

The Depository Trust Company

IMPORTANT

B#: 2427-07

DATE: October 26, 2007

TO: All Participants

CATEGORY: Dividends

FROM: International Services

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

SUBJECT: Procedures for certain tax refunds - Country: Spain
Banco Santander, S.A.
CUSIP: 05964H105
Record Date: 10/31/07 Payable Date: 11/08/07

The Depository Trust Company has received from JP Morgan Chase Bank the attached information regarding certain tax refunds on the above captioned dividend.

As directed in the notice, participants that have qualified beneficial holders that expect to benefit from this procedure should secure the required documentation.

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.

IMPORTANT NOTICE

BANCO SANTANDER, S.A.

ADR Record Date: October 31, 2007

ADR Paydate: November 8, 2007

As Depositary for the American Depositary Receipts ("ADRs") of **Banco Santander, S.A.**, CUSIP: 05964H105 JPMorgan Chase Bank / GlobeTax is distributing this important notice announcing tax refund procedures for residents of the United States and other countries having a Double Taxation Agreement with Spain.

On **November 8, 2007**, JPMorgan Chase Bank will pay 82% of the dividend to all DTC Participants, representing payment of the **Banco Santander, S.A.** dividend of **0.12294** Euro per ADR (**0.12294** Euro per Ordinary Share). This dividend is subject to 18% withholding tax under Spanish law. Under the Income Tax convention between the United States and Spain, U.S. residents are eligible for reduced Spanish withholding tax (for most people, at a rate of 15% rather than the usual 18%) on the dividends paid by **Banco Santander, S.A.**

For reasons of cost effectiveness, only those ADR holders with more than 21,000 ADRs may file using the quick refund or standard (long-form) process. All quick refunds submitted through JPMorgan Chase Bank / GlobeTax are subject to a depositary service charge of \$0.0035 per share with a minimum of \$25.00 in addition to any fees charged to JPMorgan Chase Bank to facilitate the reclaim process. If you have any questions with respect to this matter, please contact Ryan Stewart of JPMorgan Chase Bank / GlobeTax at (800) 929-5484 [facsimile (800) 929-9986].

QUICK FILING PROCEDURES FOR U.S. & NON-U.S. RESIDENTS DOCUMENTATION REQUIREMENTS – U.S. RESIDENTS (required for each Beneficial Owner)

- 1. JPMORGAN CHASE BANK FILING COVER LETTER:** This cover letter must be submitted on the company letterhead of the DTC Participant. The cover letter should state the name, address, fiscal residence, taxpayer I.D., number of ADR shares, and the amount to be refunded for each ADR beneficial owner on the record date for which a claim is submitted. The format for the cover letter can be found in the following pages of this notice.
- 2. CERTIFICATE OF RESIDENCY:** U.S. residents need to submit an **ORIGINAL** IRS Form 6166 signed and stamped by the Internal Revenue Service, which will verify the Beneficial Owner's name, tax identification number, and status as a resident of the United States. **This Form 6166 must mention the United States – Spain Income Tax convention and must be dated within 11 months of submission to the JPMorgan Chase Bank.**

When you have received Form 6166 from the IRS, please send **both** the JPMorgan Chase Bank Filing Cover Letter and original IRS Form 6166 **together** to:

JPMorgan Chase Bank / GlobeTax
90 Broad Street, 16th Floor
New York, NY 10004-2205
Attn: Banco Santander, S.A.

STANDARD (LONG-FORM) PROCEDURES FOR U.S. & NON-U.S. RESIDENTS
DOCUMENTATION REQUIREMENTS – U.S. RESIDENTS
(required for each Beneficial Owner)

- 3. JPMORGAN CHASE BANK FILING COVER LETTER:** This cover letter must be submitted on the company letterhead of the DTC Participant. The cover letter should state the name, address, fiscal residence, taxpayer I.D., number of ADR shares, and the amount to be refunded for each ADR beneficial owner on the record date for which a claim is submitted. The format for the cover letter can be found in the following pages of this notice.
- 2. CERTIFICATE OF RESIDENCY:** U.S. residents need to submit an **ORIGINAL** IRS Form 6166 signed and stamped by the Internal Revenue Service, which will verify the Beneficial Owner's name, tax identification number, and status as a resident of the United States. **This Form 6166 must mention the United States – Spain Income Tax convention and must be dated within 11 months of submission to the JPMorgan Chase Bank.**

When you have received Form 6166 from the IRS, please send **both** the JPMorgan Chase Bank Filing Cover Letter and original IRS Form 6166 **together** to:

JPMorgan Chase Bank / GlobeTax
90 Broad Street, 16th Floor
New York, NY 10004-2205
Attn: Banco Santander, S.A.

DOCUMENTATION REQUIREMENTS – NON-U.S. RESIDENTS
(required for each Beneficial Owner)

- 1. JPMORGAN CHASE BANK FILING COVER LETTER:** This cover letter must be submitted on the company letterhead of the DTC Participant. The cover letter should state the name, address, fiscal residence, taxpayer I.D., number of ADR shares, and the amount to be refunded for each ADR beneficial owner on the record date for which a claim is submitted. The format for the cover letter can be found in the following pages of this notice.
- 2. CERTIFICATE OF RESIDENCY:** An **ORIGINAL** Formulario devolución will be required for any non-U.S. entity whose country of residence has formally agreed to the use of such forms (these countries are denoted with a * below). A stand-alone Certification of Residence completed by the relevant Tax Administration is required if there is no specific Formulario devolución for the beneficial owners' country of residence.

When you have received the Certification of Residency, please send **both** the JPMorgan Chase Bank Filing Cover Letter and Certification of Residency **together** to:

JPMorgan Chase Bank / GlobeTax
90 Broad Street, 16th Floor
New York, NY 10004-2205
Attn: Banco Santander

All DTC Participants who wish to file a request for a refund of excess withholding tax must submit the required documentation to the above address **no later than September 30, 2011 by 5 P.M. EST.**

PLEASE NOTE: The Non-U.S. treaty rates are as follows:

15% WITHHOLDING TAX:

Algeria, Argentina, Armenia, Australia, Austria*, Azerbaijan, Belgium, Belarus, Bolivia, Bulgaria, Brazil, Canada, Croatia, Cuba, Czech Republic, Denmark*, Ecuador, Estonia, Finland, France, Georgia, Germany*, Hungary, Iceland, India, Indonesia, Ireland, Italy, Japan, Kazakhstan, Kyrgyzstan, Korea, Latvia, Lithuania, Luxembourg, Macedonia, Mexico, Moldavia, Morocco, Netherlands*, New Zealand, Norway, Philippines, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Sweden*, Switzerland*, Tajikistan, Tunisia, Turkey, Turkmenistan, Ukraine, United Kingdom*, Uzbekistan, and Vietnam

10% WITHHOLDING TAX:

Chile, China, Greece, Israel, Malta, Thailand, Venezuela

FILING DEADLINES:

The filing deadline for the quick process is **November 16, 2007 by 5 P.M. EST** for receipt by JPMorgan Chase Bank / GlobeTax. The final deadline for the standard process is **September 30, 2011 by 5 P.M. EST** for receipt by JPMorgan Chase Bank / GlobeTax.

QUICK REFUND PROCESSING IS SUBJECT TO A TAX RELIEF FEE OF \$0.0035 PER ADS CHARGED ON A PER BENEFICIAL OWNER BASIS.

STANDARD TAX RECLAIM PROCESSING IS SUBJECT TO A TAX RELIEF FEE OF \$0.005 PER ADS WITH A MINIMUM TAX RECLAMATION PROCESSING FEE OF \$25.00 PER BENEFICIAL OWNER CLAIM IN ADDITION TO ANY FEES CHARGED TO JPMORGAN CHASE BANK TO FACILITATE THE RECLAIM.

JPMorgan Chase Bank

**SAMPLE FORMAT FOR COVER LETTER TO JPMORGAN CHASE BANK / GLOBETAX
CLAIMS WILL NOT BE ACCEPTED WITHOUT THIS COVER LETTER**

[DATE]

JPMorgan Chase Bank / GlobeTax
90 Broad Street, 16th Floor
New York, NY 10004-2205
Attn.: Banco Santander, S.A.

Enclosed please find tax reclamation documents which we have submitted on behalf of our clients who have had excess tax withheld on Spanish ADRs. We, [NAME OF DTC PARTICIPANT], also identified as DTC participant number [DTC PARTICIPANT NUMBER], hereby state that each beneficial owner cited below held the respective amount of shares on the record date of **October 31, 2007** for the security **Banco Santander, S.A.**

Below is the list of beneficial owners and their holdings. As required, original Certification of Residency, issued within the last 11 months (for each beneficial owner) are attached. **The ratio is 1 ADR Share to 1 Ordinary share.** The information is as follows:

<u>Name & address</u>	<u>Fiscal residence</u>	<u>TIN/SSN</u>	<u># of ADR shares</u>	<u>Refund Amount</u>
1)				
2)				
3)				
4) etc.				
			Grand Total	_____

We ask that JPMorgan Chase Bank, as Depositary, present these excess withholding tax refund requests on behalf of the above beneficial owners. Should you have any questions, please contact the undersigned at [SIGNATORY'S TELEPHONE NUMBER].

Sincerely,

[Signature of authorized signatory for DTC Participant]
[NAME AND TITLE OF AUTHORIZED OFFICER FOR DTC PARTICIPANT]

PAYMENT ADDRESS: _____

Indemnification

In consideration of the services provided by JPMorgan Chase Bank contemplated hereby and the assistance provided by the issuer of the shares underlying the ADRs (the "Issuer"), we agree to indemnify, defend, hold and save JPMorgan Chase Bank, the Issuer and their respective affiliates, and the respective directors, officers, agents and employees of JPMorgan Chase Bank, the Issuer and each of their affiliates from and against any and all costs, damages or liabilities (including, without limitation, tax payments, interest charges, penalties or other costs assessed by relevant tax and administrative authorities, and the reasonable fees and disbursements of counsel) as a result of any deficiency or inaccuracy in the information provided in or in connection with this document.