

Santander Consumer – Finconsumo Banca

2004 Financial Statements approved:

Net Income +54%

- **SANTANDER CONSUMER – FINCONSUMO BANCA IS CONFIRMED AS ONE OF THE ITALIAN CONSUMER CREDIT PLAYERS WITH THE HIGHEST GROWTH POTENTIAL.**
- **In the whole 2004 404,437 new contracts and 527,802 credit cards transactions were finalized, for a total value of € 2,010.0 mio, +36% versus 2003.**
- **Net Interest Income rose by 25% yoy to €147.1 mio.**
- **Contribution Margin grew by 33% yoy to €137.9 mio.**
- **Gross Operating Profit accounted for €84.2 mio, + 31% yoy.**
- **Net income came out at € 27,9 mio, recording a 54% increase against the 2003 figure of €18.1 mln.**
- **ROE was 34.6% versus 29.0% of 2003.**
- **Cost/Income Ratio was unchanged at 34%.**

Turin, 29th April 2005 – On 28th April 2005 the Shareholders' Meeting approved the 2004 results of Santander Consumer - Finconsumo Banca.

Year 2004 ended with excellent results on the front of both market positioning and profitability margins, showing results in significant increase versus the previous financial year and even better than budgeted.

NEW BUSINESS

In 2004 new loans rose by 36% in terms of value, reaching 2,010 million euro, whilst new contracts and credit cards transactions increased by 22%.

Such significant growth led tot an increase in market share (5.71% vs 4.9% in 2003), and to a better competitive positioning of Santander Consumer – Finconsumo Banca (from the seventh to the sixth position).

Value (millions of euro)	2004	2003	change
New car	871.2	569.7	+53%
Used car	249.4	203.3	+23%
Motorcycle	130.9	126.0	+4%
Durable goods	331.1	293.3	+13%
Personal loans	230.2	165.8	+39%
Leasing	125.8	81.3	+55%
Credit cards (no. of transactions)	71.5	39.4	+82%
Total	2,010.0	1,478.8	+36%

Number	2004	2003	change
New car	74,663	50,801	+47%
Used car	34,334	30,055	+14%
Motorcycle	36,333	38,083	-5%
Durable goods	227,366	217,021	+5%
Personal loans	26,842	22,859	+17%
Leasing	4,899	3,526	+39%
Credit cards (no. of transactions)	527,802	402,337	+31%
Total	932,239	764,682	+22%

PROFIT & LOSS ACCOUNT

Net Interest Income rose by 25% yoy to € 147.1 mio, 6.3% of total managed assets. The increase reflects both the favourable trend in interest rates on loans, despite the highly competitive market, and the strong control on interest expenses thanks to the stability in interest rates and the attentive hedging policies.

The Contribution Margin grew by +33% yoy to € 137.9 mio (5.9% of total managed assets) mainly due to the positive trend of fees receivable and insurance product fees (+52%).

The increase in Administrative and Personnel costs (+36% yoy), is strictly connected with the expansion plan of the sales network.

Gross Operating Profit grew by 31% versus 2003 to € 84.2 mio.

Net adjustments to loans were up by 13% to € 35.6 mio, representing 1.5%.

Pre-tax profit increased by 49% to € 48.5 mio, corresponding to 2.1% of total managed assets (1.8% in 2003).

The net profit reached 27.9 million euro, establishing itself as the Bank's best income performance in its 16 years of business and marking a growth of 9.8 million euro (+54%) compared to 2003.

II ROE (Return on Equity) stood at 34,6% versus 29% in 2003.

The "cost income ratio", calculated as the ratio between the overhead costs and the contribution margin was stable at 34% compared to 2003 in confirmation of the Bank's commitment to achieving maximum operating efficiency.

In 2004 Total Average Managed Assets (including the securitised ones) were € 2,353.3 mio.

For the current year, considering the extremely positive trend of the first three months of 2005 (much higher than the market one) the management forecasts a significant increase in terms of both the value of the new business generated and the profitability margins. As usual, credit quality and costs control will be a focus of attention.

**Reclassified Income Statement with allocation of the securitised assets to
the original item (€thousand)**

	2004	2003	Var.
Interest receivable	224,963	191,986	17%
Interest payable	(77,840)	(74,463)	5%
<i>Interest Margin</i>	147,123	117,523	25%
Fees payable	(52,647)	(42,517)	24%
Fees receivable	43,384	28,620	52%
<i>Contribution margin</i>	137,860	103,626	33%
Net administration and personnel costs	(47,410)	(34,946)	36%
Depreciation on fixed assets	(6,293)	(4,576)	38%
<i>Gross operating income</i>	84,157	64,104	31%
Net adjustments on receivables	(35,641)	(31,616)	13%
<i>Gross Profit</i>	48,516	32,488	49%
Income taxes and prepaid	(20,582)	(14,339)	44%
<i>Net Profit for the year</i>	27,934	18,149	54%

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