

The Depository Trust Company

IMPORTANT

B#: 2372-07

DATE: November 2, 2007

TO: All Participants

CATEGORY: Dividends

FROM: International Services

ATTENTION: Operations, Reorg & Dividend Managers, Partners & Cashiers

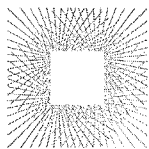
SUBJECT: TaxRelief-Country:Spain,Santander Finance Prf. Unipersonal S.A.
CUSIP: 80281R300
R/D 11/15/07 P/D 12/11/07
EDS Cut-Off 11/20/07

DTC has been notified by Banco Santander that Santander Finance Prf, S.A. Unipersonal (the "Issuer") that interest derived from its securities bearing CUSIP 80281R300 is subject to the 18% Non-Resident Income Tax (NRIT) in Spain, subject to the exemptions described in the attached document.

Any further questions regarding EDS elections please contact Larry Bottiglieri at 212-855-4386 or Rafael Neves at 813-470-1255.

Important Legal Information: *The Depository Trust Company ("DTC") does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages.*

To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.



The BANK
of NEW YORK

DEPOSITARY RECEIPTS DIVISION

101 Barclay Street, 15th Floor- East
New York, NY 10286

Date: November 1, 2007

To: All Participants

Re: Santander Finance Preferred S.A. Unipersonal, CUSIP# 80281R300
Record Date: November 15, 2007
Payable Date: December 11, 2007
EDS CUT-Off Date: November 20, 2007

Santander Finance Preferred S.A. Unipersonal has notified The Bank of New York that according to Law 19/2003, distributions derived from the Series 1 Preferred Securities by a Non-Spanish resident holder will not be subject to the 18% Non-Resident Income Tax (NRIT) in Spain unless the non-resident holder derives the income through "tax haven" territory (as defined in Royal Decree 1080/1991 of 5 July 1991) or fails to comply with the relevant tax residency certification procedures. Please refer to Annex 4 for a list of tax haven countries and territories.

The participants requesting exemption from Spanish NRIT are required to provide the following documentation with original signature to The Bank of New York by the deadline **November 20, 2007**.

1. A list of investors entitled to exemption from Spanish withholding tax (i.e., among the investors not entitled to exemption from Spanish withholding tax, those non-Spanish resident investors who act in Spain with respect to the Preferred Securities through a permanent establishment located within the Spanish territory and all investors except those investors resident in Spain or in a jurisdiction deemed to be a tax haven country or territory) in a spreadsheet to be provided by The Bank of New York - This spread sheet is included as an attachment to the Important Notice (Annex 1).
2. A certificate stating that such investors are the beneficial owners of the Preferred Security (See Annex 2 A&B for the appropriate form) Spanish version, which is required by the issuer. To help facilitate the proper completion of this form use the English translation (See Annex 3 A&B for the appropriate form).

The Participant hereby certifies that it will indemnify Santander Finance Preferred S.A. Unipersonal, as a Depository (and its local Custodian) for any liability The Bank of New York, may incur as a result of reliance upon information provided by such Participant in connection with the EDS election. The Participant agrees to return any funds erroneously received (including any interest, penalties, and additions to tax thereon).

The required information should be forwarded to: The Bank of New York c/o Globe Tax Services, Inc., Attn: Ryan Stewart, 90 Broad Street, 16th Floor, New York, NY 10004. Questions regarding this Notice should be directed to Ryan Stewart at (800) 915-3536.

If participants DO NOT certify through EDS for the exempt (0%) tax rate, they will receive the distribution with 18% withheld.

Quick Refund process: The Bank of New York / GTS is offering a quick refund process to any investor who is eligible as described above but is unable to certify the shares eligible for the exempt rate by the **November 20, 2007** deadline. Such Participants are required to submit the documentation mentioned above by the Quick Refund deadline of **December 14, 2007**. After the **December 14, 2007** deadline any other eligible investors interested in filing a long-form withholding tax reclaim should contact:

The Bank of New York / GTS
90 Broad Street 16th Floor
New York, NY 10004
Attn: Ryan Stewart
Tel: 800-915-3536
Fax: 800-985-3536

(YOUR COMPANY LETTER HEAD)

To: Bank of New York / Globe Tax Services
90 Broad Street 16th Floor
New York, New York 10004-2205
Phone: 1-800-915-3536 Fax: 1-800-985-3536

Re: Withholding Certification for **Santander Finance Pfd S.A. Unipersonal** Cusip: **80281R300**

I / We the undersigned _____
(contact name)

authorized representative of _____ holding Series 1 Preferred Securities at
(DTC Participant name)

_____ of **Santander Finance Pfd S.A. Unipersonal** Cusip: **80281R300**, request
(DTC PTS number)

that the upcoming distribution payable to holders as of **November 15, 2007**, be paid exempt of Spanish NRIT
to the shareholders below or on the attached listing.

Name of Beneficial Owner	Country of Residence	Record Date Position	Shares to receive the Exempt Rate
PLEASE SEE ATTACHED (more than 7 Beneficial Holders)			

IF THERE ARE MORE THAN 7 BENEFICIAL OWNERS PLEASE CALL JON STAAKE AT THE NUMBER ABOVE FOR A PRE-FORMATTED SPREADSHEET. PLEASE RETURN THE DISK AND THIS COVER LETTER ON LETTERHEAD WITH THE REQUIRED AUTHORIZED SIGNATURES TO THE ADDRESS ABOVE.

I / We certify that to the best of my knowledge the individual beneficial owners are eligible for the exempt rate as stated herein and I declare that I have performed all the necessary due diligence to satisfy myself as to the accuracy of the information submitted to me by these holders.

Participants will be fully liable for all withholding taxes and any claims, penalties or interest to the Spanish Tax Authority or Ministry of Finance ("charge-backs"), including without limitation, any foreign exchange fluctuations associated with such funds at the time due or payable. The Bank of New York shall not be liable for the failure to secure any refund.

x
Authorized Signature of Holder or Owner

TEL : _____

FAX: _____

Print Name of Signatory

Position of Signatory

PLEASE INCLUDE YOUR PHONE AND FAX NUMBER SO THAT WE CAN CONTACT YOU WITH ANY QUESTIONS THAT WE MIGHT HAVE.

ANNEX 2a

“Form DTC Participants Own Account”
(Spanish Language Form)

[For use where Participant is Beneficial Owner of all the Preferred Securities]

[•] (*nombre*), [•] (*domicilio*), [•] (*NIF*), en calidad de [•], en nombre y representación de la entidad abajo señalada,

Certifico:

1. Que el nombre o razón social de la entidad que represento es: [•];
2. Que su residencia fiscal es la siguiente: [•];
3. Que la entidad que represento está inscrita en el Registro [•] de (*país, Estado, ciudad*), con el número [•] (*si resulta aplicable*);
4. Que la entidad que represento está sometida a la supervisión de [•] (*órgano supervisor*), en virtud de (*normativa que lo regula*) [•] y está inscrita en el Registro de dicho órgano supervisor con el número [•] (*si resulta aplicable*);

*Número(s) de cuenta en Sistema de Depósito
Colectivo*

En

Fecha

Firma autorizada

Nombre y cargo del firmante

ANNEX 2b

**“Form DTC Participants Third Party and Own Account”
(Spanish Language Form)**

[For use where Participant is not Beneficial Owner of all the Preferred Securities]

[●] (*nombre*), [●] (*domicilio*), [●] (*NIF*), en calidad de [●], en nombre y representación de la entidad abajo señalada,

CERTIFICO:

1. Que el nombre o razón social de la entidad que represento es: [●];
2. Que su residencia fiscal es la siguiente: [●];
3. Que la entidad que represento está inscrita en el Registro [●] de (*país, Estado, ciudad*), con el número [●] (*si resulta aplicable*);
4. Que la entidad que represento está sometida a la supervisión de [●] (*órgano supervisor*), en virtud de (*normativa que lo regula*) [●] y está inscrita en el Registro de dicho órgano supervisor con el número [●] (*si resulta aplicable*);
5. Que los titulares incluidos en la relación adjunta son beneficiarios efectivos de los valores y que es correcta su identificación, país de residencia y rendimientos correspondientes. Dicha relación no incluye personas o entidades residentes en España o en países o territorios considerados por la normativa española como paraísos fiscales.

*Número(s) de cuenta en Sistema de Depósito
Colectivo*

En

Fecha

Firma autorizada

Nombre y cargo del firmante

ANNEX 3a
“Form DTC Participants Own Account”
English version (for information purposes)

[For use where Participant is Beneficial Owner of all the Preferred Securities]

The undersigned (*name*) [●], (*address*) [●], (*fiscal ID number*)¹ [●], and (*function*) [●], in the name of the institution which I represent and which is indicated below,

CERTIFIES:

1. That the name and form of incorporation of the institution which I represent is: (*corporate name*) [●], (*form of incorporation*) [●];
2. That its residence for tax purposes is the following: [●];
3. That the institution which I represent is recorded in the Register of (*country, state, city*) [●] under number [●], if applicable;
4. That the institution which I represent is supervised by (*supervisory body*) [●], under (*governing rules*) [●] and is recorded in the Register of such supervisory body under number [●], if applicable;

_____ *DTC Participant account number (s)*

_____ *Place*

_____ *Date*

_____ *Name and function of authorised signatory (ies)*

_____ *Authorised signature (s)*

¹ This will be the ID number of the signatory person of the form. In those countries or territories where the ID number does not exist, the signatory person will include his or her passport number. If the signatory person does not have a passport, he or she will include the number commonly used for identification purposes, including the state, country or city, as applicable, that has issued such document and the expiring date (for instance, for US individuals that lack the passport, the driving license number, including the State of issuance and the expiring date)

ANNEX 3b
“Form DTC Participants Third Party and Own Account”
English version (for information purposes)

For use where Participant is not Beneficial Owner of all the Preferred Securities]

The undersigned (*name*) [●], (*address*) [●], (*fiscal ID number*)² [●], and (*function*) [●], in the name of the institution which I represent and which is indicated below,

CERTIFIES:

1. That the name and form of incorporation of the institution which I represent is: (*corporate name*) [●], (*form of incorporation*) [●];
2. That its residence for tax purposes is the following: [●];
3. That the institution which I represent is recorded in the Register of (*country, state, city*) [●] under number [●], if applicable.
4. That the institution which I represent is supervised by (*supervisory body*) [●], under (*governing rules*) [●] and is recorded in the Register of such supervisory body under number [●], if applicable;
5. That the list of holders submitted in connection with this certification corresponds to the beneficial owners of the securities, and that the name of each non-resident beneficial owner, its country of residence and the amount of corresponding income, is accurate. Such list does not include person(s) or institution(s) resident in Spain or in tax haven countries or territories specified under the Spanish legislation.

_____ *DTC Participant account number (s)*

_____ *Place*

_____ *Date*

_____ *Name and function of authorised signatory (ies)*

_____ *Authorised signature (s)*

² This will be the ID number of the signatory person of the form. In those countries or territories where the ID number does not exist, the signatory person will include his or her passport number. If the signatory person does not have a passport, he or she will include the number commonly used for identification purposes, including the state, country or city, as applicable, that has issued such document and the expiring date (for instance, for US individuals that lack a passport, the driving license number, including the State of issuance and the expiring date)

ANNEX IV

TAX HAVEN COUNTRIES AND TERRITORIES

- | | | | |
|-----|-------------------------|-----|--|
| 1. | Principality of Andorra | 26. | Mauritius |
| 2. | Netherlands Antilles | 27. | Montserrat |
| 3. | Aruba | 28. | Nauru |
| 4. | Emirate of Bahrain | 29. | Salomon Islands |
| 5. | Sultanate of Brunei | 30. | St. Vincent and Grenadines |
| 6. | Republic of Cyprus | 31. | St. Lucia |
| 7. | United Arab Emirates | 32. | Trinidad and Tobago |
| 8. | Gibraltar | 33. | Turk and Caicos Islands |
| 9. | Hong Kong | 34. | Vanuatu |
| 10. | Anguilla | 35. | British Virgin Islands |
| 11. | Antigua and Barbuda | 36. | U.S. Virgin Islands |
| 12. | Bahamas Islands | 37. | Jordan |
| 13. | Barbados | 38. | Lebanon |
| 14. | Bermuda | 39. | Liberia |
| 15. | Cayman Islands | 40. | Liechtenstein |
| 16. | Cook Islands | 41. | Luxembourg only in respect of Luxembourg holding companies incorporated under Law dated 31 July 1929 and by Ducal Decree of 17 December 1928). |
| 17. | Dominica | 42. | Macao |
| 18. | Grenada | 43. | Monaco |
| 19. | Fiji | 44. | Oman |
| 20. | Guernsey and Jersey | 45. | Panama |
| 21. | Jamaica | 46. | San Marino |
| 22. | Malta | 47. | Seychelles |
| 23. | Falkland Islands | 48. | Singapore |
| 24. | Isle of Man | | |
| 25. | Mariana Islands | | |