

SECOND SUPPLEMENT DATED 10 MAY 2018 TO THE BASE PROSPECTUS DATED 15 JUNE 2017



SANTANDER CONSUMER FINANCE, S.A.

(incorporated with limited liability in the Kingdom of Spain)

€15,000,000,000

Euro Medium Term Note Programme

This supplement (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 15 June 2017 (as supplemented on 11 September 2017, the "**Base Prospectus**"). This Supplement constitutes a supplement to the Base Prospectus for the purposes of Article 16 of Directive 2013/71/EC as amended (the "**Prospectus Directive**") and is prepared in connection with the €15,000,000,000 programme (the "**Programme**") for the issuance of Euro Medium Term Notes by Santander Consumer Finance, S.A. (the "**Issuer**"). This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as the competent authority under the Prospectus Directive.

The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and European Union law pursuant to the Prospectus Directive.

The Base Prospectus has been approved on 15 June 2017, by the Central Bank, which is the Irish competent authority for the purposes of the Prospectus Directive and relevant implementing measures in Ireland for the purpose of giving information with regard to the issue of Euro Medium Term Notes under the Programme during the period of twelve months after the date thereof.

This Supplement should be read in connection with the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Supplement and confirms, having taken all reasonable care to ensure that such is the case, that the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

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

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus on 15 June 2017.

IMPORTANT NOTICES

The following paragraphs are hereby inserted at the end of the section entitled "IMPORTANT NOTICES" appearing on pages i to viii of the Base Prospectus:

"MIFID II product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "MIFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules."

AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

SUMMARY

In the Summary section, item B.12 (*Key Financial Information*) appearing on page 3 of the Base Prospectus shall be deleted and replaced in its entirety with the following:

B.12	Key Financial Information:	The Issuer and its subsidiaries – main financial indicators			
		As of and for the year ended:			
			31 December 2017	31 December 2016	
		Consolidated Balance sheet	(audited)	(audited)	Variation (%)
		<i>(thousands of euro)</i>			
		Total assets.....	99,716,312	96,241,501	3,61 %
		Loans and advances to customers.....	86,635,168	81,983,168	5,67 %
		Shareholders' equity	10,724,814	9,398,682	14,11 %
			31 December 2017	31 December 2016	
		Consolidated Income Statements	(audited)	(audited)	Variation (%)
<i>(thousands of euro)</i>					
Profit before tax.....	1,895,629	1,838,089	3,13 %		
Consolidated Profit for the year .	1,291,879	1,223,535	5,59%		
Profit attributable to the Parent..	1,079,387	1,055,253	2,29%		
There has been no material adverse change in the prospects of the Issuer and/or the companies whose accounts are consolidated with those of the Issuer (the " Consumer Group ") nor any significant change in the financial or trading position of the Issuer and/or the Consumer Group since 31 December 2017 ¹ .					

Item D.3 (*Risks Specific to the Notes*) shall be supplemented by the following paragraph to be included after the "Fixed/Floating Rate Notes" section appearing on page 15 of the Base Prospectus:

"EU Benchmark Regulation

The value of and return on any Notes linked to a benchmark may be adversely affected by ongoing national and international regulatory reform in relation to benchmarks Reference rates and indices such as Euro Interbank Offered Rate ("**EURIBOR**") or London Interbank Offered Rate ("**LIBOR**")."

¹ Item B.12 has been updated as a result of publication of the December 2017 Financial Statements by way of this Supplement dated 10 May 2018.

RISK FACTORS

The following risk factor shall be inserted in subsection 3 (*Risks in relation to the Notes*) of the section "RISK FACTORS" commencing on page 56 of the Base Prospectus:

"The value of and return on any Notes linked to a benchmark may be adversely affected by ongoing national and international regulatory reform in relation to benchmarks Reference rates and indices such as Euro Interbank Offered Rate ("**EURIBOR**") or London Interbank Offered Rate ("**LIBOR**") and other interest rate or other types of rates and indices which are deemed to be "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**"), to which the interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. This has resulted in regulatory reform and changes to existing Benchmarks, with further change anticipated. Such reform of Benchmarks includes the Benchmarks Regulation, which was published in the official journal on 29 June 2016. In addition, on 27 July 2017, the FCA announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The Benchmarks Regulation applies to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the EU. It will, among other things, (i) require Benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities such as the Issuer of Benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The potential elimination of the LIBOR benchmark or any other Benchmark, or changes in the manner of administration of any Benchmark, as a result of the Benchmarks Regulation or otherwise, could require an adjustment to the Terms and Conditions, or result in other consequences, in respect of any Notes linked to such Benchmark. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or be discontinued. Any change in the performance of a Benchmark or its discontinuation could have a material adverse effect on the value of, and return on, any such Notes.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the Benchmark, (ii) trigger changes in the rules or methodologies used in the Benchmark or (iii) lead to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a Benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a Benchmark."

INFORMATION INCORPORATED BY REFERENCE

An English language translation of the audited Consolidated Financial Statements of the Issuer for the period ended 31 December 2017, together with the Auditors' Report thereon have been filed with the Central Bank of Ireland and the Irish Stock Exchange.

The table below sets out relevant page references for the English language balance sheet, income statement, cash-flow statement, explanatory notes and auditors' report of the Issuer for period ended 31 December 2017 (the "**December 2017 Financial Statements**"):

December 2017 Financial Statements	Page reference <i>(pdf document page numbers)</i>
Consolidated Balance Sheets	13-14
Consolidated Income Statements	15
Consolidated Statements of Recognized Income and Expense	16
Consolidated Statements of Changes in Equity	17-18
Consolidated Statements of Cash Flows	19
Notes to the Consolidated Financial Statements	20-257
Auditor's report on Consolidated Financial Statements	2-11

The English language translation of the December 2017 Financial Statements of the Issuer is available on the following link:

<http://www.santanderconsumerfinance.com/csqs/StaticBS?blobcol=urldata&blobheader=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1371948650158&cachecontrol=immediate&ssbinary=true&maxage=3600>

Copies of the December 2017 Financial Statements specified above as containing information incorporated by reference in the Base Prospectus may also be inspected, free of charge, at the specified offices of the Issuer and Paying Agent. Copies of the December 2017 Financial Statements are also available on the website of the Irish Stock Exchange.

Any information not listed in the cross reference table set out above but which is included in the December 2017 Financial Statements from which the information incorporated by reference has been derived, is either not relevant or covered elsewhere in the Base Prospectus.

FORM OF FINAL TERMS

The following paragraphs will refer to the Form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR 100,000 (or its equivalent in another currency).

The section "Form of Final Terms" set out on pages 112 to 113 of the Base Prospectus is supplemented by the following paragraph to be included before the "Prohibition of sales to EEA Retail Investors" section:

[MIFID II product governance / Professional investors, eligible counterparties, professional clients and retail clients target market – Solely for the purposes of [the/each] manufacturer['s/s'] product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 2 June 2017 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate, and (iii) the channels for distribution of the Notes to retail clients are to be assessed by the distributor, subject to its suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer ['s/s'] target market assessment) and determining appropriate distribution channels.]

The section "Form of Final Terms" set out on pages 112 to 113 of the Base Prospectus is supplemented by the following paragraph to be included after the "Prohibition of sales to EEA Retail Investors" section:

[Amounts payable under the Notes may be calculated by reference to [specify benchmark (as this term is [defined in the Benchmark Regulation]) which is provided by [legal name of the benchmark administrator]. As at the date of this Final Terms, [legal name of the benchmark administrator] [appears / does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) ("**Benchmarks Regulation**").

[As far as the Issuer is aware, [specify benchmark (as this term is defined in the Benchmark Regulation)] [does not fall within the scope of the Benchmarks Regulation/ the transitional provisions in Article 51 of the Benchmarks Regulation apply] such that [legal name of the benchmark administrator] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]

Part B, item 6 of the "Form of Final Terms" set out on page 122 is deleted and replaced by:

6. [Floating Rate Notes only – HISTORIC INTEREST RATES	
(i) Historic interest rates:	Details of historic [LIBOR/EURIBOR] can be obtained from [Reuters].
(ii) [Benchmarks:	Amounts payable under the Notes will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the " Benchmark Regulation "). [As far as the Issuer is aware, the transitional provisions in

	Article 51 of the Benchmark Regulation apply, such that [●] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]
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The following paragraphs will refer to the Form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 100,000 (or its equivalent in another currency).

The section "Form of Final Terms" set out on pages 127 to 128 of the Base Prospectus is supplemented by the following paragraph to be included before the "Prohibition of sales to EEA Retail Investors" section:

[MIFID II product governance / Professional investors, eligible counterparties, professional clients and retail clients target market – Solely for the purposes of [the/each] manufacturer['s/s'] product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 2 June 2017 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate, and (iii) the channels for distribution of the Notes to retail clients are to be assessed by the distributor, subject to its suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer ['s/s'] target market assessment) and determining appropriate distribution channels.]

The section "Form of Final Terms" set out on pages 127 to 128 of the Base Prospectus is supplemented by the following paragraph to be included after the "Prohibition of sales to EEA Retail Investors" section:

[Amounts payable under the Notes may be calculated by reference to [specify benchmark (as this term is [defined in the Benchmark Regulation]) which is provided by [legal name of the benchmark administrator]. As at the date of this Final Terms, [legal name of the benchmark administrator] [appears / does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) ("**Benchmarks Regulation**").

[As far as the Issuer is aware, [specify benchmark (as this term is defined in the Benchmark Regulation)] [does not fall within the scope of the Benchmarks Regulation/ the transitional provisions in Article 51 of the Benchmarks Regulation apply] such that [legal name of the benchmark administrator] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]

Part B, item 6 of the "Form of Final Terms" set out on page 137 is deleted and replaced by:

5. [Floating Rate Notes only – HISTORIC INTEREST RATES	
(i) Historic interest rates:	Details of historic [LIBOR/EURIBOR] can be obtained from [Reuters].
(ii) [Benchmarks:	Amounts payable under the Notes will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not

	<p>appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "Benchmark Regulation"). [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [●] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]</p>
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GENERAL INFORMATION

Paragraph 3 (*Significant/Material Change*) on page 185 of the Base Prospectus shall be deleted and replaced with the following text in its entirety:

"Significant/Material Change

3. Save as set out in this Base Prospectus, since 31 December 2017 there has been no significant change in the financial or trading position of the Issuer and/or the Consumer Group nor any material adverse change in the prospects of the Issuer and/or the Consumer Group."

A new paragraph entitled "EU Benchmark Regulation" shall be deemed to be inserted at the end of the section entitled "GENERAL INFORMATION" on page 187 as follows:

"EU Benchmark Regulation

Amounts payable on Floating Rate Notes may be calculated by reference to one of LIBOR or EURIBOR. As at the date of this prospectus, the administrators of these benchmarks are not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**").

As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the administrators of LIBOR and EURIBOR are not currently required to obtain authorisation/registration.

The relevant Final Terms in respect of an issue of Floating Rate Notes may specify the relevant benchmark, the relevant administrator and whether such administrator appears on the ESMA register referred to above."