

Final Terms dated 15th July 2016

Santander International Debt, S.A. Unipersonal
Issue of EUR 80,000,000 Fixed Rate Instruments due 20th July 2031
Guaranteed by Banco Santander, S.A.
under the **€32,000,000 Programme for the Issuance of Debt Instruments**
guaranteed by Banco Santander, S.A.

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

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

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions (the “**General Terms and Conditions**” and together with the applicable Annex (es) the “**Terms and Conditions**”) set forth in the Base Prospectus dated 9 June 2016, which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU)) (the **Prospectus Directive**). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer, the Guarantor and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 9 June 2016. The Base Prospectus is available for viewing at the registered office of the Issuer and the head office of the Guarantor (being Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain), the offices of the Issue and Paying Agent, The Bank of New York Mellon, London Branch at One Canada Square, London E14 5AL and at the offices of each Paying Agent and copies may be obtained from the addresses specified above. The Base Prospectus has been published on the websites on the Irish Stock Exchange (www.ise.ie) and the Central Bank of Ireland (<http://www.centralbank.ie>).

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| 1. | (i) Issuer: | Santander International Debt, S.A. Unipersonal |
| | (ii) Guarantor : | Banco Santander, S.A. |
| 2. | (i) Series Number: | 386 |
| | (ii) Tranche Number: | 1 |

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| 3. | Applicable Annex(es) | Not applicable |
| 4. | Specified Currency: | Euro ("EUR") |
| 5. | Aggregate Principal Amount: | |
| | (i) Series: | EUR 80,000,000 |
| | (ii) Tranche: | EUR 80,000,000 |
| 6. | Issue Price: | 99.869 per cent. of the Aggregate Principal Amount |
| 7. | Specified Denominations: | EUR 100,000 |
| 8. | Calculation Amount: | The Specified Denominations |
| 9. | (i) Issue Date: | 20 th July 2016 |
| | (ii) Interest Commencement Date: | Issue Date |
| 10. | Maturity Date: | 20 th July 2031 |
| 11. | Interest Basis: | 1,75 Fixed Rate (further particular specified below) |
| 12. | Redemption/Payment Basis: | Redemption at par |
| 13. | Put/Call Options: | Not Applicable |
| 14. | (i) Status of the Instruments: | Senior |
| | (ii) Status of the Guarantee: | Senior |
| | (iii) Date Board approval for issuance of Instruments obtained: | 11 th July 2016 |
| 15. | Method of distribution: | Not Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 16. | Fixed Rate Instrument Provisions | Applicable. Condition 4A and 4E of the Terms and Conditions apply. |
| | (i) Rate of Interest: | 1.75 per cent. per annum. |
| | (ii) Interest Payment Date(s): | 20 th July in each year, from and including 20 th July 2017, up to and including the Maturity Date adjusted in accordance with the Following Business Day Convention. |
| | (iii) Fixed Coupon Amount: | EUR 1,750 per Specified Denomination |
| | (iv) Day Count Fraction: | Actual/Actual (ICMA) , Unadjusted |
| | (v) Determination Dates: | 20 th July in each year |

	(vi) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Agent)	Banco Santander, S.A.
17.	Reset Instrument Provisions	Not Applicable
18.	Other Variable Interest Rate Instrument Provisions	Not Applicable
19.	Floating Rate and CMS-Linked Instrument Provisions	Not Applicable
20.	Equity Index-Linked Interest Instruments Provisions	Not Applicable
21.	Additional provisions applicable to Equity Index-Linked Interest Instruments	Not Applicable
22.	Inflation-Linked Interest Instruments Provisions	Not Applicable
23.	Key Dates relating to Variable Interest Rate Instruments (and if so specified applicable to other kind of Instruments)	Not Applicable

PROVISIONS RELATING TO REDEMPTION

24.	Call Option:	Not Applicable
25.	Put Option	Not Applicable
26.	Maturity Redemption Amount of each Instrument	EUR 100,000 per Instrument of EUR 100,000 Specified Denomination
27.	Early Redemption Amount and Early Redemption Amount (Capital Disqualification Event)	
	Early Redemption Amount(s) of each Instrument payable on redemption for taxation reasons, on a capital disqualification event (if applicable) or on event of default:	As per the General Terms and Conditions

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

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

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

DISTRIBUTION

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| 37. | (i) If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable |
| | (ii) Date of Subscription Agreement | Not Applicable |
| 38. | If non-syndicated, name and address of Dealer/Manager: | <p>Banco Santander , S.A.</p> <p>Ciudad Grupo Santander</p> <p>Avenida de Cantabria s/n</p> <p>28660 Boadilla del Monte (Madrid)</p> |
| 39. | Total commission and concession: | Not applicable |
| 40. | US Selling Restrictions: | Reg. S Compliance Category 2; TEFRA D |
| 41. | Public Offer: | Not Applicable |

PURPOSE OF FINAL TERMS

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

RESPONSIBILITY

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

CONFIRMED

SANTANDER INTERNATIONAL DEBT, S.A. UNIPERSONAL

By:

Authorised Signatory

Date: 15 July 2016

BANCO SANTANDER, S.A.

By:

Date: 15 July 2016

PART B — OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

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

2. RATINGS

The Instruments to be issued have been rated:

S&P: A-

Moody's: A3

Fitch: A-

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

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

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

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

(i)	Reasons for the offer	See "Use of Proceeds" wording in Base Prospectus
(ii)	Estimated net proceeds:	79,895,200.00
(iii)	Estimated total expenses:	€600 (Listing Fees)

5. YIELD

Indication of yield: 1.76% per cent. per annum

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES

Not Applicable.

7. OPERATIONAL INFORMATION

ISIN: XS1446798578

Common Code: XS1446798578

WKN: Not Applicable

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

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Not Applicable.

Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

10. TERMS AND CONDITIONS OF THE OFFER

Not Applicable.