

Section 1: Notification	<p align="center">Rights Issue by Banco Santander S.A - Election Notification</p> <p align="center">Deadline for responses 9:00PM 19 Jul 2017</p>
	<p>The Company has announced a rights issue, whereby new shares are being offered to existing shareholders on the following basis:</p> <p>Ex-entitlement date: 06 JUL 17</p> <p>Basis of entitlement: 1 new Ordinary share for every 10 Rights held</p> <p>Cost of subscription per share: EUR 4.85</p> <p>Please Note: Every 10 Rights held will entitle holders to purchase 1 new Ordinary share of Banco Santander S.A at a subscription price of EUR 4.85 per share. Shareholders should instruct to subscribe in multiples of 10 subscription Rights.</p>
Section 2: Options for eligible customers	<p align="center">What are my Options?</p>
	<p>Option 1 – Take up the offer <i>You may take up all or part of your entitlement</i></p> <p>Option 1a – Take up the offer outside the ISA <i>You may take up the offer outside the ISA - all or part of your basic entitlement.</i></p> <p>Elections can be made via our website by following these steps:</p> <ol style="list-style-type: none"> 1. Log onto the secure website and go to the Products & Services section 2. Select Corporate Actions and then other corporate actions – free format response. 3. Enter the required details with reference to the information below: <p>Response Date: 19 JUL 17 (9:00PM) Share ID: ES06139009P1 Corporate Action Reference: 177303</p> <p>We will debit the subscription amount from your default settlement account, unless otherwise advised. Please ensure that you have sufficient funds in your account in order for us to take the subscription debit by 19 July 2017, as funds will be debited on or around this date. If you have chosen to take up the offer inside your ISA and there are insufficient funds in your ISA cash account, all or part of your entitlement will be moved out of the ISA and the relevant subscriptions debited from your Nominee Settlement Account. If funds are not available, then we may not be able to take up your election for you.</p> <p>New shares resulting from the rights issue are due to be paid on or around 31 Jul 2017.</p> <p>Alternatively, you may telephone our Customer Service Centre on 03456 080848. Please have this letter to hand, as you may need to refer to the above details.</p>

	Option 2 (Default option) – Do nothing/let your rights lapse In the event that you do not take up option 1, your rights will lapse. If there is a lapse rights premium, we will pass this on to your account shortly after we receive it.
	In the event that we do not hear from you by the response date, we shall then apply the default option (2) above
Section 3: Additional Information	If you require any further assistance, please call our Customer Service Centre on 03456 08 08 48 or alternatively contact us via your Messages, a secure electronic link on hsbc.co.uk . To help continually improve our service and in the interests of security, we may monitor and/or record your telephone calls with us. Our opening hours are 7.30am to 9.30pm Monday to Friday and 10.00am to 4.00pm Saturday, closed Sunday.

This letter contains a précis of the terms of the offer and has been prepared by HSBC Stockbroker Services. It is provided for information purposes only and may not contain details of all matters that would be relevant to customers. Customers should not rely on its contents but should satisfy themselves that they have sufficient details on which to base their investment decision. We will use reasonable endeavours to assist with any request for further information.