a capital increase at Bank Zachodni WBK S.A., whose new shares would be offered to KBC and the other shareholders of Kredyt Bank S.A. in exchange for their shares in Kredyt Bank S.A. The related exchange ratio was established at 6.96 shares of Bank Zachodni S.A. for every 100 shares of Kredyt Bank S.A.

In early 2013, following the approval from the Polish financial regulator (KNF), the aforementioned transaction was consummated. As a result, the Group controlled approximately 75.2% of the post-merger entity and KBC controlled approximately 16.2%, with the remaining 8.6% being owned by non-controlling holders. This transaction gave rise to an increase of €1,037 million in non-controlling interests – €169 million as a result of the acquisition of control of Kredyt Bank S.A. and €868 million as a result of the reduction in the percentage of ownership of Bank Zachodni WBK S.A.

On March 22 2013, Banco Santander, S.A. and KBC completed the placement of all the shares owned by KBC and 5.2% of the share capital of Bank Zachodni WBK S.A. held by the Group in the market for €285 million, which gave rise to an increase of €292 million in non-controlling interests.

Following these transactions, the Group held 70% of the share capital of Bank Zachodni WBK S.A. and the remaining 30% was held by non-controlling holders.

Mergers by absorption of Banesto and Banco Banif

On December 17, 2012, we announced that we had resolved to approve the plan for the merger by absorption of Banesto and Banco Banif, S.A. as part of the restructuring of the Spanish financial sector. These transactions are part of a commercial integration which brought Banesto and Banif under the Santander brand.

At their respective board of directors meetings held on January 9, 2013, the directors of the Bank and Banesto approved the common draft terms of the merger by absorption of Banesto into the Bank with the dissolution without liquidation of the former and the transfer *en bloc* of all its assets and liabilities to the Bank, which were acquired, by universal succession, the rights and obligations of the absorbed entity. As a result of the merger, the shareholders of Banesto, other than the Bank, received in exchange shares of the Bank.

January 1, 2013 was established as the date from which the transactions of Banesto shall be considered to have been performed for accounting purposes for the account of the Bank.

On March 22, 2013 and March 21, 2013, the general shareholders meetings of the Bank and Banesto, respectively, approved the terms of the merger.

On April 29, 2013, pursuant to the provisions of the terms of the merger and to the resolutions of the general shareholders’ meetings of both companies, the regime and procedure for the exchange of Banesto shares for shares of Banco Santander was made public. Banco Santander covered the exchange of Banesto shares with shares held as treasury stock based on the exchange ratio of 0.633 shares of Banco Santander, each with a nominal value of €0.50, for each share of Banesto, each with a nominal value of €0.79, without provision for any supplemental cash remuneration.

On May 3, 2013, the merger was registered with the Commercial Registry of Cantabria and the dissolution of Banesto was completed.

The directors of Banco Banif, S.A., at its board of directors meeting held on January 28, 2013, and the directors of Banco Santander, S.A., at its board of directors meeting held on that same day, approved the common drafts terms of the merger by absorption of Banco Banif, S.A. into Banco Santander, S.A. with the dissolution without liquidation of the former and the transfer *en bloc* of all its assets and liabilities to Banco Santander, S.A., which acquired, by universal succession, the rights and obligations of the absorbed entity.

January 1, 2013 was established as the date from which the transactions of Banif were considered to have been performed for accounting purposes for the account of the Bank.

On May 7, 2013, the merger was registered with the Commercial Registry of Cantabria and the dissolution of Banco Banif, S.A. was completed.

Insurance business in Spain

On December 20, 2012, we announced that we had reached an agreement with Aegon. In this regard, we created two insurance companies, one for life insurance and the other for general insurance, in which Aegon would acquire ownership interests of 51%, and management responsibility would be shared by Aegon and the Group. We would hold 49% of the share capital of the companies and we would enter into a distribution agreement for the sale of insurance products in Spain through the commercial networks for a period of 25 years. The agreement would not affect savings, health and vehicle insurance, which would continue to be owned and managed by Santander.

In June 2013, after obtaining the relevant authorizations from the Directorate-General of Insurance and Pension Funds and from the European competition authorities, Aegon acquired a 51% ownership interest in the two insurance companies created by the Group for these purposes, one for life insurance and the other for general insurance (currently Aegon Santander Vida Seguros y Reaseguros, S.A. and Aegon Santander Generales Seguros y Reaseguros, S.A.), for which it paid €220 million, thereby gaining joint control together with the Group over the aforementioned companies. The agreement also includes payments to Aegon that are deferred over two years and amounts receivable for the Group that are deferred over five years, depending on the business plan.

The aforementioned agreement includes the execution of a distribution agreement for the sale of insurance products in Spain for 25 years through commercial networks, for which the Group will receive commissions at market rates.

This transaction gave rise to a gain of €385 million recognized under Gains (losses) on disposal of assets not classified as non-current assets held for sale (€270 million net of tax), of which €186 million related to the fair value recognition of the 49% ownership interest retained by the Group.

Agreement with Elavon Financial Services Limited

On October 19, 2012, we announced that we had entered into an agreement with Elavon Financial Services Limited to jointly develop the payment services business in Spain through point-of-sale credit and debit card terminals at merchants.

This transaction involved the creation of a joint venture, 51% owned by Elavon and 49% owned by us, to which we transferred our aforementioned payment services business in Spain (excluding the former Banesto).

The transaction was completed in the first half of 2013 and generated a gain of €122 million (€85 million net of tax).

Agreement with Warburg Pincus and General Atlantic

On May 30, 2013, we announced that we had entered into an agreement with subsidiaries of Warburg Pincus and General Atlantic to foster the global development of our asset management unit, Santander Asset Management (SAM). Pursuant to the terms and conditions of the agreement, Warburg Pincus and General Atlantic together own 50% of the holding company which comprises the eleven management companies we have, mainly in Europe and Latin America, while the other 50% are held by us.

The purpose of the alliance is to enable SAM to improve its ability to compete with the large independent international asset management companies, since the businesses to be strengthened include asset management in the global institutional market, with the additional advantage of having knowledge and experience in the markets in which we are present. The agreement also contemplates the distribution of products managed by SAM in the countries in which we have a commercial network for a period of ten years, renewable for five additional two-year periods, for which we will receive commissions at market rates, thus benefiting from broadening the range of products and services we offer our customers. SAM also distributes its products and services internationally, outside our commercial network.

Since the aforementioned asset management companies belonged to different Group companies, a corporate restructuring took place prior to the completion of the transaction whereby each of the asset management companies was sold by its shareholders for its fair value to SAM Investment Holdings Limited (SAM), a holding company created by us. The aggregate value of the asset management companies was approximately €1.7 billion.

Subsequently, in December 2013, once the required authorizations were obtained from various regulators, the agreement was executed through the acquisition of a 50% ownership interest in SAM's share capital by Sherbrooke Acquisition Corp SPC (an investee of Warburg Pincus and General Atlantic) for €449 million. At that date, SAM had financing from third parties for €845 million. The agreement includes deferred contingent amounts payable and receivable for the Group based on the achievement of the business plan targets over the coming five years.

Also, we entered into a shareholders' agreement with Sherbrooke Acquisition Corp SPC shareholders regulating, inter alia, the taking of strategic, financial, operational and other significant decisions regarding the ordinary management of SAM on a joint basis. Certain restrictions on the transferability of the shares were also agreed, and a commitment was made by the two parties to retain the restrictions for at least 18 months. Lastly, Sherbrooke Acquisition Corp SPC will be entitled to sell to the Group its ownership interest in the share capital of SAM at market value on the fifth and seventh anniversaries of the transaction, unless a public offering of SAM shares has taken place prior to those dates.

Following these transactions, at year-end we held a 50% ownership interest in SAM and controlled this company jointly with the aforementioned shareholders.

As a result of the aforementioned transaction, we recognized a gain of €1,372 million in the consolidated income statement for 2013, of which €671 million related to the fair value of the 50% ownership interest retained by us.

Sale of Altamira Asset Management

On November 21, 2013, we announced that we had reached a preliminary agreement with Apollo European Principal Finance Fund II, a fund managed by subsidiaries of Apollo Global Management, LLC, for the sale of the platform for managing the recovery of Banco Santander, S.A.'s loans in Spain and for managing and marketing the properties obtained through this activity ("Altamira Asset Management, S.L.").

On January 3, 2014, we announced that we had sold 85% of the share capital of Altamira Asset Management, S.L. to Altamira Asset Management Holdings, S.L., an investee of Apollo European Principal Finance Fund II, for €664 million, giving rise to a net gain of €385 million, which was recognized in our consolidated income statement for 2014.

Following this transaction, we retained the aforementioned property assets and loan portfolio on our balance sheet, while management of these assets is carried out from the platform owned by Apollo.

Santander Consumer USA

In January 2014, the public offering of shares of Santander Consumer USA Inc. ("SCUSA") was completed and the company was admitted to trading on the New York Stock Exchange. The offering represented 21.6% of SCUSA's share capital, of which 4.23% related to the ownership interest sold by the Group. Following this sale, we held 60.74% of the share capital of SCUSA (December 31, 2014: 60.46%). Both Sponsor Auto Finance Holdings Series LP ("Sponsor Holdings") – an investee of funds controlled by Warburg Pincus LLC, Kohlberg Kravis Roberts & Co. L.P. and Centerbridge Partners L.P. – and DDFS LLC ("DDFS") – a company controlled by Thomas G. Dundon, who holds the position of Chief Executive Officer of SCUSA – also reduced their ownership interest in SCUSA.

Since the ownership interests of the aforementioned shareholders were reduced below specified percentages following the offering, the shareholders' agreement previously entered into by the shareholders was terminated in accordance with its terms; this entailed the termination of the agreement which, inter alia, had granted Sponsor Holdings and DDFS representation on the board of directors of SCUSA and had established a voting system under which the strategic, financial and operating decisions, and other significant decisions associated with the ordinary management of SCUSA, were subject to joint approval by the Group and the aforementioned shareholders. Therefore, SCUSA ceased to be controlled jointly by all the above and is now controlled by the Group on the basis of the percentage held in its share capital ("change of control").

Prior to this change of control the Group accounted for its ownership interest in SCUSA using the equity method. Following the change of control, the Group fully consolidated its ownership interest in SCUSA and, on the date it obtained control, included all of SCUSA's assets and liabilities in its consolidated balance sheet at their fair value.

As a result of the aforementioned transaction, we recognized a net gain of €730 million in the consolidated income statement for 2014.

On July 3, 2015, we announced that we had reached an agreement to acquire the stake held by DDFS LLC in SCUSA, representing 9.68% of the company, for U.S. $928 million. The transaction is subject to regulatory approval. If the transaction closes, our stake in SCUSA will be approximately 68.62%.

Agreement with El Corte Inglés

On October 7, 2013, we announced that we had entered into a strategic agreement through our subsidiary Santander Consumer Finance, S.A. with El Corte Inglés, S.A. in the area of consumer finance, which included the acquisition of 51% of the share capital of Financiera El Corte Inglés E.F.C., S.A., with El Corte Inglés, S.A. retaining the remaining 49%. On February 27, 2014, following the receipt of the relevant regulatory and competition authorizations, the acquisition was completed. Santander Consumer Finance, S.A. paid €140 million for 51% of the share capital of Financiera El Corte Inglés E.F.C., S.A.

GetNet Tecnologia Em Captura e Processamento de Transações H.U.A.H. S.A.

On April 7, 2014, Banco Santander (Brasil) S.A. announced that it had reached an agreement to purchase through an investee all the shares of GetNet Tecnologia Em Captura e Processamento de Transações H.U.A.H. S.A. ("GetNet"). The transaction was completed on July 31, 2014 for a purchase price of BRL1,156 million (approximately €383 million), giving rise to goodwill of €229 million.

Acquisition of non-controlling interests in Banco Santander (Brasil) S.A.

On April 28, 2014, the Bank's board of directors approved a bid for the acquisition of all the shares of Banco Santander (Brasil) S.A. not then owned by the Group, which represented approximately 25% of the share capital of Banco Santander (Brasil) S.A., offering in consideration Bank shares in the form of Brazilian Depositary Receipts (BDRs) or American Depositary Receipts (ADRs). As part of the bid, the Bank requested that its shares be listed on the São Paulo Stock Exchange in the form of BDRs.

The offer was voluntary, in that the non-controlling shareholders of Banco Santander (Brasil) S.A. were not obliged to participate, and it was not conditional upon a minimum acceptance level. The consideration offered, following the adjustment made as a result of the application of the Santander Dividendo Elección scrip dividend scheme in October 2014, consisted of 0.7152 new Banco Santander shares for each unit or ADR of Banco Santander (Brasil) S.A. and 0.3576 new Banco Santander shares for each ordinary or preference share of Banco Santander (Brasil) S.A.

The bid was accepted by holders of 13.65% of the share capital of Banco Santander (Brasil) S.A. Accordingly, the Group's ownership interest in Banco Santander (Brasil) S.A. rose to 88.30% of its share capital. To cater for the exchange, the Bank, executing the agreement adopted by the extraordinary general shareholders' meeting held on September 15, 2014, issued 370,937,066 shares, representing approximately 3.09% of the Bank's share capital at the issue date. The aforementioned transaction gave rise to an increase of €185 million in Share capital, €2,372 million in Share premium and €15 million in Reserves, and a reduction of €2,572 million in Non-controlling interests.

The shares of Banco Santander (Brasil) S.A. continue to be listed on the São Paulo and New York stock exchanges.

Agreement with CNP

On July 10, 2014, we announced that we had reached an agreement with the French insurance company CNP to acquire a 51% stake in three insurance companies based in Ireland (Santander Insurance Life Limited, Santander Insurance Europe Limited and Santander Insurance Services Ireland Limited) that distribute life and non-life products through the Santander Consumer Finance network.

In December 2014, after the regulatory authorizations were obtained, CNP paid €297 million to acquire 51% , or a controlling interest in, the three aforementioned insurance companies. The agreement includes deferred payments to CNP in 2017 and 2020 and deferred amounts receivable by the Group in 2017, 2020 and 2023, based on the business plan.

The agreement included the execution of a 20-year retail agreement, renewable for five-year periods, for the sale of life and non-life insurance products through the Santander Consumer Finance network, for which we will receive commissions at market rates.

This transaction gave rise to the recognition of a gain of €413 million under Gains/(losses) on disposal of assets not classified as non-current assets held for sale, of which €207 million related to the fair value recognition of the 49% ownership interest retained by us.

Agreement with GE Capital

On June 23, 2014, we announced that Santander Consumer Finance, S.A., Banco Santander's consumer finance unit had reached an agreement with GE Money Nordic Holding AB to acquire GE Capital's business in Sweden, Denmark and Norway for approximately €693 million at the date of the announcement. The acquisition was completed on November 6, 2014, following the receipt of the relevant authorizations.

Agreement with Banque PSA Finance

We, through our subsidiary Santander Consumer Finance, S.A., and Banque PSA Finance, the vehicle financing unit of the PSA Peugeot Citroën Group, entered into an agreement in July 2014 for the joint operation of a vehicle financing business in twelve European countries. Pursuant to the terms of the agreement, we will finance this business under certain circumstances and conditions from the date on which the transaction is completed. In addition, in certain countries, we will purchase the current lending portfolio of Banque PSA Finance. We also entered into a cooperation agreement relating to the insurance business in all these countries.

In January 2015, the relevant regulatory authorizations were obtained for the commencement of activities in France and the United Kingdom. As a result, we acquired in February 2015 50% of Société Financière de Banque - SOFIB and PSA Finance UK Limited for €462 million and €148 million, respectively.

In addition, under the framework agreement, PSA Insurance Europe Limited and PSA Life Insurance Europe Limited (both insurance companies with registered office in Malta) were incorporated on May 1, 2015 in which we contributed 50% of the share capital, amounting to €23 million. On August 3, 2015 we acquired a full ownership interest in PSA Gestão - Comércio E Aluguer de Veiculos, S.A. (a company with registered office in Portugal) and the loan portfolio of the Portuguese branch of Banque PSA Finance for €10 million and €25 million, respectively. On October 1, 2015 PSA Financial Services Spain, E.F.C., S.A. (a company with registered office in Spain) was incorporated, in which we contributed €181 million (50% of the share capital).

Agreement to acquire Carfinco

On September 16, 2014, we announced that we had reached an agreement to acquire the listed Canadian company Carfinco Financial Group Inc. ("Carfinco"). The board of directors of Carfinco approved the transaction and recommended to its shareholders that they vote in favor of it at the general meeting called for such purpose, and the transaction was completed on March 6, 2015 for an amount of €209 million generating goodwill of €162 million.

Metrovacesa, S.A.

On December 19, 2012, the creditor entities that participated in a debt restructuring agreement for the Sanahuja Group under which they received shares of Metrovacesa, S.A. as payment for that group's debt, announced that they reached an agreement to promote the delisting of the shares of Metrovacesa, S.A. and they voted in favor of this at the general meeting held for this purpose on January 29, 2013. Following the approval of the delisting and the public takeover offer at the Metrovacesa, S.A. general meeting, the entities made a delisting public takeover offer of €2.28 per share to the Metrovacesa, S.A. shareholders that had not entered into the agreement. We participated in the delisting public takeover offer by acquiring an additional 1.953% of Metrovacesa, S.A. for €44 million.

Following this transaction, at December 31, 2013, we held an ownership interest of 36.82% in the share capital of Metrovacesa, S.A.

On December 23, 2014, we acquired 19.07% of Metrovacesa, S.A. from Bankia, S.A. for €98.9 million, as a result of which our stake increased to 55.89%, thus obtaining control over this company. After this transaction, Metrovacesa, S.A. is fully consolidated with the Group (until then it was accounted for by the equity method).

Lastly, on September 15, 2015, we acquired 13.8% of Metrovacesa, S.A. from Banco Sabadell, S.A. for €253 million, raising our ownership interest to 72.51%.

For further information see note 3.b. xv. Metrovacesa to our consolidated financial statements.

Acquisition of Banco Internacional do Funchal (Banif)

On December 21, 2015, we announced that, with the aim of providing continuity to Banco Internacional do Funchal (Banif) and safeguarding the interest of its customers, the Bank of Portugal, the resolution authority, had decided to award Banco Banif's business to Banco Santander Totta, a subsidiary of Banco Santander.

The transaction was carried out via the transfer of a large part (the commercial banking business) of Banif's assets and liabilities to Santander Totta. Banco Santander Totta paid €150 million for Banco Banif's assets and liabilities. Meanwhile, other assets and liabilities remained in Banco Banif, which is responsible for any possible litigation resulting from its past activity, for their orderly liquidation or sale.

The acquisition of Banco Banif's businesses positioned Banco Santander Totta as Portugal's second privately-held bank, after BCP-Milenium, with a 14.5% market share in loans and deposits. Banco Banif contributes 2.5 points in market share and has a network of 150 branches and 400,000 customers.

This transaction has no material impact on our capital.

Custody business

On June 19, 2014, we announced that we had reached a definitive agreement with FINESP Holdings II B.V., a subsidiary of Warburg Pincus, to sell a 50% stake in Santander's current custody business in Spain, Mexico and Brazil, retaining the remaining 50%. The transaction values the business at €975 million at the date of the announcement. At December 31, 2015, the sale remained subject to the obtainment of the relevant regulatory authorizations.

Merger of Santander Asset Management and Pioneer Investments

On April 23, 2015, we announced that we had reached a preliminary and exclusive agreement with our partners Warburg Pincus and General Atlantic, subject to the signing of final terms, to merge Santander Asset Management and Pioneer Investments to create a leading global asset manager in Europe and Latin America. The combined company, with approximately €353 billion in assets under management at the close of 2014, will be called Pioneer Investments.

The agreement contemplates the creation of a new company into which the local asset managers of Santander Asset Management and Pioneer Investments will be incorporated. Santander will have a direct 33.3% stake in the new company, UniCredit will have a 33.3% stake, and private equity fund managers Warburg Pincus and General Atlantic will share a 33.3% stake. Pioneer Investments' operations in the United States will not be included in the new company but will be owned by UniCredit (50%) and Warburg Pincus and General Atlantic (50%).

The transaction values Santander Asset Management at €2.6 billion and Pioneer Investments at €2.75 billion. Warburg Pincus and General Atlantic will make an additional equity investment into the company as part of the transaction. This transaction will not have any material impact on our capital.

On November 11, 2015, the final framework agreement was signed by UniCredit, Santander, Warburg Pincus and General Atlantic for the integration of these businesses in accordance with the aforementioned structure. The transaction is scheduled to be completed in 2016 once the preconditions established in the framework agreement have been met and the relevant regulatory authorizations have been obtained.

SCHEDULE 3

SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for this type of securities and Issuers. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary of the programme because of the type of securities and Issuers, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary of the programme with the mention of not applicable.

SECTION A – INTRODUCTION AND WARNINGS

Element	
A.1	This summary of the programme should be read as an introduction to the Base Prospectus and the applicable Final Terms. Any decision to invest in any Instruments should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference and the applicable Final Terms. Where a claim relating to information contained in the Base Prospectus and the applicable Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus and the applicable Final Terms before the legal proceedings are initiated. No civil liability will attach to the Issuer or the Guarantor in any such Member State solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus and the applicable Final Terms or, if following the implementation of the relevant provisions of Directive 2010/73/EU in the relevant Member State, it does not provide, when read together with the other parts of this Base Prospectus and the applicable Final Terms, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in the instruments.
A.2	Certain Tranches of Instruments with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a "**Public Offer**". [***Issue specific summary:*** *Consent*: Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of Instruments by the relevant Dealer(s) specified in the Final Terms [and/or] [names of specific financial intermediaries listed in final terms] (each an "**Authorised Offeror**") and that publishes on its website the following statement (with the information in square brackets being completed with the relevant information): *"We, [insert legal name of financial intermediary], refer to the [insert title of relevant Instruments] (the "**Instruments**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by [Santander International Debt, S.A.U./Santander Issuances, S.A.U.] (the "**Issuer**"). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Instruments in [insert Ireland, Luxembourg or any other relevant Member State] (the "**Offer**") subject to the conditions to such consent, as specified in the Base Prospectus, and we are using the Base Prospectus in connection with the Offer accordingly".* *Offer period:* The Issuer's consent referred to above is given for Public Offers of Instruments during [*the period of twelve months from the date of approval of the Base Prospectus*] / [the period from [*Insert, for example, one business day after satisfaction of all regulatory requirements of such Member State(s)*] until [*specify date or a formula such as "the Issue Date" or "the date which falls [●] Business Days thereafter"*]] (the "**Offer Period**"). *Conditions to consent:* The conditions to the Issuer's consent [(in addition to the conditions referred to above)] are that such consent (a) is only valid during the Offer Period; (b) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Instruments in [*specify Ireland, Luxembourg or each Relevant Member State in which the particular Tranche of Instruments can be offered*] and (c) [*specify any other conditions applicable to the Public Offer of the particular Tranche, as set out in the Final Terms*].

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY INSTRUMENTS IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH INSTRUMENTS TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE INVESTOR MUST LOOK TO THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUERS, THE GUARANTOR AND ANY DEALER (EXCEPT WHERE SUCH DEALER IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

SECTION B – ISSUERS AND GUARANTOR

Element	
B.1	**Legal and commercial name of the Issuers** Santander International Debt, S.A.U. (“**Santander International**”) and Santander Issuances, S.A.U. (“**Santander Issuances**”) (each an "**Issuer**" and together the "**Issuers**").
B.2	**Domicile / legal form / legislation / country of incorporation** The registered office address of each of the Issuers is Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain. Each of the Issuers was incorporated in Spain as a limited liability company (*sociedad anónima*) for an unlimited duration and is subject to the Consolidated Text of Law on Limited Liability Companies 1/2010 dated 2 July (*Texto Refundido de la Ley de Sociedades de Capital*) ("**Spanish Corporations Law**"). Each of the Issuers is a wholly-owned subsidiary of Banco Santander, S.A. (the "**Guarantor**"). Santander International Debt, S.A.U. was incorporated in Spain by a public deed on 21 April 2004 and registered in the Mercantile Registry of Madrid on 5 May 2004. Santander Issuances, S.A.U. was incorporated in Spain by a public deed executed on 27 February 2004 and registered in the Mercantile Registry of Madrid on 2 March 2004.
B.4b	**Trend information** The global financial services sector is likely to remain competitive with a large number of financial service providers and alternative distribution channels. Additionally, consolidation in the sector (through mergers, acquisitions or alliances) is likely to occur as other major banks look to increase their market share, combine complementary businesses or strengthen their balance sheets. In addition, regulatory changes will take place in the future that the Group expects will increase the overall level of regulation in the markets. The following are the most important trends, uncertainties and events that are reasonably likely to have a material adverse effect on the Santander Group or that would cause the disclosed financial information not to be indicative of its future operating results or its financial condition: *Economic and Industry Conditions* • general economic or industry conditions in Spain, the U.K., the U.S., other European countries, Brazil, other Latin American countries and the other areas in which the Group has significant business activities or investments; • exposure to various types of market risks, principally including interest rate risk, foreign exchange rate risk and equity price risk; • a worsening of the economic environment in Spain, the U.K., other European countries, Brazil, other Latin American countries, and the U.S., and an increase of the volatility in the capital markets; • the effects of a continued decline in real estate prices, particularly in Spain and the U.K.; • monetary and interest rate policies of the European Central Bank and various central banks; • inflation or deflation; • the effects of non-linear market behaviour that cannot be captured by linear statistical models, such as the VaR model the Group uses; • changes in competition and pricing environments; • the inability to hedge some risks economically; • the adequacy of loss reserves; • acquisitions or restructuings of businesses that may not perform in accordance with its expectations;

	• potential losses associated with prepayment of its loan and investment portfolio, declines in the value of collateral securing its loan portfolio, and counterparty risk; and • changes in competition and pricing environments as a result of the progressive adoption of the internet for conducting financial services and/or other factors. *Political and Governmental Factors* • political stability in Spain, the U.K., other European countries, Latin America and the U.S.; • changes in Spanish, U.K., E.U., Latin American, U.S. or other jurisdictions' laws, regulations or taxes, including changes in regulatory capital and liquidity requirements; and • increased regulation in light of the global financial crisis. *Transaction and Commercial Factors* • damage to its reputation; • its ability to integrate successfully our acquisitions and the challenges inherent in diverting management's focus and resources from other strategic opportunities and from operational matters while it integrates these acquisitions; and • the outcome of its negotiations with business partners and governments. *Operating Factors* • potential losses associated with an increase in the level of non-performance by counterparties to other types of financial instruments; • technical difficulties and/or failure to improve or upgrade its information technology; • changes in its ability to access liquidity on acceptable terms, including as a result of changes in its credit spreads or a downgrade in its credit ratings or those of its more significant subsidiaries; • its exposure to operational losses (e.g., failed internal or external processes, people and systems); • changes in its ability to recruit, retain and develop appropriate senior management and skilled personnel; • the occurrence of force majeure, such as natural disasters, that impact its operations or impair the asset quality of its loan portfolio; and • the impact of changes in the composition of its balance sheet on future net interest income.
B.5	**Description of the Group**[1] Both the Issuers and the Guarantor are part of Santander Group (or, the "**Group**"). The Issuers are instrumental companies of the Guarantor which is the parent entity of the Santander Group. As of 31 December 2015, Banco Santander, S.A. was comprised of 782[2] companies that consolidate by the global integration method. In addition, there were 216[3] companies that were accounted for by the equity method.
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 financial statements under Spanish GAAP of the Issuers as of, and for each of the years ended, 31 December 2013 and 31 December 2014 and as of, and for the six month period ended 30 June 2015 and 2014, has been extracted without any adjustment from, and is qualified by reference to and should be read in conjunction with, the Issuers' financial statements in respect of those dates and periods:

[1] Wording amended by virtue of the Third Supplement in order to update the summarized Financial Statements, including the Annual Consolidated Accounts for the year ended 31 December 2015 of Banco Santander S.A. (the Guarantor).

[2] The 782 companies are the sum of the companies from appendix I of the Auditor´s Report plus companies from appendix III of the Auditor´s Report, plus Banco Santander S.A.

[3] The 216 companies are the sum of the companies from appendix II of the Auditor´s Report.

Santander International	As at and for the year ended (in thousand euro)	
	31 December 2014	31 December 2013
Total Assets	20,315,310	22,217,635
Deposits at Banco Santander	19,895,918	21,743,952
Debt instruments	20,284,390	22,196,447
Share Capital	180	180
Profit/(Loss)	1467	2,414

Santander Issuances	As at and for the year ended (in thousand euro)	
	31 December 2014	31 December 2013
Total Assets	5,663,915	9,753,082
Deposits at Banco Santander	5,642,482	9,666,330
Subordinated debt instruments	5,655,020	9,678,599
Share Capital	60	60
Profit/(Loss)	80	283

Santander International	As at and for the year ended (in thousand euro)	
	30 June 2015	30 June 2014
Total Assets	18.880.531	23.142.026
Deposits at Banco Santander	18.613.263	22.734.821
Debt instruments	18.711.381	22.852.040
Share Capital	180	180
Profit/(Loss)	488	432

Santander Issuances	As at and for the year ended (in thousand euro)	
	30 June 2015	30 June 2014
Total Assets	7.252.921	9.921.750
Deposits at Banco Santander	7.219.403	9.783.485
Subordinated debt instruments	7.254.280	9.796.427
Share Capital	60	60
Profit/(Loss)	-619	106

Statements of no significant or material adverse change

There has been no significant change in the financial position of the Issuers since 30 June 2015 and there has been no material adverse change in the prospects of the Issuers since 31 December 2014.

B.13 **Events impacting the Issuers' solvency**

Not Applicable – There are no recent events particular to the Issuers which are to a material extent relevant to the evaluation of the Issuers' solvency.

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

Both the Issuers and the Guarantor are part of Santander Group. The Issuers are instrumental companies 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 Issuers' businesses consist 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.

Santander Issuances, S.A.U.: the exclusive object of the company is to issue subordinated debt with the guarantee of the Guarantor.

B.16	**Controlling shareholders** The Issuers are wholly and directly owned subsidiaries of the Guarantor.
B.17	**Credit ratings** The Issuers have not been assigned any credit rating by any rating agency. Tranches of Instruments may be rated or unrated and, if rated, such ratings will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Instruments will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "CRA Regulation") will be disclosed in the relevant Final Terms
B.18	**Description of the Guarantee** The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by Santander International under the Senior Instruments, receipts and coupons on an unsubordinated basis. Such obligations constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and, upon the insolvency of the Guarantor (and unless they qualify as subordinated claims pursuant to Article 92 of the Insolvency Law or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions), rank *pari passu* and rateably without preference among such obligations of the Guarantor in respect of Senior Instruments and at least *pari passu* with all other unsubordinated and unsecured indebtedness and monetary obligations involving or otherwise related to borrowed money of the Guarantor, present and future. Its obligations in that respect are contained in the senior guarantee. The Guarantor will unconditionally and irrevocably guarantee, on a subordinated basis, the due and punctual payment of all the sums expressed to be payable by Santander Issuances under the relevant Subordinated Instruments. Such obligations of the Guarantor constitute direct, unconditional, subordinated and unsecured obligations which, upon the insolvency of the Guarantor (and unless they qualify as subordinated claims pursuant to the Insolvency Law or equivalent legal provision which replace them in the future, and subject to any applicable legal and statutory exceptions) shall rank, under Article 92.2 of the Insolvency Law (or equivalent legal provisions which replace, substitute or amend it in the future), (i) pari passu with all other contractually subordinated obligations of the Guarantor (other than (1) those subordinated obligations which qualify as subordinated claims pursuant to Articles 92.3 to 92.7 of the Insolvency Law or equivalent legal provisions which replace them in the future, (2) other subordinated obligations which by law or their terms rank junior to the Guarantor’s obligations under the Subordinated Guarantees and (3) any other subordinated obligations which by law and/or their terms, and to the extent permitted by Spanish law, rank senior to the Guarantor’s obligations under the Subordinated Guarantees and/or to any subordinated obligations of the Guarantor ranking pari passu with the Subordinated Guarantees); and (ii) junior to any non-subordinated obligations of the Guarantor, any other subordinated obligations which by law and/or their terms, and to the extent permitted by Spanish law, rank senior to the Guarantor’s obligations under the Subordinated Guarantees, and any claim on the Guarantor, which becomes subordinated as a consequence of article 92.1º of the Insolvency Law.
B.19	**Information about the Guarantor**
	B.1 Legal and commercial name of the Guarantor The legal name of the Guarantor is Banco Santander, S.A. and operates under the trading name of “Santander”.
	B.2 Domicile / legal form / legislation / country of incorporation The Guarantor is domiciled in Spain and has its registered office at Paseo de Pereda, 9-12, Santander. The principal operating headquarters of the Guarantor are located at Ciudad Grupo Santander, Avda. de Cantabria s/n, 28660 Boadilla del Monte, Madrid. The telephone number of the principal operating headquarters of the Bank is +34 91 259 6520. The Guarantor was incorporated in Spain and has the legal form of a public limited liability company (*sociedad anónima*) 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.
	B.4b Trend information See Element B.4b above.
	B.5 Description of the Group See Element B.5 above.
	B.9 Profit forecast or estimate Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus
	B.10 Audit report qualifications Not Applicable - No qualifications are contained in any audit report included in the Base Prospectus
	B.12 Selected historical key financial information The summarised consolidated financial statements of the Group as of, and for each of the years ended, 31 December 2014 and 31 December 2015[4], 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 under IFRS-IASB for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 *(Millions of Euros)*

[4] Wording amended by virtue of the Third Supplement in order to update the summarized Financial Statements, including the Annual Consolidated Accounts for the year ended 31 December 2015 of Banco Santander S.A. (the Guarantor).

ASSETS	2015	2014 (*)	2013 (*)
CASH AND BALANCES WITH CENTRAL BANKS	81,329	69,428	77,103
FINANCIAL ASSETS HELD FOR TRADING:	147,287	148,888	115,289
Loans and advances to credit institutions	*2,293*	*1,815*	*5,503*
Loans and advances to customers	*6,081*	*2,921*	*5,079*
Debt instruments	*43,964*	*54,374*	*40,841*
Equity instruments	*18,225*	*12,920*	*4,967*
Trading derivatives	*76,724*	*76,858*	*58,899*
OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:	45,043	42,673	31,381
Loans and advances to credit institutions	*26,403*	*28,592*	*13,444*
Loans and advances to customers	*14,293*	*8,971*	*13,196*
Debt instruments	*3,717*	*4,231*	*3,875*
Equity instruments	*630*	*879*	*866*
AVAILABLE-FOR-SALE FINANCIAL ASSETS:	122,036	115,250	83,799
Debt instruments	*117,187*	*110,249*	*79,844*
Equity instruments	*4,849*	*5,001*	*3,955*
LOANS AND RECEIVABLES:	831,637	781,635	714,484
Loans and advances to credit institutions	*50,256*	*51,306*	*56,017*
Loans and advances to customers	*770,474*	*722,819*	*650,581*
Debt instruments	*10,907*	*7,510*	*7,886*
HELD-TO-MATURITY INVESTMENTS	4,355	-	-
CHANGES IN THE FAIR VALUE OF HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	1,379	1,782	1,627
HEDGING DERIVATIVES	7,727	7,346	8,301
NON-CURRENT ASSETS HELD FOR SALE	5,646	5,376	4,892
INVESTMENTS:	3,251	3,471	5,536
Associates	*1,659*	*1,775*	*1,829*
Jointly controlled entities	*1,592*	*1,696*	*3,707*
INSURANCE CONTRACTS LINKED TO PENSIONS	299	345	342
REINSURANCE ASSETS	331	340	356
TANGIBLE ASSETS:	25,320	23,256	13,654
Property, plant and equipment-	*19,335*	*16,889*	*9,974*
For own use	*7,949*	*8,324*	*7,787*
Leased out under an operating lease	*11,386*	*8,565*	*2,187*
Investment property	*5,985*	*6,367*	*3,680*
INTANGIBLE ASSETS:	29,430	30,401	26,241
Goodwill	*26,960*	*27,548*	*23,281*
Other intangible assets	*2,470*	*2,853*	*2,960*
TAX ASSETS:	27,814	27,956	26,944
Current	*5,769*	*5,792*	*5,751*
Deferred	*22,045*	*22,164*	*21,193*
OTHER ASSETS	7,376	8,149	5,814
Inventories	*1,013*	*1,099*	*80*
Other	*6,363*	*7,050*	*5,734*
TOTAL ASSETS	**1,340,260**	**1,266,296**	**1,115,763**

LIABILITIES AND EQUITY	2015	2014 (*)	2013 (*)
FINANCIAL LIABILITIES HELD FOR TRADING:	105,218	109,792	94,673
Deposits from central banks	*2,178*	*2,041*	*3,866*
Deposits from credit institutions	*77*	*5,531*	*7,468*
Customer deposits	*9,187*	*5,544*	*8,500*
Marketable debt securities	-	-	*1*
Trading derivatives	*76,414*	*79,048*	*58,887*
Short positions	*17,362*	*17,628*	*15,951*
Other financial liabilities	-	-	-
OTHER FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS:	54,768	62,317	42,311
Deposits from central banks	*16,486*	*6,321*	*2,097*
Deposits from credit institutions	*8,551*	*19,039*	*9,644*
Customer deposits	*26,357*	*33,127*	*26,484*
Marketable debt securities	*3,373*	*3,830*	*4,086*
Subordinated liabilities	-	-	-
Other financial liabilities	*1*	-	-
FINANCIAL LIABILITIES AT AMORTISED COST:	1,039,343	961,052	863,114
Deposits from central banks	*38,872*	*17,290*	*9,788*
Deposits from credit institutions	*109,207*	*105,147*	*76,534*
Customer deposits	*647,578*	*608,956*	*572,853*
Marketable debt securities	*201,656*	*193,059*	*171,390*
Subordinated liabilities	*21,153*	*17,132*	*16,139*
Other financial liabilities	*20,877*	*19,468*	*16,410*
CHANGES IN THE FAIR VALUE OF HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK	174	31	87
HEDGING DERIVATIVES	8,937	7,255	5,283
LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	-	21	1
LIABILITIES UNDER INSURANCE CONTRACTS	627	713	1,430
PROVISIONS:	14,494	15,376	14,589
Provision for pensions and similar obligations	*8,272*	*9,412*	*9,126*
Provisions for taxes and other legal contingencies	*2,577*	*2,916*	*2,727*
Provisions for contingent liabilities and commitments	*618*	*654*	*693*
Other provisions	*3,027*	*2,394*	*2,043*
TAX LIABILITIES:	7,725	9,379	6,079
Current	*2,160*	*4,852*	*4,254*
Deferred	*5,565*	*4,527*	*1,825*
OTHER LIABILITIES	10,221	10,646	8,554
TOTAL LIABILITIES	**1,241,507**	**1,176,582**	**1,036,121**
EQUITY			
SHAREHOLDERS' EQUITY:	102,402	91,663	84,480
Share capital	*7,217*	*6,292*	*5,667*
Registered	*7,217*	*6,292*	*5,667*
Less: Uncalled capital	-	-	-
Share premium	*45,001*	*38,611*	*36,804*
Reserves	*45,760*	*41,160*	*38,056*
Accumulated reserves (losses)	*45,469*	*40,973*	*37,793*
Reserves (losses) of entities accounted for using the equity method	*291*	*187*	*263*
Other equity instruments	*214*	*265*	*193*
Equity component of compound financial instruments	-	-	-
Other	*214*	*265*	*193*
Less: Treasury shares	*(210)*	*(10)*	*(9)*
Profit for the year attributable to the Parent	*5,966*	*5,816*	*4,175*
Less: Dividends and remuneration	*(1,546)*	*(471)*	*(406)*
VALUATION ADJUSTMENTS	(14,362)	(10,858)	(14,152)
Available-for-sale financial assets	*844*	*1,560*	*35*
Cash flow hedges	*171*	*204*	*(233)*
Hedges of net investments in foreign operations	*(3,597)*	*(3,570)*	*(1,874)*
Exchange differences	*(8,383)*	*(5,385)*	*(8,768)*
Non-current assets held for sale	-	-	-
Entities accounted for using the equity method	*(232)*	*(85)*	*(446)*
Other valuation adjustments	*(3,165)*	*(3,582)*	*(2,866)*
NON-CONTROLLING INTERESTS	10,713	8,909	9,314
Valuation adjustments	*(1,227)*	*(655)*	*(1,541)*
Other	*11,940*	*9,564*	*10,855*
TOTAL EQUITY	**98,753**	**89,714**	**79,642**
TOTAL LIABILITIES AND EQUITY	**1,340,260**	**1,266,296**	**1,115,763**
MEMORANDUM ITEMS:			
CONTINGENT LIABILITIES	40,115	44,078	41,049
CONTINGENT COMMITMENTS	221,457	208,040	172,797

b) Condensed Consolidated Income Statement of the Group for the years ended 31 December 2013 and 2014

	Millions of euros									
	2014					2013				
(Condensed) income statement	Commercial banking	*Santander Global Corporate Banking*	Real estate operations in Spain	Corporate centre	Total	Commercial banking	*Santander Global Corporate Banking*	Real estate operations in Spain	Corporate centre	Total
NET INTEREST INCOME	**27,699**	**2,481**	**(20)**	**(613)**	**29,547**	**24,856**	**2,361**	**38**	**(1,320)**	**25,935**
Income from equity instruments	132	272	-	31	435	79	265	-	34	378
Share of results of entities accounted for using the equity method	341	(2)	(68)	(28)	243	656	(1)	(42)	(113)	500
Net fee and commission income (expense)	8,338	1,392	-	(34)	9,696	8,206	1,293	15	247	9,761
Gains/losses on financial assets and liabilities (net) and exchange differences (net)	1,394	749	8	699	2,850	2,239	1,155	1	(1)	3,394
Other operating income (expenses)	(215)	31	49	(24)	(159)	(378)	15	16	45	(302)
GROSS INCOME	**37,689**	**4,923**	**(31)**	**31**	**42,612**	**35,658**	**5,088**	**28**	**(1,108)**	**39,666**
Administrative expenses	(15,946)	(1,682)	(215)	(56)	(17,899)	(15,478)	(1,634)	(175)	(165)	(17,452)
Depreciation and amortisation charge	(1,573)	(158)	(14)	(542)	(2,287)	(1,652)	(148)	(14)	(577)	(2,391)
Provisions (net)	(1,309)	(38)	(9)	(1,653)	(3,009)	(1,179)	(44)	-	(1,222)	(2,445)
Impairment losses on financial assets	(9,812)	(552)	(321)	(25)	(10,710)	(9,578)	(953)	(412)	(284)	(11,227)
PROFIT FROM OPERATIONS	**9,049**	**2,493**	**(590)**	**(2,245)**	**8,707**	**7,771**	**2,309**	**(573)**	**(3,356)**	**6,151**
Net impairment losses on other assets	(26)	(43)	(83)	(786)	(938)	(74)	(37)	(83)	(309)	(503)
Other non-financial gains/(losses)	158	(13)	(221)	2,986	2,910	255	11	(328)	1,792	1,730
PROFIT BEFORE TAX	**9,181**	**2,437**	**(894)**	**(45)**	**10,679**	**7,952**	**2,283**	**(984)**	**(1,873)**	**7,378**
Income tax	(2,128)	(667)	248	(1,171)	(3,718)	(1,617)	(633)	295	(79)	(2,034)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**7,053**	**1,770**	**(646)**	**(1,216)**	**6,961**	**6,335**	**1,650**	**(689)**	**(1,952)**	**5,344**
Profit (Loss) from discontinued operations	(26)	-	-	-	(26)	(15)	-	-	-	(15)
CONSOLIDATED PROFIT FOR THE YEAR	**7,027**	**1,770**	**(646)**	**(1,216)**	**6,935**	**6,320**	**1,650**	**(689)**	**(1,952)**	**5,329**
Attributable to non-controlling interests	1,033	145	6	(65)	1,119	799	197	-	158	1,154
PROFIT ATTRIBUTABLE TO THE PARENT	**5,994**	**1,625**	**(652)**	**(1,151)**	**5,816**	**5,521**	**1,453**	**(689)**	**(2,110)**	**4,175**

c) Condensed Consolidated Income Statement of the Group for the years ended 31 December 2015

	Millions of euros				
	2015				
(Condensed) income statement	Commercial banking	*Santander Global Corporate Banking*	Real estate operations in Spain	Corporate centre	Total
NET INTEREST INCOME	**30,027**	**2,830**	**(41)**	**(4)**	**32,812**
Income from equity instruments	124	259	-	72	455
Share of results of entities accounted for using the equity method	434	(6)	(10)	(43)	375
Net fee and commission income (expense)	8,621	1,425	-	(13)	10,033
Gains/losses on financial assets and liabilities (net) and exchange differences (net)	1,346	739	151	150	2,386
Other operating income (expenses)	(194)	24	37	(33)	(166)
GROSS INCOME	**40,358**	**5,271**	**137**	**129**	**45,895**
Administrative expenses	(17,153)	(1,897)	(224)	(28)	(19,302)
Depreciation and amortisation charge	(1,577)	(161)	(11)	(669)	(2,418)
Provisions (net)	(1,656)	(51)	9	(1,408)	(3,106)
Impairment losses on financial assets	(9,462)	(688)	(251)	(251)	(10,652)
PROFIT FROM OPERATIONS	**10,510**	**2,474**	**(340)**	**(2,227)**	**10,417**
Net impairment losses on other assets	2	(37)	(126)	(931)	(1,092)
Other non-financial gains/(losses)	117	4	(142)	243	222
PROFIT BEFORE TAX	**10,629**	**2,441**	**(608)**	**(2,915)**	**9,547**
Income tax	(2,663)	(695)	179	966	(2,213)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**7,966**	**1,746**	**(429)**	**(1,949)**	**7,334**
Profit (Loss) from discontinued operations	-	-	-	-	-
CONSOLIDATED PROFIT FOR THE YEAR	**7,966**	**1,746**	**(429)**	**(1,949)**	**7,334**
Attributable to non-controlling interests	1,112	121	(9)	145	1,368
PROFIT ATTRIBUTABLE TO THE PARENT	**6,854**	**1,626**	**(420)**	**(2,094)**	**5,966**

	Statement of no significant or material adverse change[5]
	There has been no significant change in the financial position of the Santander Group (including the Guarantor) since 31 December 2015 and there has been no material adverse change in the prospects of the Guarantors 31 December 2015.

[5] Wording amended by virtue of the Third Supplement in order to update the summarized Financial Statements, including the Annual Consolidated Accounts for the year ended 31 December 2015 of Banco Santander S.A. (the Guarantor)

B.13 Events impacting the Guarantor's solvency[6]

Capital expenditures and divestures:

- *Merger of Bank Zachodni WBK S.A. and Kredyt Bank S.A.*
- *Mergers by absorption of Banesto and Banco Banif*
- *Insurance business in Spain*
- *Agreement with Elavon Financial Services Limited*
- *Agreement with Warburg Pincus and General Atlantic*
- *Sale of Altamira Asset Management*
- *Santander Consumer USA*
- *Agreement with El Corte Inglés*
- *GetNet Tecnologia Em Captura e Processamento de Transações H.U.A.H. S.A.*
- *Acquisition of non-controlling interests in Banco Santander (Brasil) S.A.*
- *Agreement with CNP*
- *Agreement with GE Capital*
- *Agreement with Banque PSA Finance*
- *Agreement to acquire Carfinco*
- *Metrovacesa, S.A.*
- *Acquisition of Banco Internacional do Funchal (Banif)*
- *Custody business*
- *Merger of Santander Asset Management and Pioneer Investments*
- Capital Increases

[6] Wording amended by virtue of the Third Supplement in order to update the summarized Financial Statements,

B.14 Dependence upon other Group entities

The Guarantor is the Parent Company of the Santander Group. The Guarantor is not dependent upon any other entity in the Group.

B.15 The Guarantor's Principal activities[7] The Guarantor and its consolidated subsidiaries are a financial group operating through a network of offices and subsidiaries across Spain, the United Kingdom and other European countries, Brazil and other Latin American countries and the US, offering wide range of financial products. At 31 December 2015, the Santander Group operated through 5,548 branch offices in Continental Europe 858 branches in the United Kingdom, 5,841 branches in Latin America and 783 branches in the United States.

B.16 Controlling shareholders

The Guarantor is not aware of any person which exerts or may exert control over the Guarantor within the terms of Article 4 of Legislative Royal Decree 4/2015, of 23 October, approving the Restated Text of the Securities Market (Law 24/1988 of 28 July of the Securities Market).

B.17. Credit ratings

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

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

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

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

Rating Agency	Short	Long	Perspective
Fitch Ratings (1)	F2	A-	BBB+
Moody´s (2)	P-2	A3	Baa2
Standard & Poor´s (3)	A-2	A-	BBB-

including the Annual Consolidated Accounts for the year ended 31 December 2015 of Banco Santander S.A. (the Guarantor).

[7] Wording amended by virtue of the Third Supplement in order to update the summarized Financial Statements, including the Annual Consolidated Accounts for the year ended 31 December 2015 of Banco Santander S.A. (the Guarantor).

SECTION C – SECURITIES

Element	
C.1	**Type and class of the Securities** The Issuers may issue under the Programme debt instruments up to an aggregate principal amount of EUR 32,000,000,000 (the "**Instruments**"). Such Instruments may be issued on a continuing basis and will be placed by one or more dealers appointed under the Programme from time to time by the Issuers, which appointment may be for a specific issue or on an on-going basis. Under the Programme, the Issuers may issue fixed, reset or floating rate Instruments, including by reference to an index (equity and inflation indices). The Instruments may be senior Instruments (which are Instruments that can only be issued by Santander International and which specify their status as senior) ("**Senior Instruments**") or subordinated Instruments (being those Instruments that can only be issued by Santander Issuances and which specify their status as subordinated) ("**Subordinated Instruments**") in each case guaranteed by the Guarantor. Instruments may be issued with any maturity subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The Instruments will be constituted by virtue of the relevant public deed of issuance to be executed before a Spanish Notary Public and registered with the Mercantile Registry of Madrid on or prior to the issue date. Instruments will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Instruments of each Series will all be subject to identical terms except that the issue dates and the amount of the first payment of interest may be different in respect of different Tranches.

	Instruments may be issued in registered form, without interest coupons ("**Registered Instruments**"), or in bearer form, with or without interest coupons ("**Bearer Instruments**"). Bearer Instruments will, unless otherwise specified, only be sold outside the United States to non-U.S. persons in reliance on Regulation S and will, unless otherwise specified in the applicable Final Terms, initially be represented by a Temporary Global Instruments without interest coupons attached, deposited: (a) in the case of a global instrument which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, with or on behalf of a Common Depositary located outside the United States for Euroclear S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**", together with Euroclear, the "**ICSDs**"); or (b) in the case of a global instrument which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Interests in a Temporary Global Instrument will be exchangeable (i) for interests in a permanent global Instrument in bearer form, without coupons (a "**Permanent Global Instrument**"), or (ii) in whole but not in part for definitive Instruments in bearer form (each, a "**Definitive Instrument**"), following certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. Bearer Instruments may be exchangeable for Registered Instruments. Registered Instruments will not be exchangeable for Bearer Instruments. The security identification number (ISIN) of the instruments will be set out in the relevant final terms.
C.2	**Currency of the Securities** The Instruments may be denominated in any currency subject to compliance with all applicable legal and/or regulatory requirements and/or central bank requirements.
C.5	**Restrictions on free transferability** 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. For each issue of securities a minimum tradeable amount could be set out in the relevant Final Terms. 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 Legislative Royal Decree 4/2015, of 23 October, approving the Restated Text of the Securities Market (*Law 24/1988 of 28 July of the Securities Market*), as amended and restated, or without complying with all legal and regulatory requirements under Spanish securities laws. No publicity or marketing of any kind shall be made in Spain in relation to the Instruments.
C.8	**Description of the rights attaching to the Securities** **Status:** The Senior Instruments, being Instruments that can only be issued by Santander International, and the receipts and coupons relating to them, constitute direct, unconditional, unsubordinated and unsecured obligations of Santander International and, upon the insolvency of Santander International (and unless they qualify as subordinated claims pursuant to Article 92 of Law 22/2003 (*Ley Concursal*) of 9 July 2003 (the "**Insolvency Law**" or "**Law 22/2003**") or equivalent legal provision which replaces it in the future, and subject to any applicable legal and statutory exceptions), rank *pari passu* and rateably without preference among themselves and the payment obligations of Santander International under the Senior Instruments, receipts and coupons related to them rank at least *pari passu* with all other unsecured and unsubordinated indebtedness and monetary obligations involving or otherwise related to borrowed money of Santander International, present or future. The Subordinated Instruments, being Instruments that can only be issued by Santander Issuances, constitute direct, unconditional, subordinated and unsecured obligations of Santander Issuances and, upon the insolvency of Santander Issuances (and unless they qualify as subordinated claims pursuant to the Insolvency Law or equivalent legal provisions which replace them in the future, and subject to any applicable legal and statutory exceptions) rank, under Article 92.2 of the Insolvency Law (or equivalent legal provisions which replace, substitute or amend it in the future), pari passu without preference or priority among themselves and: (i) pari passu with all other contractually subordinated obligations of Santander Issuances (other than (1) those subordinated obligations which qualify as subordinated claims pursuant to Articles 92.3 to 92.7 of the Insolvency Law, or equivalent legal provisions which replace them in the future, (2) other subordinated

obligations which by law or their terms rank junior to the Subordinated Instruments and (3) any Senior Subordinated Obligations (as defined below)); and

(ii) junior to any non-subordinated obligations of Santander Issuances, any Senior Subordinated Obligations (as defined below) and any claim on Santander Issuances, which becomes subordinated as a consequence of article 92.1º of the Insolvency Law.

For these purposes, "**Senior Subordinated Obligations**" means any subordinated obligations of Santander Issuances which by law and/or their terms rank senior to the Subordinated Instruments, and/or to any subordinated obligations of Santander Issuances ranking pari passu with the Subordinated Instruments..

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.

The Guarantor will unconditionally and irrevocably guarantee, on a subordinated basis, the due and punctual payment of all the sums expressed to be payable by Santander Issuances under the relevant Subordinated Instruments. Such obligations of the Guarantor constitute direct, unconditional, subordinated and unsecured obligations which, upon the insolvency of the Guarantor (and unless they qualify as subordinated claims pursuant to the Insolvency Law or equivalent legal provision which replace them in the future, and subject to any applicable legal and statutory exceptions) shall rank, under Article 92.2 of the Insolvency Law (or equivalent legal provisions which replace, substitute or amend it in the future),

(i) pari passu with all other contractually subordinated obligations of the Guarantor (other than (1) those subordinated obligations which qualify as subordinated claims pursuant to Articles 92.3 to 92.7 of the Insolvency Law or equivalent legal provisions which replace them in the future, (2) other subordinated obligations which by law or their terms rank junior to the Guarantor's obligations under the Subordinated Guarantees and (3) any other subordinated obligations which by law and/or their terms, and to the extent permitted by Spanish law, rank senior to the Guarantor's obligations under the Subordinated Guarantees and/or to any subordinated obligations of the Guarantor ranking pari passu with the Subordinated Guarantees); and

(ii) junior to any non-subordinated obligations of the Guarantor, any other subordinated obligations which by law and/or their terms, and to the extent permitted by Spanish law, rank senior to the Guarantor's obligations under the Subordinated Guarantees, and any claim on the Guarantor, which becomes subordinated as a consequence of article 92.1º of the Insolvency Law.

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

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

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

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

Events of Default:

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

For Subordinated Instruments this includes non-payment or winding-up of the relevant Issuer or 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 Issuers, the relevant corporate resolutions and, when required, the appointment of the Commissioner and the constitution of the Syndicates of Holders of the Instruments will be governed by Spanish law.

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

C.9 Payment Features

The issue date of the Instruments will be specified in the Final Terms and may not exceed the date of validity of this Base Prospectus. The nominal interest rate that will be received by investors will be set out in the relevant Final Terms and shall be the result of applying the terms and conditions specific to the relevant issue. Applicable interest payment dates will be specified in the Final Terms. Instruments may be issued with any maturity and may be redeemable at the redemption amount specified in the relevant Final Terms, in each case subject to compliance with all applicable legal, regulatory and/or central bank requirements. Early redemption will be permitted for taxation reasons, but otherwise early redemption will be permitted only to the extent specified in the relevant Final Terms and in accordance with all applicable legal, regulatory and/or central bank requirements. The interest payment component of CMS-Linked Instruments, Equity Index-Linked Instruments and Inflation-Linked Instruments, will be determined by reference to the index specified in the relevant Final Terms. The syndicate of Holders shall be entrusted with the defence of the rights and interests of Holders.

[***Issue specific summary:***

Issue Price:	[[●] per cent of the Aggregate Nominal Amount/[●] per Instrument]
Issue Date:	[●]
Calculation Amount:	[●]
Maturity Date :	[●]

Set out relevant payment features below, completing or, where not relevant, deleting the following provisions:

A. For variable interest rate Instruments, any of the following Interest Payment Options may apply:

Interest Payment Option 1

*Calculation Amount * Rate of Interest*

Interest Payment Option 2

(1) If the Barrier Condition is satisfied:

*Calculation Amount * Rate of Interest* $_{n=1}$; *or*

(2) If the Barrier Condition is not satisfied:

*Calculation Amount * Rate of Interest* $_{n=2}$

Interest amounts if any become due on the relevant Interest Payment Date(s) specified below. [The yield of the Instruments is [●]. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.(insert if Fixed Rate Instruments only)]	
Set out the relevant definitions from the below, completing or, where not relevant, deleting the following provisions:	
For these purposes:	
*"**Asset**" means [insert the relevant definition of Asset] [in relation to the relevant Asset Class, a Single Asset or a constituent of a Basket Asset].*	
*"**Asset Class**" means [shares] [and] [/] [equity index(ices)] [and] [/] [exchange traded funds] [and] [/] [inflation index(ices)] [and] [/] [Fixed Income Benchmark (s)].*	
*"**Asset Early**" [means the] [Max] [Min] [Asset Level] [on the relevant [Scheduled Observation Date] [Valuation Date] [Calculation Date]] [Average Level] [Observation Level] [is][as specified in the table below: insert table] [,] [Barrier].*	
*"**Asset Early Performance**" means the [Early Performance] [Early Performance (Call Spread)] [Early Performance (Rolling Lookback)] [Early Weighted Performance] of the [Asset] [Early Laggard] [Early Outperformer].*	
*"**Asset Final**" means [the] [Max] [Min] [Asset Level on the Final Valuation Date] [Average Level] [,] [Observation Level].*	
*"**Asset Final Performance**" means the [Final Performance] [Final Performance (Call Spread)] [Final Performance (Lookback)] [Final Performance (Temporis)] [Final Weighted Performance] [Enhanced Weighted Performance] [Upside Performance] [Downside Performance] [Weighted Performance] of the [Asset] [Final Laggard] [Final Outperformer].*	
*"**Asset Initial**" means [the] [Max] [Min] [Asset Level on the Initial Valuation Date] [Average Level] [Observation Level] [,] [Barrier].*	
*"**Asset Level**" means the [Opening Level] [Closing Level] [Intraday Level] [Observation Level] [observation level] of the relevant Asset.*	
*"**Asset Lookback**" [means the] [Asset Level [on the relevant [Scheduled Observation Date] [Valuation Date] [Calculation Date]] [Average Level], [is as specified in the table below: insert table].*	
*"**Average Level**" means the arithmetic average of each [Opening Level] [Closing Level] [Intraday Level] [Observation Level] observed by the Calculation Agent on each Averaging Date.*	
*"**Averaging Date**" means each of [●].*	
*"**Barrier**" means [[●] per cent.] [n * [●] per cent.] [Asset Initial * [●] per cent.] [Asset Initial * n * [●] per cent.] [Asset Early * [●] per cent.] [Asset Early * n* [●] per cent.] [Asset Lookback * [●] per cent.] [Asset Lookback * n * [●] per cent.].*	
*"**Barrier (Early)**" means:*	
(a)	*where Barrier Condition Early (European) is applicable:*
	*[[●] per cent.] [n * [●] per cent.]; or*
(b)	*where Barrier Condition Early (Bermudan) is applicable:*
	*[[●] per cent.] [n * [●] per cent.]; or*
(c)	*where Barrier Condition Early (American) is applicable:*
	*[Asset Initial * [●] per cent.] / [Asset Initial * [●] per cent. * n].*
*"**Barrier (Final)**" means:*	
(a)	*where Barrier Condition Final (European) is applicable, [●] per cent.; or*
(b)	*where Barrier Condition Final (American) is applicable, Asset Initial * [●] per cent.*
*"**Barrier Condition**" shall mean [Barrier Condition Early] [Barrier Condition Final].*	
*"**Barrier Condition Early**" shall mean [Barrier Condition Early (European)] [Barrier Condition Early (Bermudan)] [Barrier Condition Early (American)].*	
*"**Barrier Condition Early (American)**" shall be deemed satisfied if the Calculation Agent determines that on [each] [any] [Scheduled Observation Date] [Valuation Date] [Calculation Date] [related to the relevant Barrier Early Calculation Date] the Asset Level of [each] [any] [the] [Basket] Asset is at [all] [the] [any] time[s] greater than [or equal to] Barrier (Early).*	
*"**Barrier Condition Early (Bermudan)**" shall be deemed satisfied if the Calculation Agent determines that on any [Scheduled Observation Date] [Valuation Date] [Calculation Date] [during the Observation Period], Asset Early*	

Performance is greater than [or equal to] Barrier (Early).
*"**Barrier Condition Early (European)**" shall be deemed satisfied if the Calculation Agent determines that on [the relevant] [each] [Scheduled Observation Date] [Valuation Date] [Calculation Date], Asset Early Performance is greater than [or equal to] Barrier (Early).*
*"**Barrier Condition Final**" shall mean [Barrier Condition Final (European)] [Barrier Condition Final (American)].*
*"**Barrier Condition Final (American)**" shall be deemed satisfied if the Calculation Agent determines that on [each] [any] [Scheduled Observation Date] [Valuation Date] [Calculation Date] the Asset Level of [each] [any] [the] [Basket] Asset is [at] [all] [any] [time[s]] greater than [or equal to] Barrier (Final).*
*"**Barrier Condition Final (European)**" shall be deemed satisfied if the Calculation Agent determines that on the Final Valuation Date the Asset Final Performance is greater than [or equal to] Barrier (Final).*
*"**Barrier Early Calculation Date**" means [date to be specified] [each Scheduled Observation Date] [Valuation Date] [Calculation Date].*
*"**Barrier Return**" shall mean an amount determined by the Calculation Agent in accordance with the following methodology:-*
(a) if Asset Final Performance is greater than [or equal to] the Barrier,
[●] per cent.
(b) if Asset Final Performance is less than [or equal to] the Barrier:
Max[(Cap [+/-] (Participation * Asset Final Performance)), Floor]
*"**Basket Asset**" means an Asset that is a constituent of a basket of Assets.*
*"**Cap**" means [●] per cent.*
*"**Closing Level**" means, the closing level of the relevant Asset.*
*"**Downside Performance**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:*
$\frac{\text{AssetInitial} - \text{AssetFinal}}{\text{AssetInitial}}$
*"**Early Laggard**" shall mean in relation to the [Scheduled Observation Date],[Valuation Date],[Calculation Date], the Asset with the lowest calculated Early Performance, as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more [Basket] Assets have the same Early Performance as of the [Scheduled Observation Date] [Valuation Date] [Calculation Date], the Calculation Agent shall select any such [Basket] Asset as the Early Laggard acting in good faith and in a commercially reasonable manner.*
*"**Early Outperformer**" shall mean in relation to the [Scheduled Observation Date] [Valuation Date] [Calculation Date], the Asset with the highest calculated Early Performance, as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more [Basket] Assets have the same Early Performance as of the [Scheduled Observation Date] [Valuation Date] [Calculation Date], the Calculation Agent shall select any such [Basket] Asset as the Early Outperformer acting in good faith and in a commercially reasonable manner.*
*"**Early Performance**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:*
$\frac{\text{AssetEarly}}{\text{AssetInitial}}$
*"**Early Performance (Call Spread)**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:*
$\frac{\text{AssetEarly}}{\text{AssetInitial}} - 1$
*"**Early Performance (Rolling Lookback)**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:*
$\frac{\text{AssetEarly}}{\text{AssetLookback}} - 1$

*"**Early Weighted Performance**" means an amount (expressed as a percentage) determined by the Calculation Agent being the sum of the values obtained by applying the following formula to each Basket Asset:*

$$W \times \frac{\text{AssetEarly} - \text{AssetInitial}}{\text{AssetInitial}}$$

*"**Enhanced Weighted Performance**" means an amount (expressed as a percentage) determined by the Calculation Agent being the sum of the values obtained by applying the following formula to each Basket Asset:*
*W * Upside Performance*

***"ETF"** means (in respect of an ETF Share) an Exchange Traded Fund.*

***"ETF Issuer"** means, in respect of an Exchange Traded Fund, the entity specified in the applicable Final Terms as the issuer of that Exchange Traded Fund.*

***"ETF Share"** means, in respect of an Exchange Traded Fund, the share, unit or other interest or unit of holding in the ETF Issuer (including, without limitation, any debt security) issued to or held by an investor in respect of the relevant Exchange Traded Fund.*

*"**Exchange Traded Fund**" means each fund that is specified in the applicable Final Terms as an ETF.*

*"**Final Laggard**" shall mean the Asset with the lowest [calculated Downside Performance] [calculated Final Performance] [calculated Upside Performance] [Observation Level] as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more Assets in the Basket have the same [Downside Performance as of the Final Valuation Date] [Final Performance as of the Final Valuation Date] [Upside Performance as of the Final Valuation Date] [Observation Level], the Calculation Agent shall select any such Asset as the Final Laggard acting in good faith and in a commercially reasonable manner.*

*"**Final Outperformer**" shall mean the Asset with the highest [calculated Downside Performance] [calculated Final Performance] [calculated Upside Performance] [Observation Level], as determined by the Calculation Agent in respect of the relevant date. For the avoidance of doubt, if two or more Assets in the Basket have the same [Downside Performance as of the Final Valuation Date] [Final Performance as of the Final Valuation Date] [Upside Performance as of the Final Valuation Date] [Observation Level], the Calculation Agent shall select any such Asset as the Final Outperformer acting in good faith and in a commercially reasonable manner.*

*"**Final Performance**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:*

$$\frac{\text{AssetFinal}}{\text{AssetInitial}}$$

*"**Final Performance (Call Spread)**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:*

$$\frac{\text{AssetFinal}}{\text{AssetInitial}} - 1$$

*"**Final Performance (Lookback)**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:*

$$\frac{\text{AssetFinal}}{\text{Max}\left[\left(\text{Participation} \times \text{AssetInitial}\right), \text{Observation Level}\right]}$$

*"**Final Performance (Temporis)**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:*

$$\frac{\text{AssetFinal} - \text{AssetLookback}}{\text{AssetInitial}}$$

*"**Final Valuation Date**" means [●].*

*"**Final Weighted Performance**" means an amount (expressed as a percentage) determined by the Calculation Agent being the sum of the values obtained by applying the following formula to each Basket Asset:*

$$W \times \frac{\text{AssetFinal} - \text{AssetInitial}}{\text{AssetInitial}}$$

***"Fixed Income Benchmark"** shall mean the relevant Rate of Interest specified as such in the applicable Final Terms.*

*"**Floor**" means [●] per cent.*
*"**i**" shall mean the corresponding number related to a defined term within the Conditions as specified herein.*
*"**Initial Valuation Date**" means [●].*
*"**Interest Payment Date(s)**" means [●].*
*"**Intraday Level**" means the intraday level of the relevant Asset.*
*"**Max**" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a comma inside those brackets.*
*"**Min**" followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a comma inside those brackets.*
*"**n**" shall mean the corresponding number related to a defined term within the Conditions as specified herein.*
*"**Observation Days**" means the total number of [calendar days] [Business Days] [Scheduled Observation Dates] [Valuation Dates] [Calculation Dates] in the [Interest Period] [Observation Period].*
*"**Observation Level**" means [the Opening Level] [the lowest Closing Level observed on each Scheduled Observation Date] [the highest Closing Level observed on each Scheduled Observation Date] [the level of the Asset][the Rate of Interest] observed by the Calculation Agent on the relevant [Initial Valuation Date] [Scheduled Observation Date] at [insert time] [the level of the relevant Asset scheduled to be published by the Inflation Index Sponsor for the Reference Month of [●] where the relevant Asset Class is an Inflation Index]*
*"**Observation Period**" means [●].*
*"**Opening Level**" means the opening level of the relevant Asset.*
*"**Paid Interest**" means, in respect of an Instrument, the sum of all interest paid in respect of that Instrument from (and including) the Issue Date to (and including) the immediately preceding Specified Interest Payment Date, if any.*
*"**Participation**" means [●] per cent.*
*"**Range Condition**" shall be deemed satisfied in respect of any day if the Asset Level for such day observed by the Calculation Agent is greater than [or equal to] [●] [per cent.] per annum and less than [or equal to] [●] [per cent.] [per annum.]*
*"**Range Days**" means the actual number of [calendar days] [Business Days] [Scheduled Observation Dates] [Valuation Dates] [Calculation Dates] in the [Interest Period] [Observation Period] on which the Range Condition is satisfied.*
*"**Rate of Interest**" shall mean in connection with the relevant Coupon Payout [Insert one of:]*
[[●] per cent.] [per annum];
Screen Rate Determination;
ISDA Determination;
*(n * [●] per cent.);*
*[(n * [●] per cent.)] – Paid Interest;*
*Max(Floor, Min(Cap, Participation * Asset Early [Performance] + [●] per cent.)) [+/- Barrier Return];*
$\left([\bullet]\text{ per cent} \times \frac{\text{RangeDays}}{\text{Observation Days}}\right)$ *; or*
[the applicable percentage rate specified in the table below: insert table.]
*"**Scheduled Observation Date**" means [insert date(s)] [each Scheduled Trading Day in the Observation Period].*
*"**Single Asset**" means a single Asset.*
*"**t**" shall mean the corresponding number related to a defined term within the Conditions as specified herein.*
*"**Trade Date**" means [●].*
*"**Upside Performance**" means[, in respect of the relevant Asset,] an amount expressed as a percentage, calculated and determined by the Calculation Agent in accordance with the following formula:*
$\frac{\text{AssetFinal} - (\text{Barrier} * \text{AssetInitial})}{\text{AssetInitial}}$
*"**Valuation Date**" means [specify date(s)] [each Scheduled Trading Day in the Observation Period] [subject to adjustment].*
*"**W**" means the weighting in respect of the relevant Basket Asset, as specified in the table below: insert table:*
*"**Weighted Performance**" means an amount (expressed as a percentage) determined by the Calculation Agent being the sum of the values obtained by applying the following formula to each Basket Asset:*

*W * Final Performance*

The above provisions are subject to adjustment as provided in the conditions of the Instruments to take into account events in relation to the Asset(s) or the Instruments. This may lead to adjustments being made to the Instruments or in some cases the Instruments being terminated early at an early redemption or cancellation amount.

B. Equity Index-Linked Interest Instruments:

The below provisions are subject to adjustment as provided in the conditions of the Instruments:

PART 1 – European Call

Structure 1:

Single Share Index Linked Instruments:

The following Interest Amount per Calculation Amount will be payable on the Interest Payment Date:

(a) if the Final Price of the Share Index is higher than Strike Price, the following Coupon A:

$$\text{Calculation Amount} \times \left(\frac{\text{Final Price - Strike Price}}{\text{Initial Price}} \right)$$

(b) if the Final Price of the Share Index is equal to or lower than the Strike Price, Coupon B (which may be zero).

***Definitions**:*

***"Coupon B"** means an amount equal to the product of (i) Calculation Amount and (ii) the Coupon B Percentage.*

***"Coupon B Percentage"** has the meaning given in the relevant Final Terms.*

***"Final Price"** means the Official Closing Level of the Share Index on the Final Price Date.*

***"Final Price Date"** has the meaning given in the relevant Final Terms.*

***"Initial Price"** means the Official Closing Level of the Share Index on Initial Price Date.*

***"Initial Price Date"** has the meaning given in the relevant Final Terms.*

***"Official Closing Level"** means, on any day, the official closing level of the Share Index.*

***"Strike Price"** means a percentage of the Initial Price as specified in the relevant Final Terms.*

[Share Index Basket Linked Instruments:

The following Interest Amount per Calculation Amount will be payable on the Interest Payment Date:

(a) If the Final Price of all the Indices comprised in the Basket is higher than the relevant Strike Price, the following Coupon A:

$$\text{Calculation Amount} \times \left(\frac{\text{Final Price}_{(a)} - \text{Strike Price}_{(a)}}{\text{Initial Price}_{(a)}} \right)$$

Where:

***"Final Price$_{(a)}$"** is the Final Price of the Share Index of the Basket with the lowest Depreciation Ratio.*

***"Initial Price$_{(a)}$"** is the Initial Price of the Share Index of the Basket with the lowest Depreciation Ratio.*

***"Strike Price$_{(a)}$"** is the Strike Price of the Share Index of the Basket with the lowest Depreciation Ratio.*

***"Depreciation Ratio"** means*

$$\left(\frac{\text{Final Price}}{\text{Initial Price}} \right)$$

(b) Otherwise, Coupon B (which may be zero).

Definitions:

*"**Basket**" means each and every Share Index specified in the Final Terms.*

*"**Coupon B**" means an amount equal to the product of (i) Calculation Amount and (ii) the Coupon B Percentage.*

*"**Coupon B Percentage**" has the meaning given in the relevant Final Terms.*

*"**Final Price**" means, for each Share Index comprised in the Basket, the Official Closing Level of the Share Index on the Final Price Date.*

*"**Final Price Date**" has the meaning given in the relevant Final Terms.*

*"**Initial Price**" means, for each Share Index comprised in the Basket, the Official Closing Level of the Share Index on Initial Price Date.*

*"**Initial Price Date**" has the meaning given in the relevant Final Terms.*

*"**Official Closing Level**" means, on any day, the official closing level of the Share.*

*"**Strike Price**" means a percentage of the Initial Price as specified in the Final Terms.*

PART 2 – European Call Up & Out

Structure 2:

Single Share Index Linked Instruments:

The following Interest Amount per Calculation Amount will be payable on the Interest Payment Date:

(a) if, from the Initial Price Date, included, to the Final Price Date, included, the Official Closing Level of the Share Index is at any point equal to or higher than Barrier A, Coupon A; or

(b) if, from the Initial Price Date, included, to the Final Price Date, included, the Official Closing Level of the Share Index has never been equal to or higher than Barrier A:

(i) if the Final Price of the Share Index is higher than the Initial Price, the following Coupon B:

$$\text{Calculation Amount} \times \left(\frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right)$$

(ii) if the Final Price of the Share Index is equal to or lower than the Initial Price, Coupon C (which may be zero).

Definitions:

***"Barrier A"** means a percentage of the Initial Price as specified in the Final Terms.*

***"Coupon A Percentage"** has the meaning given in the relevant Final Terms.*

***"Coupon A"** means an amount equal to the product of (i) Calculation Amount and (ii) the Coupon A Percentage.*

***"Coupon C Percentage"** has the meaning given in the relevant Final Terms.*

***"Coupon C"** means an amount equal to the product of (i) Calculation Amount and (ii) the Coupon C Percentage.*

***"Final Price Date"** has the meaning given in the relevant Final Terms.*

***"Final Price"** means the Official Closing Level of the Share Index on the Final Price Date.*

***"Initial Price Date"** has the meaning given in the relevant Final Terms.*

***"Initial Price"** means the Official Closing Level of the Share Index on Initial Price Date.*

***"Official Closing Level"** means, on any day, the official closing price of the Index.*

PART 3 – Call Spread

Structure 3:

Share Index Basket Linked Instruments

The following Interest Amount per Calculation Amount will be payable on the Interest Payment Date:

$$\text{Calculation Amount x} \quad \text{Min}\left(\text{Cap Level}; \left(\frac{\sum_{i=1}^{J} \frac{\text{Final Price}_i - \text{Initial Price}_i}{\text{Initial Price}_i}}{J} \right) \right)$$

Where:

***"Final Price$_i$"** is the Final Price of the Share Index$_i$.*

***"Initial Price$_i$"** is the Initial Price of the Share Index$_i$.*

***"J"** is the total number of Shares comprised in the Basket.*

Definitions:

***"Basket"** means each and every Share Index specified in the applicable Final Terms.*

***"Cap Level"** has the meaning given to it in the relevant Final Terms.*

***"Final Price"** means, for each Share Index comprised in the Basket, the Official Closing Level on the Final Price Date.*

***"Final Price Date"** has the meaning given to it in the relevant Final Terms.*

***"Initial Price"** means the maximum Official Closing Level of all the Share Indices comprised in the Basket during the Initial Price Determination Period.*

***"Initial Price Determination Period"** has the meaning given to it in the relevant Final Terms.*

***"Official Closing Level"** means on any day, the official closing level of a Share Index.*

C. Inflation-Linked Interest Instruments:

The below provisions are subject to adjustment as provided in the Terms and Conditions of the Instruments:

Inflation Linked interest payment based on a fixed rate of interest:

$$\text{Fixed Rate of Interest x } [(I_T/I_0)+\text{Margin}]$$

Inflation Linked interest payment based on a fixed rate of interest and subject to a minimum interest rate:

$$\text{Max [Floor; Fixed Rate of Interest x } [(I_T/I_0)+\text{Margin}]]$$

Inflation Linked interest payment plus a Margin: $$(I_T/I_0) + Margin$$ *Inflation Linked interest payment plus a Margin subject to a minimum interest rate:* $$Max[Floor; (I_T/I_0)+ Margin]$$ *Inflation Linked interest payment based on a fixed rate of interest and subject to a maximum interest rate:* $$Min[Cap; Fixed\ Rate\ of\ Interest \times [(I_T/I_0)+Margin]]$$ *Inflation Linked interest payment plus a Margin subject to a maximum interest rate:* $$Min[Cap; (I_T/I_0)+ Margin]$$ ***Definitions:*** *"**Cap**" has the meaning given to it in the relevant Final Terms;* *"**Fixed Rate of Interest**" has the meaning given to it in the relevant Final Terms;* *"**I_0**" means Inflation Index observation level for Reference Month T_{start};* *"**I_T**" means Inflation Index observation level for Reference Month T;* *"**Floor**" has the meaning given to it in the relevant Final Terms;* *"**Margin**" has the meaning given to it in the relevant Final Terms;* *"**Reference Month T_{start}** " has the meaning given to it in the relevant Final Terms;* *"**Reference Month T**" has the meaning given to it in the relevant Final Terms;* *"**T**" has the meaning given to it in the relevant Final Terms; and* *"**T_{start}**" has the meaning given to it in the relevant Final Terms.*	
C.10	**Derivative component on interest** The Issuers may issue Instruments with a derivative component on the interest payment. Instruments can bear fixed rates, reset rates, floating rates, variable interest rates and also with interest determined by reference to an index (such as CMS-Linked Instruments, Equity Index-Linked Instruments and Inflation-Linked Instruments). None of the Share Indices or the Inflation Indices that may be used as reference to calculate the interest payment under the Instruments will be proprietary indices.
	[***Issue specific summary:***
	[*Not applicable – The Instruments do not have a derivative component in the interest payment*] / [*The interests of the Instruments are determined by reference* [*to an Equity or Inflation index*]. [*None of the Share Indices or the Inflation Indices that may be used as reference to calculate the interest payment under the Instruments will be proprietary indices.*]
C.11	**Listing and Admission to trading** Each Series may be listed on the official list of the Irish Stock Exchange and traded on the regulated market of the Irish Stock Exchange and/or any other listing authority, stock exchange and/or quotation system (each, a "**Stock Exchange**") (as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer and specified in the relevant Final Terms) or may be unlisted. Under Spanish law, unlisted Instruments are subject to a different tax regime than that applicable to listed Instruments and, if issued under the Programme, such Instruments will be the subject of a supplement to the Base Prospectus.
C.15	**Description of how the value of the Securities is affected by the value of the underlying Asset** The following table sets out illustrative values of the amounts payable per Instrument on the relevant Interest Payment Date. The value of the Underlying will only affect the interest payments but not the principal amounts. [***Issue specific summary [This Element C.15 only to be included where the Securities are derivative securities for the purpose of Commission Regulation (EC) No. 809/2004 (as amended)]:*** [*insert table*] *These Instruments are derivative securities and their value may go down as well as up.*] *Worst case scenario: In a worst case scenario the amount payable per Calculation Amount at the [Interest Payment Date] will be [ ] if [ ] [Not Applicable]*
C.16	**Expiration Date or Maturity Date of the Instruments** ***[Issue specific summary [This Element C.16 only to be included where the Instruments are derivative securities for the purpose of Commission Regulation (EC) No. 809/2004 (as amended)]:*** *[The Maturity Date of the Securities is [●], subject to adjustment] [or, if earlier the date on which the [Call] [Put] Option is exercised], subject to adjustment.]*

C.17	**Settlement procedures of the Instruments** The Instruments will be settled on the Maturity Date at the relevant amount per Instrument. [***For the purposes of the Issue specific summary: This Element C.17 only to be included where the Securities are derivative securities for the purpose of Commission Regulation (EC) No. 809/2004 (as amended)***]
C.18	**Description of how the return on derivative securities takes place** ***[Issue specific summary [This Element C.18 only to be included where the Instruments are derivative securities for the purpose of Commission Regulation (EC) No. 809/2004 (as amended)]:*** *For variable interest Instruments, the return is illustrated in item C.10 above.* *These Instruments are derivative securities and their value may go down as well as up.*]
C.19	**The exercise price or the final reference price of the underlying** *[This Element C.19 only to be included where the Instruments are derivative securities for the purpose of Commission Regulation (EC) No. 809/2004(as amended)][Not Applicable]*
C.20	**A description of the type of the underlying and where the information of the underlying can be found** Equity index(es) and inflation index(ices**).** *[This Element C.20 only to be included where the Notes are derivative securities for the purpose of Commission Regulation (EC) No. 809/2004(as amended)]* *[list all Index in each case followed by: See [Bloomberg] [Reuters] Screen [●]Page [●]*

SECTION D – RISKS

Element	
D.2	**Key risks regarding the Issuers and the Guarantor** Each 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. Each Issuer is therefore dependent upon other members of the Group paying interest on and repaying their loans in a timely fashion. Should any Group member fail to pay interest on or repay any loan in a timely fashion this could have a material adverse effect on the ability of the relevant Issuer to fulfil its obligations under Instruments issued under the Programme. The main risks relating to the Santander Group operation are, amongst others: • Because the Group's loan portfolio is concentrated in Continental Europe, the United Kingdom, Latin America and the United States, adverse changes affecting the economies of Continental Europe, the United Kingdom, certain Latin America countries or the United States could adversely affect the Group's financial condition. • The Group is vulnerable to disruptions and volatility in the global financial markets. • The Group may suffer adverse effects as a result of the ongoing economic and sovereign debt tensions in the Eurozone. • Exposure to sovereign debt could have a material adverse effect on the Group. • The Group growth, asset quality and profitability in Latin America may be adversely affected by volatile macroeconomic and political conditions. • The Group is exposed to risk of loss from legal and regulatory proceedings. • The Group is subject to substantial regulation which could adversely affect its business and operations. • The Group is subject to review by taxing authorities, and an incorrect interpretation by the Group of their laws and regulations may have a material adverse effect on the Group. • The Group may not be able to detect money laundering and other illegal or improper activities fully or on timely basis, which could expose the Group to additional liability and could have a material adverse effect on it. • Changes in taxes and other assessments may adversely affect the Group. • Changes in accounting standards could impact reported earnings. • The Group´s financial statements are based in part on assumptions and estimates which, if inaccurate, could cause material misstatement of the results of the Group operations and financial position. • Disclosure controls and procedures over financial reporting may not prevent or detect all errors or acts of fraud. • Liquidity and funding risks are inherent in the Group's business and could have a material adverse effect on the Group. • Credit, market and liquidity risk may have an adverse effect on the Group's credit ratings and its cost of funds. Any downgrading in the Group's credit rating would likely increase its cost of funding, require the Group to post additional collateral or take other actions under some of the Group's derivative contracts and adversely affect its margins and results of operations. • Failure to successfully implement and continue to improve the Group's risk management policies, procedures and

	methods, including its credit risk management system, could materially and adversely affect the Group, and the Group may be exposed to unidentified or unanticipated risks. • If the Group is unable to effectively control the level of non-performing or poor credit quality loans in the future, or if the Group's loan loss reserves are insufficient to cover future loan losses, this could have a material adverse effect on the Group. • The Group's loan and investment portfolios are subject to risk of prepayment, which could have a material adverse effect on the Group. • The value of the collateral securing the Group's loans may not be sufficient, and the Group may be unable to realise the full value of the collateral securing its loan portfolio. • The Group is subject to counterparty risk in its banking business. • The Group's financial results are constantly exposed to market risk. The Group is subject to fluctuations in interest rates and other market risks, which may materially and adversely affect the Group. • Market conditions have resulted and could result in material changes to the estimated fair values of the Group's financial assets. Negative fair value adjustments could have a material adverse effect on the Group's operating results, financial condition and prospects. • The Group is subject to market, operational and other related risks associated with the Group's derivative transactions that could have a material adverse effect on the Group. • The financial problems faced by the Group's customers could adversely affect the Group. • Changes in the Group's pension liabilities and obligations could have a material adverse effect on the Group. • The Group depends in part upon dividends and other funds from subsidiaries. • Increased competition and industry consolidation may adversely affect the Group's results of operations. • The Group's ability to maintain its competitive position depends, in part, on the success of new products and services the Group offers its clients and the Group's ability to continue offering products and services from third parties, and the Group may not be able to manage various risks its faces as the Group expands its range of products and services that could have a material adverse effect on the Group. • If the Group is unable to manage the growth of its operations this could have an adverse impact on its profitability. • Goodwill impairments may be required in relation to acquired businesses. • The Group relies on recruiting, retaining and developing appropriate senior management and skilled personnel. • The Group relies on third parties for important products and services. • Damage to the Group's reputation could cause harm to the Group's business prospects. • The Group engages in transactions with its subsidiaries or affiliates that others may not consider to be on an arm's-length basis. • Any failure to effectively improve or upgrade the Group's information technology infrastructure and management information systems in a timely manner could have a material adverse effect on the Group. • Risks relating to data collection, processing and storage systems are inherent in the Group business. • Failure to protect personal information could adversely affect the Group.
D.3	**Key risks regarding the Securities**
	There are also risks associated with the Instruments and with the markets. These risks may include, amongst others: • Taxation in Spain: Under Spanish Law, payments of income in respect of the listed Instruments will not be subject to Spanish withholding tax provided that the relevant Issuer or the Guarantor receives certain information concerning the Instruments. If such information is not received by the relevant Issuer or the Guarantor, as the case may, it will be required to apply Spanish withholding tax to any payment of interest in respect of the relevant Instruments, or income arising from the payment of Instruments issued below par; • The US Hiring Incentives to Restore Employment Act withholding may affect payments on the Instruments; • U.S. Foreign Account Tax Compliance Act Withholding; • Withholding under the EU Savings Directive; • The implementation of the EU Crisis Management Directive could materially affect the value of any Instruments. • The Commissioner (which owes certain obligations to the Syndicate of Holders (as described in the Issue and Paying Agency Agreement) will be appointed by the relevant Issuer and may also be an employee or officer of such Issuer or of the Guarantor; • The Spanish Insolvency Law, provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within a certain period, (ii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency may not be enforceable, and

(iii) interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall cease to accrue as from the date of the declaration of insolvency and any amount of interest accrued up to such date (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated. In addition, recent amendments to the Insolvency Law have been implemented which, in certain instances, have the effect of modifying or impairing creditors' rights;

- Prospective investors should make their own evaluations to determine whether an investment in the Instruments is appropriate in their particular circumstances and should consult with their legal, business and tax advisers accordingly;
- Instruments issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market;
- Instruments may be redeemable at the relevant Issuer's option in certain circumstances. If such option is exercised, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Instruments.
- Because the Global Instruments are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer and/or the Guarantor;
- Instruments subject to optional redemption by the Issuers, which is likely to limit their market value.
- In accordance with applicable regulations, the Subordinated Instruments may not be early redeemed due to the non-payment of the Subordinated Instruments, or of other debts of the Issuer or of any members of its group.
- The Group may issue Instruments with interest determined by reference to an inflation or equity index (each, a Relevant Index). Potential investors should be aware that the market price of such Instruments may be volatile and that they may receive no interest. In addition, potential investors should be aware that: (i) a Relevant Index may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices; (ii) if a Relevant Index is applied to Instruments in conjunction with a multiplier greater than one (or contains some other leverage factor) the effect of changes in the Relevant Index on interest payable likely will be magnified; and (iii) the timing of changes in a Relevant Index may affect the actual yield to investors.
- The Issuers may issue Instruments where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its interest payments.
- The Issuers may issue Inverse Floating Rate Instruments which have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Instruments typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms).
- The Issuers may issue Fixed/Floating Rate Instruments. Such Instruments may bear interest at a rate that may convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Instruments since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing.
- The Issuers may issue Instruments at a substantial discount or premium from their principal amount. The market values of such Instruments tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.
- The investment in Equity Index-Linked Interest Instruments and Inflation Linked Interest Instruments entails certain risks and it is only suitable for certain potential kind of investors.
- The terms of Equity Index-Linked Interest Instruments and Inflation Linked Interest Instruments differ from those of ordinary debt securities and may not pay interest on maturity, depending on the performance of the relevant underlying Index or Share Index.
- The value of Equity Index-Linked Interest Instruments and Inflation Linked Interest Instruments may be influenced by unpredictable factors beyond the Issuer's and the Guarantor's control.
- There are certain considerations regarding the use of Equity Index-Linked Interest Instruments or Inflation Linked Interest Instruments as hedging instruments involving correlation risks.
- The effect of the liquidity of the relevant underlying Index or Share Index on Equity Index- Linked Interest Instruments and Inflation Linked Interest Instruments pricing.
- Exchange rates and exchange controls may affect the value or return of the Equity Index-Linked Interest Instruments or Inflation Linked Interest Instruments.

	• Investors have no shareholder rights. • Potential conflicts of interest between the investor and the Calculation Agent. • The Calculation Agent may determine that a Market Disruption Event or a failure to open of an Exchange or Related Exchange has occurred or exists on a relevant date of valuation, and any consequential postponement of such date of valuation may have an adverse effect on the value of the Instruments. • When determining the value and/or performance of the relevant underlying Indices or Share Indices in respect of a Series of Equity Index-Linked Interest Instruments or Inflation Linked Interest Instruments may provide for a cap or be subjected to a floor, such that any value and/or performance of the relevant underlying Index or Share Index (or individual basket components) in excess or below the applicable cap or floor, respectively, will not be taken into account for the purposes of the relevant determination. • Santander Issuances' obligations under Subordinated Instruments will be unsecured and subordinated and will rank junior in priority of payment to all unsubordinated obligations of Santander Issuances. The Guarantor's obligations under the Subordinated Guarantee will be unsecured and subordinated and will rank junior in priority of payment to all unsubordinated obligations of the Guarantor. • One or more independent credit rating agencies may assign credit ratings to the Instruments. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Additionally, the risks relating to investment in the Instruments depend on their features and may include, *inter alia*, risks relating to (but not limited to) operational/business risk, credit risk, liquidity risk, interest rate risk, regulatory risk, reputational risk, competition risk, unsecured obligations, market risk, hedging and potential conflicts of interest, tax liabilities, expenses and taxation, third party risk, structural risks relating to particular Instruments, including with respect to certain underlying, no claim against the reference item(s) to which the Instruments relate, exchange rate risks, settlement disruption, illegality and cancellation, time lag after redemption or exercise, settlement risk, possible illiquidity of Instruments, equity risk, underlying volatility risk, fund risk, failure to deliver due to illiquidity, inflation risk, modification, meetings, market disruption, optional redemption, a requirement to hold a minimum amount of Instruments, transfer restrictions and exchange, listing and legal regulation risk.
D.6	**Risk Warning *[Issue Specific Summary: This Element D.6 only to be included where the Instruments are derivative securities for the purpose of Commission Regulation (EC) No. 809/2004 (as amended)]*** • the Instruments issued under this Base Prospectus, including Structured Instruments, cannot have a negative yield for the investor. The Structured Instruments return is linked to the performance of one or more underlying (such as indices, or baskets of indices); • the Issue Price of the Instruments may be more than the market value of such Instruments as at the Issue Date, and the price of the Instruments in secondary market transactions; and • if the relevant Instruments include leverage, potential holders of such Instruments should note that these Instruments will involve a higher level of risk. Investors should therefore only invest in leveraged Instruments if they fully understand the effects of leverage.

SECTION E – OFFER

Element	
E.2b	**Use of proceeds** The net proceeds of the issue of each tranche of Instruments will be used for the general funding purposes of the Group.
E.3	**Terms and conditions of the offer:** **Denomination:** Instruments will be issued in such denominations as may be specified in the relevant Final Terms, subject to a minimum denomination of €1,000 (or, if the Instruments are denominated in a currency other than euro, the equivalent in another currency at the date of issue. For each issue of securities a minimum tradeable amount could be set out in the relevant Final Terms. **Interest:** Instruments are interest-bearing. Interest may accrue at a fixed, reset or floating rate or other variable rate and may vary during the lifetime of the relevant Series. **Issue Price:** Instruments may be issued at par or at a discount to par or a premium over par and on a fully paid basis, as specified in the relevant Final Terms. The issue price and the principal amount of the relevant tranche of Instruments will be determined before filing of the relevant Final Terms of each tranche on the basis of then prevailing market conditions. **Maturity:** Instruments may be issued with any maturity subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Subordinated Instruments qualifying as regulatory capital (*recursos propios*) in

	accordance with Bank of Spain requirements will have a maturity of not less than five years. Where Instruments have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Instruments is carried on from an establishment maintained by the relevant Issuer in the United Kingdom, such Instruments must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 by the relevant Issuer. **Redemption:** Instruments may be redeemable at the redemption amount specified in the relevant Final Terms subject to compliance with all applicable legal and/or regulatory requirements. Early redemption will be permitted for taxation reasons, but otherwise early redemption will be permitted only to the extent specified in the relevant Final Terms. Any early redemption of Subordinated Instruments qualifying as regulatory capital (*recursos propios*) is subject to the prior consent of the Bank of Spain and may not take place within a period of five years from their date of issue or as otherwise permitted by the Bank of Spain and they may not be redeemed at the option of the holder of the relevant Instruments (the "**Holder**") prior to their stated maturity. Subordinated Instruments may not be redeemed at the option of the Holder prior to their stated maturity. **Purchase:** The Issuers and the Guarantor and any of their respective subsidiaries or any third party designated by any of them, may at any time purchase Instruments in the open market or otherwise and at any price provided that, in the case of Definitive Instruments, all unmatured Coupons appertaining thereto are purchased therewith. In the case of Subordinated Instruments which qualify as regulatory capital (*recursos propios*), the purchase of the Instruments by the Issuer or any of its subsidiaries shall take place in accordance with the requirements of Spanish law (including for this purpose Bank of Spain's regulations in so far as the Issuer seeks to maintain eligibility of such instruments as regulatory capital). **Clearing Systems:** Euroclear, Clearstream, Luxembourg and/or, in relation to any Instruments, any other clearing system as may be specified in the relevant Final Terms. **Terms and conditions of the offer:** If so specified in the relevant Final Terms, the Instruments may be offered to the public in a non-exempt offer in one or more specified Public Offer Jurisdictions. The terms and conditions of each offer of Instruments will be specified in the applicable Final Terms. An Investor intending to acquire or acquiring any Instruments in a non-exempt offer from an authorised offeror will do so, and offers and sales of such Instruments to an Investor by such authorised offeror will be made, in accordance with any terms and other arrangements in place between them.
E.4	**Description of any interest of natural and legal persons involved in the issue/offer that is material to the issue/offer including conflicting interests** The relevant Dealers may be paid fees in relation to any issue of Instruments under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business.
E.7	**Expenses charged to the investor by the Issuer or an Offeror** The expenses and taxes to be charged to the subscriber or purchaser of the Instruments will be specified in the relevant Final Terms.