

PROSPECTUS SUPPLEMENT
(to prospectus dated April 3, 2017)



\$2,500,000,000

Banco Santander, S.A.

\$1,000,000,000 3.125% Senior Non Preferred Fixed Rate Notes due 2023

\$1,000,000,000 3.800% Senior Non Preferred Fixed Rate Notes due 2028

\$500,000,000 Senior Non Preferred Floating Rate Notes due 2023

The 3.125% Senior Non Preferred Fixed Rate Notes due 2023 (the “2023 Fixed Rate Notes”) will bear interest at a rate of 3.125% per year. From and including the date of issuance, interest will be payable semi-annually in arrears on the 2023 Fixed Rate Notes on February 23 and August 23 of each year, beginning on February 23, 2018. The 2023 Fixed Rate Notes will be due on February 23, 2023.

The 3.800% Senior Non Preferred Fixed Rate Notes due 2028 (the “2028 Fixed Rate Notes”) will bear interest at a rate of 3.800% per year. From and including the date of issuance, interest will be payable semi-annually in arrears on the 2028 Fixed Rate Notes on February 23 and August 23 of each year, beginning on February 23, 2018. The 2028 Fixed Rate Notes will be due on February 23, 2028.

From and including the date of issuance, interest will be payable quarterly in arrears on the Senior Non Preferred Floating Rate Notes due 2023 (the “Floating Rate Notes” and, together with the 2023 Fixed Rate Notes and the 2028 Fixed Rate Notes, the “Notes”) on February 23, May 23, August 23 and November 23 of each year, beginning on November 23, 2017. The Floating Rate Notes will bear interest at a rate equal to three month USD LIBOR plus 109 basis points. Interest on the Floating Rate Notes will be set on October 23, 2017 and will reset on February 23, May 23, August 23 and November 23 of each year, beginning on November 23, 2017 through November 23, 2022. The Floating Rate Notes will be due on February 23, 2023.

The Notes will be issued in minimum denominations of \$200,000 and integral multiples of \$200,000 in excess thereof.

The payment obligations of Banco Santander, S.A. (“Banco Santander”) under the Notes will constitute direct, unconditional, unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of Banco Santander and, in accordance with Additional Provision 14.2° of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of Banco Santander (and unless they qualify as subordinated claims (*créditos subordinados*) pursuant to Article 92.1° or 92.3° to 92.7° of Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the “Spanish Insolvency Law”), rank (i) *pari passu* among themselves and with any Senior Non Preferred Liabilities (as defined below), (ii) junior to the Senior Higher Priority Liabilities (as defined below) (and, accordingly, upon the insolvency of Banco Santander, the claims in respect of the Notes will be met after payment in full of the Senior Higher Priority Liabilities) and (iii) senior to any present and future subordinated obligations (*créditos subordinados*) of Banco Santander in accordance with Article 92 of the Spanish Insolvency Law.

By its acquisition of the Notes, each holder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by the terms of the Notes related to the exercise of the Bail-in Power (as defined herein) set forth under “Description of Debt Securities—Agreement and Acknowledgement with Respect to the Exercise of the Bail-in Power” in the accompanying prospectus. See “Notice to Investors” on page S-i of this prospectus supplement for further information.

The Notes are not deposits or savings accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency of the Kingdom of Spain, the United States or any other jurisdiction.

We may redeem the Notes, in whole but not in part, at any time at 100% of their principal amount plus accrued and unpaid interest (if any) (i) upon the occurrence of certain tax events or (ii) upon the occurrence of certain regulatory events.

We intend to apply to list the Notes on the New York Stock Exchange in accordance with its rules.

Investing in the Notes involves risks. See “Risk Factors” beginning on page S-13 of this prospectus supplement, page 3 of the accompanying prospectus, in our annual report on Form 20-F for the fiscal year ended December 31, 2016 and in our current report on Form 6-K furnished on October 5, 2017, which are incorporated by reference herein.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to us (before expenses)
Per 2023 Fixed Rate Note	99.808%	0.300%	99.508%
Total 2023 Fixed Rate Notes	\$ 998,080,000	\$ 3,000,000	\$ 995,080,000
Per 2028 Fixed Rate Notes	99.539%	0.450%	99.089%
Total 2028 Fixed Rate Notes	\$995,390,000	\$4,500,000	\$990,890,000
Per Floating Rate Note	100.000%	0.300%	99.700%
Total Floating Rate Notes	\$500,000,000	\$1,500,000	\$498,500,000

The initial public offering prices set forth above do not include accrued interest, if any. Interest on the Notes will accrue from the expected date of issuance, which is October 23, 2017. See “*Underwriting (Conflicts of Interest)*”.

We expect that the Notes will be ready for delivery through the book-entry facilities of The Depository Trust Company (“DTC”) and its direct and indirect participants, including Clearstream Banking, société anonyme (“Clearstream Luxembourg”) and Euroclear Bank S.A./N.V. (“Euroclear”) on or about October 23, 2017, which will be the fourth New York business day following the pricing of the Notes (such settlement period being referred to as “T+4”). Beneficial interests in the Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants.

Joint Bookrunners

Citigroup

J.P. Morgan

Morgan Stanley

Santander

Co Leads

Banco Sabadell

Bankia

Bankinter

UniCredit Capital Markets

Prospectus Supplement dated October 17, 2017

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NOTICE TO INVESTORS

Agreements and Acknowledgments of Investors, Including Holders and Beneficial Owners

Notwithstanding any other term of the Notes or any other agreements, arrangements, or understandings between Banco Santander and any holder of the Notes, by its acquisition of the Notes, each holder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by the exercise of any Bail-in Power (as defined herein) by the Relevant Resolution Authority that may result in the write-down or cancellation of all or a portion of the Amounts Due on the Notes and/or the conversion of all or a portion of the Amounts Due on the Notes into shares or other securities or other obligations of Banco Santander or another person, including by means of a variation to the terms of the Notes to give effect to the exercise by the Relevant Resolution Authority of such Bail-in Power. Each holder of the Notes further acknowledges and agrees that the rights of the holders of the Notes are subject to—and will be varied, if necessary, so as to give effect to—the exercise of any Bail-in Power by the Relevant Resolution Authority.

For these purposes, “Amounts Due” are the principal amount of, premium, if any, together with any accrued but unpaid interest, and Additional Amounts, if any, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-in Power by the Relevant Resolution Authority.

For these purposes, a “Bail-in Power” means any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements in effect in the Kingdom of Spain relating to the resolution of Regulated Entities applicable to Banco Santander or other Regulated Entities of the group, including (but not limited to) (i) the transposition of the BRRD (including but not limited to, Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) as amended or superseded from time to time, (ii) Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010 (as amended or superseded from time to time, the “SRM Regulation”) and (iii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced, cancelled and/or converted into shares or other securities or obligations of such Regulated Entity (or affiliate of such Regulated Entity) or any other person. A reference to “Regulated Entities” means any legal person to which BRRD, as implemented in the Kingdom of Spain (including but not limited to, Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) as amended or superseded from time to time), the SRM Regulation, or any other Spanish law relating to Bail-in Power, applies, which includes, certain credit entities, investment firms, and certain parent or holding companies.

A reference to the “Relevant Resolution Authority” is to the Spanish Fund for the Orderly Restructuring of Banks (the “FROB”), the European Single Resolution Mechanism, as the case may be, according to Law 11/2015, and any other entity with the authority to exercise the Bail-in Power or any other resolution power from time to time.

By its acquisition of the Notes, each holder of the Notes, (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes), to the extent permitted by the Trust Indenture Act of 1939, as amended (“Trust Indenture Act”), will waive any and all claims, in law and/or in equity, against the Trustee for, agree not to initiate a suit against the Trustee in respect of, and agree that the Trustee will not be liable for, any action that the Trustee takes, or abstains from taking, in either case in accordance with the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Notes.

By purchasing the Notes, each holder (including each beneficial owner) of the Notes shall be deemed to have authorized, directed and requested The Depository Trust Company (“DTC”) and any direct participant

in DTC or other intermediary through which it holds the Notes to take any and all necessary action, if required, to implement the exercise of the Bail-in Power with respect to the Notes as it may be imposed, without any further action or direction on the part of such holder.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus (including any free writing prospectus issued or authorized by us). Neither Banco Santander nor the underwriters have authorized anyone to provide you with different information. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the Notes in some jurisdictions may be restricted by law. If you possess this prospectus supplement and the accompanying prospectus, you should find out about and observe these restrictions. This prospectus supplement and the accompanying prospectus are not an offer to sell the Notes and neither Banco Santander nor the underwriters are soliciting an offer to buy the Notes in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or from any person to whom it is not permitted to make such offer or sale. We refer you to the information under “*Underwriting (Conflicts of Interest)*” in this prospectus supplement. You should assume that the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates.

ABOUT THIS PROSPECTUS SUPPLEMENT

In this prospectus supplement, we use the following terms:

- “we”, “our” and “us” or “Banco Santander” means Banco Santander, S.A.;
- “Group” means Banco Santander, S.A. and its consolidated subsidiaries;
- “dollars” and “\$” refer to the currency of the United States;
- “euro” and “€” refer to the currency of the member states of the European Union (“EU”) that have adopted the single currency in accordance with the treaty establishing the European Community, as amended; and
- “SEC” refers to the U.S. Securities and Exchange Commission.

This document is not a prospectus for the purposes of the European Union’s Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) as implemented in Member States of the European Economic Area (the “Prospectus Directive”). This document has been prepared on the basis that all offers of the Notes offered hereby made to persons in the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus in connection with offers of such Notes.

The communication of this document and any other document or materials relating to the issue of the Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000, as amended (“FSMA”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”)), or within Article 49(2)(a) to (d) of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, the Notes offered hereby are only available to, and any investment or investment activity to which this document relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

INCORPORATION OF INFORMATION BY REFERENCE

This prospectus supplement is part of a registration statement on Form F-3 (File No. 333-217116) we have filed with the SEC under the Securities Act. This prospectus supplement omits some information contained in the registration statement in accordance with SEC rules and regulations. You should review the information in and exhibits to the registration statement for further information on us and the Notes. Statements in this prospectus supplement concerning any document we filed or will file as an exhibit to the registration statement or that we otherwise filed with the SEC are not intended to be comprehensive and are qualified in their entirety by reference to these filings. You should review the complete document to evaluate these statements.

The SEC allows us to “incorporate by reference” the information that we file with the SEC. This permits us to disclose important information to you by referring to these filed documents. Any information referred to in this way is considered part of this prospectus supplement and accompanying prospectus, and any information that we file with the SEC after the date of this prospectus supplement will automatically be deemed to update and supersede this information.

We incorporate by reference the Group’s (i) Annual Report on Form 20-F for the year ended December 31, 2016 filed with the SEC on March 31, 2017, and (ii) Current Report on Form 6-K furnished to the SEC on October 5, 2017, containing its unaudited interim condensed consolidated financial statements for the six-month periods ended June 30, 2017 and 2016 and at June 30, 2017 and December 31, 2016 and a discussion and analysis of its results of operation and financial condition for the first six months of 2017.

We also incorporate by reference all subsequent annual reports of the Group filed on Form 20-F and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, and certain reports on Form 6-K, if they state that they are incorporated by reference into the registration statement of which this prospectus supplement forms a part, that we furnish to the SEC after the date of this prospectus supplement and until the underwriters sell all of the Notes.

Upon written or oral request, we will provide free of charge a copy of any or all of the documents that we incorporate by reference into this prospectus supplement, other than exhibits which are not specifically incorporated by reference into this prospectus supplement. To obtain copies you should contact us at Investor Relations, Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain (telephone: (011) 34-91-259-6520).

FORWARD-LOOKING STATEMENTS

From time to time, we may make statements, both written and oral, regarding assumptions, projections, expectations, intentions or beliefs about future events. These statements constitute “forward-looking statements” for purposes of the Private Securities Litigation Reform Act of 1995. We caution that these statements may and often do vary materially from actual results. Accordingly, we cannot assure you that actual results will not differ materially from those expressed or implied by the forward-looking statements. You should read the sections entitled “Risk Factors” in this prospectus supplement and the accompanying prospectus and “Forward-Looking Statements” in our Annual Report on Form 20-F for the year ended December 31, 2016 and our Current Report on Form 6-K furnished to the SEC on October 5, 2017, which are incorporated by reference herein.

We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, forward-looking events discussed in this prospectus supplement and the accompanying prospectus or any information incorporated by reference, might not occur.

SUMMARY

The following is a summary of this prospectus supplement and should be read as an introduction to, and in conjunction with, the remainder of this prospectus supplement, the accompanying prospectus and any documents incorporated by reference therein. You should base your investment decision on a consideration of this prospectus supplement, the accompanying prospectus and any documents incorporated by reference therein, as a whole. Words and expressions used in this summary and not defined herein shall have the meanings ascribed to them in “Description of the Notes” in this prospectus supplement and in “Description of Debt Securities” in the accompanying prospectus.

Banco Santander is the parent bank of the Group. The Group operates principally in Spain, the United Kingdom, other European countries, Brazil and other Latin American countries and the United States, offering a wide range of financial products. In Latin America, the Group has majority shareholdings in banks in Argentina, Brazil, Chile, Mexico, Peru and Uruguay.

Banco Santander was established on March 21, 1857 and incorporated in its present form by a public deed executed in Santander, Spain, on January 14, 1875. Banco Santander is incorporated under, and governed by, the laws of the Kingdom of Spain as a company with unlimited duration and with limited liability (*sociedad anónima*).

Banco Santander conducts business under the commercial name “Santander”. The Group’s principal corporate offices are located in Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain, and its telephone number is (011) 34-91-259-6520.

The Offering

Issuer	Banco Santander, S.A.
2023 Fixed Rate Notes	\$1,000,000,000 aggregate principal amount of 3.125% Senior Non Preferred Fixed Rate Notes due 2023.
2028 Fixed Rate Notes	\$1,000,000,000 aggregate principal amount of 3.800% Senior Non Preferred Fixed Rate Notes due 2028.
Floating Rate Notes	\$500,000,000 aggregate principal amount of Senior Non Preferred Floating Rate Notes due 2023.
Issue Date	October 23, 2017
Maturity Date	<p>We will pay the 2023 Fixed Rate Notes at 100% of their principal amount plus accrued interest on February 23, 2023.</p> <p>We will pay the 2028 Fixed Rate Notes at 100% of their principal amount plus accrued interest on February 23, 2028.</p> <p>We will pay the Floating Rate Notes at 100% of their principal amount plus accrued interest on February 23, 2023.</p>
Interest Rate	<p>The 2023 Fixed Rate Notes will bear interest at a rate of 3.125% per annum.</p> <p>The 2028 Fixed Rate Notes will bear interest at a rate of 3.800% per annum.</p> <p>The Floating Rate Notes will bear interest at a rate equal to Three-month USD LIBOR plus 109 basis points.</p>
Interest Payment Dates	<p>Interest will be payable semi-annually in arrears on the 2023 Fixed Rate Notes on February 23 and August 23 of each year, beginning on February 23, 2018 (therefore, there will be a short first interest period from, and including, the date of issuance to, but excluding, February 23, 2018), up to and including February 23, 2023 or any date of earlier redemption.</p> <p>Interest will be payable semi-annually in arrears on the 2028 Fixed Rate on February 23 and August 23 of each year, beginning on February 23, 2018 (therefore, there will be a short first interest period from, and including, the date of issuance to, but excluding, February 23, 2018), up to and including February 23, 2028 or any date of earlier redemption.</p> <p>Interest will be payable quarterly in arrears on the Floating Rate Notes on February 23, May 23, August 23 and November 23 of each year, beginning on November 23, 2017 (therefore, there will be a short first interest period from, and including, the date of issuance to, but excluding, November 23, 2017), up to and including February 23, 2023 or any date of earlier redemption.</p>
Regular Record Dates	Interest will be paid to holders of record of the Notes in respect of the principal amount thereof outstanding 15 calendar days preceding the relevant Interest Payment Date, whether or not a Business Day (as defined herein).

Business Day Convention

2023 Fixed Rate Notes: Following, unadjusted

2028 Fixed Rate Notes: Following, unadjusted

Floating Rate Notes: Following, adjusted

Day Count Basis

2023 Fixed Rate Notes: 30/360

2028 Fixed Rate Notes: 30/360

Floating Rate Notes: Actual/360

Ranking

The payment obligations of Banco Santander under the Notes will constitute direct, unconditional, unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of Banco Santander and, in accordance with Additional Provision 14.2° of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of Banco Santander (and unless they qualify as subordinated claims (*créditos subordinados*) pursuant to Article 92.1° or 92.3° to 92.7° of the Spanish Insolvency Law), rank (i) *pari passu* among themselves and with any Senior Non Preferred Liabilities, (ii) junior to the Senior Higher Priority Liabilities (and, accordingly, upon the insolvency of Banco Santander, the claims in respect of the Notes will be met after payment in full of the Senior Higher Priority Liabilities) and (iii) senior to any present and future subordinated obligations (*créditos subordinados*) of Banco Santander in accordance with Article 92 of the Spanish Insolvency Law.

Claims of holders of Notes in respect of interest accrued but unpaid as of the commencement of any insolvency procedure in respect of Banco Santander shall constitute subordinated claims (créditos subordinados) against Banco Santander ranking in accordance with the provisions of Article 92.3° of the Spanish Insolvency Law and no further interest shall accrue from the date of the declaration of insolvency of Banco Santander.

The obligations of Banco Santander under the Notes are subject to the Bail-in Power.

“Senior Higher Priority Liabilities” means any obligations of Banco Santander which specify their status as ordinary senior instruments and any other unsecured and unsubordinated obligations (*créditos ordinarios*) of Banco Santander, other than the Senior Non Preferred Liabilities.

“Senior Non Preferred Liabilities” means any unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of Banco Santander under Additional Provision 14.2° of Law 11/2015, as amended by Royal Decree-Law 11/2017, of 23 June, on urgent measures in financial matters, and as further amended from time to time (including any Notes), and any other obligations which, by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Senior Non Preferred Liabilities.

Banco Santander agrees with respect to the Notes and each holder of the Notes, by his or her acquisition of the Notes will be deemed to have agreed

to the ranking as described herein. Each such holder will be deemed to have irrevocably waived his or her rights of priority which would otherwise be accorded to him or her under the laws of Spain, to the extent necessary to effectuate the ranking provisions of the Notes. In addition, each holder of the Notes by his or her acquisition of such Notes authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to effectuate the ranking of such Notes as provided in the indenture dated as of April 11, 2017 (the “Base Indenture”) between us as Issuer and the Trustee and appoints the Trustee his or her attorney-in-fact for any and all such purposes.

Banco Santander expects that upon insolvency, the payment obligations in respect of principal under the Notes would rank *pari passu* with any obligations in respect of principal of any second ranking senior securities issued by Banco Santander or any other securities with the same ranking issued by Banco Santander.

As of June 30, 2017, Banco Santander had outstanding €18.41 billion of unsubordinated indebtedness, including €13.24 billion of Senior Higher Priority Liabilities and €5.17 billion of Senior Non Preferred Liabilities (including the second ranking senior securities issued by Banco Santander prior to the entrance into force of Royal Decree-Law 11/2017).

Additionally, as of June 30, 2017, Banco Santander had outstanding €14.08 billion of secured indebtedness and €14.72 billion of subordinated indebtedness. Banco Santander subsidiaries had €05.96 billion indebtedness outstanding as of June 30, 2017.

See “*Description of the Notes—Status of the Notes.*”

**Agreement and Acknowledgement
with Respect to the Exercise of
Bail-in Power**

Notwithstanding any other term of the Notes or any other agreements, arrangements, or understandings between Banco Santander and any holder of the Notes, by its acquisition of the Notes, each holder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by the exercise of any Bail-in Power (as defined herein) by the Relevant Resolution Authority that may result in the write-down or cancellation of all or a portion of the Amounts Due on the Notes and/or the conversion of all or a portion of the Amounts Due on the Notes into shares or other securities or other obligations of Banco Santander or another person, including by means of a variation to the terms of the Notes to give effect to the exercise by the Relevant Resolution Authority of such Bail-in Power. Each holder of the Notes further acknowledges and agrees that the rights of the holders of the Notes are subject to—and will be varied, if necessary, so as to give effect to—the exercise of any Bail-in Power by the Relevant Resolution Authority.

For these purposes, “Amounts Due” are the principal amount of, premium, if any, together with any accrued but unpaid interest, and Additional Amounts, if any, due on the Notes. Reference to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-in Power by the Relevant Resolution Authority.

For these purposes, the “Bail-in Power” is any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements in effect in the Kingdom of Spain relating to the resolution of Regulated Entities applicable to Banco Santander or other Regulated Entities of the Group, including (but not limited to) (i) the transposition of the BRRD (including but not limited to, Law 11/2015, Royal Decree 1012/2015 and any other implementing regulations) as amended or superseded from time to time, (ii) Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010 (as amended or superseded from time to time, the “SRM Regulation”) and (iii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced, cancelled and/or converted into shares or other securities or obligations of such Regulated Entity (or affiliate of such Regulated Entity) or any other person.

See “*Description of Debt Securities—Agreement and Acknowledgement with Respect to the Exercise of the Bail-in Power*” in the accompanying prospectus.

Repayment of Principal and Payment of Interest After Exercise of Bail-in Power

No repayment or payment of Amounts Due on the Notes will be or become due and payable or be paid after the exercise of any Bail-in Power by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

Payment of Additional Amounts

All amounts payable in respect of the Notes will be made without withholding or deduction for or on account of any taxes imposed or levied by or on behalf of Spain, unless such withholding or deduction is required by law. In that event, Banco Santander shall pay additional amounts as will result in receipt by the holders of the Notes of such amount as would have been received by them had no such withholding or deduction been required, subject to certain exceptions, as described under “*Description of Debt Securities—Additional Amounts*” in the accompanying prospectus.

Additional Issuances

Banco Santander may, without the consent of the holders of the Notes, issue additional notes of the same series as the Notes of the series that is being increased, having the same ranking and same interest rate, maturity date, redemption terms and other terms as the Notes of the series that is being increased, described in this prospectus supplement except for the price to the public, original interest accrual date, issue date and first interest payment date, provided however that such additional notes will not have the same CUSIP, ISIN or other identifying number as the outstanding Notes of such series unless the additional notes are fungible with the outstanding Notes of such series for U.S. federal income tax purposes. Any such additional notes, together with the Notes of such series offered by this prospectus supplement, will constitute a single series of securities under the Base Indenture. There is no limitation on the amount of notes that Banco

Santander may issue under the Base Indenture.

Tax Redemption

If (i) as a result of any change in the laws or regulations of Spain or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the date of issue of the Notes, Banco Santander shall determine that (a) Banco Santander would be required to pay Additional Amounts as described in “*Description of Debt Securities—Additional Amounts*” in the accompanying prospectus or (b) Banco Santander would not be entitled to claim a deduction in computing tax liabilities in Spain in respect of any interest to be paid on the next Interest Payment Date on the Notes or the value of such deduction to Banco Santander would be materially reduced or (c) the applicable tax treatment of the Notes of one or several series changes in a material way that was not reasonably foreseeable at the issue date and (ii) such circumstances are evidenced by the delivery by Banco Santander to the Trustee of a certificate signed by two directors of Banco Santander stating that such circumstances prevail and describing the facts leading thereto, an opinion of independent legal advisers of recognized standing to the effect that such circumstances prevail and a copy of the Supervisory Permission for the redemption, if required, Banco Santander may, at its option and having given no less than 30 nor more than 60 days’ notice (ending, in the case of the Floating Rate Notes, on a Floating Rate Note Interest Payment Date) to the holders of the affected Notes in accordance with the terms described under “*Description of Debt Securities—Notices*” in the accompanying prospectus (which notice shall be irrevocable), redeem in whole, but not in part, the outstanding Notes of the affected series, in accordance with the requirements of Applicable Banking Regulations in force at the relevant time, at their early tax redemption amount, which shall be their principal amount, together with any accrued interest thereon to (but excluding) the date fixed for redemption; provided, however, that (i) in the case of (i)(a) above, no such notice of redemption may be given earlier than 90 days (or, in the case of the Floating Rate Notes a number of days which is equal to the aggregate of the number of days falling within the then current Floating Rate Notes Interest Period plus 60 days) prior to the earliest date on which Banco Santander would be obliged to pay such Additional Amounts were a payment in respect of the affected Notes then due and (ii) redemption for taxation reasons may only take place in accordance with Applicable Banking Regulations in force at the relevant time and subject to the Banco Santander obtaining prior Supervisory Permission therefor, if required.

“Applicable Banking Regulations” means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then applicable to Banco Santander and/or the Group including, without limitation to the generality of the foregoing, those regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then in effect of the Regulator (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to Banco Santander and/or the Group).

“Regulator” means the European Central Bank, or such other or successor

authority exercising primary bank supervisory authority, in each case with respect to prudential matters in relation to Banco Santander and/or the Group.

“Supervisory Permission” means, in relation to any action, such supervisory permission (or, as appropriate, waiver) from the Regulator and/or the Relevant Resolution Authority as is required therefor under Applicable Banking Regulations.

See “*Description of the Notes—Early Redemption—Early Redemption for Taxation Reasons*”.

TLAC/MREL Redemption

If following the TLAC/MREL Requirement Date, a TLAC/MREL Disqualification Event has occurred and is continuing and such circumstances are evidenced by the delivery by Banco Santander to the Trustee of a certificate signed by two directors of Banco Santander stating that such circumstances prevail and describing the facts leading thereto, an opinion of independent legal advisers of recognized standing to the effect that such circumstances prevail and a copy of the Supervisory Permission for the redemption, if required, then Banco Santander may, subject to being permitted by Applicable TLAC/MREL Regulations and having given not less than 30 nor more than 60 days’ notice (ending, in the case of the Floating Rate Notes, on a Floating Rate Note Interest Payment Date) to the holders of the affected Notes in accordance with the terms described under “*Description of Debt Securities—Notices*” in the accompanying prospectus (which notice shall be irrevocable), redeem in whole but not in part the outstanding Notes of the affected series at their principal amount, together with any accrued and unpaid interest thereon to (but excluding) the date fixed for redemption.

Redemption for TLAC/MREL reasons is subject to Banco Santander obtaining prior Supervisory Permission therefore, if required and may only take place in accordance with Applicable TLAC/MREL Regulations in force at the relevant time.

“Applicable TLAC/MREL Regulations” means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in the Kingdom of Spain giving effect to the MREL and the principles set forth in the FSB TLAC Term Sheet or any successor principles then applicable to Banco Santander and/or the Group, including, without limitation to the generality of the foregoing, CRD IV, the BRRD and those regulations, requirements, guidelines and policies giving effect to the MREL and the principles set forth in the FSB TLAC Term Sheet or any successor principles then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to Banco Santander and/or the Group).

“FSB TLAC Term Sheet” means the Total Loss-absorbing Capacity (TLAC) term sheet set forth in the document dated 9 November 2015 published by the Financial Stability Board, entitled “Principles on Loss-absorbing and Recapitalization Capacity of G-SIBs in Resolution,” as amended from time to time.

“MREL” means the “minimum requirement for own funds and eligible liabilities” for credit institutions under the BRRD, set in accordance with Article 45 of the BRRD (as transposed in Spain), Commission Delegated Regulation (EU) 2016/1450 of 23 May 2016, supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities, or any successor requirement under EU legislation and relevant implementing legislation and regulation in Spain.

“TLAC/MREL Disqualification Event” means at any time, on or following the TLAC/MREL Requirement Date, that all or part of the outstanding nominal amount of the Notes of one or several series does not fully qualify as TLAC/MREL-Eligible Instruments of Banco Santander and/or the Group, except where such non-qualification (i) was reasonably foreseeable as at the issue date of such series or (ii) is due solely to the remaining maturity of the affected Notes being less than any period prescribed for TLAC/MREL Eligible Instruments by the Applicable TLAC/MREL Regulations or (iii) is as a result of the affected Notes being bought back by or on behalf of Banco Santander or a buy back of the Notes which is funded by or on behalf of Banco Santander.

For the purpose of paragraph (i) of this definition, the circumstances where any non-qualification of the Notes as TLAC/MREL Eligible Instruments shall not be “reasonably foreseeable” shall, without limitation, be deemed to include where such non-qualification arises as a result of (a) any legislation which gives effect to the EC Proposals in the Kingdom of Spain differing in any respect from the form of the EC Proposals as published by the European Commission on 23 November 2016 (the “Draft EC Proposals”) (including if the EC Proposals are not implemented in full in the Kingdom of Spain), or (b) the official interpretation or application of the Draft EC Proposals or the EC Proposals as implemented in the Kingdom of Spain (including any interpretation or pronouncement by any relevant court, tribunal or authority) differing in any respect from the manner in which the Draft EC Proposals have been reflected herein.

“TLAC/MREL Eligible Instrument” means an instrument that complies with the TLAC/MREL Requirements.

“TLAC/MREL Requirement Date” means the time from which Banco Santander and/or the Group is obliged to meet any TLAC/MREL Requirements.

“TLAC/MREL Requirements” means the total loss-absorbing capacity requirements and/or minimum requirement for own funds and eligible liabilities applicable to Banco Santander and/or the Group under the Applicable TLAC/MREL Regulations.

See “*Description of Notes—Early Redemption—Early Redemption of Notes for a TLAC/MREL Disqualification Event*”.

Waiver of Right of Set-off

Subject to applicable law, neither any holder or beneficial owner of the Notes nor the Trustee acting on behalf of the holders of the Notes may

exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by Banco Santander in respect of, or arising under, or in connection with, the Notes or the Base Indenture and the Second Supplemental Indenture and each holder and beneficial owner of the Notes, by virtue of its holding of any Notes or any interest therein, and the Trustee acting on behalf of such holders, shall be deemed to have waived all such rights of set-off, compensation or retention. If, notwithstanding the above, any amounts due and payable to any holder or beneficial owner of a Note or any interest therein by Banco Santander in respect of, or arising under, the Notes are discharged by set-off, such holder or beneficial owner shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to Banco Santander (or, if the event of any voluntary or involuntary liquidation of Banco Santander shall have occurred, the liquidator or administrator of Banco Santander, as the case may be) and, until such time as payment is made, shall hold an amount equal to such amount in trust (where possible) or otherwise for Banco Santander (or the liquidator or administrator of Banco Santander, as the case may be) and, accordingly, any such discharge shall be deemed not to have taken place.

See “*Description of Debt Securities—Waiver of Right of Set-off*” in the accompanying prospectus.

Substitution and Variation

If a TLAC/MREL Disqualification Event, a tax event that would entitle Banco Santander to redeem all one or several of the Notes as set forth under “*Description of Debt Securities—Redemption and Repurchase—Early Redemption for Taxation Reasons*” in the accompanying prospectus or an Alignment Event occurs and is continuing, Banco Santander may substitute all (but not some) of the affected Notes or modify the terms of all (but not some) of the affected Notes, without any requirement for the consent or approval of the holders of the affected Notes, so that they are substituted for, or varied to, become, or remain, Qualifying Notes, subject to having given not less than 30 nor more than 60 days’ notice to the holders of the affected Notes in accordance with the terms described under “*Description of Debt Securities—Notices*” in the accompanying prospectus and to the Trustee (which notice shall be irrevocable and shall specify the date for substitution or, as applicable, variation), and subject to obtaining Supervisory Permission therefor as required under Applicable TLAC/MREL Regulations, if required.

The affected Notes shall cease to bear interest from (and including) the date of substitution thereof.

Any holder or beneficial owner of the Notes, shall, by virtue of its acquisition of Notes or any beneficial interest therein, be deemed to accept the substitution or variation of the terms of the Notes and to grant to Banco Santander full power and authority to take any action and/or to execute and deliver any document in the name and/or on behalf of such holder which is necessary or convenient to complete the substitution or variation of the terms of the Notes.

An “Alignment Event” is deemed to have occurred if there is a change in, or

amendment to, the Applicable TLAC/MREL Regulations, or any change in the application or interpretation thereof, that results in the requirements of unsubordinated and unsecured instruments qualifying as senior non preferred obligations (*créditos ordinarios no preferentes*) under Additional Provision 14.2° of Law 11/2015, as amended or superseded from time to time, or qualifying as TLAC/MREL-Eligible Instruments being different in any respect from the terms and conditions of the Notes. Further, an Alignment Event will be deemed to have occurred if as a result of the relevant change or amendment, only securities issued on or following a certain date which is after the issue date of the Notes may qualify as unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of Banco Santander under Additional Provision 14.2° of Law 11/2015, as amended or superseded from time to time.

“Qualifying Notes” means, at any time, any securities issued directly by Banco Santander that have terms not otherwise materially less favorable to the holders of the relevant Notes than the terms of the relevant Notes, provided that Banco Santander shall have delivered a certificate signed by two directors of Banco Santander to that effect to the Trustee not less than five Business Days prior to (x) in the case of a substitution of the affected Notes pursuant to “*Description of the Notes—Substitution and Variation*” in this prospectus supplement, the issue date of the Notes or (y) in the case of a variation of the affected Notes pursuant to “*Description of the Notes—Substitution and Variation*” in this prospectus supplement, the date such variation becomes effective, provided that such securities shall:

(i) if the TLAC/MREL Requirement Date has occurred, contain terms which comply with the then current requirements for TLAC/MREL-Eligible Instruments as embodied in the Applicable TLAC/MREL Regulations; and

(ii) carry the same rate of interest as the affected Notes prior to the relevant substitution or variation pursuant to “*Description of the Notes—Substitution and Variation*” in this prospectus supplement; and

(iii) have the same denomination and aggregate outstanding principal amount as the affected Notes prior to the relevant substitution or variation pursuant to “*Description of the Notes—Substitution and Variation*” in this prospectus supplement; and

(iv) have the same date of maturity and the same dates for payment of interest as the affected Notes prior to the relevant substitution or variation pursuant to “*Description of the Notes—Substitution and Variation*” in this prospectus supplement; and

(v) have at least the same ranking as the Notes; and

(vi) not, immediately following such substitution or variation, be subject to a TLAC/MREL Disqualification Event, an Alignment Event and/or a tax event that would entitle Banco Santander to redeem the affected Notes as set forth under “*Description of the Notes—Redemption and Repurchase—Early Redemption for Taxation Reasons*” in this prospectus supplement; and

(vii) be listed or admitted to trading on any stock exchange as selected by Banco Santander, if the Notes were listed or admitted to trading on a stock exchange immediately prior to the relevant substitution or variation pursuant to “*Description of the Notes—Substitution and Variation*” in this prospectus supplement.

See “*Description of the Notes—Substitution and Variation*” in this prospectus supplement.

Events of Default

If any of the following events occurs and is continuing with respect to the Notes, it shall constitute an event of default:

- (i) Non-payment: default is made in the payment of any interest or principal due in respect of the Notes and such default continues for a period of seven days.
- (ii) Winding up: any order is made by any competent court or resolution passed for the winding up or dissolution of Banco Santander (except in any such case for the purpose of reconstruction or a merger or amalgamation which has been previously approved by the holders of at least a majority of the outstanding principal amount of the Notes, or a merger, reconstruction or amalgamation, in this case even without being approved by holders of the Notes, provided that such merger, reconstruction or amalgamation is carried out in compliance with the requirements described under “*Description of Debt Securities—Events of Default and Defaults; Limitation of Remedies—Substitution of Issuer*” in the accompanying prospectus).

Under the terms of the Base Indenture, no exercise of a resolution tool or resolution power by the Relevant Resolution Authority or any action in compliance therewith shall constitute an event of default.

If an Event of Default occurs as set forth in paragraph (i) above, then the Trustee or the holders of at least 25% in outstanding principal amount of the Notes may institute proceedings for the winding up or dissolution of Banco Santander but may take no further action in respect of such default.

If an Event of Default occurs as set forth in paragraph (ii) above, then the Trustee or the holders of at least 25% in outstanding principal amount of the Notes may declare the Notes immediately due and payable whereupon the Notes shall, when permitted by applicable Spanish insolvency law, become immediately due and payable at their early termination amount (which shall be the principal amount of the Notes), together with all interest (if any) accrued thereon.

Without prejudice to paragraphs (i) and (ii) above, the Trustee or the holders of at least 25% in outstanding principal amount of the Notes may at their discretion and without further notice, institute such proceedings against Banco Santander as they may think fit to enforce any obligation, condition or provision binding on Banco Santander under the Notes,

provided that, except as provided in (ii) winding up above, Banco Santander shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of the Notes sooner than the same would otherwise have been payable by it or any damages.

See “*Description of the Notes— Events of Default*” in this prospectus supplement.

Repurchases of the Notes

Banco Santander and any of its subsidiaries or any third party designated by any of them, may at any time repurchase the Notes in the open market or otherwise and at any price.

The repurchase of the Notes by Banco Santander or any of its subsidiaries shall take place in accordance with Applicable Banking Regulations in force at the relevant time and subject to Banco Santander obtaining prior Supervisory Permission, if required.

Book-Entry Issuance, Settlement and Clearance

We will issue the Notes in fully registered form in denominations of \$200,000 and integral multiples of \$200,000 in excess thereof. All payments on or in respect of the Notes will be made in U.S. dollars. The Notes will be represented by one or more global securities deposited with a custodian for, and registered in the name of a nominee of, DTC. You will hold beneficial interests in the Notes through DTC and its direct and indirect participants, including Euroclear and Clearstream Luxembourg, and DTC and its direct and indirect participants will record your beneficial interest on their books. We will not issue definitive notes other than in the limited circumstances described in the accompanying prospectus. Settlement of the Notes will occur through DTC in same day funds. For information on DTC’s book-entry system, see “*Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Capital Securities—Form of Securities; Book-Entry System*” in the accompanying prospectus.

CUSIP

2023 Fixed Rate Notes: 05964H AE5

2028 Fixed Rate Notes: 05964H AF2

Floating Rate Notes: 05964H AD7

ISIN

2023 Fixed Rate Notes: US05964HAE53

2028 Fixed Rate Notes: US05964HAF29

Floating Rate Notes: US05964HAD70

Listing

We intend to apply to list the Notes on the New York Stock Exchange in accordance with its rules.

Trustee and Principal Paying Agent

The Bank of New York Mellon acting through its London Branch, a banking corporation duly organized and existing under the laws of the State of New York, as Trustee, having its Corporate Trust Office at One Canada Square, London E14 5AL, United Kingdom, will act as the Trustee and

principal paying agent for the Notes.

Delivery and Settlement

We currently expect to deliver the Notes to purchasers through DTC for credit to accounts of direct and indirect participants of DTC, including Clearstream Luxembourg and Euroclear, on or about October 23, 2017, which will be the fourth Business Day following the pricing of the Notes (such settlement cycle being referred to as “T+4”).

Use of Proceeds

We intend to use the net proceeds of the offering for general corporate purposes. See “*Use of Proceeds*”.

Conflict of Interest

Santander Investment Securities Inc., a subsidiary of Banco Santander, will conduct this offering in compliance with the requirements of FINRA Rule 5121 of the Financial Industry Regulatory Authority, Inc., which is commonly referred to as FINRA, regarding a FINRA member firm’s distribution of the securities of an affiliate and related conflicts of interest. Neither Santander Investment Securities Inc. nor any of our other affiliates may make sales in this offering to any discretionary account without the specific written approval of the accountholder. For further information, see “*Underwriting (Conflicts of Interest)*”.

Governing Law

The Base Indenture (as defined below), the Second Supplemental Indenture (as defined below) and the Notes will be governed by and construed in accordance with the laws of the State of New York, except that the authorization and execution by Banco Santander of the Base Indentures, the Second Supplemental Indenture and the Notes, and certain provisions of the Notes, the Base Indenture and the Second Supplemental Indenture related to the ranking of the Notes, shall be governed by and construed in accordance with Spanish law.

Risk Factors

You should carefully consider all of the information in this prospectus supplement and the accompanying prospectus, which includes information incorporated by reference. In particular, you should evaluate the specific factors under “*Risk Factors*” beginning on page S-13 of this prospectus supplement, page 3 of the accompanying prospectus, as well as those discussed under the heading “*Risk Factors*” in the Group’s Annual Report on Form 20-F for the year ended December 31, 2016 and in our current report on Form 6-K furnished to the SEC on October 5, 2017, which are incorporated by reference in this prospectus supplement, for risks involved with an investment in the Notes.

RISK FACTORS

Before purchasing the Notes, you should consider carefully the information under the headings “Risk Factors” in the Group’s Annual Report on Form 20-F for the year ended December 31, 2016 and in the accompanying prospectus, and the following risk factors. The Notes are subject to the risks identified in the accompanying prospectus with respect to Second Ranking Senior Debt Securities. You should also carefully consider the other information included in this prospectus supplement, the accompanying prospectus and other information incorporated by reference herein and therein. Each of the risks described in these documents could materially and adversely affect our business, financial condition, results of operations and prospects, or could result in a partial or complete loss of your investment. See “Where You Can Find More Information” in the accompanying prospectus.

Risks Relating to the Notes

The Notes are senior non preferred obligations and are junior to certain obligations.

The Notes constitute direct, unconditional, unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of Banco Santander in accordance with Additional Provision 14.2° of Law 11/2015, as amended by the Royal Decree-Law 11/2017 (“RDL 11/2017”). Upon the insolvency of Banco Santander, the payment obligations of Banco Santander under the Notes on account of principal rank, subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise) (and unless they qualify as subordinated claims (*créditos subordinados*) pursuant to Article 92.1° or 92.3° to 92.7° of the Spanish Insolvency Law), (a) *pari passu* among themselves and with any Senior Non Preferred Liabilities, (b) junior to the Senior Higher Priority Liabilities (and, accordingly, upon the insolvency of Banco Santander the claims in respect of the Notes will be met after payment in full of the Senior Higher Priority Liabilities) and (c) senior to any present and future subordinated obligations (*créditos subordinados*) of Banco Santander in accordance with Article 92 of the Spanish Insolvency Law.

Banco Santander’s Senior Higher Priority Liabilities would include, among other liabilities, its deposit obligations (other than the deposits obligations qualifying as preferred liabilities (*créditos con privilegio general*) under Additional Provision 14.1° of Law 11/2015), its obligations in respect of derivatives and other financial contracts and its unsubordinated and unsecured debt securities other than the Senior Non Preferred Liabilities. If Banco Santander were wound up or liquidated, the Issuer expects that a liquidator would apply the assets which are available to satisfy all claims in respect of its unsubordinated and unsecured liabilities, first to satisfy claims of all other creditors ranking ahead of Holders, including holders of Senior Higher Priority Liabilities, and then to satisfy claims in respect of the Notes (and other Senior Non Preferred Liabilities). If Banco Santander does not have sufficient assets to settle the claims of higher ranking creditors in full, the claims of the Holders under the Notes will not be satisfied. Holders will share equally in any distribution of assets available to satisfy all claims in respect of its unsubordinated and unsecured liabilities with the creditors under any other Senior Parity Liabilities if Banco Santander does not have sufficient funds to make full payment to all of them.

In addition, if Banco Santander enters into resolution, its eligible liabilities (including the Notes) may be subject to bail-in, meaning potential write-down or conversion into equity securities or other instruments. The sequence of any resulting write-down or conversion of eligible instruments under Article 48 of the BRRD and Article 48 of Law 11/2015 provides for claims to be written down or converted into equity in accordance with the hierarchy of claims provided in the applicable insolvency legislation. Because the Notes are senior non preferred obligations (*créditos ordinarios no preferentes*), Banco Santander expects them to be written down or converted in full after any subordinated obligations of Banco Santander under article 92 of the Spanish Insolvency Law, before any of the Banco Santander’s Senior Higher Priority Liabilities are written down or converted. Banco Santander expects that upon insolvency, the payment obligations in respect of principal under the Notes would rank *pari passu* with any obligations in respect of principal of any second ranking senior securities or any other securities with the same ranking issued by Banco Santander.

As a consequence, Holders of the Notes bear significantly more risk than creditors of Banco Santander’s Senior Higher Priority Liabilities and could lose all or a significant part of their investment if Banco Santander were to

become (i) subject to resolution under the BRRD (as implemented through Law 11/2015 and Royal Decree 1012/2015) and the Notes become subject to the application of the bail-in or (ii) insolvent.

The Notes are new types of instruments for which there is little trading history.

On June 25, 2017, RDL 11/2017 entered into force amending Additional Provision 14 of Law 11/2015 to create the legal category of unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) in Spain. Although certain financial institutions have issued securities with similar features in the past, there is little trading history for securities of financial institutions with this ranking. Market participants, including credit rating agencies, are in the initial stages of evaluating the risks associated with senior non preferred debt securities. The credit ratings assigned to senior non preferred debt securities such as the Notes may change as the rating agencies refine their approaches, and the value of such securities may be particularly volatile as the market becomes more familiar with them. It is possible that, over time, the credit ratings and value of senior non preferred debt securities such as the Notes will be lower than those expected by investors at the time of issuance of the Notes. If so, Holders may incur losses in respect of their investments in the Notes.

The potential phasing out of LIBOR after 2021 may adversely affect the value of the Floating Rate Notes.

On July 27, 2017, the UK Financial Conduct Authority (“FCA”) announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR rates after 2021 (the “FCA Announcement”). It is not possible to predict the effect of the FCA Announcement, any changes in the methods pursuant to which the LIBOR rates are determined and any other reforms to LIBOR, including to the rules promulgated by the FCA in relation thereto, that will be enacted in the UK and elsewhere, which may adversely affect the trading market and the value of LIBOR based securities, including the Floating Rate Notes, or result in a change in the manner of administration of benchmarks, with the result that they may perform differently than in the past and the phasing out of LIBOR or other benchmarks as a reference rate for securities. In addition, any changes announced by the FCA (including the FCA Announcement), ICE Benchmark Administration Limited as independent administrator of LIBOR or any other successor governance or oversight body, or future changes adopted by such body, in the method pursuant to which the LIBOR rates are determined may result in a sudden or prolonged increase or decrease in the reported LIBOR rates. If that were to occur, the level of interest payments and the value of the Floating Rate Notes may be affected. Further, uncertainty as to the extent and manner in which the UK government’s recommendations following its review of LIBOR in September 2021 will continue to be adopted and the timing of such changes may adversely affect the current trading market for LIBOR based securities and the value of the Floating Rate Notes.

USE OF PROCEEDS

The net proceeds from the sale of the Notes, less the underwriting discount stated on the cover of this prospectus supplement and expenses payable by us (estimated to be \$0.6 million) are estimated to be \$2.48 billion. These proceeds will be used for general corporate purposes.

CAPITALIZATION OF THE GROUP

The following table sets forth the Group's indebtedness and capitalization as of June 30, 2017 included in the Group's unaudited interim condensed consolidated financial statements as of and for the six month period ended June 30, 2017 in accordance with IFRS-IASB on an actual basis and as adjusted to reflect the issuance of the Notes and the use of net proceeds therefrom (converting the aggregate principal amount of Notes and net proceeds into euros at the European Central Bank buying rate for euro at June 30, 2017 of \$1.1412 per €1.00).

This table should be read in conjunction with the Group's unaudited interim consolidated financial statements as of June 30, 2017, the notes related thereto and the financial and operating data incorporated by reference into this prospectus supplement and the accompanying prospectus.

	As of June 30, 2017	
	Actual	As Adjusted(1)
	(in millions of euros)	
Outstanding indebtedness		
Short-term indebtedness	23,200	23,200
Long-term indebtedness	200,527	202,704
Total indebtedness(2)	223,727	225,904
Stockholders' equity		
Capital, stated value €0.50 each share	7,291	7,291
Own Shares	(28)	(28)
Reserves(3)	97,560	97,560
Dividends	(875)	(875)
Other comprehensive income	(18,797)	(18,797)
Non-controlling interests	12,188	12,188
Net income attributed to shareholders of the Parent	3,616	3,616
Total equity	100,955	100,955
Total capitalization and indebtedness	324,682	326,859

(1) As adjusted to reflect this offering.

(2) Since June 30, 2017, there have not been any material changes to the capitalization and indebtedness of the Group other than the incurrence of €3.40 billion of additional debt and €7.01 billion of Banco Santander CET1.

(3) Reserves include share premium, other equity, accumulated retained earnings and other reserves.

Based on the Group's current financial forecast and TLAC requirements, the Group estimates that it will issue an aggregate of approximately €43-57 billion of qualifying debt in the two-year period ending December 31, 2018, €26-32 billion of which would be issued at the parent company level, with the remainder issued by the Group's subsidiaries that are expected to be subject to TLAC requirements, Santander Consumer Finance, Santander UK and SHUSA, including approximately €10-13 billion of senior preferred debt. Of the aggregate amount, €5.59 billion has been issued to date. In addition, the Group estimates that in 2018 it will issue an aggregate of approximately €2.5 billion of additional tier 1 instruments and approximately €2.2 billion of tier 2 instruments. Please see "Forward-Looking Statements" in this Prospectus Supplement.

RATIO OF EARNINGS TO FIXED CHARGES

The Group's consolidated ratios of earnings to fixed charges calculated in accordance with IFRS-IASB for the years ended December 31, 2016, 2015, 2014, 2013 and 2012 and the six-month period ended June 30, 2017 are as follows:

	<u>Six Months Ended June 30,</u>	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excluding interest on deposits	1.97	1.88	1.77	1.90	1.69	1.27
Including interest on deposits	1.55	1.45	1.39	1.43	1.29	1.11

For the purpose of calculating the ratio of earnings to fixed charges, earnings consist of pre-tax income from continuing operations before adjustment for income or loss from equity investees plus fixed charges. Fixed charges consist of total interest expense (including or excluding interest on deposits as appropriate) and the interest expense portion of rental expense.

DESCRIPTION OF THE NOTES

The following is a summary of certain terms of the Notes. It supplements the description of the general terms of the debt securities of any series we may issue contained in the accompanying prospectus under the heading “Description of Debt Securities”. If there is any inconsistency between the following summary and the description in the accompanying prospectus, the following summary governs.

The Notes

2023 Fixed Rate Notes

The 2023 Fixed Rate Notes will be issued in an initial aggregate principal amount of \$1,000,000,000 and will mature on February 23, 2023. From and including the expected date of issuance, which is October 23, 2017, interest will accrue on the 2023 Fixed Rate Notes at a rate of 3.125% per annum. Interest will accrue from October 23, 2017. Interest will be payable semi-annually in arrears on February 23 and August 23 of each year, commencing on February 23, 2018 (therefore, there will be a short first interest period from, and including, the date of issuance to, but excluding, February 23, 2018), up to and including the maturity date or any date of earlier redemption. Interest will be paid to holders of record of the 2023 Fixed Rate Notes in respect of the principal amount thereof outstanding 15 calendar days preceding the relevant Interest Payment Date, whether or not a Business Day.

Interest on the 2023 Fixed Rate Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months and, in the case of an incomplete month, on the basis of the actual number of days elapsed in such month. If any scheduled Interest Payment Date is not a Business Day, we will pay interest on the next Business Day, but interest on that payment will not accrue during the period from and after the scheduled Interest Payment Date. If the scheduled maturity date or date of redemption or repayment is not a Business Day, we may pay interest and principal on the next succeeding Business Day, but interest on that payment will not accrue during the period from and after the scheduled maturity date or date of redemption or repayment.

2028 Fixed Rate Notes

The 2028 Fixed Rate Notes will be issued in an initial aggregate principal amount of \$1,000,000,000 and will mature on February 23, 2028. From and including the expected date of issuance, which is October 23, 2017, interest will accrue on the 2028 Fixed Rate Notes at a rate of 3.800% per annum. Interest will accrue from October 23, 2017. Interest will be payable semi-annually in arrears on February 23 and August 23 of each year, commencing on February 23, 2018 (therefore, there will be a short first interest period from, and including, the date of issuance to, but excluding, February 23, 2018), up to and including the maturity date or any date of earlier redemption. Interest will be paid to holders of record of the 2028 Fixed Rate Notes in respect of the principal amount thereof outstanding 15 calendar days preceding the relevant Interest Payment Date, whether or not a Business Day.

Interest on the 2028 Fixed Rate Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months and, in the case of an incomplete month, on the basis of the actual number of days elapsed in such month. If any scheduled Interest Payment Date is not a Business Day, we will pay interest on the next Business Day, but interest on that payment will not accrue during the period from and after the scheduled Interest Payment Date. If the scheduled maturity date or date of redemption or repayment is not a Business Day, we may pay interest and principal on the next succeeding Business Day, but interest on that payment will not accrue during the period from and after the scheduled maturity date or date of redemption or repayment.

Floating Rate Notes

The Trustee, or such other person appointed by us, will initially act as Calculation Agent for the Floating Rate Notes.

The Floating Rate Notes will be issued in an initial aggregate principal amount of \$500,000,000 and will mature on February 23, 2023. From and including the expected date of issuance, which is October 23, 2017, interest will accrue on the Floating Rate Notes at a rate determined in the manner provided below, payable quarterly in arrears on February 23, May 23, August 23 and November 23 of each year and on the maturity date or any redemption date of the Floating Rate Notes (each, a “Floating Rate Notes Interest Payment Date”), beginning on November 23, 2017

(therefore, there will be a short first interest period from, and including, the date of issuance to, but excluding, November 23, 2017). Interest will be paid to holders of record of the Floating Rate Notes in respect of the principal amount thereof outstanding 15 calendar days preceding the relevant Floating Rate Notes Interest Payment Date, whether or not a Business Day; *provided, however*, that interest payable on the maturity date or any redemption date shall be payable to the person to whom the principal of such Floating Rate Notes shall be payable.

If any Floating Rate Notes Interest Payment Date (other than the maturity date or any redemption date) falls on a day that is not a Business Day, the Floating Rate Notes Interest Payment Date will be postponed to the next succeeding Business Day and interest will accrue to but excluding such Floating Rate Notes Interest Payment Date, except that if such Business Day falls in the next succeeding calendar month, the applicable Floating Rate Notes Interest Payment Date will be the immediately preceding Business Day. If the maturity date or any redemption date of the Floating Rate Notes falls on a day that is not a Business Day, the payment of principal, premium and Additional Amounts, if any, and interest, if any, otherwise payable on such date will be postponed to the next succeeding Business Day, and no interest on such payment will accrue from and after the maturity date or such redemption date, as applicable.

The interest rate will be reset quarterly on February 23, May 23, August 23 and November 23 of each year, beginning on November 23, 2017 through November 23, 2022 (each an “Interest Reset Date”). However, if any Interest Reset Date would otherwise be a day that is not a Business Day, such Interest Reset Date will be the next succeeding day that is a Business Day, except that if the next succeeding Business Day falls in the next succeeding calendar month, the applicable Interest Reset Date will be the immediately preceding Business Day.

The interest rate in effect during the initial interest period from, and including, October 23, 2017 to, but excluding, November 23, 2017 will be equal to Three-Month USD LIBOR, determined by the Calculation Agent two London Business Days prior to October 23, 2017, plus 109 basis points.

A “London Business Day” is a day on which dealings in deposits in U.S. dollars are transacted in the London interbank market and the Trans-European Automated Real-time Gross Settlement Express Transfer system (the “TARGET2 System”), or any successor thereto, is open for business.

After the initial interest period, the interest periods will be the periods from and including an Interest Reset Date to but excluding the immediately succeeding Interest Reset Date, except that the final interest period will be the period from and including the Interest Reset Date immediately preceding the maturity date to but excluding the maturity date (each a “Floating Rate Notes Interest Period”). The interest rate per year for the Floating Rate Notes in any Floating Rate Notes Interest Period (which, for the avoidance of doubt, does not include the initial interest period) will be equal to Three-Month USD LIBOR plus 109 basis points (the “Floating Rate Notes Interest Rate”), as determined by the Calculation Agent. The Floating Rate Notes Interest Rate in effect for the 15 calendar days prior to any redemption date earlier than the maturity date will be the Floating Rate Notes Interest Rate in effect on the 15th day preceding such earlier redemption date.

The Floating Rate Notes Interest Rate will be limited to the maximum rate permitted by New York law, as the same may be modified by United States law of general application.

Upon the request of any holder of Floating Rate Notes, the Calculation Agent will provide the Floating Rate Notes Interest Rate then in effect and, if determined, the Floating Rate Notes Interest Rate that will become effective on the next Interest Reset Date.

The Calculation Agent will determine Three-Month USD LIBOR for each Interest Period on the second London Business Day prior to the first day of such Interest Period (the “Interest Determination Date”).

“Three-Month USD LIBOR” with respect to any Interest Determination Date, will be the offered rate for deposits of U.S. dollars having a maturity of three months that appears on “Reuters Page LIBOR01” at approximately 11:00 a.m., London time, on such Interest Determination Date. If on an Interest Determination Date, such rate does not appear on the “Reuters Page LIBOR01” as of 11:00 a.m., London time, or if “Reuters Page LIBOR01” is not available on such date, the Calculation Agent will obtain such rate from Bloomberg L.P.’s page “BBAM.”

If no offered rate appears on “Reuters Page LIBOR01” or Bloomberg L.P. page “BBAM” on an Interest Determination Date, LIBOR will be determined for such Interest Determination Date on the basis of the rates at approximately 11:00 a.m., London time, on such Interest Determination Date at which deposits in U.S. dollars are offered to prime banks in the London inter-bank market by four major banks in such market selected by Banco Santander, for a term of three months commencing on the applicable Interest Reset Date and in a principal amount equal to an amount that in the judgment of the Calculation Agent is representative for a single transaction in U.S. dollars in such market at such time. The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, Three-Month USD LIBOR for such Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are provided, Three-Month USD LIBOR for such Interest Period will be the arithmetic mean of the rates quoted at approximately 11:00 a.m. in New York City on such Interest Determination Date by three major banks in New York City, selected by Banco Santander, for loans in U.S. dollars to leading European banks, for a term of three months commencing on the applicable Interest Reset Date and in a principal amount equal to an amount that in the judgment of the Calculation Agent is representative for a single transaction in U.S. dollars in such market at such time; provided, however, that if the banks so selected are not quoting as mentioned above, the then-existing Three-Month USD LIBOR rate will remain in effect for such Interest Period, or, if none, the interest rate will be the initial interest rate.

All percentages resulting from any calculation of any Floating Rate Notes Interest Rate will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upward (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)), and all U.S. dollar amounts will be rounded to the nearest cent, with one-half cent being rounded upward. The amount of interest payable in respect of each Floating Rate Note will be calculated by applying the applicable Floating Rate Notes Interest Rate for such Interest Period to the outstanding principal amount of such Floating Rate Notes, multiplying the product by the actual number of days in such Interest Period and dividing by 360. Each calculation of the Floating Rate Notes Interest Rate by the Calculation Agent will (in the absence of manifest error) be final and binding on us, the trustee and the noteholders of the Floating Rate Notes.

Promptly upon such determination, the Calculation Agent will notify us and the Trustee (if the Calculation Agent is not the Trustee) of the Floating Rate Notes Interest Rate for the new Floating Rate Notes Interest Period.

General

The Notes will constitute a separate series of senior non preferred debt securities issued under an indenture dated as of April 11, 2017 (the “Base Indenture”) between us as Issuer and The Bank of New York Mellon acting through its London Branch, as trustee (the “Trustee”), as amended by a second supplemental indenture to be dated as of October 23, 2017 (the “Second Supplemental Indenture”) between us as Issuer and the Trustee. Book-entry interests in the Notes will be issued in denominations of \$200,000 and integral multiples of \$200,000 in excess thereof.

With respect to the Notes, the term “Business Day” means any day, other than Saturday or Sunday, that is not a Legal Holiday nor a day on which banking institutions are authorized or required by law, regulation or executive order to close in the City of New York or London nor a day when the Trans-European Automated Real-time Gross Settlement Express Transfer system (the “TARGET2 System”), or any successor thereto, is closed for business.

The principal corporate trust office of the Trustee in London, United Kingdom, is designated as the principal paying agent. We may at any time designate additional paying agents or rescind the designation of paying agents or approve a change in the office through which any paying agent acts.

We will issue the Notes in fully registered form. The Notes will be represented by one or more global securities deposited with a custodian for, and registered in the name of a nominee of, DTC. You may hold a beneficial interest in the Notes through the DTC and its participants, including Euroclear and Clearstream. The Underwriters expect to deliver the Notes through the facilities of the DTC on or about October 23, 2017. For a more detailed summary of the form of the Notes and settlement and clearance arrangements, you should read “*Description of Certain Provisions Relating to the Debt Securities and Contingent Convertible Capital Securities—Form of Securities; Book-Entry System*” in the accompanying prospectus. Indirect holders trading their beneficial interests in the Notes through the DTC must trade in the DTC’s same-day funds settlement system and pay in immediately available

funds. Secondary market trading will occur in the ordinary way following the applicable rules and operating procedures of Euroclear and Clearstream Luxembourg.

Definitive debt securities will only be issued in limited circumstances described under “*Description of Certain Provisions Relating to the Debt Securities and Contingent Convertible Capital Securities—Form of Securities; Book-Entry System*” in the accompanying prospectus.

Payment of principal of and interest on the Notes, so long as the Notes are represented by global securities, will be made in immediately available funds. Beneficial interests in the global securities will trade in the same-day funds settlement system of the DTC, and secondary market trading activity in such interests will therefore settle in same-day funds.

Status of the Notes

The payment obligations of Banco Santander under the Notes will constitute direct, unconditional, unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of Banco Santander and, in accordance with Additional Provision 14.2^o of Law 11/2015, but subject to any other ranking that may apply as a result of any mandatory provision of law (or otherwise), upon the insolvency of Banco Santander (and unless they qualify as subordinated claims (*créditos subordinados*) pursuant to Article 92.1^o or 92.3^o to 92.7^o of the Spanish Insolvency Law), rank (i) *pari passu* among themselves and with any Senior Non Preferred Liabilities, (ii) junior to the Senior Higher Priority Liabilities (and, accordingly, upon the insolvency of Banco Santander, the claims in respect of the Notes will be met after payment in full of the Senior Higher Priority Liabilities) and (iii) senior to any present and future subordinated obligations (*créditos subordinados*) of Banco Santander in accordance with Article 92 of the Spanish Insolvency Law.

Claims of holders of Notes in respect of interest accrued but unpaid as of the commencement of any insolvency procedure in respect of Banco Santander shall constitute subordinated claims (créditos subordinados) against Banco Santander ranking in accordance with the provisions of Article 92.3^o of the Spanish Insolvency Law and no further interest shall accrue from the date of the declaration of insolvency of Banco Santander.

The obligations of Banco Santander under the Notes are subject to the Bail-in Power.

“Law 11/2015” means Law 11/2015 of 18 June on recovery and resolution of credit institutions and investment firms, as amended from time to time.

“Senior Higher Priority Liabilities” means any obligations of Banco Santander which specify their status as ordinary senior instruments and any other unsecured and unsubordinated obligations (*créditos ordinarios*) of Banco Santander, other than the Senior Non Preferred Liabilities.

“Senior Non Preferred Liabilities” means any unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of Banco Santander under Additional Provision 14.2^o of Law 11/2015, as amended by Royal Decree-Law 11/2017, of 23 June, on urgent measures in financial matters, and as further amended from time to time (including any Notes), and any other obligations which, by law and/or by their terms, and to the extent permitted by Spanish law, rank *pari passu* with the Senior Non Preferred Liabilities.

Banco Santander agrees with respect to the Notes and each holder of the Notes, by his or her acquisition of the Notes will be deemed to have agreed to the ranking as described herein. Each such holder will be deemed to have irrevocably waived his or her rights of priority which would otherwise be accorded to him or her under the laws of Spain, to the extent necessary to effectuate the ranking provisions of the Notes. In addition, each holder of the Notes by his or her acquisition of such Notes authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to effectuate the ranking of such Notes as provided in the Base Indenture and appoints the Trustee his or her attorney-in-fact for any and all such purposes.

Banco Santander expects that upon insolvency, the payment obligations in respect of principal under the Notes would rank *pari passu* with any obligations in respect of principal of any second ranking senior securities issued by Banco Santander or any other securities with the same ranking issued by Banco Santander.

As of June 30, 2017, Banco Santander had outstanding, €18.41 billion of unsubordinated indebtedness, including €13.24 billion of Senior Higher Priority Liabilities and €5.17 billion of Senior Non Preferred Liabilities (including the second ranking senior securities issued by Banco Santander prior to the entrance into force of Royal Decree-Law 11/2017). Additionally, as of June 30, 2017, Banco Santander had outstanding €14.08 billion of secured indebtedness and €14.72 billion of subordinated indebtedness. Banco Santander subsidiaries had €05.96 billion indebtedness outstanding as of June 30, 2017.

Early Redemption

Early Redemption for Taxation Reasons

If (i) as a result of any change in the laws or regulations of Spain or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the date of issue of the Notes, Banco Santander shall determine that (a) Banco Santander would be required to pay Additional Amounts as described in “*Description of Debt Securities—Additional Amounts*” in the accompanying prospectus or (b) Banco Santander would not be entitled to claim a deduction in computing tax liabilities in Spain in respect of any interest to be paid on the next Interest Payment Date on the Notes or the value of such deduction to Banco Santander would be materially reduced or (c) the applicable tax treatment of the Notes of one or several series changes in a material way that was not reasonably foreseeable at the issue date and (ii) such circumstances are evidenced by the delivery by Banco Santander to the Trustee of a certificate signed by two directors of Banco Santander stating that such circumstances prevail and describing the facts leading thereto, an opinion of independent legal advisers of recognized standing to the effect that such circumstances prevail and a copy of the Supervisory Permission for the redemption, if required, Banco Santander may, at its option and having given no less than 30 nor more than 60 days’ notice (ending, in the case of the Floating Rate Notes, on a Floating Rate Note Interest Payment Date) to the holders of the affected Notes in accordance with the terms described under “*Description of Debt Securities—Notices*” in the accompanying prospectus (which notice shall be irrevocable), redeem in whole, but not in part, the outstanding Notes of the affected series, in accordance with the requirements of Applicable Banking Regulations in force at the relevant time, at their early tax redemption amount, which shall be their principal amount, together with any accrued interest thereon to (but excluding) the date fixed for redemption; provided, however, that (i) in the case of (i)(a) above, no such notice of redemption may be given earlier than 90 days (or, in the case of the Floating Rate Notes a number of days which is equal to the aggregate of the number of days falling within the then current Floating Rate Notes Interest Period plus 60 days) prior to the earliest date on which Banco Santander would be obliged to pay such Additional Amounts were a payment in respect of the affected Notes then due and (ii) redemption for taxation reasons may only take place in accordance with Applicable Banking Regulations in force at the relevant time and subject to Banco Santander obtaining prior Supervisory Permission therefor, if required.

“Applicable Banking Regulations” means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then applicable to Banco Santander and/or the Group including, without limitation to the generality of the foregoing, those regulations, requirements, guidelines and policies relating to capital adequacy, resolution and/or solvency then in effect of the Regulator (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to Banco Santander and/or the Group).

“Regulator” means the European Central Bank, or such other or successor authority exercising primary bank supervisory authority, in each case with respect to prudential matters in relation to Banco Santander and/or the Group.

“Supervisory Permission” means, in relation to any action, such supervisory permission (or, as appropriate, waiver) from the Regulator and/or the Relevant Resolution Authority as is required therefor under Applicable Banking Regulations.

Early Redemption of Notes for a TLAC/MREL Disqualification Event

If following the TLAC/MREL Requirement Date, a TLAC/MREL Disqualification Event has occurred and is continuing and such circumstances are evidenced by the delivery by Banco Santander to the Trustee of a certificate

signed by two directors of Banco Santander stating that such circumstances prevail and describing the facts leading thereto, an opinion of independent legal advisers of recognized standing to the effect that such circumstances prevail and a copy of the Supervisory Permission for the redemption, if required, then Banco Santander may, subject to being permitted by Applicable TLAC/MREL Regulations and having given not less than 30 nor more than 60 days' notice (ending, in the case of the Floating Rate Notes, on a Floating Rate Note Interest Payment Date) to the holders of the affected Notes in accordance with the terms described under "*Description of Debt Securities—Notices*" in the accompanying prospectus (which notice shall be irrevocable), redeem in whole but not in part the outstanding Notes of the affected series at their principal amount, together with any accrued and unpaid interest thereon to (but excluding) the date fixed for redemption.

Redemption for regulatory reasons is subject to Banco Santander obtaining prior Supervisory Permission therefor, if required and may only take place in accordance with Applicable Banking Regulations in force at the relevant time.

"Applicable TLAC/MREL Regulations" means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in the Kingdom of Spain giving effect to the MREL and the principles set forth in the FSB TLAC Term Sheet or any successor principles then applicable to Banco Santander and/or the Group, including, without limitation to the generality of the foregoing, CRD IV, the BRRD and those regulations, requirements, guidelines and policies giving effect to the MREL and the principles set forth in the FSB TLAC Term Sheet or any successor principles then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to Banco Santander and/or the Group).

"FSB TLAC Term Sheet" means the Total Loss-absorbing Capacity (TLAC) term sheet set forth in the document dated 9 November 2015 published by the Financial Stability Board, entitled "Principles on Loss-absorbing and Recapitalization Capacity of G-SIBs in Resolution," as amended from time to time.

"MREL" means the "minimum requirement for own funds and eligible liabilities" for credit institutions under the BRRD, set in accordance with Article 45 of the BRRD (as transposed in Spain), Commission Delegated Regulation (EU) 2016/1450 of 23 May 2016, supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities, or any successor requirement under EU legislation and relevant implementing legislation and regulation in Spain.

"TLAC/MREL Disqualification Event" means at any time, on or following the TLAC/MREL Requirement Date, that all or part of the outstanding nominal amount of the Notes of one or several series does not fully qualify as TLAC/MREL-Eligible Instruments of Banco Santander and/or the Group, except where such non-qualification (i) was reasonably foreseeable as at the issue date of such series or (ii) is due solely to the remaining maturity of the affected Notes being less than any period prescribed for TLAC/MREL Eligible Instruments by the Applicable TLAC/MREL Regulations or (iii) is as a result of the affected Notes being bought back by or on behalf of Banco Santander or a buy back of the Notes which is funded by or on behalf of Banco Santander.

For the purpose of paragraph (i) of this definition, the circumstances where any non-qualification of the Notes as TLAC/MREL Eligible Instruments shall not be "reasonably foreseeable" shall, without limitation, be deemed to include where such non-qualification arises as a result of (a) any legislation which gives effect to the EC Proposals in the Kingdom of Spain differing in any respect from the form of the EC Proposals as published by the European Commission on 23 November 2016 (the "Draft EC Proposals") (including if the EC Proposals are not implemented in full in the Kingdom of Spain), or (b) the official interpretation or application of the Draft EC Proposals or the EC Proposals as implemented in the Kingdom of Spain (including any interpretation or pronouncement by any relevant court, tribunal or authority) differing in any respect from the manner in which the Draft EC Proposals have been reflected herein.

"TLAC/MREL Eligible Instrument" means an instrument that complies with the TLAC/MREL Requirements.

"TLAC/MREL Requirement Date" means the time from which Banco Santander and/or the Group is obliged to meet any TLAC/MREL Requirements.

“TLAC/MREL Requirements” means the total loss-absorbing capacity requirements and/or minimum requirement for own funds and eligible liabilities applicable to Banco Santander and/or the Group under the Applicable TLAC/MREL Regulations.

Substitution and Variation

If a TLAC/MREL Disqualification Event, a tax event that would entitle Banco Santander to redeem one or several of the Notes as set forth under “*Description of Debt Securities—Redemption and Repurchase—Early Redemption for Taxation Reasons*” in the accompanying prospectus or an Alignment Event occurs and is continuing, Banco Santander may substitute all (but not some) of the affected Notes or modify the terms of all (but not some) of the affected Notes, without any requirement for the consent or approval of the holders of the affected Notes, so that they are substituted for, or varied to, become, or remain, Qualifying Notes, subject to having given not less than 30 nor more than 60 days’ notice to the holders of the affected Notes in accordance with the terms described under “*Description of Debt Securities—Notices*” in the accompanying prospectus and to the Trustee (which notice shall be irrevocable and shall specify the date for substitution or, as applicable, variation), and subject to obtaining Supervisory Permission therefor as required under Applicable TLAC/MREL Regulations, if required.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the holders of the Notes can inspect or obtain copies of the new terms and conditions of the Notes. Such substitution or variation will be effected without any cost or charge to such holders.

The affected Notes shall cease to bear interest from (and including) the date of substitution thereof.

Any holder or beneficial owner of the Notes, shall, by virtue of its acquisition of Notes or any beneficial interest therein, be deemed to accept the substitution or variation of the terms of the Notes and to grant to Banco Santander full power and authority to take any action and/or to execute and deliver any document in the name and/or on behalf of such holder which is necessary or convenient to complete the substitution or variation of the terms of the Notes.

An “Alignment Event” is deemed to have occurred if there is a change in or amendment to, the Applicable TLAC/MREL Regulations, or any change in the application or interpretation thereof, that results in the requirements of unsubordinated and unsecured instruments qualifying as senior non preferred obligations (*créditos ordinarios no preferentes*) under Additional Provision 14.2° of Law 11/2015, as amended or superseded from time to time, or qualifying as TLAC/MREL-Eligible Instruments being different in any respect from the terms and conditions of the Notes. Further, an Alignment Event will be deemed to have occurred if as a result of the relevant change or amendment, only securities issued on or following a certain date which is after the issue date of the Notes may qualify as unsubordinated and unsecured senior non preferred obligations (*créditos ordinarios no preferentes*) of Banco Santander under Additional Provision 14.2° of Law 11/2015, as amended or superseded from time to time.

“Qualifying Notes” means, at any time, any securities issued directly by Banco Santander that have terms not otherwise materially less favorable to the holders of the relevant Notes than the terms of the relevant Notes, provided that Banco Santander shall have delivered a certificate signed by two directors of Banco Santander to that effect to the Trustee not less than five Business Days prior to (x) in the case of a substitution of the affected Notes as described above, the issue date of the affected Notes or (y) in the case of a variation of the Notes as described above, the date such variation becomes effective, provided that such securities shall:

- (i) if the TLAC/MREL Requirement Date has occurred, contain terms which comply with the then current requirements for TLAC/MREL-Eligible Instruments as embodied in the Applicable TLAC/MREL Regulations; and
- (ii) carry the same rate of interest as the affected Notes prior to the relevant substitution or variation pursuant to as described above; and
- (iii) have the same denomination and aggregate outstanding principal amount as the affected Notes prior to the relevant substitution or variation as described above; and
- (iv) have the same date of maturity and the same dates for payment of interest as the affected Notes prior to the relevant substitution or variation pursuant to as described above; and

- (v) have at least the same ranking as the Notes; and
- (vi) not, immediately following such substitution or variation, be subject to a TLAC/MREL Disqualification Event, an Alignment Event and/or a tax event that would entitle Banco Santander to redeem the affected Notes as set forth under “*Description of Debt Securities—Redemption and Repurchase—Early Redemption for Taxation Reasons*” in the accompanying prospectus; and
- (vii) be listed or admitted to trading on any stock exchange as selected by Banco Santander, if the Notes were listed or admitted to trading on a stock exchange immediately prior to the relevant substitution or variation as described above.

Events of Default

If any of the following events occurs and is continuing with respect to the Notes, it shall constitute an event of default:

- (i) *Non-payment*: default is made in the payment of any interest or principal due in respect of the Notes and such default continues for a period of seven days.
- (ii) *Winding up*: any order is made by any competent court or resolution passed for the winding up or dissolution of Banco Santander (except in any such case for the purpose of reconstruction or a merger or amalgamation which has been previously approved by the holders of at least a majority of the outstanding principal amount of the Notes, or a merger, reconstruction or amalgamation, in this case even without being approved by holders of the Notes, provided that such merger, reconstruction or amalgamation is carried out in compliance with the requirements described under “*Description of Debt Securities—Events of Default and Defaults; Limitation of Remedies—Substitution of Issuer*” in the accompanying prospectus.

Under the terms of the Base Indenture, no exercise of a resolution tool or resolution power by the Relevant Resolution Authority or any action in compliance therewith shall constitute a Senior Non Preferred Debt Security Event of Default. If a Senior Non Preferred Security Event of Default occurs as set forth in paragraph (i) above, then the Trustee or the holders of at least 25% in outstanding principal amount of the Notes may institute proceedings for the winding up or dissolution of Banco Santander but may take no further action in respect of such default. If a Senior Non Preferred Debt Security Event of Default occurs as set forth in paragraph (ii) above, then the Trustee or the holders of at least 25% in outstanding principal amount of the Notes may declare the Notes immediately due and payable whereupon the Notes shall, when permitted by applicable Spanish insolvency law, become immediately due and payable at their early termination amount together with all interest (if any) accrued thereon.

Without prejudice to paragraphs (i) and (ii) above, the Trustee or the holders of at least 25% in outstanding principal amount of the Notes may at their discretion and without further notice, institute such proceedings against Banco Santander as they may think fit to enforce any obligation, condition or provision binding on Banco Santander under the Notes, provided that, except as provided in (ii) winding up above, Banco Santander shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of the Notes sooner than the same would otherwise have been payable by it or any damages.

Notwithstanding any contrary provisions, nothing shall impair the right of a holder, absent the holder’s consent, to sue for any payments due but unpaid with respect to the Notes.

Listing

We intend to apply for the listing of the Notes on the New York Stock Exchange in accordance with its rules.

Governing Law

The Base Indenture, the Second Supplemental Indenture, and the Notes will be governed by and construed in accordance with the laws of the State of New York, except that the authorization and execution by Banco Santander

of the Base Indenture, the Second Supplemental Indenture and the Notes, and certain provisions of the Notes, the Base Indenture and the Second Supplemental Indenture related to the ranking of the Notes, shall be governed by and construed in accordance with Spanish law.

UNDERWRITING (CONFLICTS OF INTEREST)

We and the underwriters for the offering named below (the “Underwriters”) have entered into a firm commitment underwriting agreement with respect to the Notes. Subject to certain terms and conditions, we have agreed to sell to the Underwriters and each Underwriter has severally, and not jointly, agreed to purchase the respective principal amounts of the Notes indicated opposite such Underwriter’s name in the following table.

Underwriters	Principal Amount of 2023 Fixed Rate Notes	Principal Amount of 2028 Fixed Rate Notes	Principal Amount of Floating Rate Notes
Citigroup Global Markets Inc.....	\$240,000,000	\$240,000,000	\$120,000,000
J.P. Morgan Securities LLC.....	\$240,000,000	\$240,000,000	\$120,000,000
Morgan Stanley & Co. LLC.....	\$240,000,000	\$240,000,000	\$120,000,000
Santander Investment Securities Inc.....	\$240,000,000	\$240,000,000	\$120,000,000
Bankia, S.A.....	\$10,000,000	\$10,000,000	\$5,000,000
Bankinter S.A.....	\$10,000,000	\$10,000,000	\$5,000,000
Banco de Sabadell, S.A.....	\$10,000,000	\$10,000,000	\$5,000,000
UniCredit Capital Markets LLC.....	\$10,000,000	\$10,000,000	\$5,000,000
Total.....	\$1,000,000,000	\$1,000,000,000	\$500,000,000

The Underwriters have agreed, severally and not jointly, to purchase all of the Notes sold under the underwriting agreement if any are purchased and that the obligations of the Underwriters are subject to approval of legal matters by their counsel, including the validity of the Notes, and certain conditions precedent such as the receipt by the Underwriters of officer’s certificates and legal opinions. The offering of the Notes by the Underwriters is subject to receipt and acceptance and the Underwriters have the right to reject any order in whole or in part.

We have agreed to indemnify the several Underwriters and their controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

Commissions and Discounts

The Underwriters propose to offer the Notes directly to the public at the public offering prices set forth on the cover page of this prospectus supplement. We estimate that the expenses of the offering payable by us, excluding underwriting discounts and commissions, will be approximately \$0.6 million. The Underwriters have agreed to reimburse us for certain out-of-pocket expenses incurred in connection with this offering. The Notes will be offered in the United States through those underwriters who are registered to offer the Notes for sale in the United States, either directly or indirectly through their U.S. broker-dealer affiliates, or such other registered dealers as may be designated by the Underwriters.

Matters Relating to the Initial Offering and Market-Making Resales

After the initial offering, the public offering price or any other term of the offering may be changed.

We intend to apply for the listing of the Notes on the New York Stock Exchange in accordance with its rules. The Notes are a new issue of securities with no established trading market. We have been advised by the

Underwriters that the Underwriters, with the exception of Santander Investment Securities Inc., intend to make a market in the Notes, but they are not obligated to do so and may discontinue market-making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, Banco Santander's operating performance and financial condition, general economic conditions and other factors.

In this prospectus supplement, the term "the offering" means the initial offering of the Notes made in connection with their original issuance and not any subsequent resales of Notes in market-making transactions.

Settlement

The Notes will settle through the facilities of the DTC and its direct and indirect participants (including Euroclear and Clearstream Banking). The initial CUSIP number for the 2023 Fixed Rate Notes is 05964H AE5 and the ISIN is US05964HAE53. The initial CUSIP number for the 2028 Fixed Rate Notes is 05964H AF2 and the ISIN is US05964HAF29. The initial CUSIP number for the Floating Rate Notes is 05964H AD7 and the ISIN is US05964HAD70.

It is expected that delivery of the Notes will be made against payment on or about October 23, 2017, which will be the fourth New York Business Day following the date of pricing of the Notes (such settlement cycle being referred to as "T+4"). Trades in the secondary market generally are required to settle in two Business Days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or the next Business Day will be required, by virtue of the fact that the Notes initially will settle in T+4, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Notes who wish to trade Notes on the date of pricing or the next Business Day should consult their own advisors.

No Sales of Similar Securities

From the date of this prospectus supplement, and continuing to and including October 23, 2017, we have agreed that we will not, without the prior written consent of the Underwriters, offer, sell, contract to sell or otherwise dispose of, in the United States, any material amount of dollar-denominated debt securities issued or guaranteed by us which mature in more than one year and which are substantially similar to the Notes.

Stabilization Transactions and Short Sales

In connection with the offering, the Underwriters may purchase and sell Notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Underwriters of a greater aggregate principal amount of Notes than they are required to purchase from us in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress.

The Underwriters may also impose a penalty bid. This occurs when a particular Underwriter repays to the Underwriters a portion of the underwriting discount received by it because the Underwriters have repurchased Notes sold by or for the account of such Underwriter in stabilizing or short-covering transactions.

These activities by the Underwriters may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time.

Other Relationships

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. In the ordinary course of business, the Underwriters and their affiliates may have engaged in and may in the future engage in

investment, financial, banking, hedging and advisory services with us or our affiliates, for which customary fees may apply.

In the ordinary course of their various business activities, the Underwriters (with the exception of Santander Investment Securities Inc.) and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of Banco Santander. Certain of the Underwriters or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The Underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Certain of the underwriters may resell notes outside of the United States to or through one or more of their affiliates.

Conflicts of Interest

Santander Investment Securities Inc., a Joint Bookrunner for the Notes, is a subsidiary of Banco Santander. Santander Investment Securities Inc. will conduct this offering in compliance with the requirements of FINRA Rule 5121, regarding a FINRA member firm's distribution of the securities of an affiliate and related conflicts of interest. Neither Santander Investment Securities Inc. nor any of our other affiliates may make sales in this offering to any account over which it exercises discretionary authority without the specific written approval of the accountholder.

Selling Restrictions

Notice to Prospective Investors in Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement and accompanying prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective European Economic Area Investors

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus

Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) an offer of the Notes may not be made to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives of the several underwriters; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (as amended including by Directive 2010/73/EU and including any relevant implementing measure in each Relevant Member State).

Notice to Prospective Investors in Hong Kong

(a) The Notes have not been offered or sold and will not be offered or sold in the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) by means of any document other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong (the “SFO”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the laws of Hong Kong (the “Companies (WUMP) Ordinance”) or which do not constitute an offer to the public within the meaning of the Companies (WUMP) Ordinance; and (b) no advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been or will be issued or has been or will be possessed for the purposes of the issue, whether in Hong Kong or elsewhere, other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered for a public offering in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended (the “FIEA”). Accordingly, the Notes may not be offered or sold directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan or having its principal office in Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to Prospective Investors in Singapore

The prospectus supplement and accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”). Accordingly, the prospectus supplement and accompanying prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to an offer referred to in Section

275(1A) of the SFA, and in accordance with the applicable conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are acquired pursuant to an offer made in reliance on Section 275 of the SFA by a relevant person (as defined in Section 275(2) of the SFA) who is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes except:
 - (1) to an institutional investor (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or which arises from an offer referred to in Section 275(1A) of the SFA (in the case of that corporation) or Section 276(4)(i)(B) of the SFA (in the case of that trust);
 - (2) where no consideration is or will be given for the transfer;
 - (3) where the transfer is by operation of law;
 - (4) as specified in Section 276(7) of the SFA; or
 - (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notice to Prospective Investors in Spain

The Notes may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law (*Ley del Mercado de Valores as amended and restated by virtue of Real Decreto Legislativo 4/2015, de 23 de Octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as amended from time to time, and Royal Decree 1310/2005, of November 4, on listing of securities, public offers and applicable prospectus (*Real Decreto 1310/2005, de 4 de Noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de Julio, del Mercado de Valores en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), as amended from time to time (collectively, the "Spanish Securities Market Law"). The Notes may not be sold, offered or distributed to persons in Spain, except (i) to qualified investors (*inversores cualificados*), and (ii) in circumstances which do not constitute a public offer (*oferta pública*) of securities in Spain, within the meaning of the Spanish Securities Market Law. Neither the Notes, this offering nor this prospectus supplement nor its contents have been approved or registered with the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*), and therefore it is not intended for the public offering or sale of the Notes in Spain.

Notice to Prospective Investors in Switzerland

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this prospectus supplement and accompanying prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations, and neither this prospectus supplement and accompanying prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in the United Kingdom

Each Underwriter (a) has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not or would not, if it was not an authorised person, apply to Banco Santander; and (b) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

LEGAL OPINIONS

Our U.S. counsel, Davis Polk & Wardwell LLP, will pass upon certain U.S. federal and New York legal matters relating to the validity of the Notes. Our Spanish counsel, Uría Menéndez, will pass upon certain Spanish legal matters for the underwriters. Linklaters LLP will pass upon certain U.S. federal, New York and Spanish legal matters for the underwriters.

EXPERTS

The financial statements as of December 31, 2016 and for the year ended December 31, 2016, and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) as of December 31, 2016 incorporated in this prospectus by reference to the Annual Report on Form 20-F for the year ended December 31, 2016 have been so incorporated in reliance on the report of PricewaterhouseCoopers Auditores, S.L., an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements as of December 31, 2015 and 2014, and for each of the two years in the period ended December 31, 2015, incorporated in this prospectus by reference from the Group's 2016 Annual Report on Form 20-F for the year ended December 31, 2016 have been audited by Deloitte, S.L., an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.



\$2,500,000,000

Banco Santander, S.A.

\$1,000,000,000 3.125% Senior Non Preferred Fixed Rate Notes due 2023

\$1,000,000,000 3.800% Senior Non Preferred Fixed Rate Notes due 2028

\$500,000,000 Senior Non Preferred Floating Rate Notes due 2023

PROSPECTUS SUPPLEMENT

(to prospectus dated April 3, 2017)

Joint Bookrunners

[Citigroup

J.P. Morgan

Morgan Stanley

Santander]

Co Leads

Banco Sabadell

Bankia

Bankinter

UniCredit Capital Markets

October 17, 2017