

# Brazil - 1Q06 Results

São Paulo, 28 April 2006

Santander Banespa and Santander Central Hispano caution that this presentation contains forward looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. These forward looking statements are found in various places throughout this presentation and include, without limitation, statements concerning our future business development and economic performance. While these forward looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to: (1) general market, macro-economic, governmental and regulatory trends; (2) movements in local and international securities markets, currency exchange rates, and interest rates; (3) competitive pressures; (4) technological developments; and (5) changes in the financial position or Loans worthiness of our customers, obligors and counterparties. The risk factors and other key factors that we have indicated in our past and future filings and reports, including those with the Securities and Exchange Commission of the United States of America, could adversely affect our business and financial performance.

Obs.: On the publication date of this document, the information herein contained was in the process of being audited, and may thus be subject to modification. Nevertheless, the consolidated accounts were drawn up according to generally accepted accounting principles and criteria. The information related to Santander Banespa is provided in Spanish GAAP, except where otherwise indicated.

The figures in this presentation were converted at an average US\$ during 1Q06 of 2.1924 (for results and average balance) and US\$ end-of-period 1Q06 of 2.1860 (for final account balances)

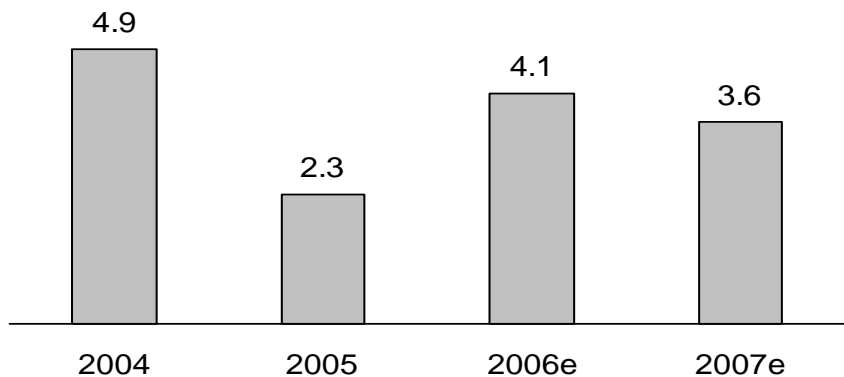
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- Economic dynamism unchanged. Financial market still has untapped potential for growth and increase in penetration of banking services
- Quarter of strong customer business growth
  - ⇒ Customer revenue up 30% in 12 months
  - ⇒ Loans up 36% with spreads maintained and gains in market share
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  - ⇒ Operating margin up 47%
  - ⇒ Income before taxes up 20%
- More optimistic vision for growth in 2006

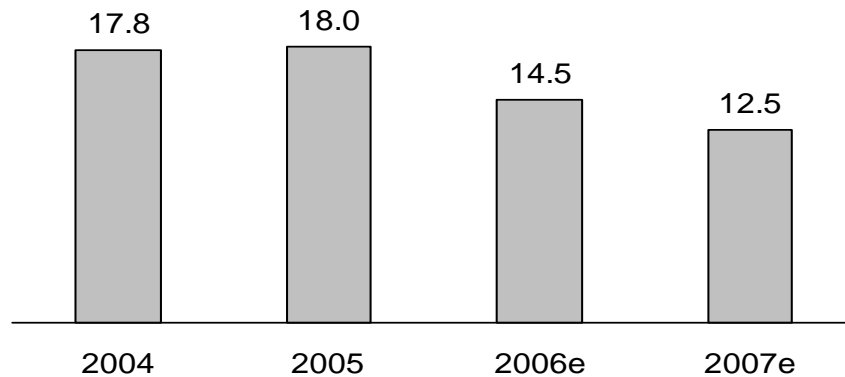
# Macroeconomic scenario

Stable growth and falling interest rates

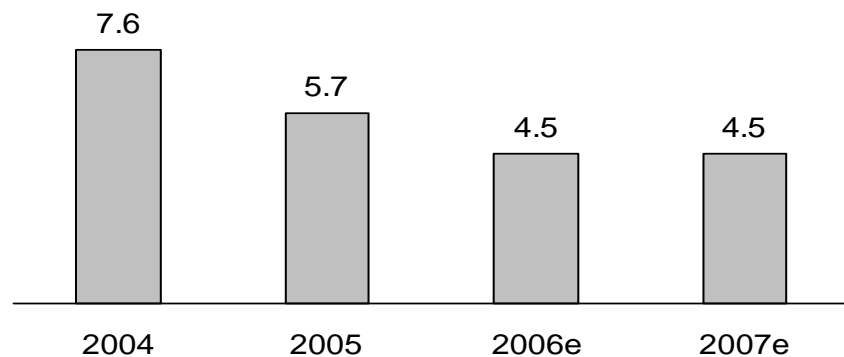
**GDP (% of real annual growth)**



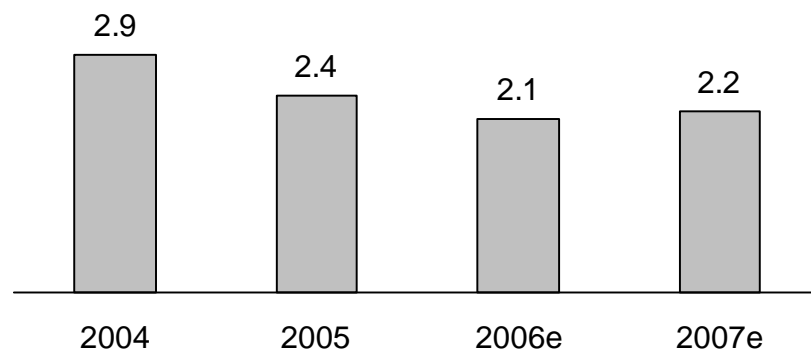
**Average Interest Rate - SELIC (%)**



**Inflation (IPCA) %**



**FX Rate – Average during the Period**



Sources: The Brazilian Central Bank (BCB) and Banco Santander Banespa Investment estimates

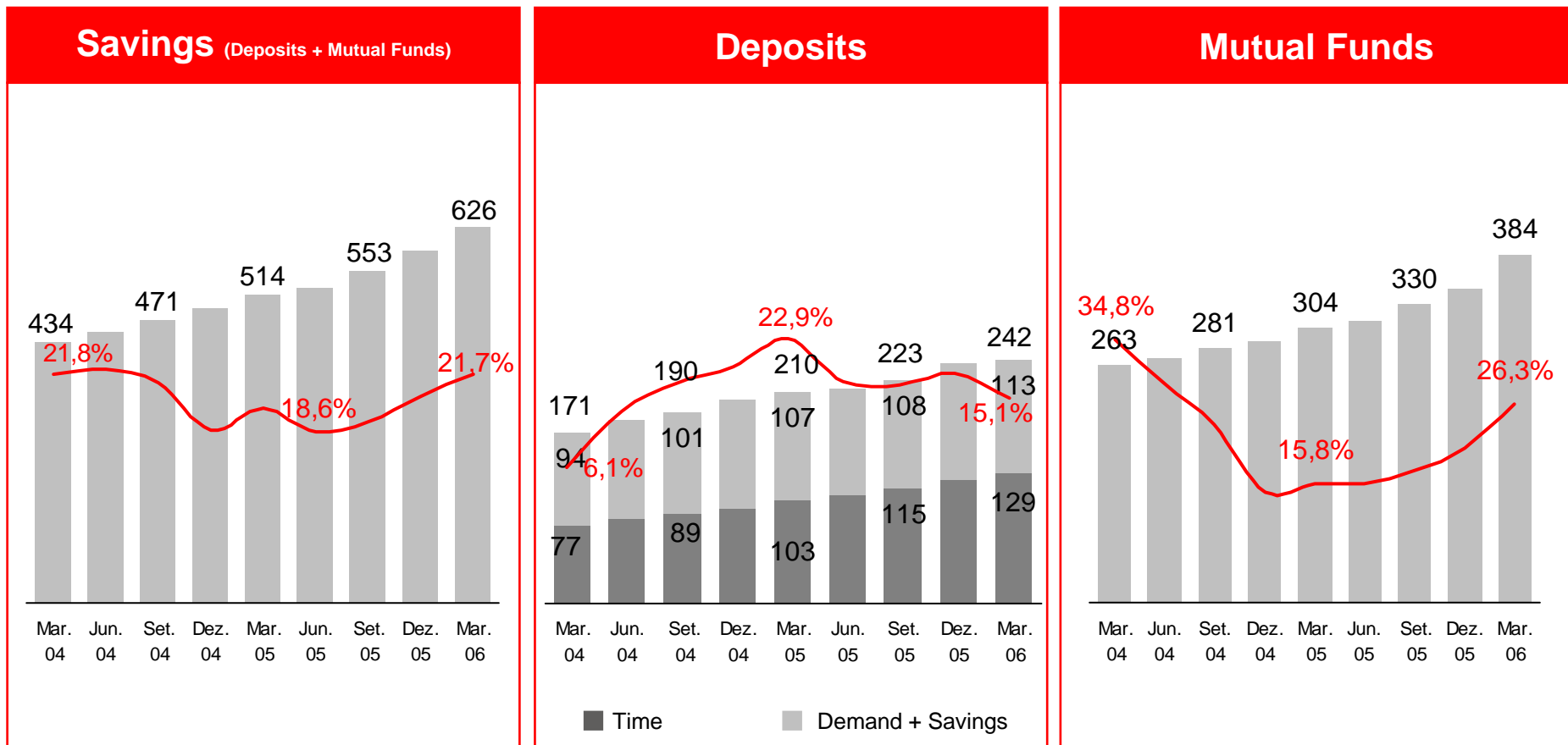
# The positive outlook for the economy remains unchanged

- Economic growth expected to accelerate in 2006, 4.1% vs. 2.3% in 2005
- Appreciation of the *real* should help inflation converge to the established target , efficient monetary policy
- Interest rates expected to continue to fall in 2006
- Comfortable external accounts – estimated trade surplus of US\$ 40 billion in 2006
- Strong external deleverage: accumulation of reserves and total payment of IMF debt
- Fiscal Austerity – high primary surplus. Target of 4.25% of GDP in 2006 should be met
- Country risk falling (239 bps). Investment grade on the horizon

# Financial System: Savings growth dynamics

Acceleration in growth led by mutual funds and time deposits

Billions of US\$ at a constant FX rate



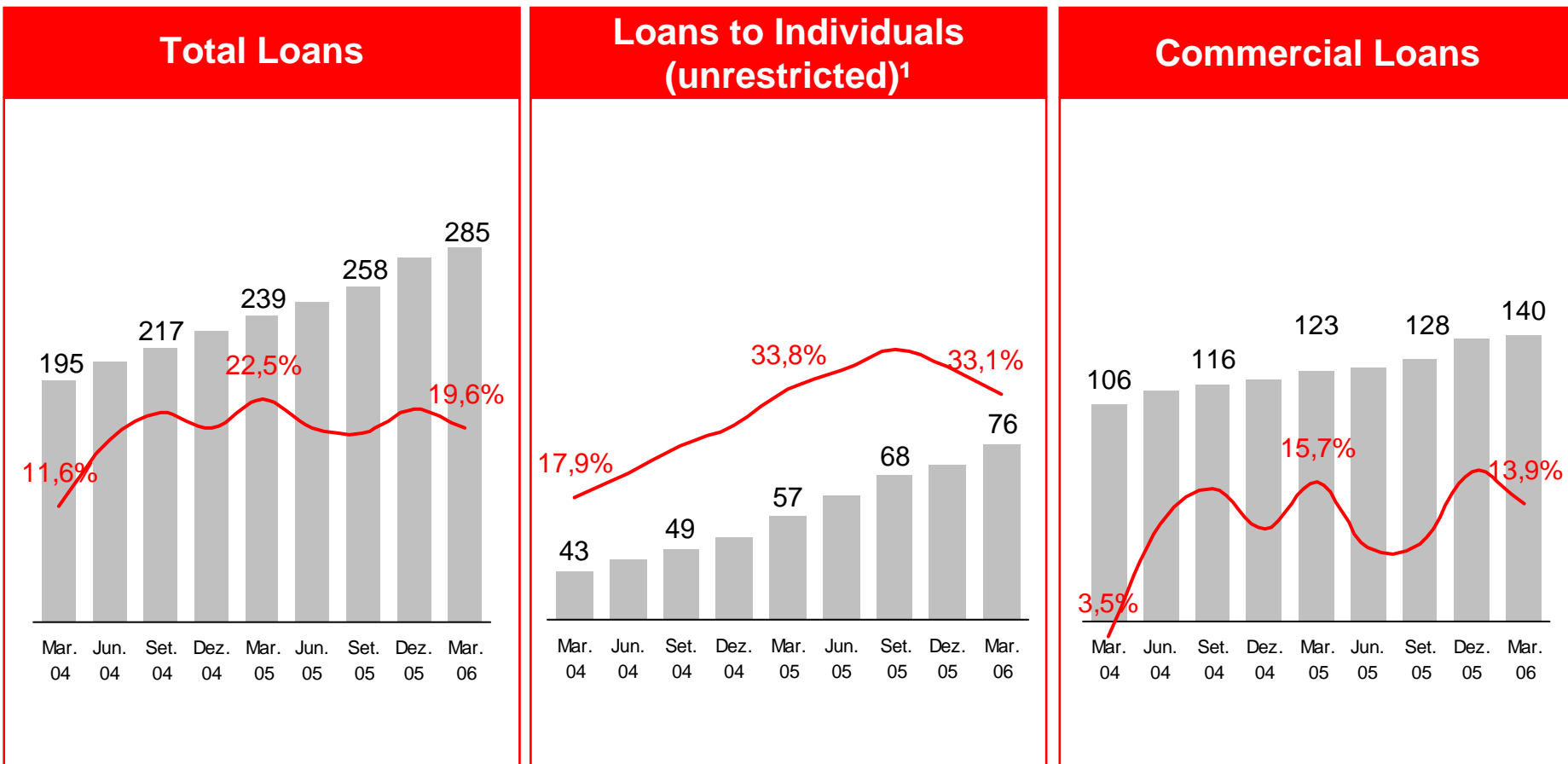
■ Volume      —◆— Y-o-Y Variation

Source: The Brazilian Central Bank (BCB)

# Financial System: Loans growth dynamics

Loan growth driven by the individual segment

Billions of US\$ at a constant FX rate



Source: The Brazilian Central Bank (BCB)

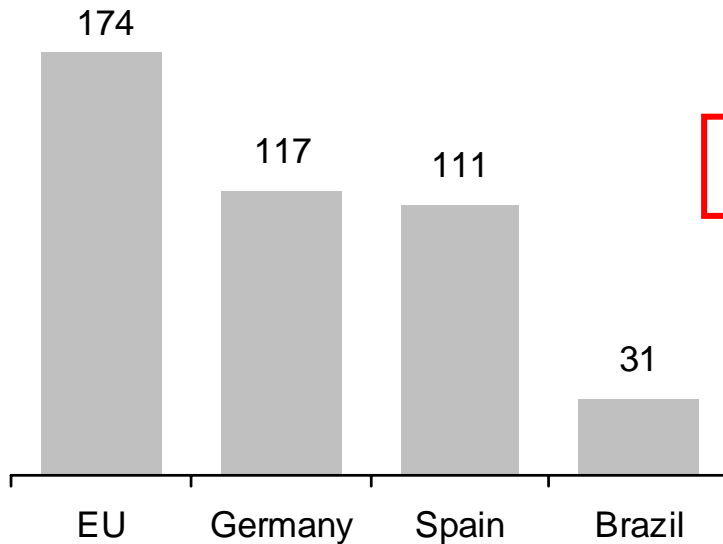
1) Does not include compulsory lending

■ Volume      —◆— Y-o-Y Variation

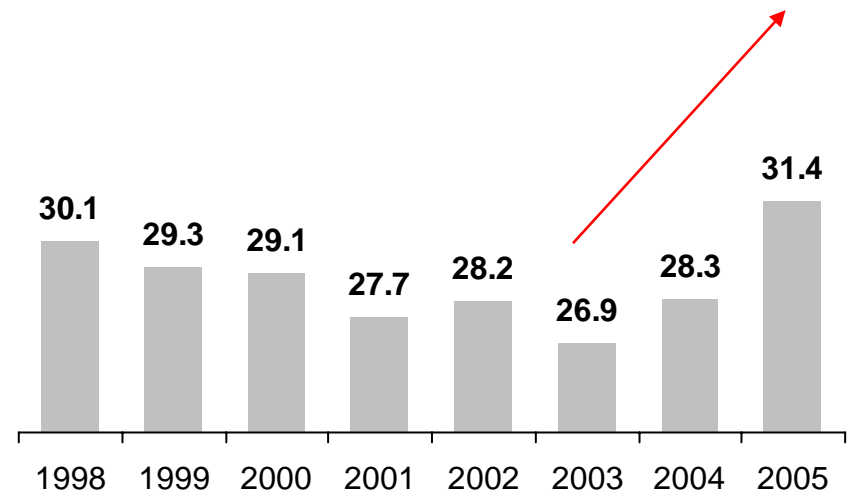
# Potential for Banking Build Out

Modest penetration rate in terms of loans / GDP suggests there is potential for both banking build out and business expansion

Loans / GDP (%)



Loans / GDP – Brazil (%)



Sources: World Bank, Moody's and the BCB



# Conclusions

- Favorable conditions for growth in banking business:
  - ✓ solid macroeconomic fundamentals
  - ✓ improvement in real income and employment
  - ✓ falling interest rates
  - ✓ low penetration of credit in the economy
- Growth in the financial system is taking place gradually and in a generalized way (loans, savings, individual and the retail business...)

# Brazil's healthy economic development and favorable fundamentals led to an appreciation of local banks' market cap

Development of Market Cap.

12 months

YTD (Jan-Mar 06)

## Brazilian Banks

R\$	65%	18%
US\$	94%	25%

## IBOVESPA

R\$	36%	14%
US\$	61%	21%

## P/E

2006	11.5
2007	11.7

## P/BV

3.4

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- More optimistic vision for growth in 2006

# Our Franchise

**Santander Banespa is the fourth largest private bank in Brazil and one of the leading financial institutions in the state of São Paulo**

## Millions of US\$ as of 31/03/06



**Assets: 44,677**

**Loans: 14,095**

**Savings: 29,899**

**Net Income (1Q06): 242**

**Branches: 1,877**

**ATMs: 7,156**

**Clients (MM): 6.9**

**Concentration in the south and southeast of the country**

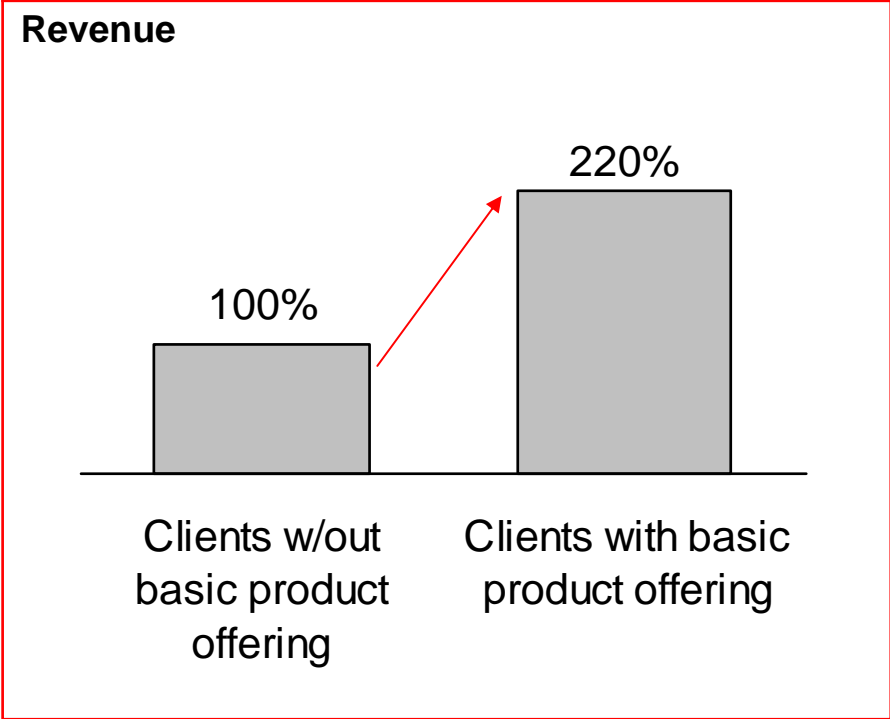
# Management highlights for 2006

## In 2006 Santander Banespa's management will be focusing on:

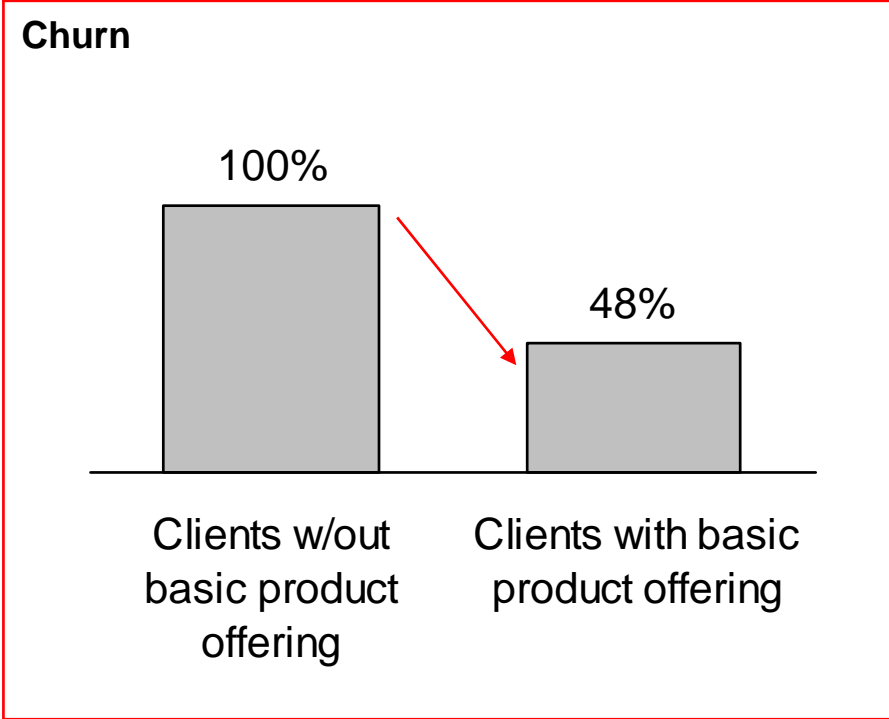
- Increasing the bank's individual customer base
  - Increasing the penetration of the "basic offer" of products
  - Increasing the number of clients
- The F1 – program, designed to consolidate the loyalty of public sector employees in the state of São Paulo
- Consolidation of SMEs as a leverage for sustainable growth
- Stimulating global synergies in the Group's Wholesale Banking activities
- Improving the bank's brand positioning and quality of service

# Clients with penetration of basic product offering\* ensure higher profitability and establish longer-lasting relationships

Clients with basic product offering\* generate 2.2x more revenue than clients without...



... and increase loyalty



\* Already use the "basic offer" of products and services

# The F1 Program is designed to ensure the loyalty of public sector employees in the state of São Paulo

## F1 Program underway

- 650 specialized managers / 300 branches / support team of 100 personnel
- Implementation of A+ and modernization of branches
- Commercial activities for different groups, offering exclusive products
  - SuperCrédito SP, RendeMais SP, SuperOffice, SuperCasa and the Platinum Card
  - Promotional activities
- **Superlinha** (customer call center) dedicated to the segment

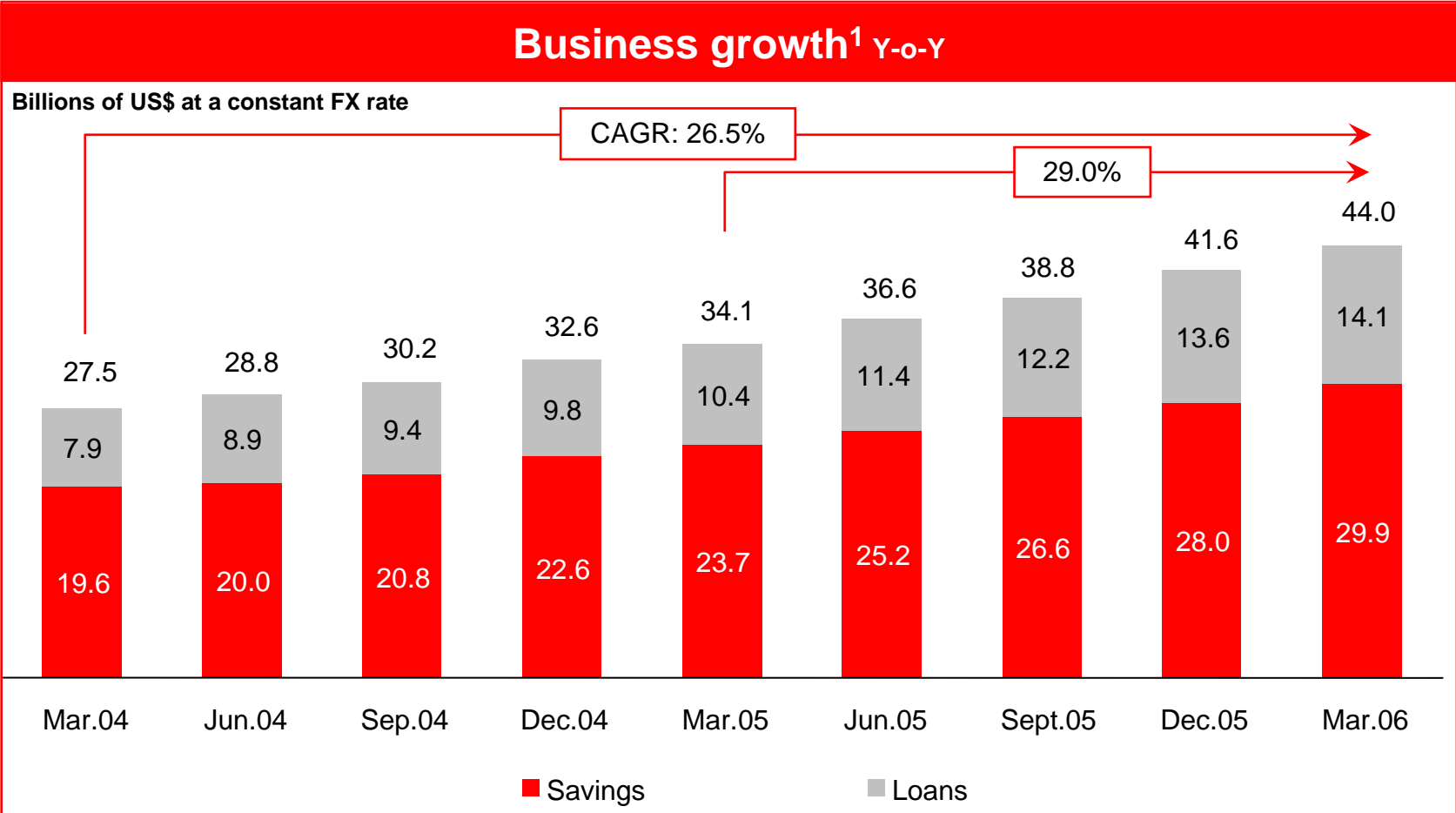
## Offer of differentiated products and communication channels





# Business dynamics...

Another quarter of strong growth both in loans and savings



1. Total Business: Loans + Deposits + Mutual Funds – Average Balances.

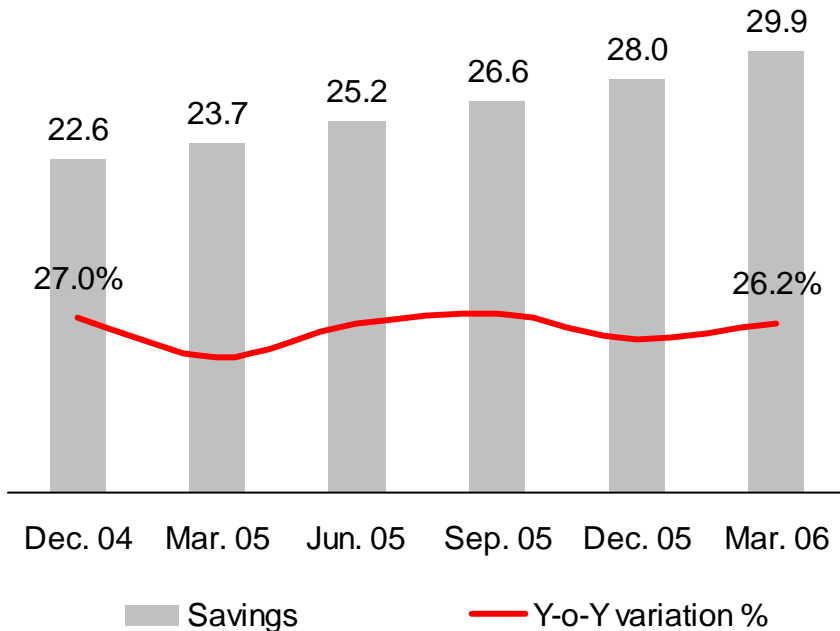


# Business dynamics...

**Growth of funds reflects the success of the retail strategy based on product innovation (Multi-Return Funds)**

Billions of US\$ at a constant FX rate

## Savings (Deposits + Mutual Funds)



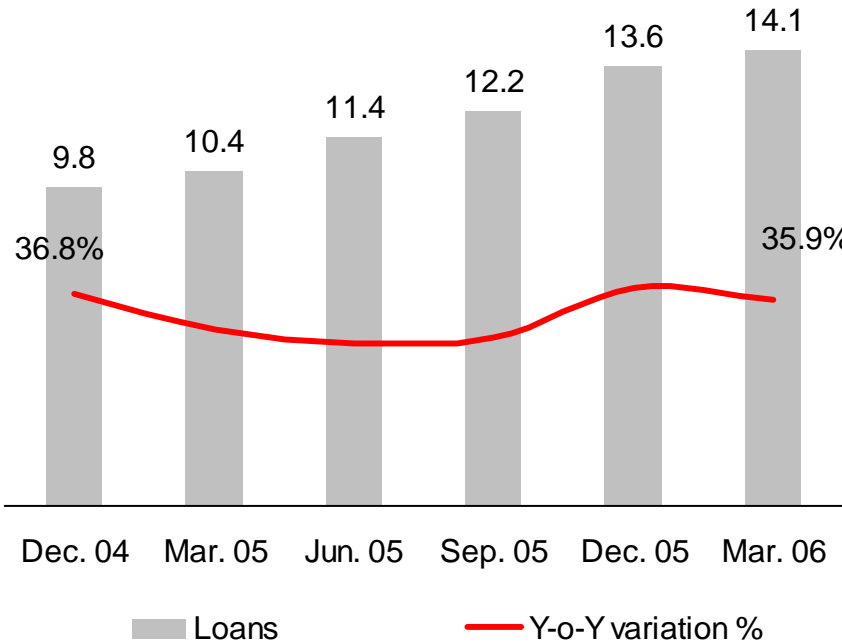
	Volume billion US\$	% Var. 06/05
<b>Core Deposits</b>	4.1	6.6%
<b>Time Deposits</b>	9.9	35.9%
<b>Mutual Funds</b>	15.9	26.5%
<b>Retail Funds</b>	9.3	19.7%
<b>Total</b>	<b>29.9</b>	<b>26.2%</b>

# Business dynamics...

## Loans growth concentrated in businesses with wider spreads – Individual and SMEs

Billions of US\$ at a constant FX rate

### Loans



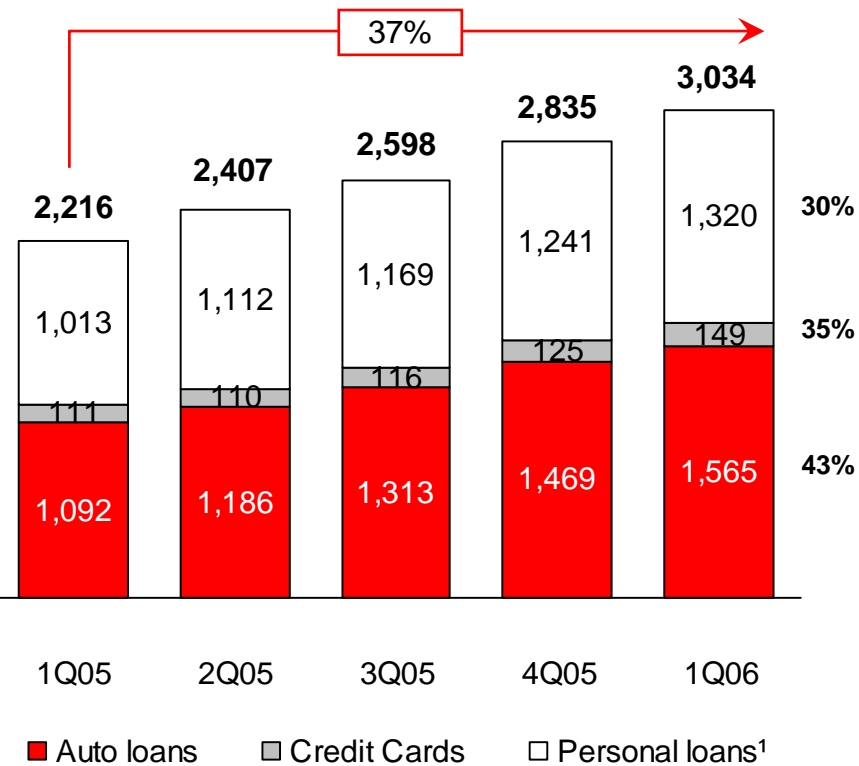
	Volume billion US\$	% Var. 06/05
<b>Individual</b>	4.9	26.4%
<b>Unrestricted Individual<sup>1</sup></b>	4.1	35.1%
<b>SMEs</b>	1.1	46.7%
<b>Companies</b>	1.5	16.0%
<b>Corporate</b>	4.7	26.3%
<b>Others</b>	1.9	161%
<b>Total</b>	<b>14.1</b>	<b>35.9%</b>

1) Does not include compulsory lending

# Consumer financing growing at a fast pace

## Consumer Credit

Millions of US\$ at a constant FX rate













1) Includes payroll loans

## Retail Highlights

- Expansion of external auto financing channel
- Personal loans, driven by strong growth of payroll loans
- Credit Cards - Opportunity for penetration within the existing customer base and growth among non-customers

# Market Shares dynamics

## Market share gains in loans, deposits and funds

Market Share	Share (%)	Var. 12M	
<b>Total Loans</b>	<b>5,8%</b>	<b>+0,2</b>	
- Consumer Loans	5,4%	+0,2	
- Payroll	3,4%	+1,1	
- Auto loans	6,6%	+0,4	
- Credit Card	3,7%	+0,1	
- Personal loans	6,3%	-0,4	
- Commercial loans (unrestricted)	5,7%	+0,5	
<b>Deposits + Funds</b>	<b>4,6%</b>	<b>+0,3</b>	
<b>Pension Funds</b>	<b>3,9%</b>	<b>+0,3</b>	
<b>Business<sup>1</sup></b>	<b>5,0%</b>	<b>+0,1</b>	

Source: The Brazilian Central Bank (BCB). Total loan and savings as of January 2006. Other loans as of March.

1) Loans + Deposits + Funds

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# Strong business performance and increase in revenues were the main drivers behind the growth in quarterly results

Mar./2006

Development of results 1Q06 / 1Q05	
Commercial Revenues	25%
Revenues <sup>1</sup>	15%
Net Operating Income	47%
Income before taxes	20%

Performance Indicators	
NPL	2.8%
Coverage	126.2%
Efficiency	46.8%
ROE	28.6%

**Net Profit: US\$ 242 million<sup>2</sup>**

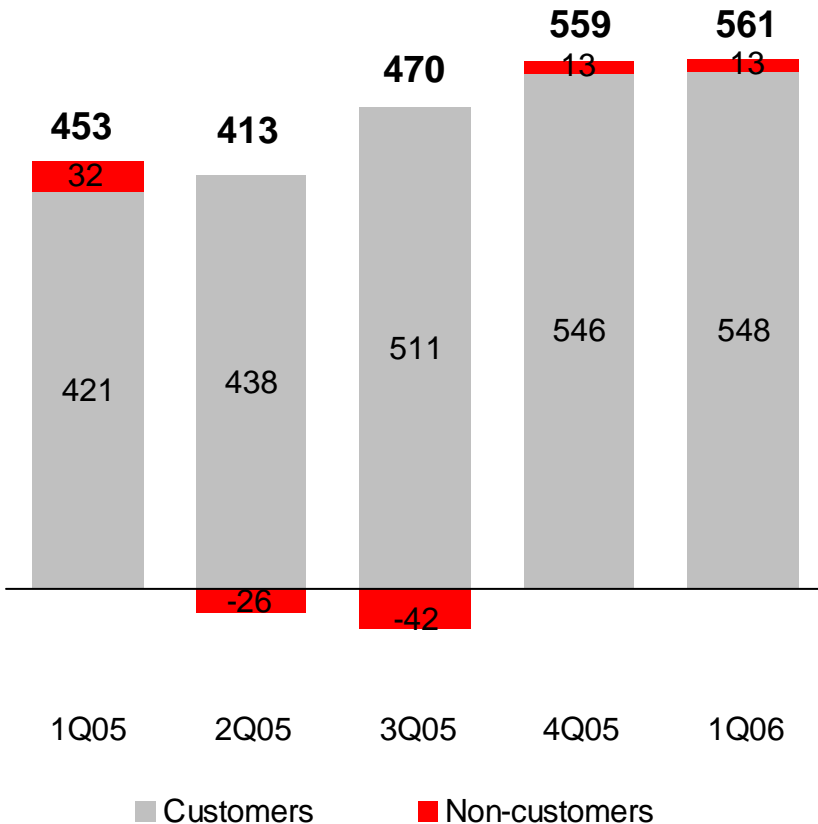
1. Revenues = Gross Operating Income

2. Which represents growth rates of: 10.8% in reais, 34.5% in USD and 46.8% in EUROS

# Results: Net Interest Income

**Strong growth in net interest income, driven by sequential increases in customer revenues**

Millions of US\$ at a constant FX rate

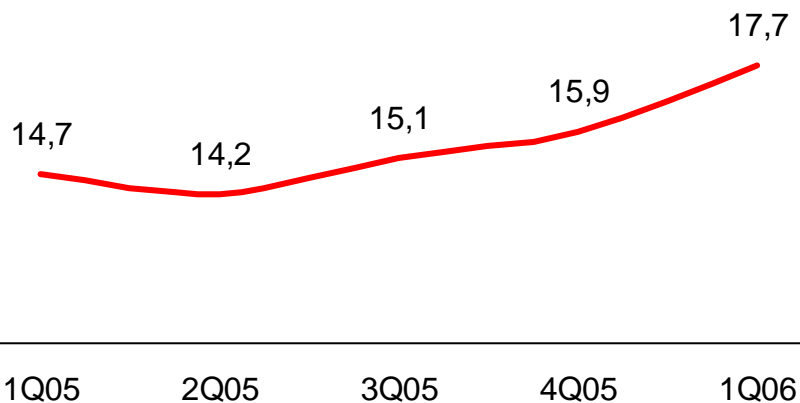


	1Q05	1Q06	% Var. 06/05
<b>Customer</b>	421	548	30%
<b>Non-Customer</b>	32	13	-59%
<b>Net Interest Income</b>	<b>453</b>	<b>562</b>	<b>24%</b>

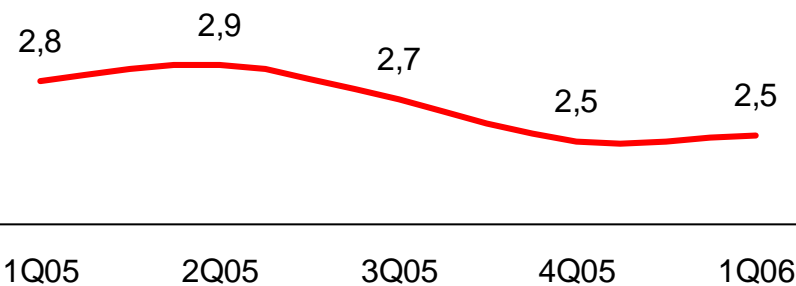
# Results: Spreads

**Growth in loans spreads favored income. Savings spreads affected by the start of the reduction in domestic interest rates**

## Loans Spread – Retail Banking<sup>1</sup>



## Savings Spread – Retail Banking



<sup>1</sup>) The spread in 1Q06 is not based on the same criteria as in 2005, when the wholesale banking segment was included in the calculation. The spread in 1Q06 is solely for the retail bank and can only be directly compared with 16.9% in 4Q05.

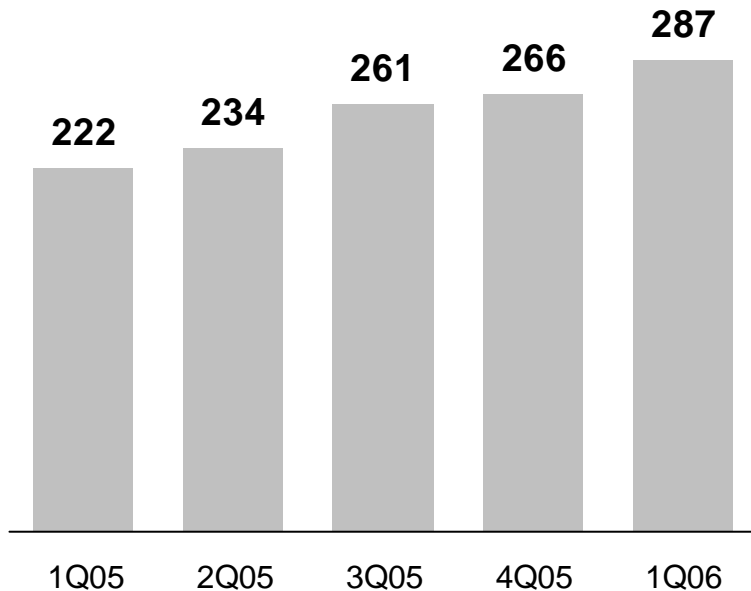


# Results: Net Fees

**Net fees rose 29% in the year driven by mutual funds, credit cards, insurance and capital markets. Opportunity for increases in the current account segment.**

Millions of US\$ at a constant FX rate

## Net Fees



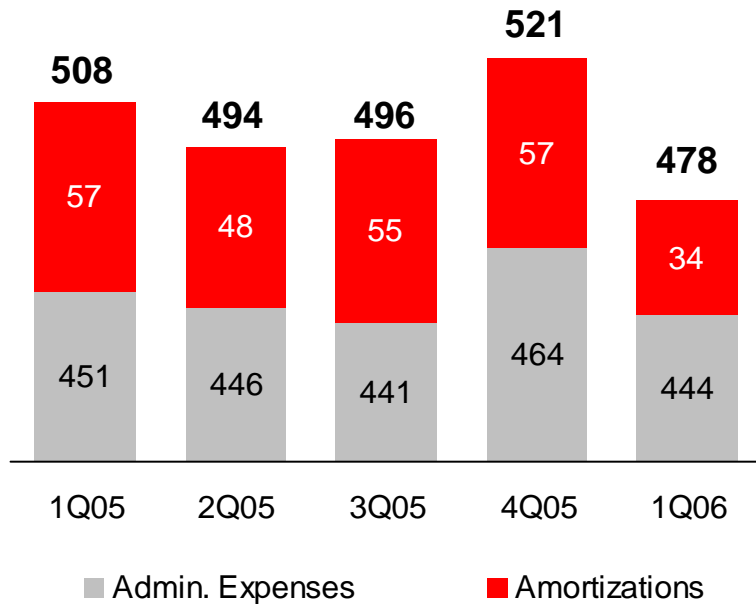
## Core businesses

	1Q05	1Q06	% Var. 06/05
Current Account	70	78	10.3%
Mutual Funds	43	66	52.3%
Foreign Trade	16	17	5.9%
Credit Cards	15	20	32.8%
Insurance	30	35	15.9%
Others	48	71	47.9%
<b>Total Net Fees</b>	<b>222</b>	<b>287</b>	<b>29.5%</b>

# Results: Administrative expenses and Amortization

The technological integration finalized in April 2006 will allow growth on a stable expense base\*, which was already reflected in 1Q06

Millions of US\$ at a constant FX rate



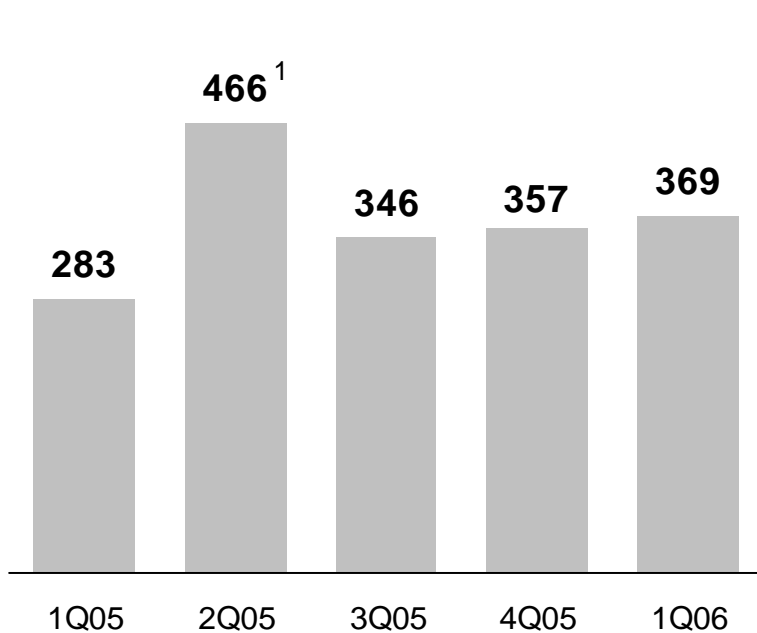
	1Q05	1Q06	% Var. 06/05
Admin. Expenses	451	444	-1.6%
Amortizations	57	34	-39.2%
<b>Admin. Expenses + Amortizations</b>	<b>508</b>	<b>478</b>	<b>-5.8%</b>

\* Nominal growth rates in line with inflation

# Results: Net Operating Margin

The Strong growth in revenues has absorbed the higher-than-expected loan cost, resulting in an increase in an Net Operating Margin of 30%

Millions of US\$ MM at a constant FX rate



	1Q05	1Q06	% Var 06/05
<b>Operating Margin</b>	<b>336</b>	<b>492</b>	<b>46.5%</b>
<b>Provisions</b>	-53	-123	133.8%
<b>Specific</b>	-83	-167 <sup>3</sup>	101.7%
<b>Generic</b>	34	27	-21.8%
<b>Others<sup>2</sup></b>	-4	17	NA
<b>Net Operating Margin</b>	<b>283</b>	<b>369</b>	<b>30.3%</b>

1) Includes the sale of AES Tiete

2) Includes country risk and recovered bad debt

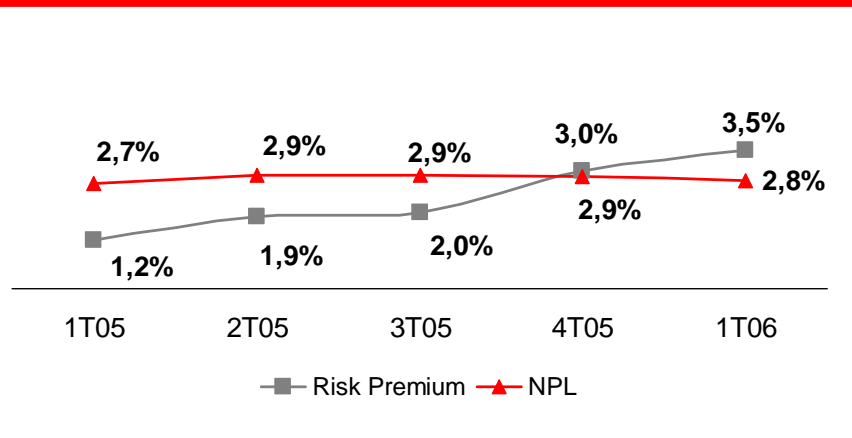
3) The quarterly provision includes a non-recurring item of US\$ 10 million in the corporate portfolio

NA Not available

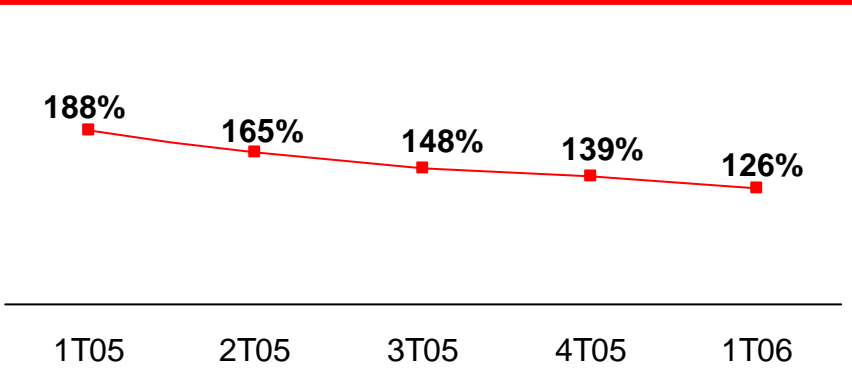
# Results: Asset Quality

## Quality of loan portfolio still high

### NPL and Risk Premium Ratios



### NPL Coverage



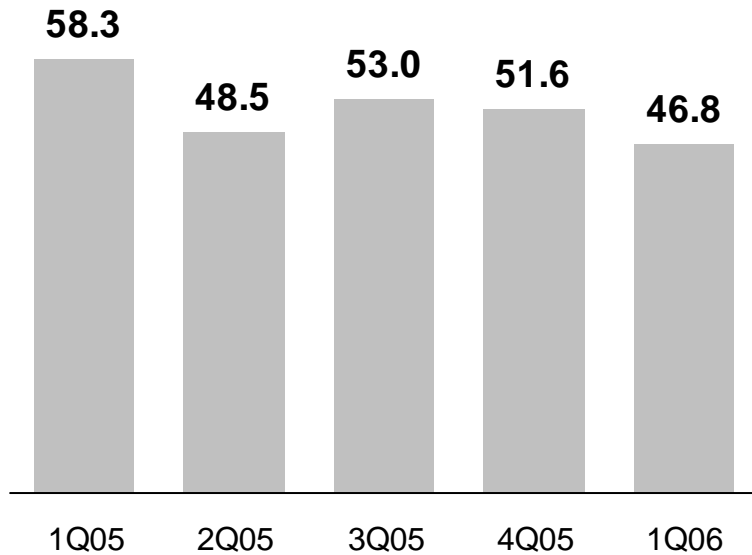
### Highlights

- Risk premium rises in line with the expansion of the bank's loan portfolio, particularly in the individual and SME segments.
- Program to be taken currently underway to streamline the process of debt recovery.
- Stable NPL.

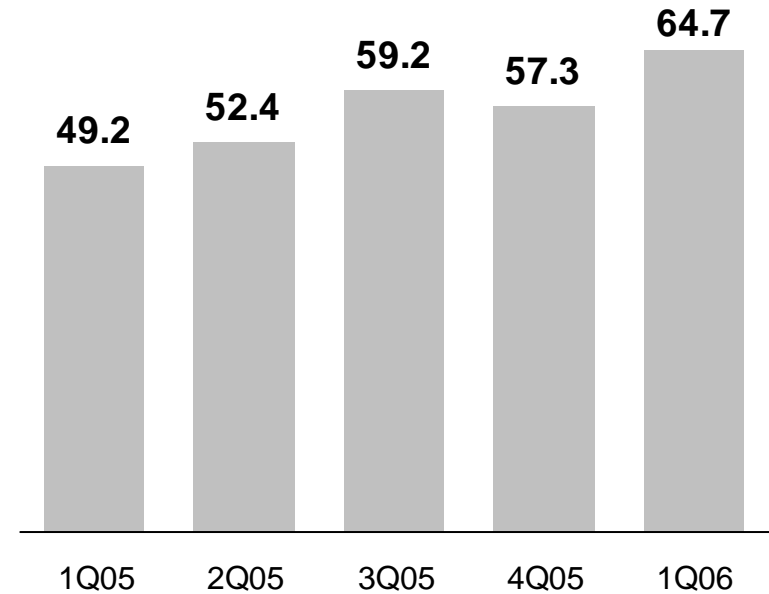
# Indicators

**Significant improvement in both efficiency and fees coverage index over expenses**

**Efficiency\* (%)**



**Fees Coverage Index Over Expenses (%)**



\*) Includes amortizations.

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# Outlook for 2006

## More optimistic vision in terms of the growth expected in 2006

### Initial Projection for 2006

### Current Projection

▪ Activity	> 20%	25% - 30%
▪ Customer related revenue	> 15%	> 20%
▪ Non-customer related revenue	ROF less than in 2005	✓
▪ General admin. expenses	In local currency < inflation	✓
▪ Loan loss provisions	Rising risk premiums, in line with the change in mix	✓

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## Annexes

- Total results
- Retail bank results
- Balance sheet
- Ratings
- Awards



# Income Statement

Million of US\$ Current

	YoY			
	1Q 06	1Q 05	Absolute	%
<b>Net interest income</b>	<b>562</b>	<b>373</b>	<b>189</b>	<b>50,6</b>
Income from companies accounted for by the equity method	1	0	1	532,5
Net fees	287	183	105	57,3
Insurance activity	10	13	(3)	(20,5)
<b>Commercial revenue</b>	<b>860</b>	<b>568</b>	<b>292</b>	<b>51,3</b>
Gains (losses) on financial transactions	107	124	(17)	(13,9)
<b>Gross operating income</b>	<b>967</b>	<b>692</b>	<b>274</b>	<b>39,6</b>
Income from non-financial services (net) and other operations	4	2	2	83,6
General administrative expenses	(444)	(371)	(73)	19,5
<i>Personnel</i>	(236)	(205)	(31)	15,3
<i>Other administrative expenses</i>	(208)	(167)	(41)	24,8
Depreciation and amortization	(34)	(47)	12	(26,2)
<b>Net operating income</b>	<b>492</b>	<b>276</b>	<b>216</b>	<b>78,0</b>
Net loan-losses provisions	(123)	(43)	(80)	184,1
Other income	(0)	21	(21)	—
<b>Income before taxes</b>	<b>369</b>	<b>254</b>	<b>115</b>	<b>45,3</b>
<b>Net income from ordinary activities</b>	<b>242</b>	<b>180</b>	<b>62</b>	<b>34,1</b>
<b>Net consolidated income</b>	<b>242</b>	<b>180</b>	<b>62</b>	<b>34,1</b>
<b>Attributable income to the Group</b>	<b>238</b>	<b>177</b>	<b>61</b>	<b>34,6</b>

# Income Statement

R\$ MM

	YoY			
	1Q 06	1Q 05	Absolute	%
<b>Net interest income</b>	<b>1.231</b>	<b>993</b>	<b>238</b>	<b>24,0</b>
Income from companies accounted for by the equity method	2	0	2	420,6
Net fees	630	487	143	29,5
Insurance activity	22	33	(12)	(34,6)
<b>Commercial revenue</b>	<b>1.885</b>	<b>1.513</b>	<b>371</b>	<b>24,5</b>
Gains (losses) on financial transactions	234	331	(96)	(29,1)
<b>Gross operating income</b>	<b>2.119</b>	<b>1.844</b>	<b>275</b>	<b>14,9</b>
Income from non-financial services (net) and other operations	8	6	3	51,1
General administrative expenses	(974)	(990)	16	(1,6)
<i>Personnel</i>	<i>(518)</i>	<i>(546)</i>	28	(5,1)
<i>Other administrative expenses</i>	<i>(456)</i>	<i>(444)</i>	(12)	2,7
Depreciation and amortization	(75)	(124)	49	(39,2)
<b>Net operating income</b>	<b>1.079</b>	<b>736</b>	<b>342</b>	<b>46,5</b>
Net loan-losses provisions	(269)	(115)	(154)	133,8
Other income	(0)	56	(56)	—
<b>Income before taxes</b>	<b>810</b>	<b>677</b>	<b>133</b>	<b>19,6</b>
<b>Net income from ordinary activities</b>	<b>531</b>	<b>481</b>	<b>50</b>	<b>10,4</b>
<b>Net consolidated income</b>	<b>531</b>	<b>481</b>	<b>50</b>	<b>10,4</b>
<b>Attributable income to the Group</b>	<b>522</b>	<b>471</b>	<b>51</b>	<b>10,8</b>

# Income Statement

Million of Eur Current

	YoY			
	1Q 06	1Q 05	Absolute	%
<b>Net interest income</b>	<b>467</b>	<b>284</b>	<b>183</b>	<b>64,3</b>
Income from companies accounted for by the equity method	1	0	1	590,0
Net fees	239	139	100	71,6
Insurance activity	8	10	(1)	(13,3)
<b>Commercial revenue</b>	<b>715</b>	<b>433</b>	<b>282</b>	<b>65,1</b>
Gains (losses) on financial transactions	89	95	(6)	(6,1)
<b>Gross operating income</b>	<b>804</b>	<b>528</b>	<b>276</b>	<b>52,3</b>
Income from non-financial services (net) and other operations	3	2	2	100,3
General administrative expenses	(369)	(283)	(86)	30,4
<i>Personnel</i>	<i>(197)</i>	<i>(156)</i>	<i>(40)</i>	25,8
<i>Other administrative expenses</i>	<i>(173)</i>	<i>(127)</i>	<i>(46)</i>	36,1
Depreciation and amortization	(29)	(35)	7	(19,5)
<b>Net operating income</b>	<b>409</b>	<b>211</b>	<b>199</b>	<b>94,2</b>
Net loan-losses provisions	(102)	(33)	(69)	210,0
Other income	(0)	16	(16)	—
<b>Income before taxes</b>	<b>307</b>	<b>194</b>	<b>113</b>	<b>58,5</b>
<b>Net income from ordinary activities</b>	<b>201</b>	<b>138</b>	<b>64</b>	<b>46,3</b>
<b>Net consolidated income</b>	<b>201</b>	<b>138</b>	<b>64</b>	<b>46,3</b>
<b>Attributable income to the Group</b>	<b>198</b>	<b>135</b>	<b>63</b>	<b>46,8</b>

# Income Statement – Commercial Bank

Million of US\$ Current

	1Q 06	1Q 05	YoY	
			Absolute	%
<b>Net interest income</b>	<b>478</b>	<b>348</b>	<b>130</b>	<b>37,5</b>
Income from companies accounted for by the equity method	1	0	1	532,5
Net fees	245	158	87	55,2
Insurance activity	—	—	—	—
<b>Commercial revenue</b>	<b>725</b>	<b>506</b>	<b>218</b>	<b>43,2</b>
Gains (losses) on financial transactions	32	53	(22)	(40,5)
<b>Gross operating income</b>	<b>756</b>	<b>559</b>	<b>197</b>	<b>35,2</b>
Income from non-financial services (net) and other operations	5	2	2	92,4
General administrative expenses	(407)	(341)	(66)	19,5
<i>Personnel</i>	<i>(209)</i>	<i>(188)</i>	<i>(21)</i>	<i>10,9</i>
<i>Other administrative expenses</i>	<i>(198)</i>	<i>(153)</i>	<i>(46)</i>	<i>30,0</i>
Depreciation and amortization	(31)	(45)	14	(30,6)
<b>Net operating income</b>	<b>323</b>	<b>177</b>	<b>146</b>	<b>82,9</b>
Net loan-losses provisions	(110)	(31)	(79)	253,6
Other income	1	5	(3)	(69,4)
<b>Income before taxes</b>	<b>215</b>	<b>150</b>	<b>65</b>	<b>43,0</b>

# Income Statement – Commercial Bank

R\$ MM

	1Q 06	1Q 05	YoY	
			Absolute	%
<b>Net interest income</b>	<b>1.049</b>	<b>927</b>	<b>122</b>	<b>13,2</b>
Income from companies accounted for by the equity method	2	0	2	420,6
Net fees	538	421	117	27,7
Insurance activity	—	—	—	—
<b>Commercial revenue</b>	<b>1.588</b>	<b>1.348</b>	<b>240</b>	<b>17,8</b>
Gains (losses) on financial transactions	70	142	(73)	(51,0)
<b>Gross operating income</b>	<b>1.658</b>	<b>1.490</b>	<b>168</b>	<b>11,3</b>
Income from non-financial services (net) and other operations	10	7	4	58,4
General administrative expenses	(893)	(908)	15	(1,7)
<i>Personnel</i>	<i>(458)</i>	<i>(501)</i>	<i>44</i>	<i>(8,7)</i>
<i>Other administrative expenses</i>	<i>(435)</i>	<i>(407)</i>	<i>(28)</i>	<i>7,0</i>
Depreciation and amortization	(68)	(119)	51	(42,9)
<b>Net operating income</b>	<b>708</b>	<b>471</b>	<b>238</b>	<b>50,5</b>
Net loan-losses provisions	(240)	(83)	(158)	191,0
Other income	3	12	(9)	(74,8)
<b>Income before taxes</b>	<b>471</b>	<b>400</b>	<b>71</b>	<b>17,7</b>

# Income Statement – Commercial Bank

Million of Eur Current

	1Q 06	1Q 05	YoY	
			Absolute	%
<b>Net interest income</b>	<b>398</b>	<b>265</b>	<b>133</b>	<b>50,0</b>
Income from companies accounted for by the equity method	1	0	1	590,0
Net fees	204	121	84	69,3
Insurance activity	—	—	—	—
<b>Commercial revenue</b>	<b>603</b>	<b>386</b>	<b>217</b>	<b>56,2</b>
Gains (losses) on financial transactions	26	41	(14)	(35,1)
<b>Gross operating income</b>	<b>629</b>	<b>427</b>	<b>203</b>	<b>47,5</b>
Income from non-financial services (net) and other operations	4	2	2	110,0
General administrative expenses	(339)	(260)	(79)	30,3
<i>Personnel</i>	<i>(174)</i>	<i>(144)</i>	<i>(30)</i>	<i>21,0</i>
<i>Other administrative expenses</i>	<i>(165)</i>	<i>(116)</i>	<i>(49)</i>	<i>41,8</i>
Depreciation and amortization	(26)	(34)	8	(24,3)
<b>Net operating income</b>	<b>269</b>	<b>135</b>	<b>134</b>	<b>99,5</b>
Net loan-losses provisions	(91)	(24)	(68)	285,7
Other income	1	3	(2)	(66,6)
<b>Income before taxes</b>	<b>179</b>	<b>115</b>	<b>64</b>	<b>56,0</b>

# Balance Sheet

Million of US\$ Current

	YoY			
	31.03.06	31.03.05	Absolute	%
<b>Balance</b>				
Loans and credits*	13.570	8.132	5.438	66,9
Trading portfolio	10.137	4.156	5.981	143,9
Available-for-sale financial assets	7.634	6.839	795	11,6
Due from credit institutions*	9.690	7.224	2.466	34,1
Intangible assets and property and equipment	458	459	(1)	(0,1)
Other assets	11.278	5.785	5.493	94,9
<b>Total assets / liabilities and Shareholders' equity</b>	<b>52.768</b>	<b>32.595</b>	<b>20.173</b>	<b>61,9</b>
Customer deposits*	13.985	9.276	4.709	50,8
Marketable debt securities*	1.137	647	490	75,7
Subordinated debt	489	—	489	—
Insurance liabilities	1.463	887	577	65,0
Due to credit institutions	23.782	12.739	11.042	86,7
Other liabilities	8.365	5.992	2.373	39,6
Shareholders' equity	3.547	3.054	493	16,1
<b>Off-balance-sheet funds</b>	<b>15.820</b>	<b>10.479</b>	<b>5.341</b>	<b>51,0</b>
Mutual funds	15.077	9.957	5.119	51,4
Pension funds	—	—	—	—
Managed portfolios	743	522	221	42,4
<b>Total customer's funds under management</b>	<b>32.895</b>	<b>21.289</b>	<b>11.606</b>	<b>54,5</b>
<b>Total managed funds</b>	<b>68.588</b>	<b>43.074</b>	<b>25.514</b>	<b>59,2</b>

(\*) Includes all the outstanding balances using this concept

# Balance Sheet

R\$ MM

	31.03.06	31.03.05	YoY	
			Absolute	%
<b>Balance</b>				
Loans and credits*	29.664	21.761	7.904	36,3
Trading portfolio	22.161	11.122	11.038	99,2
Available-for-sale financial assets	16.688	18.301	(1.613)	(8,8)
Due from credit institutions*	21.182	19.330	1.851	9,6
Intangible assets and property and equipment	1.002	1.228	(226)	(18,4)
Other assets	24.654	15.481	9.173	59,2
<b>Total assets / liabilities and Shareholders' equity</b>	<b>115.350</b>	<b>87.224</b>	<b>28.127</b>	<b>32,2</b>
Customer deposits*	30.571	24.822	5.749	23,2
Marketable debt securities*	2.486	1.732	754	43,5
Subordinated debt	1.070	—	1.070	—
Insurance liabilities	3.198	2.372	826	34,8
Due to credit institutions	51.987	34.090	17.897	52,5
Other liabilities	18.285	16.034	2.250	14,0
Shareholders' equity	7.754	8.173	(419)	(5,1)
<b>Off-balance-sheet funds</b>	<b>34.582</b>	<b>28.042</b>	<b>6.540</b>	<b>23,3</b>
Mutual funds	32.957	26.646	6.312	23,7
Pension funds	—	—	—	—
Managed portfolios	1.625	1.397	228	16,3
<b>Total customer's funds under management</b>	<b>71.907</b>	<b>56.969</b>	<b>14.939</b>	<b>26,2</b>
<b>Total managed funds</b>	<b>149.933</b>	<b>115.266</b>	<b>34.667</b>	<b>30,1</b>

(\*) Includes all the outstanding balances using this concept



# Balance Sheet

Million of Eur Current

			YoY	
	31.03.06	31.03.05	Absolute	%
<b>Balance</b>				
Loans and credits*	11.211	6.273	4.939	78,7
Trading portfolio	8.375	3.206	5.169	161,2
Available-for-sale financial assets	6.307	5.275	1.032	19,6
Due from credit institutions*	8.005	5.572	2.433	43,7
Intangible assets and property and equipment	379	354	25	7,0
Other assets	9.318	4.463	4.855	108,8
<b>Total assets / liabilities and Shareholders' equity</b>	<b>43.595</b>	<b>25.143</b>	<b>18.453</b>	<b>73,4</b>
Customer deposits*	11.554	7.155	4.399	61,5
Marketable debt securities*	939	499	440	88,2
Subordinated debt	404	—	404	—
Insurance liabilities	1.209	684	525	76,8
Due to credit institutions	19.648	9.827	9.821	99,9
Other liabilities	6.911	4.622	2.289	49,5
Shareholders' equity	2.930	2.356	575	24,4
<b>Off-balance-sheet funds</b>	<b>13.070</b>	<b>8.083</b>	<b>4.987</b>	<b>61,7</b>
Mutual funds	12.456	7.681	4.775	62,2
Pension funds	—	—	—	—
Managed portfolios	614	403	212	52,5
<b>Total customer's funds under management</b>	<b>27.177</b>	<b>16.421</b>	<b>10.755</b>	<b>65,5</b>
<b>Total managed funds</b>	<b>56.665</b>	<b>33.226</b>	<b>23.439</b>	<b>70,5</b>

(\*) Includes all the outstanding balances using this concept

# Ratings

		Long Term	Short Term	
<b>Fitch Ratings</b>	Brazil	Local Currency	BB-	-
		Foreign Currency	BB-	B
	Santander Banespa	Support		3
		Escala Nacional	AA (BRA)	F1+bra
		Local Currency	BB+	B
		Foreign Currency	BB-	B
<b>Standard &amp; Poors</b>	Brazil	National Scale	brAA	-
		Local Currency	BB	B
		Foreign Currency	BB-	B
	Santander Banespa	National Scale	brAA	brA-1
		Local Currency	BB	B
		Foreign Currency	BB-	B

# Awards Received

## Grupo Santander

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Best Bank in the World – *Euromoney Magazine* 2005

*Best Emerging Market Banks 2006 – Latin America – Revista Global Finance*

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## Santander Banespa

Best retail Bank in Brazil – FGV 2004

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## Treasury

Prize for the best Treasury in Latin America – *Euromoney Magazine* 2001 / 2004 / 2005

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## Research

Second best Team of Economists in Brazil – *Institutional Investor* magazine 2004 / 2005

Second best Team of Economists in Latin America – *Institutional Investor* magazine 2004 / 2005

Second best Analyst in the Brazilian Aviation Sector - *Institutional Investor* magazine 2005

Best Retail Analyst om Latin America – *Institutional Investor* magazine 2003 / 2004 / 2005

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## Asset Management

Top Fund Management Prize – Fixed Income, Derivatives and Balanced – *Valor Investe/S&P* magazine - 2003

Top Fund Management Prize – Mixed / Equity funds – *Valor Investe* magazine/Standard & Poors - 2004 and 2005

Best Fund Manager in the Multirisk Category – *Exame* magazine/FGV - 2004 and 2005

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## Insurance

Best Company in the specilaized Services Sector – *Valor Econômico* 2004

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## Others

Most Profitable bank in 2004 – FGV (30.7%)

*Deal of the Year – Best Equity Offering* (IPO for GOL) – *Latin Finance* magazine

Best International Securitization (US\$ 400 million operation) – *Latin Finance* magazine 2004

TOP HR (Projeto Fale with HR) – Association of Sales and Marketing directors in Brazil 2004

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