

## FINAL TERMS

Final Terms dated 16 January 2017

### Santander International Products plc

Issue of USD 400,000,000 Callable Zero Coupon Notes due 2047

Guaranteed by

**BANCO SANTANDER, S.A.**

under the

### EUR 10,000,000,000 Euro Medium Term Note Programme

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

## PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 8 July 2016 which constitutes a base prospectus for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**"), and includes, for the purposes of these Final Terms only, any relevant implementing measure in a relevant Member State of the European Economic Area (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus. Prospective investors should note that investing in the Notes entails certain risks including (without limitation) the risk that the Issue Price may be greater than the market value of the Notes. For a more detailed description of certain of the risks involved, see "Risk Factors" on pages 42 to 91 of the Base Prospectus.

The Base Prospectus together with the relevant Final Terms have been published on the websites on the Irish Stock Exchange ([http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/?action=SEARCH&search\\_word](http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/?action=SEARCH&search_word)) and the Central Bank of Ireland (<http://www.centralbank.ie>) in an agreed electronic format.

- |    |       |                                                                        |                                      |
|----|-------|------------------------------------------------------------------------|--------------------------------------|
| 1. | (i)   | Issuer:                                                                | Santander International Products plc |
|    | (ii)  | Guarantor:                                                             | Banco Santander, S.A.                |
| 2. | (i)   | Series Number:                                                         | 843                                  |
|    | (ii)  | Tranche Number:                                                        | 1                                    |
|    | (iii) | Date on which the Notes will be consolidated and form a single Series: | Not Applicable                       |
|    | (iv)  | Applicable Annex(es):                                                  | Not Applicable                       |
| 3. |       | Specified Currency or Currencies:                                      | U.S. Dollars ("USD")                 |
| 4. |       | Aggregate Nominal Amount of Notes:                                     |                                      |
|    | (i)   | Series:                                                                | USD400,000,000                       |
|    | (ii)  | Tranche:                                                               | USD400,000,000                       |

- |     |                                                                                                 |                                                      |
|-----|-------------------------------------------------------------------------------------------------|------------------------------------------------------|
| 5.  | Issue Price:                                                                                    | 100% of the Aggregate Nominal Amount                 |
| 6.  | (i) Specified Denominations:                                                                    | USD1,000,000                                         |
|     | (ii) Calculation Amount (in relation to calculation of interest in global form see Conditions): | USD1,000,000                                         |
| 7.  | (i) Issue Date:                                                                                 | 23 January 2017                                      |
|     | (ii) Interest Commencement Date (if different from the Issue Date):                             | Not Applicable                                       |
| 8.  | Maturity Date:                                                                                  | 23 January 2047                                      |
| 9.  | Interest Basis:                                                                                 | Zero Coupon<br>(further particulars specified below) |
| 10. | Redemption/Payment basis:                                                                       | See item 29 below                                    |
| 11. | Reference Item(s):                                                                              | Not Applicable                                       |
| 12. | Change of Interest or Redemption/Payment Basis:                                                 | Not Applicable                                       |
| 13. | Put/Call Options:                                                                               | Issuer Call<br>(further particulars specified below) |
| 14. | Settlement Exchange Rate Provisions:                                                            | Not Applicable                                       |
| 15. | (i) Status of the Notes:                                                                        | Senior                                               |
|     | (ii) Status of the Guarantee:                                                                   | Senior                                               |
|     | (iii) Date Board approval for issuance of Notes obtained:                                       | 13 January 2017                                      |
| 16. | Knock-in Event:                                                                                 | Not Applicable                                       |
| 17. | Knock-out Event:                                                                                | Not Applicable                                       |

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

- |     |                                                             |                |
|-----|-------------------------------------------------------------|----------------|
| 18. | Interest:                                                   | Not Applicable |
| 19. | Fixed Rate Note Provisions                                  | Not Applicable |
| 20. | Floating Rate and CMS Linked Note Provisions                | Not Applicable |
| 21. | Equity Linked Note interest provisions:                     | Not Applicable |
| 22. | Inflation Linked Note interest provisions:                  | Not Applicable |
| 23. | Fund Linked Note interest provisions:                       | Not Applicable |
| 24. | Foreign Exchange (FX) Rate Linked Note interest provisions: | Not Applicable |
| 25. | Reference Item Rate Linked Note interest provisions         | Not Applicable |

26. **Zero Coupon Note provisions** Applicable
- (i) Accrual Yield: 4.53% per annum
  - (ii) Reference Price: 100.00 per cent. of the Calculation Amount
  - (iii) Basis of determining the amount payable for Zero Coupon Notes which are Exempt Notes: Not Applicable
  - (iv) Day Count Fraction in relation to Early Redemption Amounts: 30/360

#### PROVISIONS RELATING TO REDEMPTION

27. **Call Option** Applicable
- (i) Optional Redemption Date(s) (Call): As set out in the table below:

| Optional Redemption Date(s) (Call) | Optional Redemption Amount(s)          |
|------------------------------------|----------------------------------------|
| 23 January 2027                    | USD1,557,433.47 per Calculation Amount |
| 23 January 2037                    | USD2,425,599.02 per Calculation Amount |

- (ii) Optional Redemption Amount(s) of each Note: As set out in the table in item 27(i) above
  - (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: Not Applicable
    - (b) Maximum Redemption Amount: Not Applicable
  - (iv) Notice period: As set out in Condition 6(d)(i)
28. **Put Option:** Not Applicable
29. **Final Redemption Amount of each Note:** Calculation Amount \* 377.77091%
30. **Final Payout:** Not Applicable
31. **Automatic Early Redemption:** Not Applicable
32. **Early Redemption Amount:**
- Early Redemption Amount (Tax) per Calculation Amount payable on redemption for taxation reasons: Amortised Face Amount less Associated Costs

|     |                                                                                                       |                                                                                                            |
|-----|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
|     | Redemption Amount(s) per Calculation Amount payable on an event of default:                           | Amortised Face Amount less applicable costs including the cost, if any, for unwinding hedging arrangements |
|     | Termination Amount(s) per Calculation Amount payable on an occurrence of an Extraordinary Fund Event: | Not Applicable                                                                                             |
|     | Early Redemption Amount per Calculation Amount payable following an early redemption:                 | Not Applicable                                                                                             |
|     | Fair Market Value Interest Element:                                                                   | Not Applicable                                                                                             |
| 33. | Equity Linked Note redemption provisions:                                                             | Not Applicable                                                                                             |
| 34. | Inflation Linked Note redemption provisions:                                                          | Not Applicable                                                                                             |
| 35. | Credit Linked Note redemption provisions:                                                             | Not Applicable                                                                                             |
| 36. | Fund Linked Note redemption provisions:                                                               | Not Applicable                                                                                             |
| 37. | Foreign Exchange (FX) Rate Linked Note redemption provisions:                                         | Not Applicable                                                                                             |
| 38. | Reference Item Rate Linked Note redemption provisions                                                 | Not Applicable                                                                                             |

#### **PROVISIONS APPLICABLE TO EQUITY LINKED NOTES**

*(Annex 1 to Terms and Conditions)*

|     |                                |                |
|-----|--------------------------------|----------------|
| 39. | Equity Linked Note Provisions: | Not Applicable |
|-----|--------------------------------|----------------|

#### **PROVISIONS APPLICABLE TO INFLATION LINKED NOTES**

*(Annex 2 to Terms and Conditions)*

|     |                                   |                |
|-----|-----------------------------------|----------------|
| 40. | Inflation Linked Note Provisions: | Not Applicable |
|-----|-----------------------------------|----------------|

#### **ADDITIONAL PROVISIONS RELATING TO CREDIT LINKED NOTES**

|     |                                |                |
|-----|--------------------------------|----------------|
| 41. | Credit Linked Note Provisions: | Not Applicable |
|-----|--------------------------------|----------------|

#### **PROVISIONS APPLICABLE TO FUND LINKED NOTES**

|     |                              |                |
|-----|------------------------------|----------------|
| 42. | Fund Linked Note Provisions: | Not Applicable |
|-----|------------------------------|----------------|

#### **PROVISIONS APPLICABLE TO FOREIGN EXCHANGE (FX) RATE LINKED NOTES**

|     |                                                    |                |
|-----|----------------------------------------------------|----------------|
| 43. | Foreign Exchange (FX) Rate Linked Note Provisions: | Not Applicable |
|-----|----------------------------------------------------|----------------|

#### **PROVISIONS APPLICABLE TO REFERENCE ITEM RATE LINKED NOTES**

|     |                                             |                |
|-----|---------------------------------------------|----------------|
| 44. | Reference Item Rate Linked Note Provisions: | Not Applicable |
| 45. | Provisions applicable to Physical Delivery: | Not Applicable |

respect of the Notes as set out in Condition 7(i)(ii)

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- |     |                                                                                                                                                      |                                                                                                                                                                                                     |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 47. | Form of Notes:                                                                                                                                       | Bearer Notes;<br><br>Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note. |
| 48. | Additional Business Centres for Condition 7(h) or other special provisions relating to Payment Dates:                                                | London and Taipei                                                                                                                                                                                   |
| 49. | New Global Note Form:                                                                                                                                | No                                                                                                                                                                                                  |
| 50. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):                                    | No                                                                                                                                                                                                  |
| 51. | Details relating to Instalment Notes: amount of each instalment ("Instalment Amount"), date on which each payment is to be made ("Instalment Date"): | Not Applicable                                                                                                                                                                                      |
| 52. | Consolidation provisions:                                                                                                                            | Not Applicable                                                                                                                                                                                      |

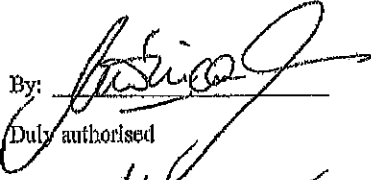
#### PURPOSE OF FINAL TERMS

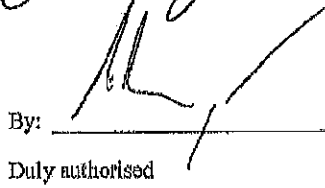
These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the Irish Stock Exchange and on the Taipei Exchange of the Notes described herein pursuant to the EUR 10,000,000,000 Euro Medium Term Note Programme of Santander International Products plc.

## RESPONSIBILITY

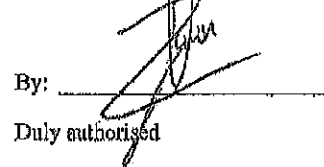
The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:   
Duly authorised

By:   
Duly authorised

Signed on behalf of the Guarantor:

By:   
Duly authorised

By: \_\_\_\_\_  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- |      |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)  | Listing              | Irish Stock Exchange and Taipei Exchange                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| (ii) | Admission to trading | <p>Application has been made by the Issuer (or on its behalf) to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its Regulated Market with effect from the Issue Date.</p> <p>Application has also been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Taipei Exchange in the Republic of China ("TPEX"). TPEX is not responsible for the content of these Final Terms and the Base Prospectus and any amendment or supplement thereto and no representation is made by TPEX to the accuracy or completeness of these Final Terms and the Base Prospectus and any amendment or supplement thereto. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of these Final Terms and the Base Prospectus and any amendment or supplement thereto. Admission to trading of the Notes on TPEX shall not be taken as an indication of the merits of the Issuer, the Guarantor or the Notes.</p> |

### 2. RATINGS

Ratings: Not Applicable

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

"Save as discussed in "Plan of Distribution" and "General Information", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

### 4. ESTIMATED TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING

|                           |                                                                                        |
|---------------------------|----------------------------------------------------------------------------------------|
| Estimated total expenses: | Irish Stock Exchange Listing Fees: EUR 600<br>Taipei Exchange Listing Fees: USD 15,000 |
|---------------------------|----------------------------------------------------------------------------------------|

### 5. OPERATIONAL INFORMATION

ISIN: XS1548894937

Common Code: 1548894937

CUSIP Code: Not Applicable

Any clearing system(s) other than DTC, Euroclear Bank S.A./N.V. and Clearstream Banking S.A. and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of initial Paying Agent(s) (if any): The Bank of New York Mellon, acting through its London Branch  
One Canada Square  
London E14 5AL  
United Kingdom

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

Intended to be held in a manner which would allow Eurosystem eligibility: Not Applicable

## 6. DISTRIBUTION

- (i) Method of distribution: Syndicated
- (ii) If syndicated, names of Managers and underwriting commitments/quotas (material features):  
 Yuanta Securities Co., Ltd  
 8F, No. 225, Sec. 3, Nanjing E. Road Taipei 104, Taipei  
 Taiwan  
 Republic of China  
 Underwriting Commitment: USD 150,000,000  
 E Sun Commercial Bank Ltd  
 3F, No.117, Sec.3, Min Sheng E. Road, Taipei  
 Taiwan  
 Republic of China  
 Underwriting Commitment: USD 250,000,000
- (iii) Date of Subscription Agreement: 13 January 2017
- (iv) Stabilisation Manager(s) (if any): Not Applicable
- (v) If non-syndicated, name of relevant Dealer: Not Applicable
- (vi) Total commission and concession: 0.10% of the Aggregate Nominal Amount
- (vii) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D
- (viii) Public/Non-exempt Offer where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus: Not Applicable

7. **U.S. TAX CONSIDERATIONS** The Notes are not Specified Notes for purposes of Section 871(m).

8. **ROC TAXATION** The following is a general description of the principal Republic of China ("ROC") tax consequences for investors receiving interest (or deemed interest) in respect of, or disposing of, the Notes and is of a general nature based on the Issuer's understanding of current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice.

This general description is based upon the law as in effect on the date hereof and that the Notes will be issued, offered, sold and re-sold, directly or indirectly, to Professional Institutional Investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC. This description is subject to change potentially with retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional

advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Notes.

#### ***Interest on the Notes***

As the Issuer is not an ROC statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid on the Notes.

ROC corporate holders must include the interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 17 per cent. (unless the total taxable income for a fiscal year is under NT\$120,000), as they are subject to income tax on their worldwide income on an accrual basis. The alternative minimum tax ("AMT") is not applicable.

#### ***Sale of the Notes***

In general, the sale of corporate bonds or financial bonds is subject to a 0.1 per cent. securities transaction tax ("STT") on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the ordinary income tax calculated pursuant to the Income Basic Tax Act of the ROC (also known as the AMT Act), the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders may be carried over 5 years to offset against capital gains of the same category of income for the purposes of calculating their AMT.

#### **9. ROC SETTLEMENT AND TRADING**

An investor with a securities book-entry account with a ROC securities broker and a foreign currency deposit account with a ROC bank may request the approval of the Taiwan Depository & Clearing Corporation ("TDCC") to the settlement of the Notes through the account of TDCC with Euroclear or Clearstream and if such approval is granted by the TDCC, the Notes may be so cleared and settled. In such circumstances, TDCC will allocate the respective Notes position to the securities book-entry account designated by such investor in the ROC. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds.

In addition, an investor may apply to TDCC (by filing in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream to the TDCC account with Euroclear or Clearstream for trading in the domestic market or vice versa for trading in overseas markets.

For such investors who hold their interests in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, distributions of principal and/or interest for the Notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second ROC business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one ROC business day after the distribution date). However, when the holders will actually receive such distributions may vary depending upon the daily operations of the ROC banks with which the holder has the foreign currency deposit account.