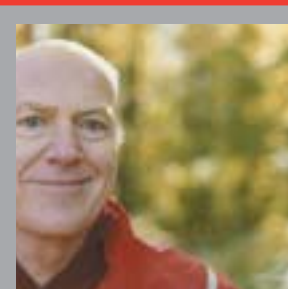




Annual Report on Corporate Social Responsibility 2003



REPORT SCOPE

A photograph of a dirt path leading through tall grass under a blue sky with tree branches framing the top.

The second Annual Report on Corporate Social Responsibility of the Santander Group is a public document that brings together and systemises its commitment to sustainable development.

Doing business on a sustainable basis means taking into account, in decision-making, all the players involved and the consequences of the decisions, thereby strengthening the beneficial aspects and minimizing the negative ones.

Sustainability, for the Santander Group, means understanding long-term management and caring at all times for the social, economic and environmental areas with which we interact.

This Report, drawn up from the standpoint of sustainability, examines the indications and recommendations made by the Global Reporting Initiative (GRI), sets out the commitments and activities carried out during 2003 and is aimed at all the interest groups with which the Santander Group is involved.

VISION AND VALUES

Vision

TO BE AMONG THE TOP 10

We want to rank among the world's top 10 banks in terms of market capitalization, and to stay on top

FOCUSED ON EUROPE AND LATIN AMERICA

We are "multi-local", which means we combine a common business model with the best local management. Our focus is Europe and Latin America with a firm bias towards retail banking.

CUSTOMERS AND PRODUCTS

Customer satisfaction and unceasing product innovation are the constants of our day-to-day operations

Values

DYNAMIC MANAGEMENT

Initiative and agility in identifying and exploiting business opportunities before our competitors, and flexibility to adapt to new market trends

FINANCIAL STRENGTH

Our balance sheet strength and prudent risk management are the best possible guarantees of our ability to grow and create long-term shareholder value

INNOVATION

Constant search for new products and services to satisfy the customer's requirements and at the same time outperform our competitors in profitability

LEADERSHIP

Our purpose is to be leaders in all markets where we do business, founded on high quality professionals and a permanent focus on the customer and on performance



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A message from the Chairman



A STRATEGIC PRIORITY

The following report gives a full account of our activities in the economic, social and environmental spheres. I want to state clearly here that Corporate Social Responsibility is one of Santander Group's central strategic priorities, and our goal is to seek continuous improvements in our relations with our customers, employees, shareholders, suppliers and with society in general.

We aspire to offer the best possible service to our customers, as well as high returns to shareholders, excellent remuneration and career development for

our employees, and also to make a valuable contribution to social and economic progress in the countries where we do business.

All this while maintaining the highest possible ethical standards and corporate governance practices.

Over the year, the Board has encouraged the implementation of corporate social responsibility policies throughout the Group. Last year, we invested EUR 71 million in social programmes, equivalent to 2.7% of net attributable income.

A message from the Chairman

SANTANDER AND THE UNIVERSITIES

Our priority, within the sphere of social programmes, is higher education. I am convinced that this is the best way to support development and growth in communities where we operate.

The Santander Universities project is today an alliance, unprecedented anywhere in the world, between a company and the universities. Already there are 736 universities participating in university portals in Spain, Portugal and Latin America. And we have 320 collaboration agreements with universities and academic institutions in both continents, benefiting more than 8 million university students.

It is a programme that brings us closer to these countries.

At the same time, several Group subsidiary banks have implemented programmes in response to particular social, cultural or environmental priorities, in which the bank, its customers and employees have all been actively collaborating.

Last year, for example, the bank developed its Galicia Aid programme, in response to an oil spill disaster, as well as a programme to support rebuilding in the wake of widespread forest fires in Portugal, and in Mexico a contribution to UNICEF of one peso per ATM transaction.

SHAREHOLDER SUGGESTIONS

Among our activities in 2003 I would like to make special reference to the dialogue we have held with shareholders and employees.

Last Spring, I wrote to 1.07 million shareholders inviting them to make suggestions and prepare questions for the Annual Meeting. The Board analyzed the 938 replies that were received and implemented several proposals made in those letters, such as eliminating the requirement to own at least 100 shares in order to attend the General Shareholders Meeting. This proposal will be put to shareholder approval in 2004.

DIALOGUE WITH EMPLOYEES. CUSTOMER BANKING PROJECT

I also wrote to our 103,473 employees asking them for their ideas, suggestions and concerns, in order to make progress in our goal of consolidating the Bank among the world's top 10. A total of 2,600 replied, 2.6% of the workforce, with valuable contributions.

From these letters, five central themes emerged that because of their strategic significance became five corporate projects that are now being put into effect.

The first of these is Customer Banking, aimed at reinforcing customer fidelity and satisfaction. Customers are the bedrock of our activity.

The other four projects are directed towards improving the management of our executives, the quality of our technology and systems, the efficiency of our risk procedures and in reaffirming Group identity.

RECOGNITION AND TRANSPARENCY

This report has been drawn up in line with GRI (Global Reporting Initiative) criteria, which provide the most advanced international guidelines for providing information.

In 2003, Spain's Institute of Account Auditors and the Spanish Association of Accounting and Company Administration distinguished the Bank with the award for the best social responsibility report in Spain. At the same time, the Santander share forms part of the Dow Jones Sustainability Index and the FTSE4Good Index.

The essence of our social responsibility policy is to maintain the highest possible standards across the board of our activities.

This is our commitment to customers, shareholders, employees and society in general. There can be no doubt that we will continue advancing in this direction.

Profile of the Santander Group

THE SANTANDER GROUP IN FIGURES

Income Statement

Million euros	2003	2002
Net operating income	5,720.7	5,565.8
Net attributable income	2,610.8	2,247.2
Net attributable income (cash-basis)	3,133.3	2,902.9

Balance Sheet

Million euros	2003	2002
Reserves	14,823.2	14,353.2
Shareholders' equity (BIS criteria)	25,521.4	23,417.4
Total assets	351,790.5	324,208.1
Total customer funds	323,900.8	304,893.0

Activity

	2003	2002
Number of customers (million)*	41.3	35
Number of shareholders	1,075,733	1,092,193
Number of employees	103,038	104,178
Number of branches	9,199	9,281
Number of credit and debit cards (thousand)	23,922	21,713

Main management ratios

%	2003	2002
ROE	14.48	12.42
Efficiency ratio	49.34	52.28
BIS ratio	12.43	12.64
Earnings per share (euros)	0.5475	0.4753

Other indicators

Million euros	2003	2002
Dividends	1,444.4	1,375.6
Wages and salaries	2,959.5	3,208.8
Taxes on income and others	869.4	723.1
Investment in social responsibility (% of net attributable income)	2.7%	2.7%

* Under the Customer Banking project (see page 22) the number of customers has been estimated using very strict criteria. For example, only the first and co-holders of accounts are regarded as customers and not second holders. There were 33.25 million banking customers compared with 35 million in 2002. In 2003 customers of the Group's fund management entities in Latin America were included (more than 8.05 million).

Profile of the Santander Group

BUSINESS AREAS

European Retail Banking

This covers the banking activities conducted by the different networks and specialized units in Europe, mainly with individual customers, SMEs and public and private institutions. This area is made up by 5 units: Santander Central Hispano Retail Banking, Banesto, Portugal, On-line Banking and Consumer Finance. The division contributed 52% of the net attributable income of the operating business areas.

Retail Banking Latin America

This division covers the Group's universal banking activities conducted in Latin America via its subsidiary banks and finance companies. The division contributed 32% of that of the operating business areas.

Asset Management and Private Banking

This business area embraces three types of activity: management of mutual and pension funds, bancassurance and private banking. This division accounted for 9% of the total generated by the operating business areas.

Global Wholesale Banking

This division conducts corporate and investment banking and treasury activities. Net attributable income accounted for 7% of the total generated by the operating business areas.

Financial Management and Equity Stakes

This is responsible for the centralized activities relating to stakes in industrial and financial companies, financial management related to the structural exchange rate position, the Group's ALCO portfolio and management of liquidity and of equity via issuance and securitization.

Contribution to income by business areas in 2003

	Net operating income Million euros	Net attributable income (cash-basis) Million euros	Efficiency %	ROE (cash-basis) %
European Retail Banking	3,329.5	1,761.6	45.75	19.51
Santander Central Hispano	1,657.5	926.5	45.44	22.40
Banesto	692.6	379.9	48.46	15.57
Portugal	380.1	213.2	48.42	16.88
Consumer Finance	594.4	259.7	37.57	22.35
Retail Banking Latin America	1,653.6	1,064.5	54.86	29.03
Asset Management and Private Banking	416.6	319.6	43.99	59.38
Global Wholesale Banking	383.2	225.6	47.54	13.32
Financial Management and Equity Stakes	(62.3)	(237.9)	—	—
TOTAL	5,720.7	3,133.3	49.34	17.37

Corporate Social Responsibility in Santander Group

The Santander Group drew up its corporate social responsibility policy in November 2002, following a speech by its Chairman at the University of Salamanca which raised, for the first time in an explicit manner, the Group's strategic vision, after adhering to the UN's Global Compact and a series of measures that were immediately introduced into management throughout the Group.

This policy represented a firm commitment to sustainable development in line with the concept formulated at the Sustainability Summits in Rio de Janeiro and Johannesburg. It deals with all the commitments that the Group has acquired so that its activities are beneficial over the long term in the economic, social and environmental areas where it is present.

The policy draws on the long experience of the Santander Group which, with a clear sense of anticipating the role of companies in modern society, it has been developing for several years a wide range of activities in the field of education and culture through groups under the framework of Santander Universities.

The current demand of markets and society for companies not just to make a profit and respect the law but to be co-responsible for everyone's future has always been one of the Santander Group's concerns.

It is this traditional concern and accumulated experience that has enabled the Santander Group to continue to make progress in its commitments from the global standpoint of sustainability (see the chart in the form of a pyramid below).



Corporate Social Responsibility in Santander Group

The pyramid is held up by the various groups involved with the Group – the stakeholders.

The second level contains the variables that ensure socially responsible actions on the part of the Group, and which consist of corporate governance, transparency and intangible values.

Corporate governance is the series of norms and principles that govern the Bank's actions across all its management activities, basically through four pillars:

- Regulation of shareholder participation in the company
- Regulation of the Board and its committees
- Internal norms and ethical codes for board members, senior executives and employees
- Mechanisms to permit a transparent and efficient communication of the Bank's activities to shareholders and investors

Transparency is a basic principle for the Santander Group. Internally, this means that board members, senior executives and employees all have the

information they need to carry out their functions. Externally, it provides shareholders, customers, suppliers and regulators with information on decisions taken by the company.

Finally, the intangible values are those that define the Group and give it a specific identity. The most important of these is the brand.

At the third level of the pyramid are the three dimensions through which all actions are channelled:

From the economic dimension, the Group assumes the direct consequences on society of its main activity and ensures they benefit everyone.

From the social dimension, the Group makes an effort to strengthen relations with all interest groups and with society as a whole.

From the environmental dimension, the Group shows its concern for nature and the environment and ensures that the impact of its activities is positive.

This report looks at each of these aspects which together produce sustainability.

Commitments (investments in CSR in 2003 by area)

Million euros	
Universities / Education / Culture	67.8
Social development	2.3
Environment	0.7
Volunteers	0.3

THE PRIORITY WE GIVE TO SUSTAINABLE DEVELOPMENT IS REFLECTED IN COMMITMENTS MADE TOWARDS ENSURING GROUP ACTIVITIES BENEFIT IN THE LONG-TERM THE SOCIAL, ECONOMIC AND ENVIRONMENTAL CONTEXTS WHERE IT IS PRESENT

Corporate Social Responsibility in Santander Group

CSR Strategic Plan

	Performance 2003	Objectives 2004
Santander Universities		
Cooperation agreements	<ul style="list-style-type: none"> • Cooperation with 320 academic institutions (universities, associated centres, institutions) in Spain, Portugal and Latin America. • Investment of EUR 35.8 million in 2003. 	<ul style="list-style-type: none"> • Five new agreements in Spain and 70 in Latin America.
Universia Portal	<ul style="list-style-type: none"> • Groups 736 Spanish, Portuguese and Latin American universities and institutions. • Connects 8 million students. • Investment of EUR 13.1 million in 2003. 	<ul style="list-style-type: none"> • Reach 750 universities and institutions.
Miguel de Cervantes Virtual Library	<ul style="list-style-type: none"> • Free portal with more than 12,000 works in Castilian Spanish, Catalan, Valencian, Galician and Portuguese. 	<ul style="list-style-type: none"> • Increase the number of works to 14,000.
The 9 measures		
Adherence to the UN's Global Compact	<ul style="list-style-type: none"> • Internal and external dissemination • Foster the chain of adherence in Spain (291 large companies) • Active participation in UNEP Fi. • Adherence of Chile and Peru. 	<ul style="list-style-type: none"> • Adherence of other banks and Group subsidiaries • Encouraging dialogue with interested parties. • Encouraging the chain of adherence (Portugal, Latin
America). CSR Department	<ul style="list-style-type: none"> • Publication of the CSR Annual Report. Awards from experts. • The SAN share is included in the FTSE4Good Index. • The SAN share remains in the Dow Jones Sustainability Index (DJSI). 	<ul style="list-style-type: none"> • Publication of the Corporate Social Responsibility Annual Report • Communication with Socially Responsible Investors (SRI) • Keeping the SAN share in selective indices (FTSE4Good, DJSI).

Corporate Social Responsibility in Santander Group

	Performance 2003	Objetivos 2004
Reconciling professional and family life	<ul style="list-style-type: none"> • Optima Programme in Spain • Work and Family Programme, Working better, in Chile. • Subsidies for nursery schools, in Argentina. • Human Development Programme and Creation of Value, in Argentina. 	<ul style="list-style-type: none"> • Opening of nursery school at the Santander Group Financial City. • Make additional progress on these initiatives
Co-participation of employees	<ul style="list-style-type: none"> • Support for volunteers. Junior Achievement Programme (Spain, Brazil, Peru). • Creation of the Social Responsibility Fund: Aid for Galicia. • One Roof Programme for Chile. 	<ul style="list-style-type: none"> • Volunteers Project with the Red Cross
Training in Corporate Social Responsibility	<ul style="list-style-type: none"> • Initial training: Spain, Portugal and Latin America. 	<ul style="list-style-type: none"> • Additional training for new employees
Environmental risk analysis	<ul style="list-style-type: none"> • Initial training of managers and analysts. • Analysis of the loan portfolio. 	<ul style="list-style-type: none"> • Establishment of tools • Active management of risks
Environmental certification of work	<ul style="list-style-type: none"> • ISO Certification 14.001 for the headquarters in Chile. 	<ul style="list-style-type: none"> • ISO Certification 14.001 for the headquarters in Mexico and the Santander Group City.
Limiting the environmental impact	<ul style="list-style-type: none"> • Approval of the Group's environmental policy • 3R's Plan: reduce, re-utilize, recycle. 	<ul style="list-style-type: none"> • Steps to reduce the consumption of paper • Measurement of consumption • Special mechanisms for recycling at the Santander Group Financial City.
Development of social marketing	<ul style="list-style-type: none"> • Campaign for payment of salaries by direct debit to Doctors without Frontiers. • Contribution in Mexico of a peso per ATM transaction to UNICEF • One Roof for Chile programme 	<ul style="list-style-type: none"> • Study of new collaboration opportunities with non-profit making entities.

Corporate Governance

The Santander Group is fully aware of the importance that corporate governance has gained in recent years and of the debate it has generated. Indeed we knew how to anticipate many of the requirements that today are legally binding and we were pioneers in issues such as publishing Regulations of the Board of Directors and of Shareholders' Meetings and eliminating anti-takeover measures.

Law 26/2003 of July 17, together with the recently published Ministerial Order of December 26, in response to the recommendations made by the Aldama Commission, have imposed two new obligations on listed companies. On the one hand, there is the obligation to draw up and publish an Annual Report on Corporate Governance, which provides full and reasoned information on the governance structure and practices of each company, and on the other to have a website to strengthen communication with shareholders.

The Santander Group has been drawing up such a report which has always been noted for both its quality as well as the quantity of its contents, providing more information than the minimum legally required such as a detailed breakdown of the remuneration of all its directors, including executive directors.

This year we have again published our report on corporate governance and brought it into line with the prevailing regulations.

This chapter in the CSR's report responds to the Global Reporting Initiative (GRI) criteria which set out the need to produce a general view of the governance structure.

The Santander Group is clearly committed to transparency and good governance and this commitment is what we want to reflect here.

STRUCTURE OF THE BANK'S OWNERSHIP

Banco Santander Central Hispano S.A. is a private company, subject to the regulations and rules for credit entities operating in Spain. The registered office is in Santander.

The Bank's capital stock is EUR 2,384,201,471.50, represented by 4,768,402,943 registered shares with a nominal value of EUR 0.50 each, fully subscribed. At the end of 2003 it had 1,075,733 shareholders.

Its shares are traded on Spain's four stock markets on the continuous market, as well as in Milan, New York, Lisbon and Buenos Aires.

It is particularly noteworthy that the Board holds 9.48% of the capital stock, as this strengthens its alignment with the interests of shareholders.

ADMINISTRATION STRUCTURE

Composition of the Board of Directors

We have a Board which is committed to and bound by good corporate governance, creation of value and successful management.

It is a Board, furthermore, whose members are people of recognized prestige, successful businessmen, bank executives, chairmen of international companies and major shareholders. There are eight directors who have been or are chairmen of major Spanish and international banks (Emilio Botín, Jaime Botín, Sir George Mathewson, Alfredo Saénz, Francisco Luzón, Ana Patricia Botín, Abel Matutes and Antonio de Sommer Champalimaud)

Corporate Governance

Among the non-Spanish directors are Sir George Mathewson, Chairman of Royal Bank of Scotland, Antonio de Sommer Champalimaud, owner of Grupo Mondial Confiança, and Assicurazioni Generali S.p.A, represented by its Chairman, Antoine Bernheim.

Also underscoring our international scope is the International Advisory Board comprising people who are not directors and who participate in designing, developing and, where appropriate, putting into effect the business strategy at the global level.

It includes the chairmen or former chairmen of large companies, such as Bernard de Combret, Chairman of Elf Trading Geneve, and Santiago Foncillas, former Chairman of Grupo Dragados; former members of Spanish and foreign governments, such as Leopoldo Calvo Sotelo, former Prime Minister of Spain, Ángel Gurriá, former Finance Minister of Mexico, and Pinto Balsemão, former Prime Minister of Portugal.

The Board is a unified body with a membership balanced between executive and non-executive directors.

It has 21 members, a number that we believe is adequate and reasonable given the Group's size. Of the 21 members, 16 are non-executive directors (5 proprietary and 8 independent and 3 belonging to neither category).

Without detriment to this classification by categories, the Santander Group defends the independence of all its directors, as a requirement for all of them in the interests of the Bank and its shareholders.

Organization and working of the Board of Directors

The Regulations of the Board set out the principles, organization and working of the Board and rules of conduct of its members. They have been in force since June 2002 and are available on the website (www.gruposantander.com).

The criterion guiding the Board is maximization of shareholder value over the long term.

The Board is the maximum decision-taking body although its policy is to delegate ordinary management in the executive bodies and in the management team in order to focus on supervision and assume and exercise the functions that cannot be delegated.

In order to enable the Board to carry out its functions efficiently, it has a series of committees for greater specialization in different spheres of the Group.

There are two committees with delegated powers, the Executive Committee, which has general powers of decision and the Risks Committee, with specific powers in this sphere. There are also informing committees, without powers of decision, but which play a key advisory role. They are the Auditing and Compliance Committee, the Appointments and Remuneration Committee, the International Advisory Board and the Technology, Productivity and Quality Committee.

The composition, functions and number of meetings of each of these committees is set out in the Report on Corporate Governance in 2003. We would like to highlight two aspects here which we believe are important.

WE HAVE A BOARD THAT IS COMMITTED TO AND BOUND BY SOUND CORPORATE GOVERNANCE, CREATION OF VALUE AND SUCCESSFULL MANAGEMENT

Corporate Governance

On the one hand, the key role in our corporate governance structure played by the Executive Committee, which meets every week and oversees the day-to-day performance of business.

On the other hand, the fact that two of the committees without delegated powers consist of and are chaired by non-executive directors (Manuel Soto, Fourth Vice-Chairman of the Bank, is chairman of the Auditing and Compliance committee and Fernando Asúa is chairman of the Appointments and Remuneration Committee).

Procedures for selection, appointing and removing directors

Directors are appointed, re-elected or ratified by the Shareholders' Meeting or by the Board according to what is stated in the law and by-laws. In any case, these decisions are always adopted following a report from the Appointments and Remuneration Committee.

Directors are appointed for three years and can be re-elected indefinitely

Directors cease to be so when the period for which they were appointed has expired or when the Shareholders' Meeting decides. They must put their post at the disposal of the Board when remaining in it could affect the Board's smooth working, the Bank's reputation or when there are cases of conflicts of interest or a ban by law.

Duties of directors

Our Directors are subjected to a strict code of trust, regulated by the Rules of Procedure of the Board. Such code embraces the duties of diligent management, adherence to corporate interests, loyalty (including among others the obligation of abstention and information in cases of conflicts of interest, not taking advantage of business opportunities for their own benefit and the obligation of reporting any interest or position held in companies whose corporate objectives are the same as, similar or complementary to those of the Bank), secrecy and abstaining from the use of insider information.

Remuneration of members of the Board of Directors

Law 26 of July 17, 2003 establishes the obligation to include the total remuneration for the Board. The Santander Group has taken another step forward by including in its Annual Report for 2003 the remuneration of each director, including executive directors, and by each type of compensation. We did this for 2002 and it was a clear example of the transparency which puts the Santander Group at the forefront of the best international practices.

Corporate Governance

Transparent information

One of the main focal points around which our corporate governance structure revolves is to encourage the maximum transparency in information. The Board, under the framework of its commitment in this field, assumes the responsibility that all relevant information will be disseminated to shareholders and to the markets through the means considered adequate at each moment and especially via the website (whose contents are set out in the section on shareholders). This is something we have been doing voluntarily for some time.

Independence of auditors

The Auditing and Compliance Committee channels the relation between the Board and the auditing firm.

The Group does not contract those auditing firms whose fees, for all services, would represent more than 2% of its total revenue. Moreover, the decision to contract a firm is subject to the relevant partner being replaced every seven years.

The Board cannot contract services different from those of auditing that would put at risk the firm's independence. If, for exceptional reasons, the firm's collaboration is required in an issue not directly related to auditing services, the prior agreement of the Auditing and Compliance Committee is required.

LINKED OPERATIONS AND INTRA-GROUP OPERATIONS

(see page 51 of the Annual Report)

GENERAL MEETING OF SHAREHOLDERS

The working of the General Meeting of Shareholders

The General Meeting of Shareholders is the Bank's maximum body, through which shareholders express their wishes. Because of this, the Santander Group attaches particular importance to fostering the participation of shareholders.

As already indicated in the Corporate Social Responsibility Report for 2002, one of the main objectives of the Regulations of Shareholders' Meetings of Banco Santander Central Hispano, S.A., approved at the Meeting on June 21, 2003, with which the Santander Group anticipated the requirements of Law 26 of June 17, 2003, on measures of transparency, is to encourage the participation of shareholders.

A new text, incorporating the aspects covered in the new regulations, will be submitted for approval to the next Meeting.

Under the commitment assumed at the Meeting held on June 21, 2003, the Board will submit for approval at the next Meeting the requirement to have at least 100 shares in order to attend a Meeting.

Meanwhile, with the publication on our website of the calling of the Meeting, of the proposed agreements drawn up by the Board and of the attendance card and delegation, we anticipated the requirements of the Ministerial Order of December 27, 2003.

THE GENERAL SHAREHOLDERS' MEETING IS THE GROUP'S MAXIMUM BODY AND THE CHANNEL THROUGH WHICH SHAREHOLDERS EXERCISE THEIR WILL: FOR THIS REASON WE HAVE TAKEN SPECIAL STEPS TO ENCOURAGE THEIR INVOLVEMENT.

Corporate Governance

General Meeting of Shareholders 2003

A total of 152,892 shareholders directly or indirectly attended the Meeting held on June 21, 2003. Those who personally attended numbered 1,118 and 151,774 were represented, in whose name 2,235,091,330 shares were inscribed, of which 158,365,130 (3.321% of the capital) related to shareholders present and 2,076,726,200 shares (43.552% of the capital) were shareholders represented.

The shareholders who attended represented 46.873% of the subscribed capital with the right to vote, substantially up on the 30.140% at the same Meeting held on June 24, 2002.

At this Meeting approval was given to eliminate all anti-takeover defense measures existing in the by-laws. The following measures were adopted:

- a) elimination of the limit of 10% of capital present and represented at the Meeting as regards the maximum number of votes that a shareholder can cast.
- b) elimination of the requirement of a favourable vote of 70% of the capital present or represented with the right to vote in order for the Meeting to adopt certain agreements.
- c) elimination of the requirement to hold, at least, 100 shares of the Bank for a minimum of three years before being eligible to become a director.
- d) elimination of the requirement of a favourable vote by two-thirds of the Board in order to be appointed a Vice-Chairman, as well as the requirement to have been a Board member, for at least the five prior years, before being eligible to be appointed Chairman.

The aim of these measures is to guarantee equality of treatment for all shareholders and maximize the possibilities of creation of value.

With these measures the Santander Group once again distinguished itself from most Spanish companies and took another step forward in adopting best practices.

CODES OF CONDUCT

The codes of conduct of the Santander Group approved by the Board constitute an ethical commitment and one of transparency for the activities of directors, executives and employees in the markets and with investors and customers.

The Code of Conduct in the Securities Market establishes the rules for safeguarding and controlling the use of insider information within the Group; the way to make "information barriers" effective so that "separated areas" operate autonomously, without interference between them, avoiding conflicts of interest by employees as well as the Group, and in defence of the legitimate interests of customers of each one; the framework regarding Relevant Information that affects the Group; and the rules to follow in own account operations by people to whom the Code applies.

Corporate Governance

This Code applies to directors, senior management officers, executives and employees of the Santander Group who conduct activities, provide services or have information related to the securities markets.

The General Code of Conduct, with a wider sphere than the other code, establishes the principles that govern the operations of all employees and the basic rules in their activities including responsibility and commitment to the Group, control of information, confidentiality and duty of secrecy, compliance with the regulations (general and internal), avoiding conflicts of interest in relations with the Group, with suppliers and customers, procedures for own account operations, and the system to follow in external relations in general and with the authorities, and especially with customers.

The Santander Group has also approved and implemented other codes and internal rules of a more specific nature, relating to different spheres of activity.

Assessment of the Santander Group's Corporate Governance by an independent rating agency

The Board of Directors of Banco Santander Central Hispano asked Deminor Rating to assess the structure and functioning of the Bank's organs of government. Deminor Rating is an independent European agency that specializes in rating listed companies in corporate governance matters. Deminor Rating assigned the Bank 8 out of 10, with 10 for "best practices" and 1 for "more doubtful practices".

The rating underscores the degree to which the Group fulfils the internationally recognized principles and practices of corporate governance, which work in the long-term interests of shareholders. In the view of Deminor, the rating of 8 for the Bank reflects a high level of standards in the structure and functioning of corporate governance. The Bank, in its opinion, is one of the leaders in corporate governance in Continental Europe and is particularly good in its standards of information for the public and the functioning of the Board.

Deminor's full report is on the Group's website (www.gruposantander.com) and on the firm's website (www.deminor-rating.com).

THE SANTANDER GROUP CODES OF CONDUCT, APPROVED BY THE BOARD, REPRESENT AN ETHICAL COMMITMENT, AS WELL AS ONE OF MAXIMUM TRANSPARENCY, IN THE ACTIONS OF ITS MANAGERS, EXECUTIVES AND OTHER EMPLOYEES.

Our Brand

The Santander Group's Corporate identity reflects the reality of a major international group that combines global capacity and common policies in key areas such as risk and audit, with a deep understanding of the markets where it operates through local management.

Strategy and brand creation

The Santander Group brand encompasses all businesses independently of the regional strategy applied to each market, distribution channel or product, facilitating a centralized vision and idea, and unique positioning that

Belonging to a leading group is a competitive advantage for each of the member entities and generates value for the various segments with which the Bank interacts:

Customers: because they value the advantages of dealing with an institution that meets their needs on a local basis and which has the strengths of a world leader.

Shareholders: because they trust their investments to one of the bestcapitalized institutions in the world, one with a proven record in financial strength and sound management, as well as a commitment to growth.

Employees: because to work for the Group is a motivating force, opening up major career development opportunities, both locally as well as internationally, while facilitating the attraction and retention of talent.

Investors and markets: because they value the Group more than the sum of its parts.

Opinion leaders: because through a solid Group image they are aware of its true dimensions

Communities where it is active: because the Group is committed to supporting them

Its visual expression

Part of the work involved in creating a brand is its visual representation. The Santander Group is perceived as synonymous with dynamism, innovation and agility.

The symbol of the flame transmits light, transparency, warmth and humanity, and the colour red evokes energy, strength, courage and control. The Group's visual trademark is the fruit of the effort to preserve the values of the brand and strengthen them in line with the Group's trends and strategy.

Its spirit

Defining the essential characteristics, the spirit, of a brand is the key to creating the bonds by which the public identifies it.

Strength, dynamism, security are the essential characteristics of the Group, through which it inspires quality, leadership, satisfaction, a strong personality and credibility.

The Group's commitment to society, education and the environment make it an approachable brand and one perceived to be concerned for the wellbeing of its spheres of influence.

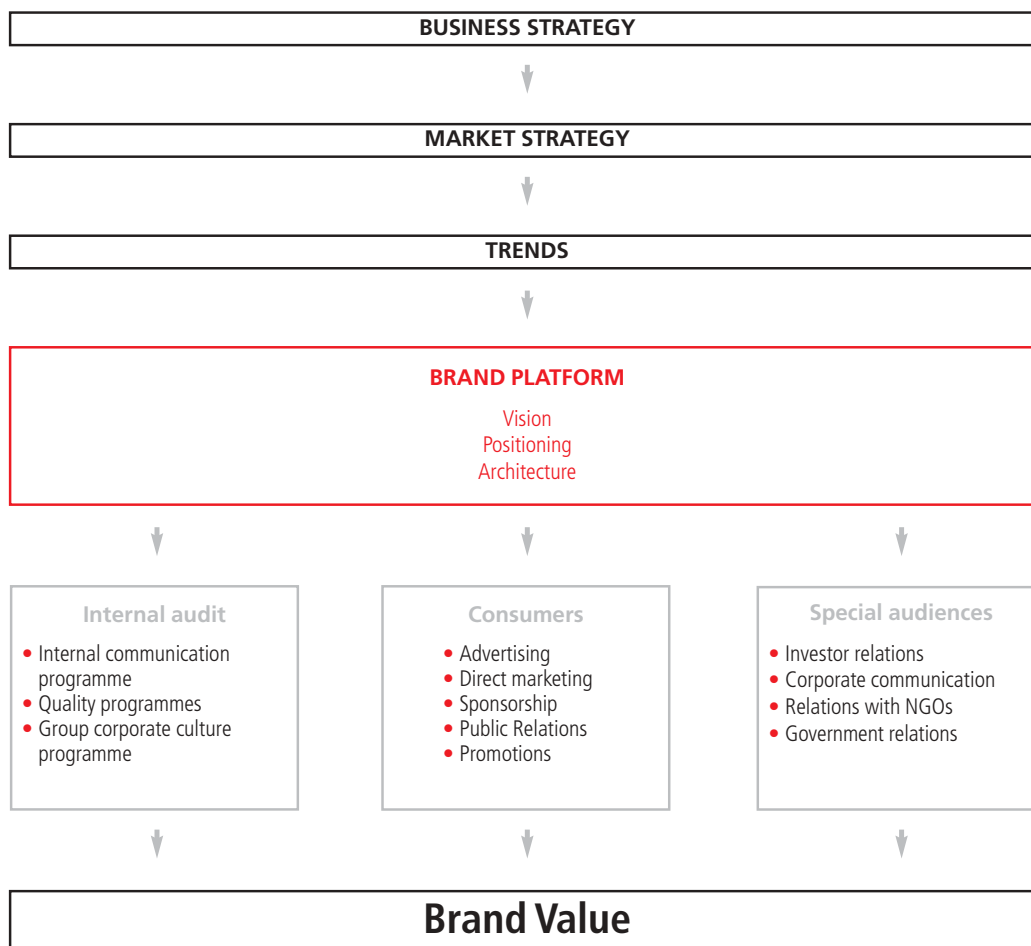
The motto

"Value from ideas" reflects the constant self-requirement to continue innovation and anticipate trends, always procuring the best ideas.

It sums up the spirit of the brand, and of the Group: valuable ideas and ability to put them into effect.

Our Brand

Brand value



Our Brand

The platform and brand value

For a leading financial company in markets comprising more than 500 million inhabitants, and whose development is based on transmitting confidence, the brand is an essential asset.

In spite of the difficulties inherent in quantifying the value of a brand, analyses carried out by specialized consultants place the Santander Group brand second among the most valuable in the Spanish market and the first in the financial sector.

Its international diversification, financial strength, its portfolio of brands – reorganized and simplified – and the strongly positioned image in Latin America are among the elements that distinguish the Santander Group from its competitors.

Evolution of brand architecture

In 2003 steps were taken in two directions to reinforce the presence of the Santander Group brand in all aspects of corporate activity and to bring the design of local brands up to date in order to facilitate identification with the Group and its associated values.

The Santander Group is the umbrella brand that centralizes our identity at a global level and which co-exists with leading brands in various countries – examples being Totta, Banespa, Serfin and Santiago.

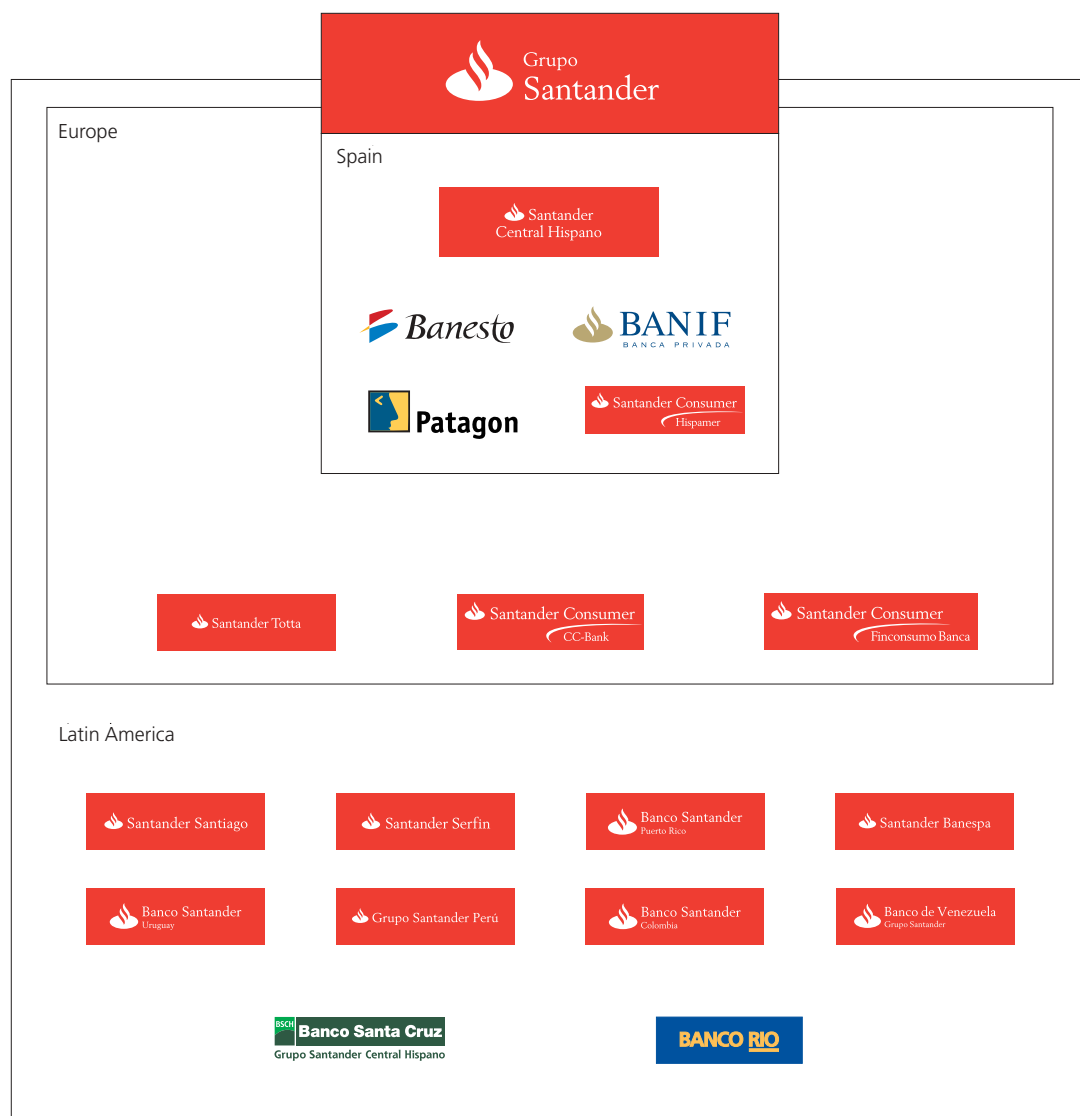
These local brands are progressively incorporating the key elements of corporate identity such as the flame logo, the colour red and the Santander name.

The objective is to continue the transition from the previous architecture of independent brands, towards one where the master brand predominates while remaining consistent with the design of local brands, as can be seen in the following page.

Coherence must go beyond the brand design and cover other aspects that relate the Company to its customers and employees, such as advertising, internal communication, the website and office design.

Our Brand

Santander Group's brand vision



CUSTOMERS



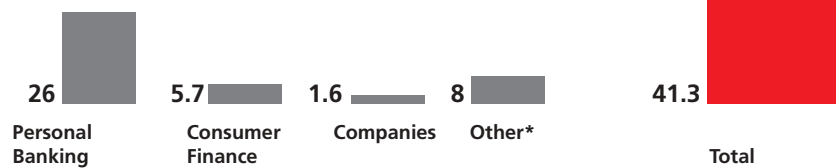
Our more than 41 million customers are the foundation of our activity in the markets where we operate. The future of our Group depends on the confidence and support that every single one of them continues to give us.



Santander and its Customers

OUR COMMITMENT

Customer breakdown by type of business
(million)



* Including customers of Pension Funds in Latin America

MAIN ACTIONS IN 2003

OBJECTIVES 2004

Santander and its Customers

Quality and innovation

At the Santander Group we work every day to improve quality of service and consolidate lasting relationships with our customers. Our value proposition is founded on personalized attention, innovation and constant adaptation of our products and services to the needs of our customers.

Customers	41.3 million
Number of branches	9,199
Average duration of customers' relationship	5.95 years
Average individual customer satisfaction (1/10)	8.08

DIMENSION

- The 2003 Quality Plan at Santander Central Hispano, Spain: 65,000 surveys made
- The first institution to receive CNMV approval of its procedures manual
- Revalidation of the global ISO 9001 certificate for Totta in Portugal
- Santander Banespa Solutions Centre set up to centralize all customer communications
- Customer Service System (SAC) set up at Santander Santiago, Chile

Customer Banking Corporate Project

The objective is to develop a single management model – adapting where necessary to individual markets – that prioritizes the relationship with the customer to the extent that he is looked after and satisfied, thereby ensuring loyalty to the Bank.

Santander and its Customers

THE TYPES OF OUR CUSTOMERS

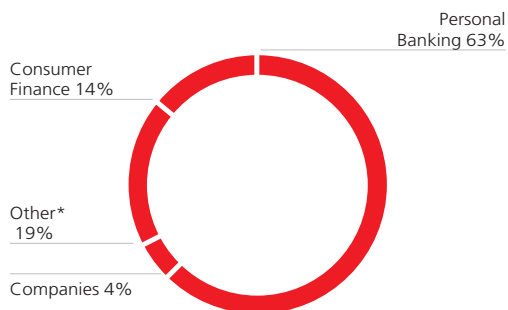
Our more than 41 million customers are the base of our activity in the markets where we operate. The future of our Group depends on the confidence and support that every single one of them continues to give us. It is thus a priority for us to know deeply all of them, their financial needs and their conditions.

Most of our customers around the world are individuals. In order to provide them with the maximum parameters of quality, we segment them on the basis of income levels, professional activity and type of operation in each country.

The Group also has a large number of corporate and institutional customers whose particular features require personalized treatment, with products tailored to their needs.

Large companies who are clients form a small group that also requires tailor made treatment. The specialization and international presence that the Group has been providing them with for some time tends to transform the business relation into a long-term collaboration.

Customer breakdown by business type



* Including customers of Pension Funds in Latin America

CUSTOMER BANKING CORPORATE PROJECT

The Santander Group aims to always be one of the world leaders in financial services thanks to the continued advances in its customer services.

The Customer Banking Corporate Project groups together and strengthens the measures taken by all the Group's units to improve the treatment of customers, their links and loyalty and their satisfaction with the services and products provided.

The aim is to increase the degree of customer loyalty, creating a reference supplier of solutions to their financial needs.

In order to achieve this objective, the best practices in the Group in segmentation, loyalty, links and quality of service are being reviewed and analyzed.

Special attention is also being paid to establishing and tracking the metrics that give us deeper knowledge of the growth and performance of our customer base.

The Santander Group is working to boost the number of customers, to achieve better customers – on the basis of a larger number of products and services per client – and to attain a higher level of customer satisfaction.

Santander and its Customers

Customer breakdown by entities in 2003 (*)

Banks/Companies	Number of customers	% individuals	% companies
Santander Central Hispano, Spain	7,411,938	94.6	5.4
Banesto, Spain	2,332,866	90.0	10.0
Totta, Portugal	1,700,000	93.3	6.7
Santander Banespa, Brazil	6,728,369	95.4	4.6
Santander Chile	2,323,015	94.6	5.4
Santander Serfin, Mexico	7,357,366	95.9	3.6
Banco Santander Colombia	1,193,116	89.6	10.4
Banco Santander Puerto Rico	263,917	92.0	8.0
Banco de Venezuela	1,501,533	93.8	6.2
Banco Río, Argentina	3,471,130	97.3	2.7
Other entities	7,041,796	99.2	0.8
Total	41,325,046	95.3	4.7

(*) Customers are defined as first account holders and joint holders, following homogeneous criteria throughout the Group, which could differ from those applied by some of its banks. Customers of both retail banking and fund managers are included in each country.

PERSONALIZED SERVICE

The most commonly used channel for providing services to our customers is the Group's network of branches in most of the countries where it operates and which are grouped in different categories, on the basis of customer type, location and service needs.

As well as the universal branches, which provide a traditional service, and those focused on companies and institutions or private and corporate banking, each country has other offices of a particular type or in some cases exclusive, such as International Express, managed by Santander Central Hispano, which tend to the needs of immigrants in Spain's cities and large towns, or offices on university campuses under the framework of programmes.

In all cases the aim is to have flexible formulas adapted to the needs of each customer and requirement. We have also developed systems adapted to the features of the markets where we operate, such as Banking Attention Points in Brazil.

As well as these systems that require a physical presence, customers can also access the Group's banks and conduct operations through two safe and economic systems: telephone banking and Internet banking.

The telephone banking service tends to close to 160 million calls a year in all the Group's banks and provides around the clock service throughout the year.

This system provides a full range of services including management of current accounts, contracting of products and advice and direct debiting, among others.

It is important to point out that the figures in the table on page 29 must not be compared, given that both the banking operations and the need of customers with regard to the use of the channel vary depending on factors ranging from the size of the country or region to the financial system

Santander and its Customers

Our active customers in telephone banking in Portugal and Latin America made an average of eight calls a month in 2003 to the call centres compared to 1.3 a month in Spain. Both figures are within the market average, according to the country or region.

Internet has become a supplement to banking involving a physical presence both for companies and individuals, as well as a good way to recover customers. The Group had 2.75 million on-line banking customers in 2003 who conducted more than 230 million operations.

QUALITY OF SERVICE

The Group's goal in quality is to strengthen bonds with our customers through a better service that increases their satisfaction and strengthens their relation over the long term.

The Group has a quality team in each country where it operates. The main tasks of these teams are: to design programmes that retain and increase the links with customers through a rapid, reliable and friendly service; to find out the expectations of customers and measure their satisfaction in order to be able to identify the priority areas for improvement, and to

foster the participation of employees, involving them in the provision of a better service.

We will now briefly describe the quality programmes undertaken in the main countries during 2003, as well as the main achievements. The results of the aforementioned quality surveys are summarized in the table on page 32.

Europe

Santander Central Hispano in Spain

The starting point of the 2003 Quality Plan was to conduct 65,000 surveys over the telephone in order to measure the satisfaction of customers using the universal branches, companies, institutions and office points.

We created Territorial Quality Committees which analyze the improvement measures taken in branches and which pass on the conclusions to senior management for quality in the Retail Banking Division.

We also studied response times, a key factor in customer satisfaction.

Number of branches

Banks/Companies	
Santander Central Hispano, Spain	2,548
Banesto, Spain	1,695
Totta, Portugal	670
Santander Banespa, Brazil	1,874
Santander, Chile	370
Santander Serfin, Mexico	1,018
Santander, Colombia	87
Santander Puerto Rico	72
Santander, Venezuela	248
Santander, Argentina	312
Other entities	305
Total	9,199

Santander and its Customers

Telephone banking

Banks	Annual number of calls (million)
Santander Central Hispano, Spain	18.6
Santander Banespa, Brazil	73.0
Santander Santiago, Chile	11.0
Santander Serfin, Mexico	21.0
Santander, Puerto Rico	3.8
Santander, Venezuela	20.0
Banco Río, Argentina	11.5

Banesto, Spain

Banesto's policy and strategy in quality is defined on the basis of the opinion of customers and employees, through surveys to measure satisfaction and suggestions from both collectives. With the parameters obtained, a policy for quality is established that develops a culture of satisfaction, promotes creativity and the transfer of knowledge, fosters the participation of teams and people and minimizes inefficiencies and costs for customers.

Santander Consumer Finance, Spain

The entity established a new IT tool, *Hispaconsult*, which provides customers with a series of options including contracting products via Internet; access to a post-sales information system (CRM type); sending requests by e-mail and the *hispaocasión* product, a channel for purchases and another for sales.

Totta, Portugal

The *Simpatia Plan 2004* was launched in 2003, whose objective is to ensure that Totta clearly positions itself as the best bank in quality of service and the one valued the most by customers in Portugal. It also renewed the ISO 9001 global certification.

CC-Bank, Germany

In 2003 ownership documents of vehicles were centralized, new software for dealers was introduced which is better adapted to users' needs and internal training courses were carried out to better manage customers' complaints. The quality policy is the direct responsibility of the Chairman of CC-Bank.

Latin America

Santander Banespa, Brazil

As part of the A+ project, Santander Banespa established the Solutions Unit which centralizes all communications from customers, especially complaints. A plan to improve support services for the network was drawn up, specialized by businesses and customer segments.

Santander Santiago, Chile

The Bank established the Customer Attention System to forge closer links with customers as the post-sales service improves and know at any moment the state of their requirements. Progress continued to be made in the ISO 9001 global certification project following the obtaining in 2003 of the certification of the Credit Risks Area and the Human Resources Area.

Santander Serfin, Mexico

Banco Santander Serfin focused on establishing a culture of common quality in the two merged banks and spread the standards of service that underpin the style of customer attention. The degree of fulfilment in business areas was measured and the results compared with the business objectives.

Santander Colombia

The Bank has a Vice-Chairman of Quality responsible for managing, co-ordinating and assessing from time to time customer satisfaction, the service provided in branches and the attention process for complaints and customer services. The *Indica study* is carried out every year, which consists of two surveys of customer satisfaction conducted by an external company.

Santander and its Customers

The *Isócrates campaign* is currently being developed to strengthen the work begun in 2002 when the group obtained the ISO 9001: 2000 Quality Certification. The Administradora de Fondos de Pensiones (AFP) Santander obtained in June ratification of the ISO 9001: 2000 certification.

Santander Puerto Rico

The business standards began to be reviewed and adapted to new needs, and a Quality Mailbox was created to step up the participation of employees in quality processes. A booklet was published and will be sent to customers to create a direct channel with the Chairman and enable customers to point out the good performance of employees who tended to them.

Santander Venezuela

Quality in Venezuela focused in 2003 on three priority areas: implementing a new measurement system for each branch, called the Quality Index; installing new computers to track different variables that affect the quality of service; progress in the global certification project under ISO 9001:2000 regulations, which with that obtained by the Human Resources Area was the seventh area to obtain this certification.

Banco Río, Argentina

Banco Río was perceived in 2003 as the bank with the highest level of customer satisfaction in the country.

To continue this progress, a quality system based on the ISO 9001:2000 international regulations was introduced for the main processes that have an impact on customers.

Projects to secure and capture new customers were also developed, such as the *Chancillería* and *Communities* projects.



Santander and its Customers

CUSTOMER ATTENTION

A key element of any quality system is to establish mechanisms that enable us to put ourselves in the place of the customer, know how they are being treated, the aspects we do well and those we can improve. The Santander Group does this in three ways:

- Customer satisfaction surveys
- Pseudo-purchases to measure the quality of service by simulating operations.
- Establishment of standards for employee relations with customers.

Complaints

Correctly handling complaints, analyzing their content and giving them adequate weighting provides us with another source of basic information which not only helps us to correct the errors committed, but also to identify the basic qualities of the service that contribute to customer satisfaction.

This helps to calm the customer or to increase the value added we provide as suppliers of financial services.

All of this is done without overlooking the contribution that this process makes to the commitment assumed by the Santander Group in matters of reputation and fulfilment of patterns of behaviour based on criteria of good banking practices.

Awards and recognition in 2003

Spain

- “Best Annual Report”, awarded by the magazine *Actualidad Económica*.
- The best CSR Annual Report, awarded by the Spanish Association of Accounting and Management of Companies (AECA).
- “Third best Annual Report on Sustainable Development”, awarded by Fundación Empresa y Sociedad.
- Prize for the Spanish company with the best financial information on Internet.
- “The 100 best ideas of the year” prize, for our campaign to promote direct deposit payroll cheques together with the Red Cross, awarded by *Actualidad Económica*.

International awards

- The Federal Deposit Insurance Corp (FDIC) classified the services Santander Puerto Rico provided to the community as “outstanding” and in compliance with the federal Act for Reinvestment in the Community (CRA)
- Great Place to Work Institute. AFP Summa Bansaender was ranked as the sixth best company to work for in Chile and it was the only financial institution among the 10 companies selected.

International awards for “best bank”

Euromoney: Latin America, Portugal, Chile, Venezuela
The Banker: Latin America, Portugal, Chile, Venezuela
Latin Finance: Latin America, Chile
Global Finance: Latin America

Santander and its Customers

We have two mechanisms for managing complaints, the Customer Attention Department and the Customer Ombudsman. Our rules rigorously comply with the latest regulatory trends in consumer protection included in the Financial Law of November 2002.

In the case of Santander Central Hispano, Spain, a total of 13,752 complaints were recorded compared to 10,277 in 2002 (+34%).

The number of complaints made to regulatory bodies (Bank of Spain and National Securities Market Commission) was 1,082 and 1,875 to the Customer Ombudsman (+117% and 63%, respectively).

There were also 1,273 complaints received in forms, 126% more than in 2002, as a result of the incorporation of new regions to this system.

Customer satisfaction surveys

	2001	Spain 2002	2003	2001	Portugal 2002	2003
Satisfaction of individuals (1 to 10)	8.25	7.96	7.97	8.15	8.03	8.05
Satisfaction of companies (1 to 10)	7.33	7.01	7.07		7.03	7.11
	2001	Argentina 2002	2003	2001	Bolivia 2002	2003
Satisfaction of individuals (1 to 10)	7.50	7.10	8.41	7.60	7.65	8.15
	2001	Brazil* 2002	2003	2001	Colombia 2002	2003
Satisfaction of individuals	76%	-	71%	86%	82%	84.7%
	2001	Chile** 2002	2003	2001	Mexico*** 2002	2003
Satisfaction of individuals	77%	72%	62%	-	4.67	3.54
Satisfaction of companies	57%	59%	57%	-	-	4.18
	2001	Puerto Rico 2002	2003	2001	Venezuela 2002	2003
Satisfaction of individuals (1 to 10)	8.78	8.98	9.09	6.24	7.99	8.48
Satisfaction of companies (1 to 10)	-	8.83	8.50	-	-	-
	Santander Consumer Finance (Spain)			2001	2002	2003
Satisfaction of individuals (1 to 5)				-	3.8	4.2
Satisfaction of companies (1 to 5)					4.2	4.3

* Percentage of satisfied or very satisfied customers

**Customers who responded 6 or 7 on a scale 1-7, less customers who responded 1-4. 2003 results are affected by the merger of Banco Santander Chile and Banco Santiago.

***Scale of 1-5

Santander and its Customers

Complaints*

		2001	2002	2003
Spain	Santander Central Hispano	-	10,277	13,752
	Banesto	-	5,262	3,214
	Santander Consumer Finance	-	11,289	2,887
Portugal		4,217	6,335	6,728
Germany		129	231	509
Brazil		-	64,672	64,684
Chile		22,093	13,624	60,442
Mexico		2,001	2,436	2,806
Colombia		56,271	42,267	38,639
Puerto Rico		21,954	29,939	38,178
Venezuela		-	173,980	167,605
Argentina		137,702	95,984	81,953

*excluding requests, requirements and recognition

The table on page 34 sets out the reasons given by customers in their complaints and their evolution.

Of the complaints resolved, 38% of them were in favour of the customer, 3% more than in 2002.

The number of customers who got in contact with the Customer Attention Department regarding privacy complaints was 101 (78 in 2002). They formally requested their rights of access, correction, opposition or cancellation of their personal data.

Other entities

The number remained virtually the same at Totta and was lower at Santander Consumer Finance, which resolved problems with monthly credit card statements.

The increase at CC-Bank in Germany in 2003 was due to the problems following the merger of AKB-Bank and Santander Direktbank.

Grupo Santander Banespa, in Brazil, received a similar number of complaints in 2003 while the number rose in Chile because of problems related to the merger.

The number of complaints at Santander Serfin was low and most of them resulted from problems caused by the change of IT systems.

The figure for Colombia also includes clarifications for customers, and its reduction was due to IT modernization and team work between different areas to help improve processes.

The complaints received at Grupo Santander Puerto Rico are due to problems with bank cards.

Santander and its Customers

Reason	2003	2002
Operations	51%	48%
Price	22%	21%
Interaction/Treatment	15%	19%
Cards	6%	6%
Image/Publicity	2%	1%
Environment/Branch transfers	1%	4%
ATMs	1%	-
Others	2%	1%

The high number of complaints at Banco Santander Venezuela is due to the launch of SAKE in 2002, which registers all problems.

The number of complaints in Argentina has fallen considerably over the last three years, principally because of the steps taken under the quality plan.

LAUNCH OF NEW PRODUCTS

The Santander Group attaches great importance to correct marketing of its products and services.

In order to do this, the products and services have to be technically consistent, legally correct and tailored to the profile and real needs of customers.

Putting this commitment into effect requires a strong corporate culture at all levels.

A key element in this process is the Global Committee of New Products, which has been operating in the Group since before 1999 and which held 13 meetings in 2003 when 96 products or families of products were reviewed.

At the same time, 33 consultations about the launch of products or services that it was not necessary to submit to this committee were answered.

Seventeen business and support areas are involved in the Global Committee of New Products, and they review the new products and services offered by the Group in all countries where it operates.

If a product or service is to be marketed in a country other than Spain, it has to be first approved by the respective Local Committee of New Products, whose structure is similar to that of the Global Committee but comprising local business areas.

The Group's sensitivity in this area is underscored by the fact that when the National Securities Market Commission approved in June 2003 a procedures guide for the marketing of investment products, Banco Santander Central Hispano was the first entity to voluntarily adhere to it.

Santander and its Customers

As a result, the Bank developed its own procedures manual which established the criteria for the segmentation of products and customers. The requirements are set for making available to customers all the information on the product or service and for the correct drawing up of documentation. The Bank was also endowed with a structure for supervision and control: the Procedures Manual Board, which has to present an annual report to the Executive Committee.

All of this will help to improve the quality of information made available to investors and ensure that financial products are targeted at the right customer profile.

The Bank's manual was the first in Spain to be verified by the National Securities Market Commission on March 2, 2004.

Publicity: adherence to voluntary codes

The banks that make up the Santander Group adhere to voluntary codes of publicity which set out a series of commitments to ethics and transparency.

In Spain, the Bank is a member of the Spanish Association of Advertisers and meets the requirements established by the Statute of Publicity. As a member also of the Association for the Self-Regulation in Commercial Communication (Autocontrol) it adheres to that association's Advertising Code of Conduct and the Ethical Code of Electronic Commerce and Interactive Publicity (Confianza On-line). Additionally, Group companies, by virtue of their activities, adhere to specific advertising codes of conduct, such as that of Inverco covering mutual funds.

Totta in Portugal fulfils the common principles and rules of good practices of the Civil Institute of Self-Discipline and of the European Advertising Standards.

Santander Banespa is a member of the Brazilian Association of Advertisers and works directly with the National Council of Self-Regulation in Advertising. In Chile, the Bank continues to adhere, voluntarily, to the Chilean Code of Ethics in Publicity.

In Puerto Rico, the Bank is governed by state and federal laws and regulations and in Venezuela it is a member of the National Association of Advertisers.

OUR PRODUCTS AND SERVICES MUST BE TECHNICALLY CONSISTENT,
LEGALLY CORRECT AND ADAPTED TO THE PROFILE AND REAL NEEDS OF
OUR CUSTOMERS

Santander and its Customers

Structural capital and business indicators

Structural capital	2003
Customer support	
Number of branches	9,199
Number of portals (Internet) for customers	148
Monthly average of computer transactions (millions)	1,753.12
Number of calls/day tended by internal users	50,717
Number of debate forums established in Intranet	77
Technology and quality of processes	
Number of computers per employee/branch	1/8
Percentage of employees with access to Intranet/e-mail	96/99
Processing capacity (Mips en central host)	45,697
Capacity of storage (Terabytes)	2,486.48
Monthly number of pages consulted in Intranet	65,422,449
Monthly number of pages consulted in Internet	68,142,156
Number of ISO-9000 certifications	104
Product technology	
Number of products and services (catalogue)	13,315
Number of new products and services developed	3,248
Number of "internetized" processes (work processes incorporated to the website)	1,000

Santander and its Customers

Business Capital

2003

Customer support

Number of customers in "Telephone Line"	4,362,114
Number of on-line banking customers	2,750,988
Number of credit cards	12,188,926
Number of debit cards	11,733,345
Savings books with magnetic band for self-service	12,855,457
Average number of years as a customer	5.95
Global satisfaction index of individual customers (1-10)	8.08
Global satisfaction index of corporate customers (1-10)	7.67
Number of complains received in the customer attention units of the different banks	256,226
Number of publications for customers	121
Number of publications for shareholders	70
Number of publications for employees	86

Intensity, collaboration and connections

Number of new customers	4,809,633
Number of telephone calls tended to	115,441,840
Number of operations conducted over the telephone	116,603,219
Accessibility level of Telephone Banking (%)	82.94
Percentage of customers satisfied with Telephone Banking	72.01
Number of transactions conducted by Internet	230,609,863
Number of Electronic Banking customers client-server (direct transfer of data by companies)	1,630,554
Number of transactions conducted by Electronic Banking	301,383,791
Average number of employees per branch	8.64

SHAREHOLDERS



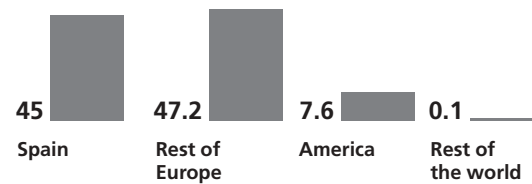
The capital stock of Santander Central Hispano comprising 4,768,402,943 shares at the end of 2003 was distributed among 1,075,733 shareholders.



Santander and its Shareholders

OUR COMMITMENT

Geographical breakdown of shareholder's equity (%)



MAIN ACTIONS IN 2003

OBJECTIVES 2004

Santander and its Shareholders

Transparency, creating value, equal treatment and dialogue

The Santander Group's commitment to its shareholders has two basic pillars: creating value over the long-term and maximum transparency. We take efforts also to give our shareholders equal treatment, to strengthen channels for dialogue and make them more fluid, and to encourage their involvement.

Shareholders	1,075,733
Resident individual shareholders	32%
Non-resident institutional shareholders	48%
Share appreciation over the last 10 years	328%

DIMENSION

- Share appreciation of 43.6% in 2003.
 - 4th bank worldwide in terms of value creation for shareholders
 - Dividend of EUR 0.3029 per share, 5% more than a year earlier
 - Communication channels strengthened with shareholders
 - Chairman's letter to shareholders and implementation of proposed measures
-
- Elimination of requirement to hold 100 shares for attending Shareholders Meetings
 - Adapting corporate website to new regulation on transparency
 - Increased contacts and face to face meetings with shareholders and investors
 - Progress in exercising rights via telephone or electronically

Santander and its Shareholders

SHAREHOLDERS

The capital stock of Santander Central Hispano was represented by 4,768,402,943 shares at the end of 2003 and distributed among 1,075,733 shareholders, 16,460 less than a year earlier. The highest number of shareholders was reached in 2003 (1,108,711).

There are no shareholdings equal to or more than 6% of the Bank's capital stock. The largest institutional investor in Spain is the Marcelino Botín Foundation, with 70,519,120 shares (1.479% of the capital stock), and 90.15% of shareholders hold fewer than 3,000 shares (10.14% of the capital stock).

The average number of shares per shareholder is 4,433, which on the basis of the year-end price of 2003 represents an investment of EUR 41,623.1.

The direct and indirect shareholdings of members of the Board amounted to 9.48% of the capital stock at the end of 2003.

The main foreign institutional investors, excluding members of the Board, are Sanpaolo IMI and Société Generale (2.87% and 2.73% respectively).

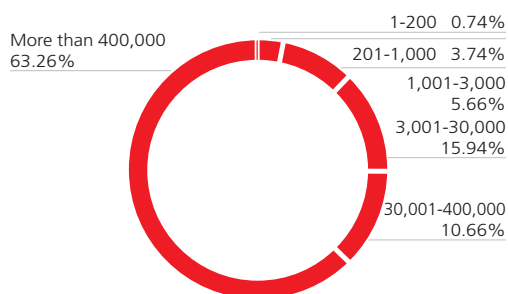
In 2003, 34.18% of the Bank's capital stock, higher than at the end of 2002, belongs to individual shareholders and 65.82% to corporate ones.

Residents own 45.00% of the shares and non-residents 55.00%.

The number of employees with shares, excluding Board members, is 19,146 (23,771,084 shares and 0.50% of the capital stock).

45.80% of them participate in the *Dividend Reinvestment Plan*.

Capital breakdown by blocks of shares



Capital breakdown by blocks of shares (31-12-2003)

	Shareholders	Shares	% of capital stock
1-200	456,401	35,280,516	0.74%
201-1,000	357,109	178,103,114	3.74%
1,001-3,000	156,277	270,084,064	5.66%
3,001-30,000	98,468	760,223,000	15.94%
30,001-400,000	6,956	508,136,625	10.66%
More than 400,000	522	3,016,575,624	63.26%
Total	1,075,733	4,768,402,943	100.00%

Santander and its Shareholders

Breakdown of capital stock by ownership

	Residents	Non-residents	Total
Board of Directors*	3.43%	6.05%	9.48%
Employees**	0.50%		0.50%
Institutional	8.80%	48.47%	57.27%
Individuals	32.27%	0.49%	32.76%
Total	45.00%	55.00%	100.00%

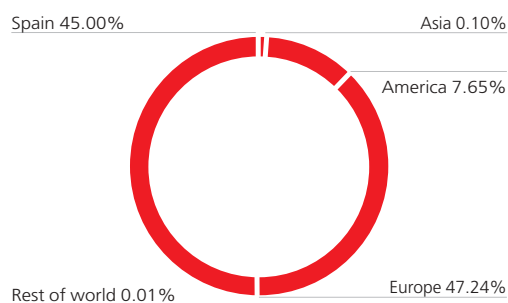
* The Board at 31.12.03, direct and indirect shareholdings and shares represented

** Excluding the Board

Geographic breakdown of the capital stock

	Shares	%
Spain	2,145,654,702	45.00%
Rest of Europe	2,252,790,563	47.24%
America	364,681,730	7.65%
Asia	4,940,321	0.10%
Africa	227,037	0.01%
Oceania	108,590	0.00%
TOTAL	4,768,402,943	100.00%

Capital breakdown by geographic area



TRANSPARENCY

The priority objective in 2003 in the Shareholders' Area was to strengthen communication with the more than one million shareholders and broaden the range of products and services offered:

- accionistas@gruposantander.com e-mail address. Since this mail box was created, the number of shareholders using it has risen to 34,245 and they also receive information the same way.
- Shareholder Attention Line 902 11 17 11. The number of calls fielded by this service also increased in 2003 (from 24,440 to 24,539). This Line enables shareholders to ask questions regarding the Santander share, request more information and use products that are made available.

Santander and its Shareholders

- Personal visits and forums. During 2003, 876 shareholders were tended to personally (444 with personal visits and 432 in 41 forums) in Spain. As well as presenting to shareholders the Group's earnings every quarter, they were invited to express their views and make suggestions.
- Requests for historic data. In order to tend as quickly as possible to requests for historic data regarding ownership of shares, the Area developed a computerized process that generates this information.
- Young Shareholders Plan. This is a new product linked to the Santander share and is an alternative saving/investment idea remunerated with Santander shares.
- Santander Share Card. This is an American Express card in its different forms and with many advantages.
- Promotions. Various marketing campaigns were conducted in 2003 involving to health, photography, wine and delicatessen products. The range of products offered in exclusive conditions will be increased.
- Reports. The Shareholders' Area issued close to 400 reports in 2003, which were available through various channels.
- Website: www.gruposantander.com/accionista. This was restructured in order to make it clearer and easier to browse. It is periodically updated and new elements included.

CHAIRMAN'S LETTER TO SHAREHOLDERS

As part of our bid to encourage and improve the dialogue with our shareholders, the Chairman sent a letter to all of them in May 2003 inviting them to make suggestions and proposals on how to improve the Bank and incorporate them to the Shareholders' Meeting in June.

This pioneering move was well received by shareholders and the replies were commented on by the Chairman of the Meeting.

A total of 938 replies were received, 782 by ordinary mail and 156 by e-mail. All of them were personally answered by the Chairman.

Among the issues that most interested shareholders were the share price performance, the Group's expansion, the dividend reinvestment plan and concern for the environment.

Many of the suggestions concerned improving the information provided in account statements and products. The Bank took into account the observations and incorporated them to the Partenón Project, the Group's new IT platform.

Some shareholders requested in their letters to the Chairman a differentiated treatment in their relations as customers of the Bank. The Board, as a result, agreed the following measures:

- no commission for the transfer of securities, in certain cases;
- a new card in special conditions;
- increase in the calculation period for setting the price for acquiring shares under the Dividend Reinvestment Plan.

All of these issues have been put into effect since July 2003.

Lastly, another request from some shareholders was taken up by the Board and approved at the last General Meeting: article 15 of the by-laws was changed and the requirement to hold at least 100 shares in order to attend the Meeting was eliminated. This was yet another step in our desire to foster and facilitate the participation of minority shareholders in Meetings whatever number of shares they hold.

Santander and its Shareholders

RELATIONS WITH INVESTORS AND ANALYSTS

The Santander Group attaches great importance to the financial information it provides to the markets. Financial and stock market analysts play an influential role in the investment decisions taken by institutional investors (mutual funds, pension funds, insurance companies, etc.) as they plan a key part in the liquidity and price setting of our share.

We have 624 institutional shareholders from 31 countries, who are not represented on the Board and who hold around 57.27% of the capital stock. There are currently 36 financial analysts who publish reports on their expectations for the Santander share.

The main objective of the Area of Relations with Investors and Analysts is to provide information to the institutional market on a homogeneous basis and not only through basic documents – the Annual Report and quarterly reports – but also presentations of the quarterly results or of specific issues as well as disseminating significant news via the website. The Area provides information to different rating agencies so that they can continuously track our credit risk.

As well as providing general information, the Area meets with institutional investors and analysts interested in the Santander share to convey the latest business trends and the Group's strategy so that they can make their estimates on future share performance and investment decisions.

The Area's activity is coordinated from Central Services in Madrid, but given the Group's composition and the geographic reach of our activity there are specialized areas in some of the Group's banks, particularly those that are listed on the stock exchanges of their respective countries (Banesto, Santander Chile and Santander Puerto Rico).

In 2003, 840 meetings were held with investors, analysts and rating agencies as well as investors specialized in social responsibility, always complying with the principles of equal treatment and symmetric disclosure of information.

Of note among the activities conducted by the Area in 2003 was the seminar on Latin American business, which was attended by 80 analysts and investors. The Director-Executive Vice-President of the Latin America Division and the Chief Financial Officer participated, as well as those responsible for the Group in Brazil, Mexico, Chile, Venezuela and Puerto Rico. The achievements and the objectives of our banks in Latin America were set out.

Also noteworthy was the presentation made on Consumer Finance, at which the executive vice-president of the Financial Division conveyed the Group's very positive results from this activity.

Institutional Investors-Reuters chose the Area as one of the three best departments of its type for the financial sector in Europe, and it received an award for providing one of the five best websites in Spain and Portugal.

CORPORATE WEBSITE

The Santander Group's website includes more than is strictly required by the Transparency Law and its regulations. We have also made it over the past few years the best channel for communicating with shareholders and the markets, setting a clear example of transparency in information.

The website (www.gruposantander.com) provides a wealth of economic and financial information as well as on issues of corporate governance, in conformance, particularly in the latter, to the prevailing regulations.

Santander and its Shareholders

Information on the Group

The website briefly summarizes the main features of the Group, its history, vision, values, main business areas and principal figures.

Shareholders and Investors

The website includes a long section on communication with shareholders and investors, providing direct access to information including the share (price and dividends), issues and securitization by the Bank and the ratings of the main agencies. We also have on the website the communiqués sent to the National Securities Market Commission and the US Securities and Exchange Commission and significant news items. The financial calendar setting out the dates of presentations, dividend payments and the calling of Shareholders' Meetings is also on the website.

Annual and Quarterly Reports

The website contains the annual reports of the last three years, quarterly reports and series and financial statements, as well as quarterly reports for shareholders and the Group's main bulletins.

Financial services

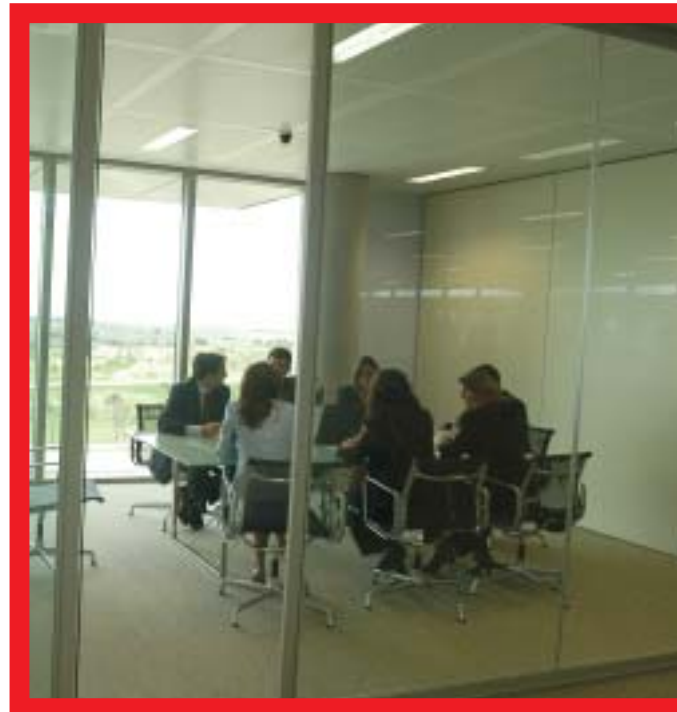
The website makes a distinction between four large groups of customers (individuals, companies, corporations and private banking) and sets out the different entities which in each country cover the needs of each group. There are links to the respective website of these entities.

Press Room

This part of the website provides all the significant news items on the Group over the past few years.

Commitment to society

The website has a section on the Group's commitment to society including not only the Annual Report on Corporate Social Responsibility and the Group's policy on the environment but also the commitment to universities.



Santander and its Shareholders

Corporate Governance

This section, adapted to the latest regulations, includes:

- the main documents supporting the corporate governance structure;
- all the information on the Board and on Shareholders' Meetings (previous and current years);
- the main channels of communication between the Bank and its shareholders, with particular emphasis on the right of information of shareholders;
- relevant developments.

Legal information

Since February 9, 2004, with the entry into force of order ECO/3722/2003, which further develops the Transparency Law regarding, among other things, information vehicles for listed incorporated companies, the corporate Web site has included a section called "Legal information for Shareholders." This section includes detailed information on the corporate governance of the company, its ownership structure, information norms, codes of conduct, announcements of material facts, etc.

Most of this information was already available on the corporate Web site, and has been pulled together in this section.

Socially responsible indices

The increasing importance of socially responsible investment is reflected in the appearance of new stock market indices regarding sustainability. These serve as a guide for investors in general and for the so-called ethical funds in particular.

The two main world indices are the Dow Jones (Dow Jones Sustainability Index) and the FTSE (FTSE4Good Index), whose visibility has helped to bring the concept of socially responsible investment closer to companies, analysts and investors.

The criteria for joining the Dow Jones Sustainability Index and the FTSE4Good are similar. In both cases candidates must fulfil the general requirements for admission to the global index (profitability, financial soundness, liquidity of the share, etc) and pass an additional analysis based on the three aspects which make up sustainability – economic, social and environmental.

The analysis takes into account the features of each sector. Unlike the FTSE4Good which excludes certain sectors (tobacco, arms, nuclear weapons, nuclear energy and mining/processing of uranium), the Dow Jones Sustainability Index is all embracing but applies a variable penalization coefficient for certain sectors where a higher degree of commitment to sustainability is required.

The indices are periodically revised to verify that companies are still meeting the requirements and fulfilling the commitments in issues of sustainability. Companies that do not meet the requirements adequately are automatically dropped from the indices.



EMPLOYEES



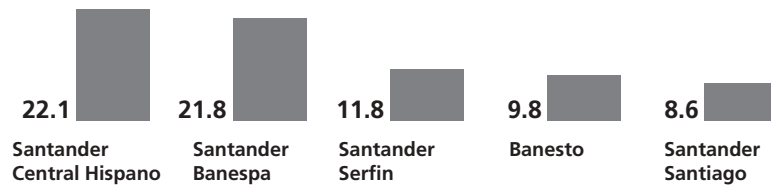
The Santander Group is committed to helping its more than 103,000 employees advance their professional careers, reconciling their private lives with work, and encouraging active and reciprocal communications.



Santander and its Employees

OUR COMMITMENT

Group units with largest workforces
(‘000)



MAIN ACTIONS IN 2003

OBJECTIVES 2004

Santander and its Employees

Relations, training, communication

The Santander Group is committed to helping its more than 103,000 employees advance their professional careers, reconciling their private lives with work, and encouraging active and reciprocal communications.

Number of employees	103,038
Average longevity	12.83 years
Average age of workforce	38.3 years
% men/women	58.28/41.72

DIMENSION

- Chairman’s letter to employees.
- Centralization of administrative personnel processes in Spain.
- Improved process for evaluating Group executives.
- Alignment of Human Resources structure with business lines and functional areas.
- Recognition of Optima Programme in Spain.

- Transfer of corporate headquarters to Santander Group City, in Spain.
- Overhaul of evaluation procedures.
- Development plan for Group executives.
- Launch of International Training Centre at Santander Group City.

Santander and its Employees

CHAIRMAN'S LETTER TO EMPLOYEES

On July 28, 2003, Mr. Emilio Botín, the Chairman of the Santander Group, sent a letter to each and every one of the Group's employees inviting them to send him "their ideas and concerns, as well as any suggestion that could help to improve our competitive position, our efficiency, quality of service and, in short, our results".

This letter was a pioneering step that continued the path begun in 2002 with the letter to shareholders and inaugurated a direct channel of communication with the entire Group's staff, without mediation or intermediaries.

The Chairman received 2,600 letters in the two month period established for replies, 2.5% of total employees and well above the initial estimates.

Of the replies, 25% came from women, a percentage well below that of their presence in the Group (around 42%).

Executives accounted for 6.5% of the replies and only 10 letters were sent anonymously and even these, like the others, were generally positive in tone, frank and constructive.

Latin America accounted for 82% of the letters received, with Argentina supplying 625 letters (12% of the staff) and Mexico 485 (4.3%). Spain's share of the total, however, was low.

Five projects

The Chairman presented the Board, at its meeting on December 22, 2003, with a report setting out the conclusions and plans arising from the replies to his letter, and the next day he sent a letter to all employees with five projects:

- Customer banking project: develop a common model that stimulates closer links with customers, so that they are more satisfied and loyal and profitable and lasting relations are established.
- Santander Group management resources project: formulate measures to motivate, assess, train and develop common careers for all employees of the Group, to be carried out by a team of high quality executives.
- Technology and IT systems project: define the focus and patterns of common actions in technology and operational support, which ensure higher productivity of teams and better quality service for customers.
- Risks project: identify improvement opportunities in order to adjust the policies and procedures to each segment and market, within the Group's traditional policy of prudence.
- Group identity project: define and develop a series of measures to increase the sense of belonging to a group, creating hallmarks that enhance the perception of the Group in the markets.

Santander and its Employees

Santander Group employees

	2003	2002	2001
Basic data			
Number of employees	103,038	104,178	115,706
Average age	38.33	38.75	39.37
Average number of years with the Group	12.83	13.18	14.16
% men/women	58.28/41.72	59.27/40.73	60.16/39.84
% with variable remuneration	69.79	73.88	67.68
% with degrees	45.39	39.91	34.46
Investment in projects to reconcile personal and working lives (euros)	959,422	1,612,021	

THE SANTANDER GROUP'S EMPLOYEES

Our Group is present in more than 40 countries in five continents but, as the table shows, over 80% of employees work in just five countries: Spain (34%), Brazil (21%), Mexico (11%), Chile (9%) and Portugal (7%).

Of the total number of employees, 58% are men and 42% women. These figures increasingly look alike in all the Group's banks and companies. The average age is 38.33 and the average number of years with the Group is 12.83. More than 45% of employees have a degree, a figure that is increasing every year.

A noteworthy feature of our human resources policy is that, unlike other multinationals, most people work in their country of origin. This is because the Santander Group believes that the best way to tend to local interests is to do so from a local perspective.

Only 126 Spaniards work in banks outside Spain, and in different positions of responsibility. This is a good sign that our human resources policy respects diversity and indigenous cultures.

Each country's rules regarding protection of human rights at work – no discrimination, freedom of association and collective bargaining, ban on employing children and forced labour and protection of ethnic minorities – are fulfilled in all the Group's banks. There have been no complaints against the Group for failing to meet these fundamental rights.

Our Human Resources departments ensure that employees' complaints are dealt with carefully and confidentially.

A FEATURE OF OUR HUMAN RESOURCES POLICY IS THAT, UNLIKE OTHER MULTINATIONAL COMPANIES, MOST EMPLOYEES WORK IN THEIR COUNTRY OF ORIGIN

Santander and its Employees

Distribution by entities

Bank/Companies	Number of employees	% women	% men	% degrees
Santander Central Hispano, Spain	21,995	30	70	40
Banesto, Spain	9,840	28	72	55
Totta, Portugal	6,066	39	61	43
Santander Banespa, Brazil	21,976	50	50	58
Santander, Chile	8,617	45	55	43
Santander Serfin, Mexico	10,772	46	54	(*)
Santander, Colombia	1,809	54	46	50
Santander Puerto Rico	1,621	64	36	22
Santander Venezuela	4,565	58	42	31
Banco Río, Argentina	3,566	34	66	36
Other entities	12,211	51	49	31
Total	103,038	42	58	45

(*) The files in Mexico do not include academia information

HUMAN RESOURCES STRATEGY

In order to ensure development of sustainable competitive advantages, the Santander Group's Human Resources Policy aligns employees' needs and expectations with those of business, and those derived from shared social responsibility. The Group's employees are the most important asset and are the cornerstone upon which rests the creation of value in the medium and long term.

The organizational structure of Human Resources is focused on three large areas which are integrated into and form part of the Group's businesses:

- Management of Human Resources, business units and areas.
- Centre of Shared Services
- Specialized Areas of Knowledge (Selection, Work and Management of Talent, Training and Development, Evaluation and Remuneration Systems, Labour Relations and Technical Secretariat).

In order to strengthen career development and detect talent, a new framework of global action based on Key Skills was drawn up. This sets out and defines the

corporate culture we want to develop: leadership, coherence, integrity, transparency, team work, anticipation, customer focus, commitment and high return.

SELECTION AND WORK

Recruitment criteria put the emphasis on attracting new employees committed to the Group's vision, corporate values, cultural and business diversity, customer focused, high return, capable of anticipating developments, innovation and team work.

An Internal Work Market has been established to foster career development.

The objective is to create an efficient channel for offering career opportunities to all Group employees. It is based on principles of transparency, equality, effectiveness and speed, the keys for uniting the needs of the Group's units with the aspirations of our employees.

A specific unit was created which manages a centralized data base with the job vacancies. New procedures were also developed for internal selection which improves the flow of information and the effectiveness and speed of the system.

Santander and its Employees

More progress will be made in the coming months in establishing policies that eliminate barriers to internal mobility. Greater emphasis will also be placed on communication with employees and executives on the value of this mobility as a tool to enhance the commitment and motivation of everyone.

In addition, Santander Central Hispano's employment portal has been redesigned in order to attract a larger number of applicants and potential candidates. There were 31,000 applicants. A portal will be designed during 2004 with links to the different employment portals of the banks.

TRAINING

In 2003 we continued to strengthen training in order to guarantee the Group's growth and as a strategic element of the Human Resources policy. The volume of training activities was similar to 2002. Each employee dedicated on average more than 27 hours to training and the total number of hours at Group level was around 3 million. More than 68% of employees took part in some kind of training activity.

Training continued to be developed under a multi-channel strategy. All employees were involved through different channels and procedures. Of note was the consolidation of Formavia, the Group's on-

line training campus, which in Spain alone already accounts for 22% of all training. The first steps were taken to consolidate this system in Latin America.

Of note among the Group's global training projects is Business Risks, the Global Training Plan on Corporate Social Responsibility and the Plan to Analyze and Manage Environmental Risks. More than 96,000 hours of training were given in these areas.

The number of hours dedicated to training in issues related to money-laundering was very high (close to 100,000 for the Group).

Santander Central Hispano attached particular importance to business and financial advice training, especially programmes to facilitate the unification of business management models in the branch network, and training for customer managers, risk and increasing the certifications of training for advisors that accredit a guarantee of service quality.

Santander Central Hispano is the first bank in Spain to provide a service quality guarantee, making us more rigorous when providing advice.

The Bank and the CIFF Foundation launched the Santander Group Financial Agent Masters, a pioneering course with its own qualification.

Training data 2003

Total hours	2,825,747
Employees involved (% of total)	68.34
Percentage direct training	56.13
Percentage with <i>on-line</i> training (% of total)	51.18
Evaluation of satisfaction (out of 10)	8.51
Hours dedicated to development of executives	52,537
Number of people in executive development programmes	690

Santander and its Employees

Training hours per employee

Bank/Companies	Hours a year per employee
Santander Central Hispano, Spain	33.83
Banesto, Spain	26.10
Totta, Portugal	38.00
Santander Banespa, Brazil	24.70
Santander, Chile	27.00
Santander Serfin, Mexico	26.70
Santander, Colombia	36.00
Santander Venezuela	37.00
Banco Río, Argentina	24.69

CAREER DEVELOPMENT

In line with the policy of identifying and developing high potential people for the Group, the fourth edition of the Apollo project was started in Spain (Young Employees of High Potential in the Business Network), which for the first time incorporated the Risks Area. The eighth edition of the Programme of Young People with Executive Potential in Latin America was also launched.

The main objective of the Apollo Project is to strengthen the channels so that employees with certain personal features, skills and experience are candidates for executive posts. It was started in 1999 and so far 144 people have participated, 115 of whom (80%) have already been promoted.

The aim of the Programme of Young Employees with Executive Potential in Latin America is to train people already working for the Group's banks in Latin America who could move into executive posts.

The Programme consists of developing, through a programme of international postings, backed by a specific training plan, a collective of people who have been identified on the basis of demanding criteria. It would be a "pool" serving the needs of executives.

The ninth edition of this Programme started in May 2003. Already 156 people from our banks in different countries have participated in the programme, of which only 22 dropped out. A high percentage of them moved on to more senior posts.

More than 18,000 employees at the parent bank in Spain are involved in career development plans in order to foster a better adjustment of people to their posts and promote personal and professional progress where a standard career path is linked to a remuneration framework, a training programme and a plan of continuous monitoring.

Also of note was the Higher Training Diploma in banking management for people without a degree but with potential.

Santander and its Employees

Professional development figures for 2003

Training hours in career plans	219,425
Number of employees in career plans	18,386
Training hours in high potential programmes	92,574
Number of employees in high potential programmes	443

MANAGING TALENT

In order to maintain a high level of return culture, a process to manage talent is required to generate career growth opportunities and develop those employees with the highest potential.

The Santander Group developed in 2003 its own model for the management of talent. The objective is to know the relevant people in depth in order to be able to collaborate in their career development, commitment, motivation and recognition.

Two new projects were launched. In Structural Planning and Alignment of Human Capital, developed by Global Wholesale Banking, the aim is to bring employees into line with the new globalized model in Corporate Banking. Assessment and Development of Talent in Risks, put into effect with executives of the Risks area in Spain and Portugal and which will be extended to Latin America in 2004, plans the development and mobility of executives according to their profile and expectations and the area's strategic needs.

REMUNERATION POLICY

The main aims of the remuneration policies are to attract, keep and motivate the best employees, as well as ensure adequate career development on the basis of different businesses, all of which is an essential part of being competitive in all markets.

The policy does not discriminate in terms of the sex of the employee, race, beliefs or opinions, as the fundamental criteria are based on the creation of value, transparency and ethical commitment.

During the course of 2003, promotions were given to 13% of the workforce.

One of the central guidelines for remuneration policy is performance. In this regards, the first steps were taken during the year to establish an evaluation procedure for the performance of key executives.

Additionally, all evaluation procedures are under review in order to establish a new model for 2004 which will contribute towards optimum Group performance.

THE GOAL IN MANAGING TALENT IS TO ATTAIN A FULL UNDERSTANDING OF EMPLOYEES IN ORDER TO HELP DEVELOP THEIR CAREER DEVELOPMENT, THEIR COMMITMENT, MOTIVATION, AND RECOGNITION

Santander and its Employees

SECURITY AND HEALTH IN THE WORK PLACE

The Prevention Service, audited by an external company, continued to promote measures to improve security and health. A State Committee of Security and Health, comprising representatives of the Bank and employees, was established to study and discuss all issues within its scope and to resolve the problems identified.

One of the topics discussed in this committee was the upgrade of computers in the branch network. At the end of November, 2003, the Bank and the unions signed an agreement specifying the type of screens to be installed and a plan for their installation.

This Committee holds ordinary meetings every quarter and extraordinary ones when matters of particular importance or urgency arise.

As part of the Planning of Preventative Action, risks at work places continued to be assessed from time to time and corrective measures proposed when necessary and monitored.

The health of workers was also tracked with physical examinations inside or outside the Group, in accordance with criteria, vaccination programmes, monitoring measures and specific programmes. This data is included in the Annual Report of the Service of Prevention of Risks at Work.

The methodology used in Santander Central Hispano Health Care was extended to all employees of the Group's subsidiaries in 2003.

The index of workplace accidents in the Group was 1,9* in 2003. The number of days lost because of sickness was 387,075 and 60,791 from accidents.

(*) (Number of accidents x 1,000,000 / Total number of working hours)

As regards training and information for employees, various communication channels and IT tools were used to disseminate messages on security and health at work.

The intranet included a specific section on Prevention of Risks at Work, with recommendations on ergonomics, emergency situations and evacuation of offices, as well as a first aid guide.

Information was also incorporated on prevention of cancer and heart problems.

Training in safety and health issues continued via specific courses included as "Prevention of Hazards in the Workplace" and "Health in the Workplace" in the Training Course Manual, with a high degree of employee participation.

Special attention was given to providing information on prevention of HIV/Aids. In countries where there is a high rate of contagion, such as Brazil, a major information campaign was conducted for employees. Additionally, Santander Banespa made its central Sao Paulo building available to the Municipal Health Secretariat to place a red ribbon, international symbol of the struggle against Aids.

Santander and its Employees

SERVICES AND BENEFITS FOR EMPLOYEES

The Santander Group has a wide range of services and benefits for all its employees. In Spain, the Assistance Fund spent more than EUR 1 million on meeting the needs of 8,000 requests presented by employees and not covered by the Social Security, as well as help for the physically and mentally handicapped.

All employees enjoy special conditions in banking products and services, as well as annual contributions of voluntary life, accident and disability insurance.

The Human Resources Area launched a new project in 2003, creating a centre of shared services for all the Group's employees in Spain.

The purpose of the centre is to improve the quality of service provided to employees, boost efficiency and attain greater specialization so that we know and tend better to their needs.

Among the benefits directly or indirectly tended to by the centre are: the Social Welfare Benefit Society, aid for the education of the mentally handicapped children of employees, aid for each child, voucher-gift for retired employees, Wage Bargaining Agreement Loans of 5 and 9 monthly payments and special loans to buy homes in the Boadilla area.

Banespa continued its programmes for the children of employees, held the fifth edition of its children's art competition and distributed presents to children under the age of 13, inviting them at Christmas to visit the office of their parents.

The Group in Chile developed the Work and Family and Working Better programmes, which put into effect eight measures.

In Colombia, the Group developed its Welfare Programme for employees and their families, which include sporting, leisure and cultural activities, and a complementary plan. Total investment amounted to 824,236,000 million pesos (US\$301,586).

The Group in Puerto Rico continued to develop its programme to reconcile working and family life. An art workshop for children was held for the third year running to foster the inter-relation of employees and their families, and 2,900 people attended the Christmas 2003 Meeting, 400 of whom were children.

ALL GROUP EMPLOYEES ENJOY SPECIAL CONDITIONS ON BANKING PRODUCTS AND SERVICES

Santander and its Employees

Banco Río in Argentina continued its Human Development and Creation of Value programme, which organizes conferences and work shops for all employees and their families. It also provided direct economic assistance to all employees with children under the age of four for nurseries. The Bank contributed up to 70% of the cost of masters and postgraduate studies by employees.

In Peru, the Bank offers medical protection and life insurance over and above what employees receive from the state. First aid courses and simulations of what to do in the event of natural disasters were also held.

In Bolivia, working conditions were improved with a greater distribution of space.

Of note among the services and benefits for employees is the Santander Group City at Boadilla del Monte (Madrid) which will be occupied during 2004 by around 5,500 employees from the Group's central departments, currently located in different buildings around Madrid.

The project's philosophy, as regards the Group's objectives for employees, is to make the City an ideal environment for reconciling working and family life. It includes:

- Ergonomics at the work station.
- Common spaces for work and career development.
- Sports installations.
- Restaurants and coffee shops.

- Medical facilities.
- A large zone for convenience shopping.
- Transport service laid on by Santander.
- One of the largest nurseries in Europe, with room for 400 children of employees working at the City.

EQUAL OPPORTUNITY

The efforts of the Group in this sphere over the last two years have been recognized by the Institute of the Woman which granted Santander Central Hispano the status of Collaborating Entity in Equality of Opportunity between Women and Men.

This is a significant stimulus for continuing the policies, particularly from the Human Resources Area whose policy has totally embraced the Óptima Programme since January 2001, when the request for participation was signed.

Since then, steps have been taken to achieve the objectives of the Óptima Programme, such as the Positive Action Plan covering 29 different measures to guarantee equality in employment.

The Óptima Idea Mail Box continued to receive ideas and suggestions and the following ones received a prize: "Reduction of the working day for maternity to less than that indicated in regulations" and "Installation, in the nursery of the Santander Group City, of places so that mothers can breast feed their babies."

Santander and its Employees

The first suggestion has already been put into practice and the second one, which is linked to the City in Boadilla, will have an area when the project is completed.

In Brazil, the Group developed a programme for people with disabilities and in Puerto Rico the legislation requiring a Programme of Affirmative Action was fulfilled.

In Argentina, Peru and Bolivia, the Group has policies which set clear and just employment conditions at all levels and which put a premium on non-discrimination and equality of opportunity, both in promotion and in attracting new employees.

INTERNAL COMMUNICATION

Internal communication in the Group is one of the key management tools, because of its direct impact on motivation and the commitment of employees.

The channels needed to ensure efficiency and the levels of integration of teams were increased in 2003 and to facilitate dissemination of messages, activities and projects, both at Group and local level.

Mechanisms to measure activities and receive feed back (surveys, suggestions, etc) were also established in order to ensure progress and further improvement in this area. A specialized area was created within the Communication and Studies Division to strengthen internal communication

Of particular note was the Communication Plan as part of the development of the Santander Group City Project. This is mainly for the Group's employees who will be working at the City as of 2004.

Internal publications

The Group has an in-house magazine, *Carácter*, for its current and retired employees in Spain. The print run is 150,000 copies and five issues have been published in two years.

There are also more than 20 in-house magazines published by the Group's other banks in Spanish, Portuguese, Brazilian, English and German.

Of note is *Conexão*, published by Santander Banespa in Brazil, which for the second year running was named the best in-house magazine by the Brazilian Association of Business Communication (Aberje).

The Group also has several on-line publications, such as *Santander al Día* and *Buenos Días* in Spain and *Buenos Días América* and *América Noticias* in Latin America.

Conventions

Several conventions were held during 2003 which brought together the Group's executives to analyze the achievements of their units and establish plans for the future.

The main one is the Convention of Group Executives which brings together 1,000 people from around the world.

Also of note are the Retail Banking Convention and the Meeting of Executives of the Latin America Division.

Regarding this last meeting, the customer workshop, in which the various countries could share interesting experiences, deserves a special mention.

Santander and its Employees

LABOUR RELATIONS

The XIX Wage Bargaining Agreement of the Banking Sector was signed in February 2004, covering 2003 and 2004. This regulates the relations between the banks and their employees.

Over and above the collective bargaining mechanisms developed for the banking sector, the Santander Group continues to foster mechanisms for participation and dialogue with the trade union representatives.

Santander Central Hispano signed an agreement in July with almost all the trade unions which set out various aspects regarding early retirement, as well as the conditions for the early retirements that took place in 2003, extending them to those that might occur in the next three years.

This agreement envisages the setting up of a Monitoring Committee consisting of senior management and representatives of the trade unions that signed the agreement, which will analyze and resolve any problems that could arise.

A committee was also established to deal with issues affecting employment and the hiring of personnel.

In Brazil, Banespa is implementing the collective agreement negotiated with trade unions by the National Federation of Banks.

Some 29% of the employees of Santander Serfin in Mexico belong to the trade union for the banking sector, with whom the Bank has a fluid dialogue through mixed committees on issues such as negotiating the collective agreement, internal promotion and security and health at work.

In Puerto Rico, where there are no trade unions with whom to negotiate collective agreements and other related issues, labour relations are regulated by federal and state legislation, mainly the Legislation Protecting Workers and the Legislation on Employer-Worker Relations.

Labour relations in Argentina are regulated by the Law for the Contracting of Workers and, specifically in financial activity, the nation-wide Collective Work Agreement. There are thus no specific agreements in companies.

No company in Peru has signed a collective bargaining agreement and trade unions do not exist. All of them are governed by laws and the Bank applies a remuneration and benefits policy for all its employees.

In Bolivia, 9% of the Group's employees are members of the only trade union that exists. An annual wage bargaining agreement is signed with it.

Santander and its Employees

Human capital indicators

	2003	2002	2001
Abilities: knowledge, skills and professional qualifications			
Number of employees	103,038	104,178	115,706
Training hours per employee	27.42	39.11	37.00
Total training hours	2,825,747	4,074,401	4,300,000
Spending on training/Annual wage bill (%)	0.93	1.22	0.82
Employees in training/Total staff (%)	68.34	87.14	70.00
Assessment of satisfaction with the training (1-10)	8.51	8.31	7.83
Number of apprenticeship activities available in on-line training	2,613	2,033	1,837
On-line training by employees/Total staff (%)	51.18	47.68	26.26
Number of grant holders managed	6,063	2,050	1,712
Capacity to innovate and improve			
Average age of employees	38.33	38.75	39.37
Men/Women (%)	58.28/41.72	59.27/40.73	60.16/39.84
Number of executives	8,178		
Average length of service of executives	11.77		
Employees with degrees (%)	45.39	39.91	34.46
Number of CVs received for job selection processes	288,054	131,461	127,814
Number of consultations tended to by the Employee Attention Service	130,460	277,897	127,595
Number of projects related to management of knowledge	58	16	17
Commitment and motivation			
Number of years service of employees	12.83	13.18	14.16
Employees promoted/Total staff (%)	12.97	12.51	6.23
Employees with variable remuneration (%)	69.79	73.88	67.68
Number of people in management by results plan	6,191	3,100	3,374
Number of job assessments carried out	92,617	71,312	66,036
Number of contributions to Knowledge Communities	1,151	459	387
Number of suggestions for improvement	10,042	4,572	3,579
Reconciling personal and professional lives			
Total e-learning training hours (CBT or EAO; On-line training and videoconferences)	563,635	637,315	
Number of projects focused on reconciling personal and professional lives	46	20	
Number of people on leave	1,201		
Total investment in projects to reconcile personal and professional lives (euros)	959,422	1,612,021	

SUPPLIERS



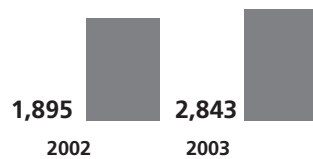
The Santander Group's dealings with its suppliers are based on a firm commitment that has fomented mutual respect and made transparency and shared principles the foundation of their relationship.



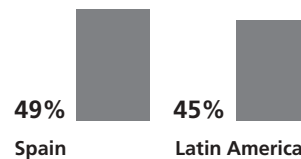
Santander and its Suppliers

OUR COMMITMENT

Electronic purchasing
Purchasing Department, Spain



Supplies who have subscribed to the
chain of adherence in 2003



MAIN ACTIONS IN 2003

OBJECTIVES 2004

Santander and its Suppliers

Mutual benefit, respect, shared priorities

The Santander Group's dealings with its suppliers are based on a firm commitment that has fomented mutual respect and made transparency and shared principles the foundation of their relationship.

Volume of purchases managed electronically(*)

32%

The chain of adherence has been sent to 732 of the Group's main supplies

DIMENSION

(*) Purchasing Department, Spain

- Progress in awarding supplier contracts through electronic auctions.
- All purchases were paid according to conditions.
- The chain of adherence to the UN Global Compact has reached 50% of suppliers in Colombia and more than 75% in Puerto Rico.

- Consolidation of the purchase system through electronic auctions.
- Encourage the incorporation of new suppliers to the chain of adherence.
- Reengineering of purchasing procedures by integrating new technology.

Santander and its Suppliers

The Santander Group's policy in purchases is to optimize the relation between cost, quality and provision of services.

On the basis of this optimization, suppliers are a very important collective for our Group as we depend on them to a large extent to attain the objectives proposed, both in the strictly financial field as well as in issues of corporate social responsibility.

Just as with our customers, we like to establish lasting relationships with our suppliers, based on the conviction that both sides can obtain long-term benefits.

SELECTION AND MANAGEMENT

In accordance with our traditional policy, all purchases of goods, as well as their selection, contracting, negotiating and other matters related to external suppliers are handled in the Group by the Resources and Costs Division. This division sets the criteria and coordinates the investments and spending of the subsidiaries in each country.

This enables us to achieve the most competitive prices, as well as standards that facilitate the streamlining of services and inputs.

Suppliers are selected after meeting certain quality requirements, which are continuously assessed in accordance with the Group's internal regulation.

The Purchasing Department, following its own procedures, establishes a strict control on suppliers, not only by applying the criteria set below, but also by its adherence to new standards like social and environmental commitment of the suppliers.

In Spain, no supplier represents more than 10% of purchases. The top five together account for 11%.

No supplier in Latin America accounts for more than 10% of the total purchases; the five largest account for 12.5%.

The selection criteria used, depending on the type of service or product, are:

- prestige in the market;
- product or service quality;
- flexibility in the face of change;
- resolving problems;
- economic conditions;
- experience and
- geographic coverage.

The soundness of the selection, comparison and evaluation processes, which are applied in all the Group's banks and companies, guarantee objectivity and facilitate transparency.

Over the past few years, on-line purchases and auctions on Internet have enabled us to obtain cost savings and increase transparency.

The volume of purchases in 2003 via these procedures amounted to 32% of all Group purchases in Spain.

Santander and its Suppliers

Investment accounts for around 20% of the total disbursement to suppliers and general spending for 80%.

All purchases in 2003 were paid in accordance with their contracted conditions.

A clear example of involving suppliers in the Group's social responsibility policy occurred at Santander Banespa in Brazil.

The Bank requires companies who maintain and replace batteries that they must certify that the old batteries have been sent to their respective producers. The batteries that Banespa had in storage were sent for recycling.

ADHERENCE CHAIN

Suppliers, as co-participants in the development of our Group's activity, were invited in 2003 to adhere to the UN's Global Compact.

It is very important to us to know that our suppliers not only comply in terms of delivery times and costs but also that they respect a series of fundamental principles related to respect for human, labour and environmental rights.

Many did so during 2003, both global suppliers as well as local ones in each country.

Our aim is to continue this policy as it will strengthen the Group's relations with its suppliers, in line with the Global Compact.

Some of the Group's banks began to send letters to their suppliers urging them to adhere to the Global Compact and a high proportion of them responded positively.

As an example, 50% of the suppliers who received the letter sent by Santander Colombia responded positively. This percentage exceeded 75% in Puerto Rico.

Special attention is due in the case of Security firms. The Bank, in the context of its commitment to respecting human rights, requires that companies supplying security services give their employees training that pays due attention to fundamental rights and individual freedoms.

OUR SUPPLIERS DO NOT ONLY COMPLY ON TIME AND ON COST,
BUT THEY ALSO OBSERVE A SERIES OF BASIC PRINCIPLES ON
RESPECT FOR HUMAN, LABOUR AND ENVIRONMENTAL RIGHTS

COMMUNITY



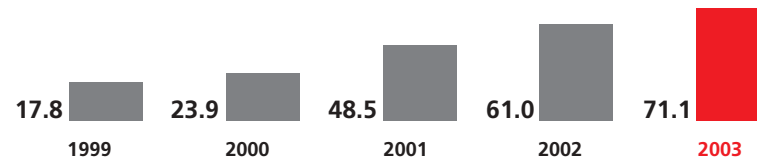
We encourage a corporate culture which places a high value on ethical and socially responsible practices.



Santander and the community

OUR COMMITMENT

Total investment in Social Responsibility
(Million euros)



MAIN ACTIONS IN 2003

OBJECTIVES 2004

Santander and the community

Investment, future, development

The Group is committed to social development, through sustained investment in education and culture, and through programmes that encourage the participation of employees and customers, in all the countries in which we operate.

The Group's investment in Social Responsibility projects in 2003 came to 2.7% of net attributable income, the same percentage is in 2002.

Santander Universities accounted for 72% of that investment.

DIMENSION

- Cooperation agreements with universities.
 - Universia Portal.
 - The Miguel de Cervantes Virtual Library.
 - Cultural, social and education programmes in countries where the Group operates.
-
- Santander Universities is the most important and emblematic Social Responsibility project.
 - The Group will continue cooperation with cultural, social and education programmes in communities where it has a presence, such as the Santander Cultural Centre in Porto Alegre, Brazil, and initiatives with the Red Cross in Spain.
 - It will take advantage of the move of its central services to the Santander Group City to turn that facility into the benchmark in matters of Social Responsibility.
 - It will intensify its dialogue with shareholders groups.

Santander and the community

THREE LINES OF ACTION

The Santander Group's community relations revolves around three main lines of action.

Firstly, the programmes under the framework of Santander Universities because of their tradition, importance and the large investment in this area.

Secondly, the economic and other activities that support groups and communities with serious shortages and needs, particularly development programmes with a strong element of co-participation.

Thirdly, but no less important, the many educational and cultural programmes in countries where the Group operates.

SANTANDER UNIVERSITIES

For the Santander Group, higher education is one of the main engines of development of all societies. It has been collaborating for a long time with teaching centres and universities to help create a better, more just and more sustainable society.

The Group spent EUR 51.3 million in 2003 on projects linked to universities, 72% of the total investment earmarked in the Social Responsibility Plan.

The programmes related to universities are developed in three areas: cooperation agreements with different academic institutions (universities, associated centres and other institutions), the Universia portal, the largest of its kind in the world, which groups together 736 universities, and the Miguel de Cervantes Virtual Library, which gives free access to more than 12,000 works in Spanish and Portuguese.

Cooperation agreements

The Santander Group has cooperation agreements with 320 universities, associated centres and other academic institutions. During 2003, 70 new agreements were signed and EUR 35.8 million invested.

This programme covers 75% of Spain's universities and 80% of the student body. This gives us the opportunity to reach 1,190,000 people in Spain and 2,770,000 in Latin America.

Collaboration agreements with universities

2003	Agreements	University offices	Intelligent cards
Spain	69	58	607,483
Portugal	14	14	6,345
Brazil	63	147	118,434
Mexico	59	22	151,546
Chile	30	14	149,131
Puerto Rico	8	8	21,234
Venezuela	21	9	41,597
Argentina	18	11	16,000
Colombia	20	4	17,236
Others	18	4	22,691
Total	320	291	1,151,697

Santander and the community

Breakdown of grants

Type of grants	2003	2002
Professional training	6,063	2,062
Studies	1,861	1,187
Total	7,924	3,249

Grants

Under these agreements, the Santander Group arranged a total of 7,924 grants in 2003 which represents constant growth compared to 2002 and 2001. Of these, 23.49% were for study and 76.51% work experience within the Group's banks.

Of particular note is the programme at Santander Banespa in Brazil. The aim of the programme is to train young people and give them apprenticeship, work experience and professional development opportunities.

Grant recipients spend up to four six-month internships in the Bank. Opportunities in every area of the business are available to them, and they can rotate among areas. Other services and benefits, such as life insurance and training programs, are made available to them.

Universia Portal

This portal, created in the summer of 2000, is the largest of its kind for universities and is growing every year. There are now 736 universities that use Universia as a network to strengthen the links between countries (99 joined it in 2003).

Close to 8 million university students in Latin America (85% of the total) made more than 51 million visits to the different portals in Universia. In 2003, a Universia portal for Argentina was created with 54 universities.

The Group's investment in Universia amounted to EUR 13.1 million in 2003, bringing the total since it was launched to EUR 47.6 million.

Main data of Universia

BANK/COMPANIES	Universities associated	% students	Users registered (cumulative)
Spain	67	100%	1,198,084
Portugal	18	95%	46,179
Brazil	147	55%	460,416
Chile	52	98%	127,875
Mexico	222	82%	136,405
Colombia	50	65%	67,745
Puerto Rico	15	99%	41,720
Venezuela	43	94%	269,724
Argentina	55	84%	112,525
Peru	67	97%	278,293
Total	736	87%	2,738,966

Santander and the community

Universia continued to develop products and services in 2003, through technologically innovative projects, advanced Internet services, development of specialized portals, grants and training courses.

Universia and the Wharton Business School launched Universia-Knowledge@Wharton, an electronic business and economics magazine, and a joint portal, Universia-M.I.T., was created.

2003 was also the year of the Browser Rooms, an innovative programme which Universia launched in 2001-2002. There are 42 Rooms, 28 of them in Latin America and Portugal, with 1,260 computers.

The aim of these Rooms is to give universities a space for browsing and access to Internet, with latest generation solutions.

The pilot phase began in December 2001 in several universities and involving more than 6,000 students.

The average index of satisfaction for the pilot projects was between 3.5 and 4.3 (out of 5), with a percentage use close to 100%.

Today there are more than 250 Internet access points in the member universities.

Also noteworthy was the establishment of an automatic and easy to use Spanish-Portuguese translation system, accessible from any platform and with a very high level of quality.

There is even a chat system which enables people of different languages to communicate. The speed of the translation is such that users hardly notice any delay in communication.

Another significant achievement was that 14 universities decided to establish Universia electronic mail as institutional mail.

Lastly, an instantaneous messenger service was developed in 2003, for teachers, researchers and students (virtual communities), work and research groups (Intranet), specialized browsers in all university spheres and an agenda of university activities (more than 20,000 entries).



Santander and the community

Miguel de Cervantes Virtual Library

The Miguel de Cervantes Virtual Library (www.cervantesvirtual.com) not only has the largest on-line collection Hispanic works, but also is the most visited Spanish literary website in the world, with more than 25,000 registered users and 85 million pages visited since its creation.

The Library was conceived by the University of Alicante, the Santander Group and the Marcelino Botín Foundation.

The Miguel de Cervantes Virtual Library Foundation was created in December 2000 to better manage the project and incorporate a large number of academics and authors and institutions, under the chairmanship of Mario Vargas Llosa.

The Virtual Library has more than 12,000 Spanish and Latin American works digitalized in different formats: text, image, video, audio and combined formats. By the end of 2004 there will be 14,000.

The Miguel de Cervantes Virtual Library has linguistic tools (browsers, dictionaries, analysis of concordances, among others) which are very useful for universities and researchers, and sections for permanent interaction with the user (forums, discussion gatherings, etc.).

During 2004 the Library will enhance the portals in Latin America and it plans to inaugurate the portal with the National Library with Spanish masterpieces in facsimile.

The Bank for universities and students

In Spain

- Cooperation agreements with 55 universities and 14 education centres.
- 607,483 university intelligent cards have been issued.
- 1,210,000 people are involved.
- The Universia portal is backed by 67 institutions.

In Latin America and Portugal

- Cooperation agreements with 251 universities.
- 544,214 university intelligent cards have been issued.
- 3,230,000 people are involved.
- The Universia portal includes 682 universities.



Santander and the community

EDUCATIONAL, CULTURAL AND ARTISTIC DEVELOPMENT

As well as the Santander Universities, the Group conducts other activities projects of education, culture and the arts including:

- Santander Central Hispano, Spain

The Bank collaborates with among others the Guggenheim Museum in Bilbao, the Liceo in Barcelona and the Teatro Real in Madrid.

It also works with the Reina Sofía Museum Foundation and sponsors the workshops for children that it organizes. In 2003 we invited the children of the customers of our International Express office in Madrid, which tends to the financial needs of immigrants, to attend the workshops.

The regional government of Catalonia and the Bank signed a collaboration agreement in September 2003 to finance a research study of the archives of the former Banco de Barcelona, with a budget of EUR 224,000. This will produce a history of this bank and the role it played in Catalonia's financial history, where it was the only bank to issue currency during 30 years.

- Santander Banespa, Brazil

Collaboration with the Abrinq Foundation for the Rights of Children and Teenagers. Santander Banespa is a sponsoring partner of this Foundation which for many years has worked for the education of the most underprivileged. Among its main projects are "Juego de la ciudadanía", a unique competition on corporate social responsibility projects and "Alfabetización Solidaria", where the Foundation, with the support of the Bank, has taught some 3 million people to read and write in six years.

Also of note is the "Music in the Sky" programme. Santander Banespa donated to the Town Hall of São Paulo 21,359 violins, violas, cellos, flutes, saxophones, double bass, keyboards, trumpets and other instruments so that this programme of the Unified Educational Centre (CEU) can form orchestras made up of the city's underprivileged children and teenagers.

Santander Banespa also donated EUR 3.3 million of material for theatres, radios and photo laboratories, as well as computers and software programmes.

Santander Cultural Porto Alegre is a cultural centre for all types of activities. It has helped to facilitate access to culture and the arts, "democratizing" the public's contact with exhibitions, festivals, prizes, shows, music, study and debate groups. Activities in 2003 included exhibitions of engravings of Picasso and Gustavo Torner, the 4th Biennial of Visual Arts and the Freud cycle.

Of particular note among Santander Banespa's activities in 2003 was the joint work with the Magic Word Foundation, the collaboration with the government of the state of São Paulo to create the Itatinga Coexistence Centre, the agreements with the Nuevo Mirar NGO, the Banespa Museum and activities related to heritage conservation, such as the Plaza del Patriarca Building.

Santander and the community

- Banco Santander Santiago, Chile:

The Bank donated close to 1,000 computers to cultural institutions and educational establishments.

The exhibition “El Greco to Chillida” was held in the Bellas Artes National Museum where 25 works spanning 400 years, and belonging to the Santander Group’s collection were shown.

A covered, elevated walkway connecting the two buildings of Santander Santiago: This is regarded as one of the most important buildings of the past few years in Latin America and it was awarded the prize of the second architecture biennial of Miami.

- Santander Colombia:

The transparency and anticorruption project aims to make people more aware of corruption and more involved in combating it.

The CECUDEEC Foundation seeks finance for the university studies of students living in Ciudad Bolívar, a very poor shanty town in Bogotá.

- Banco Santander Puerto Rico:

The Week of Reinvesting in the Community is an idea of the Puerto Rican Association of Banks. Workshops of banking products are organized for students and the elderly, including an introduction to electronic banking, conferences on social housing and special communities, as well as other models of sustainable development, using examples such as workers’ cooperatives.

- Santander Venezuela:

The Museum of Children Foundation. This entity is based in the Museum of Children, founded 21 years ago to educate and entertain children and which is visited by more than 5,000 children a year.

The “For a country without drugs” programme is aimed at workers, families, schools and communities in order to combat the consumption, trafficking and sale of drugs, particularly to the young.

- Banco Río, en Argentina

College Programme for Employment: this is a joint programme with the Orígenes Foundation which helps students in their last year of school to get their first job. More than 6,000 students have benefited from it so far.

The Bank also granted 100 scholarships for the children of low income families.

DEVELOPMENT COOPERATION

There were three main features of the Group’s humanitarian actions and concern for the most needy in 2003.

Firstly, we continued the path of previous years, promoting projects in which employees and customers participate and strengthening the links between all participants. Secondly, we maintained in general terms the commitments already acquired as we believe that sporadic actions have little impact.

IN ADDITION TO PROJECTS INCLUDED IN THE SANTANDER UNIVERSITIES PROGRAMME, THE GROUP IS ALSO ACTIVE IN THE FIELDS OF EDUCATION, CULTURE AND THE ARTS

Santander and the community

Thirdly, we continued to make progress in transparency and objectiveness when establishing agreements with collaborating entities. The Group in Spain began to collaborate with the Loyalty Foundation, which analyzes non-profit making entities that voluntarily submit themselves to review. The reports are made public, making the relations between donors, volunteers and non-profit making entities more transparent.

The Santander Group also collaborates with the Company and Society Foundation as a sponsor. In this capacity the Group is committed to improving its strategy and actions in the social field, to communicate it adequately and to support the Foundation's institutional activities in the business sector.

Co-participation with employees

Some of the Group's banks have been developing activities with employees and customers for several years in order to provide a specific response to particular social, cultural or environmental needs in the countries where they operate. The main programmes in 2003 were:

- Santander Central Hispano, Spain

The collaboration begun in 2002 continued with Junior Achievement whose aim is to encourage the entrepreneurial spirit among the young in a framework of responsibility and freedom.

- Banesto, Spain

The "Solidaridad x 2" campaign was launched in December 2003, under which the Bank matches the contributions of employees for certain humanitarian organizations.

- Santander Banespa, Brazil

Santander Banespa's employees are involved with various humanitarian associations which they themselves established, such as ABAS and APABEX. Of note is the Volunteer of the Year award which recognises those employees who have done the most for the community where they live.



Santander and the community

- Santander Santiago, Chile

The “Un Techo para Chile” programme to replace shanty towns has been supported by the Bank, customers, suppliers and employees for three years. The Bank contributed EUR 270,000 in 2003 and EUR 1,030,000 was provided by employees, suppliers and customers.

Employees have also been collaborating with the Bank for 10 years in its “1+1 del Hogar de Cristo” programme. This institution looks after around 30,000 people a day through 8,000 projects.

- Santander Serfin, Mexico

The Group’s employees in Mexico collaborate through voluntary donations with the “Por los Niños de México” trust, an institution which provides funds to entities that help children in the spheres of education and health.

- Santander Colombia

Employees collaborate with “Camino de la Montaña”, which the Bank provided with a kitchen and a library.

- Santander Puerto Rico

Employees support programmes such as “Dale Alas a la Vida” to help the Association of Muscular Dystrophy, which collected US\$30,000 in 2003, and Art Workshop for Children which fosters relations between the families of employees. More than 600 employees collaborate in the programme “To donate a book costs nothing”, developed with the NGO “Fondos Unidos”.

- Banco Río, Argentina

The “VoluntaRío” programme covers a series of activities ranging from the delivery of food to kitchens to recycling of paper, delivery of clothes and training courses for personal and family development.

Encouraging the co-participation of employees and customers

One of the nine corporate responsibility plans is to encourage the co-participation of employees and customers in creating a network that strengthens our links and makes our humanitarian actions more effective.

The programmes in 2003 included:

- Spain: Solidaridad x 2 Junior Achievement
- Brazil: Volunteer of the Year Prize
- Chile: Un Techo para Chile
- Mexico: Por los Niños de México
- Puerto Rico: Dale Alas a la Vida
- Argentina: VoluntaRío Programme



...y manda a muchos niños mexicanos a la escuela

¿Sabías que, en México, más de 2 millones de niños y niñas no están en la escuela?

Cada vez que saques dinero en un cajero Santander Serfin, puedes donar un peso para que más niños mexicanos tengan una educación de calidad. UNICEF México y el Gobierno PnL los niños de México te lo agradecerán.

Si deseas hacer un donativo mayor, deposítalo en la cuenta 02581442054 a nombre de UNICEF.



unicef



Santander Serfin
El valor de las ideas

Santander and the community

Other programmes

The main ones in 2003 were:

- Santander Central Hispano, Spain

Doctors without Frontiers: in the fourth quarter of 2003 the Bank conducted a marketing campaign with Doctors without Frontiers for the direct deposit of salaries in its accounts, which will enable a million children to be vaccinated. This is an excellent example of solidarity by Spanish society, traditionally sensitive to the big humanitarian problems in the world.

Red Cross: a novel programme was launched in 2002 in Spain's banking sector consisting of donating EUR 100 to the Red Cross for every salary directly deposited into the Bank in Spain. A total of EUR 2 million was contributed for health, education, water and waste projects in countries such as Angola and Sierra Leone in 2003.

Important programmes aimed at preventing HIV/AIDS were also implemented. Of note were those in Costa Rica and Namibia, which focused on education and training to prevent the spread of AIDS and battle discrimination.

- Santander Banespa, Brazil

Helping to combat drug addiction: Banespa, in association with various entities, participates in efforts to rehabilitate drug addicts and produce and distribute materials to make society more aware of the problem and support the families of addicts.

A million water tanks: the aim is to install 10,000 water tanks in the semi-arid region of Brazil (more than 900,000 sq. km) in order to foster the sustainable development of this region. This project requires a lot of construction materials as local workers are responsible for building the tanks and are paid for it.

This project also stimulates local commerce, generates income and local direct employment, encourages people to stay in the region and helps to visibly improve health, hygiene and education conditions. The project is part of the federal government's Zero Hunger programme.

- Santander Serfin, Mexico

"Shed a peso you don't need": This campaign consists of incorporating a service to all the Bank's ATMs in which users, when conducting a transaction, have the option to donate a peso to various education projects developed by UNICEF.

There is also an advertising campaign on TV which explains UNICEF's educational programme in Mexico.



Santander and the community

- Santander Colombia:

Foundation to adopt abandoned children: this foundation, supported by the Bank, takes care of children who do not have a home and encourages their adoption by families who are comfortably off. More than 12,000 children have found a new home.

- Santander Venezuela

Hogares Claret Foundation: the Bank has been collaborating for five years with this Foundation which helps to rehabilitate young drug addicts.

- Banco Río, Argentina

Sowing hope: this programme of organic kitchen gardens aims to gradually replace food assistance programmes with self-production.

The pilot programme covers skills, construction and management of kitchen gardens for 100 families and is already operating in San Carlos de Bariloche.

“Leer es Fundamental Argentina”: The Reading Foundation developed for the fourth year running, together with Banco Río, a programme to encourage reading which benefited 20,000 students in 47 schools in the provinces of Córdoba and Santa Fe.

Cáritas Food Plan: the bank made available to the Banco de Alimentos Foundation the necessary resources so that it could conduct a campaign to collect funds, with advertising in public places and in the media.

This Foundation helps Caritas to distribute food to 284 entities for more than 35,000 people.

Encouraging youth employment in Latin America

This project is organized by the United Nations, the World Bank and the International Labour Organization (which also coordinates it). Launched as one of the UN's “goals of the millennium”, the project, to be developed over four years, aims to encourage as of 2004 the talents and technical skills of young people so that they can get stable and quality jobs.

The Santander Group, which regards education as the pillar of its social responsibility policy and is committed to the development of society, will contribute US\$125,000 a year to partly finance training programmes in four Latin American countries.

Mexico: theoretical and practical skills in new technologies and banking operations to enhance the qualifications of young people with vocational training and scant funds.

Brazil: programme to finance the academic costs of young apprentices in vocational training with scant funds.

Argentina: programme to help students in the last year of secondary education make the leap from school to a job, with workshops to strengthen finding initial employment.

Chile: training to help the young reintegrate into society and find a job through training activities and learning skills.

Santander and the community

Economic development programmes: microcredits

The Santander Group supported the III International Microcredit Forum in Brazil, in line with its social responsibility philosophy and its support for the programmes to eradicate poverty launched by President Luiz Inazio Lula da Silva.

Microcredits play a key role in social and economic development as they enable small firms and businessmen to obtain financing, which would be difficult through the usual channels.

Microcredits are not donations, but loans for projects after a viability study is made.

The Santander Group's experience in microcredit programmes has been positive; the great majority of the credits are paid back, new entrepreneurs are created and collectives are integrated into society who might otherwise remain excluded.

Among the programmes that the Group developed are:

- Santander Central Hispano, Spain

Our policy of microcredits is aimed at integrating into society individuals or businesses who have difficulties obtaining loans via the normal channels, because they cannot produce guarantees or a record of lending. This include people over the age of 45, single parent families, the handicapped, long-term unemployed and immigrants who have their papers in order.

Santander Central Hispano is one of the large Spanish banks that has signed the agreement with the Official Credit Institute (ICO) and the ICO awarded its prize for "The most active financial entity in the management and granting of microcredits in 2003."

Under this agreement, the Bank has signed 23 cooperation agreements with Social Assistance Institutions, both state and private ones.

These institutions present the operations to banks after a viability study has been carried out; they play an important role in the success of the programme.

The most commonly financed activities are hotels and restaurants, hairdressers, messenger services, products for babies, workshops and retailing.

The Bank authorized 215 operations in 2003 amounting to EUR 4.26 million, 33% of all those in Spain under the agreement. Women received 47% of the loans.



Santander and the community

- Santander Banefe, Chile

Banefe has been providing advice to more than 90,000 micro businesses since 1992 and has helped to create centres in all of Chile to support their development.

The main programme developed by the Bank is the National Prize for the Micro Business Woman. The third one was held in 2003.

The prize highlights the very important role that women play in an economy where 31.5% of households depend on their earnings as the main source of income.

- Banco Santander Puerto Rico:

Banco Santander Puerto Rico has the following micro credit programmes:

“Vamos a ti”: an innovative programme for new entrepreneurs through seminars on financial, management and strategic skills.

It also provides specialized financial products to support the business measures of people who want to develop their own business. It benefits small traders with micro credits of between US\$1,000 and US\$20,000 for the development and expansion of businesses.

“Contigo Mano a Mano”: Banco Santander Puerto Rico provides micro credits of US\$1,500 for families that want to create or develop businesses and whose annual income is less than US\$14,600.

Microcredits Programme in Brazil

Santander Banespa is participating in the programme launched by President Lula da Silva, which grants microcredits of between EUR 70 and EUR 340 without the need for the borrower to provide information on income or a guarantee. The interest rate is 2% paid monthly over 12 months.

The main programmes include “Sao Paulo Confía” and “Panadería Artesanal” and “Máquinas de Coser”, aimed at giving skills and options to generate income and jobs to the poor.



Santander and the community

SANTANDER GROUP FOUNDATIONS

The Santander Group's foundations play an important role in education and in social, cultural and environmental awareness: Santander Central Hispano Foundation, Banesto Foundation, Banco de Venezuela Santander Group Foundation and International Financial Training Centre (CIFF).

Santander Central Hispano Foundation

This Foundation continues to be a benchmark in the cultural sphere. In 2003 it paid particular attention to Sustainability and National Heritage through a programme to make society more aware of the need for a more just model of sustainable development.

The art exhibitions held in Madrid included "Masterpieces from the Lázaro Galdiano Collection", "Campomanes and his Time" and particularly "The Exaltation of the Arts" which presented the main works of the Santander Central Hispano Collection.

An exhibition of the 19th century Catalan painter Fortuny was held in the autumn in Barcelona in collaboration with the National Art Museum of Catalonia.

The Foundation stepped up its activity in humanities through debates, seminars, courses and cycles of conferences and also different publications.

As well as conferences on Science and Society and Biographies and History of the War of Independence (1808-1814), a new cycle of debates was organized in 2003 called "The Coming World" which looked at issues such as immigration, the technology revolution, multiculturalism, globalization and consumption.

The Foundation continued to publish catalogues of exhibitions and the texts of speakers. New works were added to its Key Books Collection

Two more issues of the magazine Moneda y Crédito were published and the magazine held its annual symposium, this time on economic and social policies.

In the field of scientific research, projects related to the ageing of the brain and neurodegeneration caused by stress continued to be developed by the Complutense University, and work on molecular genetics of cancer of the colon by the Puerta de Hierro University Hospital.

The Foundation began to collaborate with the Dr. Pérez Moreno Magnetoencephalography Centre on the brain in movement project.

The Foundation's important contribution to environmental issues is looked at in the next section.

Contributions by Fund (thousands of euros)

	2003	2002
Santander Central Hispano Foundation	2,863	2,400
Banesto Cultural Foundation	862	800
Banco Venezuela-Grupo Santander Foundation	269	633
CIFF Foundation	300	300

Santander and the community

Banesto Cultural Foundation

This Foundation promotes, develops and carries out all types of cultural activities, as well as development co-operation, defence of the environment and fostering the social economy and business training.

Banco Venezuela- Grupo Santander Foundation

This Foundation has been in existence for more than 30 years and is one of the oldest private institutions in the country.

It supports non-profit institutions that are mainly involved with children from underprivileged homes, such as Las Casas Don Bosco with whom it has been working for the last five years under the programme "Raíces Humanas"; the Children's Museum, which specializes in teaching the young; Hogar Vida Nueva and Hogares Claret, institutions that work with people with drug problems. It also runs the "Dividendo Voluntario para la Comunidad" programme which uses its funds for the rebuilding of schools.

The Foundation has been a pioneer in making society much more aware of the environment through projects and training volunteers, activities described in the next section.

CIFF Foundation

The International Financial Training Centre (CIFF) was created in June 2001 by the University of Alcalá and the Santander Group to promote, strengthen and develop the knowledge and skills of people and organizations through activities such as training, consultancy and research, forums, seminars, conferences and publications.

The CIFF Foundation today has become one of Spain's main training centres for economics and finances and has gained respect in its particular field. One of its main tasks is to increase and foster business relations between Europe and Latin America, and it has become a meeting point for all those concerned.

The Foundation had 3,229 students in 2003 and it gave 201,127 hours of training at a cost of EUR 1,288,580.

Social commitment indicators

	2003	2002
Education and culture		
Number of education cooperation agreements	644	297
Number of projects in education and culture	172	156
Total investment in cultural and education projects (euros)	42,895,307	35,944,323
Social development support		
Number of social development projects	220	80
Total investment in social development projects (euros)	4,104,924	6,005,660

THE ENVIRONMENT



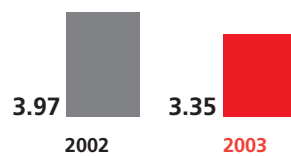
Two overriding considerations at Santander Group are optimum working conditions and care for the environment.



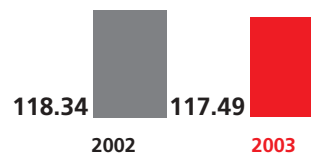
Santander and the environment

OUR COMMITMENT

Paper Consumption
(Thousand tonnes)



CO₂ emission
(Thousand tonnes)



MAIN ACTIONS IN 2003

OBJECTIVES 2004

Santander and the environment

Active protection and respect

We are fully committed to respect for the environment, cooperating in initiatives that foster environmental protection and involve all the Group's employees, for the benefit of all, with special emphasis on our banking activities.

Paper Consumption (in tonnes)	3,352
Energy Consumption (in GJs)	838,953
Water Consumption (in '000m³)	1,372
CO ₂ emissions (in tonnes)	117,493

DIMENSION

- Measurement and control of own consumption.
- ISO 14001 Certificate for Chile headquarters.
- Development of an environmental risk control mechanism.
- Publication of enviromental policy.

- Control and reduction of own consumption.
- ISO 14001 Certificate for Santander Group City.
- Broad application of risk control tool.

Santander and the environment

THE SANTANDER GROUP'S ENVIRONMENTAL POLICY

What is the environmental policy?

It is our commitment to integrate protection and respect for the environment into the Group's strategy and management. This commitment entails both the integration of environmental criteria into business activities as well as adopting measures to protect and conserve the environment.

Whom does it affect?

The environmental policy entails a special effort by all the Group's employees in their daily activities to naturally integrate into them certain practices regarding the environment.

What are the main guidelines?

The Santander Group's Corporate Social Responsibility Strategic Plan revolves around nine specific measures with immediate effects on management. Four of them are directly related to protection of the environment and define the guidelines of our policy:

- Social responsibility training plan
- Full incorporation of environmental risk analysis to the risk management system.
- Obtaining of environmental certificates such as the ISO 14.001 for the Group's main work centres in Spain and abroad.
- Promotion of measures to reduce energy consumption and office inputs and recycling of waste.

How is the Group's environmental strategy defined?

The Board of Directors is responsible for promoting and supervising a Group Policy on the environment taking account of best international practices.

What are the goals of the Santander Group's environmental policy?

The main objectives are:

1. To reduce the impact on the environment of business activity.
2. To actively and systematically analyze the environmental impact of financing for companies and projects.
3. To give customers access to investment products based on sustainable development criteria.
4. To support projects to protect and conserve the environment.

Is there a training plan?

We are aware of how important it is to train our employees so that the goals can be achieved.

A prior training and awareness plan is vital so that the Plan's nine measures can be adopted and they have already begun to produce interesting results.

We have a three-pronged training programme which disseminates the Plan to all the Group's employees and includes, in the training measures, a section on the environment.

Santander and the environment

DIRECT IMPACT ON OUR ACTIVITY

A financial entity like the Santander Group does not have significant levels of environmental risk arising from its activities. Nonetheless, the Group measures, controls and reduces as much as it can the environmental impact of its activities.

The Group is firmly committed to respect for and protection of the environment, integrating environmental criteria into its activity. The objective is to minimize the environmental impact of its activity.

The main impact of the Group's activity is consumption of paper. In 2002 the Bank launched its 3Rs Plan (Reduce, Re-use, Recycle) in order to cut down on the consumption of paper.

In 2003 this plan reduced the consumption of paper by 9.5 tonnes and cut the sending of documents in paper form to customers by 10%. The buildings at San Luis, Barajas, Las Rozas, Castellana, Patagon and Hispamer, all in Madrid, sent every month an average of 716.58 tonnes to be recycled. This meant that 10,032 trees (more than half the total in the Retiro Park) did not have to be felled.

Consumption of recycled paper increased by 2% and by 40% in the central services buildings in Madrid.

This policy will continue in 2004, with increased use of recycled paper in offices, as well as the installation of multifunctional machines at the Santander Financial City, which will significantly reduce the consumption of paper and toners. The environment will also improve because the equipment meets the Energy Star regulations.

Banesto continued its environmental policy based on programmes and measures to improve the impact of its activity on the environment, particularly through control of those inputs that most affect the environment, such as water, electricity, paper and toners.

A system to save water and electricity was designed and is being incorporated into the different work centres. Such systems were installed in 149 offices during 2003, and are expected to cut consumption by 15%.

As regards consumption of paper and toners, the approach is twofold – in consumption and recycling. Significant advances were made in 2003, despite the higher volume of business.

The project to install multifunction printers at the Mesena Complex, where Banesto's central services are located, resulted in the removal of a large number of printers on desks, fax and photocopying machines. This project enables printing policies to be put into effect that will reduce the consumption of paper and toners in the central services by at least 30% in 2004.

Indicators of direct environmental impact

Santander Group Spain, Banesto and Portugal

	2003	2002
Paper consumption (in tonnes)	3,352	3,968
Energy consumption (in GJs)	838,953	845,616
Water consumption (in '000 m ³)	1,372	1,512
CO ₂ emission (in tonnes)	117,493	118,340

(1) Excluding Portugal

Santander and the environment

The key element that enables consumption of paper to be reduced is to encourage the use of technology, such as electronic banking for customers and Intranet for employees.

In Spain and Portugal, the Group also established a series of measures under the 3Rs Plan, in order to reduce consumption of paper. A saving of 15% was achieved (i.e. 616 less tonnes of paper than in 2002).

The measures include greater use of Intranet, the introduction of 10 simple pieces of advice for efficient use of paper and the integration of all customer information into a monthly statement.

Totta contracted a company to collect and recycle paper and the institutional magazine distributed to all current and retired employees was printed this year in ecological paper (100% chlorine free).

Grupo Santander Banespa in Brazil developed the Consumption Awareness programme in 2003, based on the 3Rs Plan, in order to encourage more efficient use of paper by employees.

A team was formed to make people more aware of the environment with measures and strategies.

Paper for printing, which has undergone no process involving alkaline and consists of 15% recycled paper and 85% reforested pine cellulose, was introduced.

The Zero Paper programme of Banco Santander Santiago in Chile is aimed at encouraging employees to save on paper and to heighten their awareness of the importance of such measures, facilitating recycling with cardboard boxes in offices to collect paper.

Steps were taken in different areas of the Bank to reduce the consumption of paper, such as greater use of e-mails and putting on Intranet a series of products.

CONSERVATION PROGRAMMES AND PUBLICATIONS

The Santander Group continued to develop programmes to conserve the environment.

Of particular note was the work of the Santander Central Hispano Foundation in Sustainability and Natural Heritage, through programmes to make society more aware of the need for a fairer model of sustainable development.



Santander and the environment

The following were organized: "The New Horizon of Sustainability" to strengthen sentiment in favour of the environment; a course on cultural and national heritage tourism at the El Escorial Summer University; a seminar on Sustainable Businesses - "Practical Experiences in Latin America" - with the Environment Foundation and the World Business Council for Sustainable Development (WBCSD); an international seminar on strategies to combat change in the climate in Spain and Latin America, in collaboration with the Institute of Environmental Sciences of the Complutense University of Madrid (IUCA); the cycle of conferences on "Energies for a Sustainable Future", with the French Institute, and the publication of two issues of Cuadernos de Sostenibilidad and Patrimonio Natural, which summarize the papers given at the Latin American Seminar of International Cooperation in Wetlands, held on November 13 and 14, 2002, and the contents of the cycle of meetings "The New Horizon of Sustainability" held in January and May.

One of the Group's most noteworthy activities was the programme in Portugal, in support of the victims of the forest fires in the summer of 2003 and to promote protection of woodlands.

This programme was also accompanied by a series of social measures to ease the economic consequences on the people who live in the areas affected by the fires.

Santander Banespa in Brazil supported the First Inter-regional Meeting of Environmental Education whose aim was to increase awareness of the need for a change in behaviour towards the environment and create citizens committed to the environment and quality of life. A Save a Tree campaign was also launched.

The environment in the Corporate Social Responsibility Plan

Three of the nine measures of the Plan are aimed at conserving the environment. The following progress was made during 2003:

- A decision-making tool for environmental risks, known as direct assessment environmental development (Vida), was developed.
- The environmental certification of the headquarters in Chile was attained and progress made for those in Mexico and Spain.
- Programmes to reduce consumption of paper were implemented in Brazil, Portugal, Chile and Spain, and projected related to the environment such as "Rebuilding the Future" in Portugal.

Santander and the environment

The Bank in Puerto Rico collaborated, for the second year running, in International Beach Cleaning Day, conducted by the non-profit institution Ocean Conservancy, of which it is a member. Banco Santander Puerto Rico spent US\$30,000 on different projects related to care for, respect and maintenance of the environment.

The Banco de Venezuela Foundation was very active in environmental issues.

The main programmes were reforestation in Baruta, tree-planting, a campaign in favour of the environment, one to rescue gardens and plant palm trees.

The palm tree programme was started 10 years ago and aims to conserve those in cities and towns affected by a disease, as well as preserve green areas in Caracas.

ANALYSIS OF ENVIRONMENTAL RISKS IN LENDING

Analysis of the environmental risk of loans is one of the elements of the Corporate Social Responsibility Strategic Plan.

The System for Assessing Environmental Risks (Vida), completed at the end of 2003, is a tool to evaluate, with the degree of depth determined by the Group's policy, the environmental risk inherent in each current or potential corporate client.

The project was developed in accordance with the following features:

- **Simplicity:** easy to use with the information available.
- **Automatic:** evaluation rules and parameters that can be managed.
- **Objectivity:** assessments based on legal rules and internationally accepted standards.

- **No interference:** without affecting the relationship with customers and with several levels of depth.
- **Scalability:** integration into the Bank's systems and massive processing of complete portfolios.

The focus and the tool for analysis in Vida operates as follows:

1º) It first analyzes the portfolio of customers and assigns an initial level of basic risk (high, low, etc.)

2º) This level is constructed on the basis of activity and size data through information processing. The process can be done as many times as is desired.

3º) In those cases where the perceived risk level requires a deeper analysis, it is done on the basis of electronic questionnaires by sectors.

The final result enables us to give 9 ratings, with three levels within each one.

This environmental rating will be gradually integrated into the Group's rating system

It will serve, from the onset, as an additional reference for taking decisions.

Santander and the environment

This methodology gives the Santander Group an approved corporate procedure for assessing environmental risk, based on the belief that socially responsible investment is a concept that will continue to evolve and thus must be increasingly taken into account from the standpoint of risks as well as providing business opportunities.

FINANCING OF RENEWABLE ENERGY PROJECTS

The Bank has a leading position in Spain in the financing of wind-powered energy parks. Over the last five years it has committed more than EUR 330 million to 40 projects. The combined power of these parks (Mw 1,900), is equivalent to one quarter of the total energy of this type installed in Spain and will represent a saving in CO₂ emissions of 4,750,000 tonnes a year.

TRAINING

The Santander Group's Corporate Social Responsibility Plan states, as its sixth point, the need for training in social responsibility issues and thus in the environment, underscoring the importance given to this issue.

A programme in three phases has been established in order to disseminate the Plan to all employees including, among the training measures, a specific section on the environment. The courses for new employees and for skills and promotion include modules on the environment.

The training process in environmental issues began with 18 courses in Spain, attended by 312 Group employees. A key element is training the trainers so that they can give courses in the Group's banks. In Portugal 44 courses were given and in Latin America 659 people attended courses.

Environmental indicators

	2003	2002
Number of projects in favour of the environment	11	7
Total investment in projects to protect and improve the environment (euros)	668,427	20,318

A SYSTEM FOR EVALUATING ENVIRONMENTAL RISKS HAS BEEN DEVELOPED - "VIDA" - WHOSE OBJECTIVE IS TO CREATE A TOOL THAT CAN BE APPLIED TO RISK DECISIONS

Glossary

Dow Jones Sustainability Index

The Dow Jones Sustainability Index, drawn up by Dow Jones, STOXX and SAM, covers those companies already in the Dow Jones STOXX 600 Index and which also meet a series of requirements in the sphere of sustainability. The index includes 148 European stocks. Santander Central Hispano is one of the six Spanish stocks in the index.

FTSE4Good

The FTSE4Good is an index drawn up by the FTSE Group (FTSE), an independent company which creates and manages stock market indices throughout the world. It is made up of companies that are in the four large FTSE indices and which also fulfil a series of environmental requirements, dialogue with stakeholders and respect for human rights.

Global Compact

United Nations initiative to protect human rights and to promote compliance with international standards on labour conditions and environment protection.

Global Reporting Initiative

Global Reporting Initiative (GRI) is an independent organization founded in 1997 to draw up guidelines to be applied voluntarily by all kinds of entities (companies, foundations, governmental and non-governmental organizations) which review the economic, social and environmental scope of their activities, products and services. GRI is the official collaborator of the UN's Environmental Programme and of the Global Compact prepared by Kofi Annan, the UN's Secretary General.

ISO 9001

This is an international scheme which specifies the requirements for a system of management of quality when a company:

- needs to demonstrate its capacity to provide on a coherent basis products that satisfy customers' requirements and the applicable regulations.
- aspires to increase customer satisfaction through continuous improvement and ensuring conformity with customers' requirements and the applicable regulations.

ISO 14001

This is an international system which specifies the requirements that a system of environmental management must fulfil and which enables the company to better manage the environmental effects of its business activity, meet the legal requirements and help to achieve environmental objectives.

Quality

A series of actions to attain customer satisfaction and increase their loyalty, on the basis of criteria of economic efficiency.

Renewable Energy

Energy obtained from alternative sources, less polluting, and non perishable. Among others it would include the energy obtained from wind, water or the sun.

Stakeholders

This term embraces all those third parties, be they individuals, entities or collectives, who are directly or indirectly affected by a company's activities, its products or services (customers, shareholders, employees suppliers, society, among others).

Sustainability

The economic activity that satisfies present needs without affecting the capacity of future generations to do the same.

Auditor's opinion - GRI Indicators



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REPORT ON AGREED-UPON PROCEDURES FOR THE INDEPENDENT VERIFICATION OF THE INDICATORS OF THE GRUPO SANTANDER 2003 CORPORATE SOCIAL RESPONSIBILITY REPORT

To Management of Grupo Santander:

We have performed the procedures agreed upon with you, which are listed below, regarding the indicators of the Grupo Santander 2003 Corporate Social Responsibility Report. The preparation of this report is the sole responsibility of the Technical Secretariat, Institutional Relations and Corporate Social Responsibility Area. Our work was conducted in accordance with the 2002 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) and with the generally accepted professional standards in Spain relating to agreed-upon procedures.

The procedures performed were as follows:

- Interviews with Grupo Santander personnel to obtain their impressions on the Group's Social Responsibility Model and to gather the information required for verification.
- Analysis of the adaptation of the contents and structure of the Corporate Social Responsibility Report to GRI principles and standards.
- Check that the indicators established cover the aspects recommended by the GRI standard and ensure the relevance of the information shown regarding the situation of Grupo Santander.
- Review, on a test basis, of the calculation of the quantitative indicators, of the aspects relating to the qualitative indicators included in the report, and of the adequate compilation thereof based on the data supplied by the Group's information sources.

The review of the indicators focused solely on those included by Grupo Santander in its 2003 Corporate Social Responsibility Report.

The table attached to this report includes a list of the 53 indicators analyzed, showing both the GRI nomenclature and that used by Grupo Santander, and a description of the type of verification performed. For this purpose, verifications were defined as partial when they were performed only on data from one particular country or activity.

As a result of the application of the agreed-upon procedures described above, our findings are as follows:

- The structure and contents of the Grupo Santander Corporate Social Responsibility Report comply with the principles and directives of the GRI standard. However, due to the particular features of the financial business and the Group's specific information systems, it was necessary to adapt the GRI indicators, as can be seen in the attached table.
- Generally, when information was not available for all the countries or for all the activities carried on by the Group, this was indicated in the section of the report describing the related indicator.

The scope of the agreed-upon procedures applied was limited to the verification of the aforementioned indicators for 2003. If we had performed additional procedures, other matters might have come to light that would have been reported.

Madrid, March 29, 2004.

Deloitte & Touche España S.L.

Helena Redondo



Auditor's opinion - GRI Indicators

Indicators verified per GRI nomenclature			Indicators verified per Santander Group nomenclature	Verification by Deloitte	Verification process performed	Pages
Economic performance indicators	EC-1	Net sales	Net operating income	R	In accordance with the data included in the audited 2003 financial statements.	6
	EC-2	Geographic breakdown of markets	Main markets by geographic area	R	In accordance with the data included in the audited 2003 financial statements.	7,27
	EC-4	Percentage of contracts that were paid in accordance with agreed terms	Percentage of contracts paid in the conditions agreed	R	In accordance with the Statement by the Head of the Purchasing Department.	69
	EC-6	Distributions to providers of capital broken down by interest on debt and borrowings, and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed	Payments to suppliers of capital	R	In accordance with the data included in the audited 2003 financial statements.	6
	EC-7	Increase/ decrease in retained earnings at end of period	Increase/reduction in reserves at the end of the period	R	In accordance with the data included in the audited 2003 financial statements.	6
	EC-10	Donations to community, civil society, and other groups broken down in terms of cash and in-kind donations per type of group	Donations to the community, civil society	R	Review, on a test basis, of the payments made and of the supporting documentation of the donations. In accordance with the data included in the audited 2003 financial statements.	72-87
	EC-11	Supplier breakdown by organisation and country	Detail of suppliers that represent more than 10% of total purchases and countries where total purchases exceed 5% of GDP	R	In accordance with the Statement by the Head of the Purchasing Department.	68
	EC-12	Total spent on non-core business infrastructure development	Investment in infrastructure not related to activity	R	In situ checking of the percentage of completion of daycare center, shopping mall, sports center and other facilities at the Santander Group Financial City at Boadilla del Monte.	60
Social performance indicators: employment practices	LA-1	Breakdown of workforce, where possible, by region/ country, status, employment type, and by employment contract	Structure of employees	R	Check of the adequate compilation of the data generated by the Group's Human Resources information systems.	51,53,54
	LA-2	Net employment creation and average turnover segmented by region/ country	Net creation of employment and average turnover of staff by country	R	Check of the adequate compilation of the data generated by the Group's Human Resources information systems.	6,53
	LA-3	Percentage of employees represented by independent trade union organisations or other bona fide employee representatives broken down geographically OR percentage of employees covered by collective bargaining agreements broken down by region/ country	Percentage of employees covered by collective agreements, by countries	P	In accordance with the information included in the Annual Report of the Human Resources - Personnel Technical Secretariat for the case of Spain.	62
	LA-4	Policy and procedures involving information, consultation, and negotiation with employees over changes in the reporting organisation's operations	Current policy and procedures at the Bank to inform, consult and negotiate profound changes in the organization	R	Checking that the Chairman's letter was sent to all employees and subsequent handling of the replies.	52
	LA-5	Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases	Practices on the registry and notification of accidents at work and illnesses	P	In accordance with the official data of the Group's Summary Occupational Accident Report for Spain.	58
	LA-6	Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees	Joint management and employee committees on health and security at work	P	In accordance with the official data of the 2002 Occupational Risk Prevention Annual Report for Spain.	58,62
	LA-7	Standard injury, lost day, and absentee rates and number of work-related fatalities (including subcontracted workers).	Ratios of accidents, days lost, absenteeism and deaths	R	In accordance with the information in the official statistics of the Group's Human Resources - Personnel Technical Secretariat.	58
	LA-8	Description of policies or programmes (for the workplace and beyond) on HIV /AIDS	Programmes, within and outside work, against Aids	P	Checking the documentation relating to the programs performed in Brazil in this connection.	59
	LA-9	Average hours of training per year per employee by category of employee	Average number of tours on training a year and by professional category	R	In accordance with the human capital indicators prepared by the Training and Development Management section of the Human Resources Area with the data generated by the Group's information systems.	55-57
	LA-10	Description of equal opportunity policies or programmes, as well as monitoring systems to ensure compliance and results of monitoring	Equality of opportunities policy	R	Check of the accession letters to the Global Agreement and recognition of the Institute of Women's Affairs.	61

Auditor's opinion - GRI Indicators

Indicators verified per GRI nomenclature			Indicators verified per Santander Group nomenclature	Verification by Deloitte	Verification process performed	Pages
Social performance indicators: employment practices	LA-11	Composition of senior management and corporate governance bodies (including the board of directors), including female/ male ratio and other indicators of diversity as culturally appropriate	Composition of senior management and of the governingbodies (ratio men/women and national and cultural diversity)	P	Checking the composition of the Board with the Santander Group 2003 Annual Report.	12-13
	LA-12	Employee benefits beyond those legally mandated	Labour advantages beyond those legally established	R	In situ checking of the percentage of completion of daycare center, shopping mall, sports center and other facilities at the Santander Group Financial City at Boadilla del Monte.	60
					Checking the employee benefits available to all the Group's employees.	59
					Meetings with the Heads of the Shared Services Center for Group employees to check the proper functioning of the center.	59
	LA-15	Description of formal agreements with trade unions or other bona fide employee representatives covering health and safety at work and proportion of the workforce covered by any such agreements	Agreements with trade unions and labour organizations on health and security at work	P	Check of the agreement on computer screens entered into with the labor unions in Spain.	58
	LA-16	Description of programmes to support the continued employability of employees and to manage career endings	Training programmes for the continuation of employees and collaboration as they reach the end of their career	R	Verification of the collective labor agreement on early retirements dated July 17, 2003.	62
Social performance indicators: human rights	HR-1	Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results	Policies, guidelines, corporate structure and procedures for all aspects of human rights regarding banking activity	R	Check of accession to the Global Agreement.	10-11, 53-54
					In accordance with the content of the Santander Group CSR Strategic Plan in relation to human rights.	10-11, 53-54
	HR-2	Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers / contractors	Evidence that the impact of human rights is taken into account when making investment and supply decisions, including the selection of suppliers	R	Check of accession to the Global Agreement and checking the actions performed to encourage the Group's suppliers to join.	69
	HR-3	Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring	Policies and procedures to evaluate the respect for human rights in the chain of suppliers	R	Check of accession to the Global Agreement and check of the actions performed to encourage the Group's suppliers to join.	69
	HR-4	Description of global policy and procedures /programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring	Policies and procedures to avoid discrimination at work	R	Check of the accession letters to the Global Agreement and recognition of the Institute of Women's Affairs.	53-54,61
	HR-5	Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures /programmes to address this issue	Policy of freedom of association and the degree to which this is universally applied beyond local regulations	R	Check of accession to the Global Agreement.	53-54,62
	HR-6	Description of policy excluding child labour	Policy not to employ child labour	R	Check of accession to the Global Agreement and ratification of these policies by the Group's heads in Bolivia and Colombia.	53-54
	HR-7	Description of policy to prevent forced and compulsory labour	Policy to prevent forced labour	R	Check of accession to the Global Agreement and ratification of these policies by the Group's heads in Bolivia and Colombia.	53-54
	HR-8	Employee training on policies and practices concerning all aspects of human rights relevant to operations	Training of employees on policies and practices regarding banking activity	R	Checking the CSR training given to the Group's employees as part of the CSR Strategic Plan.	55
	HR-9	Description of appeal practices, including, but not limited to, human rights issues	Practices for resources and complaints, including but not limited to problems of human rights	R	Checking the attention given to this type of complaints by the Group's Customer Service Area, based on an analysis of the procedure and the statistics generated.	31-32

Auditor's opinion - GRI Indicators

Indicators verified per GRI nomenclature	Indicators verified per Santander Group nomenclature	Verification by Deloitte	Verification process performed	Pages
Social performance indicators: human rights	HR-10 Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights)	"Policy of no reprisals and an effective and confidential system for employees' complaints"	R Checking that the Chairman's letter was sent to all employees and subsequent handling of the replies.	52
	HR-11 Human rights training for security personnel	Training in human rights for security personnel	R Check of the required data on training and the requirements on security in this connection.	69
	HR-12 Description of policies, guidelines, and procedures to address the needs of indigenous people	Policies, guidelines and procedures for the needs of indigenous communities	R Check of accession to the Global Agreement.	53
	HR-13 Description of jointly managed community grievance mechanisms / authority	Mixed bank/community mechanisms to tend to the complaints of the local community	R Checking the attention given to complaints from regulators (national central banks and stock market governing bodies) by the Group's Customer Service Area.	31-32
	HR-14 Share of operating revenues from the area of operations that are redistributed to local communities	Percentage of revenue redistributed in local communities in the zone where it is generated	R Review, on a test basis, of the payments made and of the supporting documentation of the donations.	72-87
Social performance indicators: Society	SO-1 Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures / programmes to address this issue, including monitoring systems and results of monitoring	Policy to manage the impact of banking activities on areas affected by activities	P Checking of the requirements of the VIDA Program applied to the valuation of environmental risks relating to granting of loans.	96
	SO-2 Description of the policy, procedures/ management systems, and compliance mechanisms for organisations and employees addressing bribery and corruption	Policy, procedures and mechanisms for the bank and employees to avoid corruption	R Analysis of the Group's Code of Conduct and of the obligation to apply it through the Group General Secretary's Office.	16-17
	SO-3 Description of the policy, procedures/ management systems, and compliance mechanisms for managing political lobbying and contributions	Policy, procedures and mechanisms for the bank and its employees to monitor political lobbies and donations to political parties	R Analysis of the Group's Code of Conduct and of the obligation to apply it through the Group General Secretary's Office.	16-17
	SO-4 Awards received relevant to social, ethical, and environmental performance	Prizes received for social, ethical and environmental behaviour	R Checking the information published by the various entities from which the Group received awards to determine whether they were for social, environmental or ethical performance.	31
Social performance indicators: product responsibility	PR-2 Description of policy, procedures/ management systems, and compliance mechanisms related to product information and labelling	Policies, procedures and mechanisms to manage and fulfil information and description of products	R Checking, for a sample of Group branches, the Group's regulations in relation to declarations of types of transactions, interest rates and expenses and stock markets and of the awareness thereof.	34-35
	PR-3 Description of policy, procedures/ management systems, and compliance mechanisms for consumer privacy	Policies, procedures and mechanisms to manage and fulfil the protection of the privacy of customers	R Verification of in-house circulars in this respect.	32-33
	PR-8 Description of policy, procedures/ management systems, and compliance mechanisms related to customer satisfaction, including results of surveys measuring customer satisfaction	Policies, procedures and mechanisms of management and fulfilment of customer satisfaction	R Checking through the SCH Code of Conduct of July 2003 In accordance of the data with the Customer Satisfaction surveys prepared by Group Quality Management.	31-33
	PR-9 Description of policies, procedures/ management systems, and compliance mechanisms for adherence to standards and voluntary codes related to advertising	Policies, procedures and mechanisms of management and fulfilment of adherence to voluntary codes of publicity	R Check of the current Ethical Codes of Practice for the Communication and Marketing Area.	35
	PR-11 Number of substantiated complaints regarding breaches of consumer privacy	Number of complaints regarding privacy	R Checking the data against the customer service statistics.	32-33

Auditor's opinion - GRI Indicators

Indicators verified per GRI nomenclature			Indicators verified per Santander Group nomenclature	Verification by Deloitte	Verification process performed	Pages
Environmental performance indicators	EN-1	Total materials use other than water, by type	Materials used except water	P	Check of the use of paper through the Group's request applications: TPX, VERNE, RETO and Aquanima per statistics from the Purchasing and Costs Area in Spain.	91,93-94
	EN-3	Direct energy use segmented by primary source	Energy consumption	P	Check of data based on statistics from the Purchasing and Costs Area in Spain.	91,93
	EN-5	Total water use	Water consumption	P	Check of data based on statistics from the Purchasing and Costs Area in Spain.	91,93
	EN-8	Greenhouse gas emissions	Emissions of green house effect gas	P	Check of data based on statistics from the Purchasing and Costs Area in Spain.	91,93
	EN-17	Initiatives to use renewable energy sources and to increase energy efficiency	Measures to use renewable energy or increase the efficiency of energy use	R	In accordance of the data on investments in renewable energy sources based on information provided by Santander Investment.	97
	EN-33	Performance of suppliers relative to environmental components of programmes and procedures described in response to Governance Structure and Management Systems section	Performance of suppliers in environmental matters	R	Checking the actions performed to encourage the Group's suppliers to join the Global Agreement.	67-69
	EN-35	Total environmental expenditures by type	Investment in the environment	R	Checking the investment calculation tools used based on the data and statistics available at Group level.	97

R Verification of a qualitative indicator

R Verification of a quantitative indicator

P Partial verification of a qualitative indicator (country or activity)

P Partial verification of a quantitative indicator (country or activity)

Survey of the 2002 CSR Report

The Santander Group conducted a survey among universities, institutes, foundations and organizations on its corporate social responsibility policy and the way it was given expression in the Annual Report on Corporate Social Responsibility 2002

The results are shown below, on the basis of replies from more than 20% of those surveyed.

1- Assessment of the move to publish a CSR Report:

- | | |
|---------------------|-----|
| • Very positive | 60% |
| • Quite positive | 31% |
| • Not very positive | 9% |

2- Opinion of the CSR Report:

- | | |
|-------------------|-----|
| • Very good | 42% |
| • Good | 56% |
| • Regular to good | 2% |

3- Assessment of the Santander Group's activities in the CSR sphere:

- | | |
|------------------|-----|
| • Very positive | 42% |
| • Quite positive | 51% |
| • Slightly | 7% |

4- Fulfilment of the information expectations of the 2002 CSR Report:

- | | |
|------------------------|-----|
| • Expectations met | 86% |
| • Expectations not met | 7% |
| • Did not answer | 7% |

5- Consideration of whether the Group's CSR policy helps to improve its image:

- | | |
|---------------|-----|
| • Helps | 98% |
| • Do not know | 2% |

6- Comments and suggestions:

- | | |
|-------|-----|
| • Yes | 60% |
| • No | 40% |

Survey of the 2002 CSR Report

Literal comments

It is an excellent move

Technically, in lay-out and creativity of tables and charts, the report is in the corporate communication line which the bank established after the merger: OPTMUM, BALANCED, CLEAN.

As for the contents, we believe it is positive to show the social investments made by the Bank and which before were only associated with very specific entities in the financial sector: savings banks, foundations, etc.

It would be a good idea in this area to produce a White Book which sets out the Bank's activities for the new few years.

Greater involvement in the financing of NGO projects through, for example, the Group's foundations as well as reserving 2% of jobs for handicapped people or fulfilment of alternative measures.

As a first step it is a magnificent idea. I wish you luck.

It is a great bank: enterprising.

One always has to do more.

I believe, in this case, that as well as the move in itself, the example set is very important.

I think it is an excellent project: we are all part of society and each one of us has to look after it in our sphere.

Introduce CSR in the core-business: investments in what activities, which sectors benefit, etc. Complete the list of indicators.

Leadership in CSR (Vision of the Future, EBSCH as a model)

In the second annual report it would be useful to identify the indicators in the text and not only at the end of the report. This would enable the reader to better follow what is happening.

The report suffers, to some extent, from a lack of material.

We view the collaboration policy between the Santander Group and its suppliers as very positive.

All the support provided to social and environmental projects as well as the interest that we see in giving the group human and technical resources makes it a strong and dynamic company with a guaranteed future.

It would be a good idea to call a competition with clear instructions so that everyone has the same opportunities.

As well as a sign of modernity, corporate social responsibility is a commitment to society.

For this reason I believe the move is excellent.

It is a very full document which sets out the Santander Group's commitment to society.

1- The report could include monitoring of the projects carried out in prior years, as well as an assessment of sustainability (continuation and survival over time).

2- Not all the measures included in the report can be considered as specific ones in the sphere of CSR. For example, the financial services on page 55.

3- It is the most complete report of its sector. As well as following international recommendations for such reports, it includes a lot of corporate information.

As suppliers for 40 years we congratulate you on the report and the results obtained, and remain at your disposal.

The most noteworthy thing about the report are the combinations in the commitments acquired, which range from the purely internal (working conditions, transparency of customer information) to the external (training plans, collaboration in resolving environmental problems and above all commitments to the underprivileged).

This report has been printed on ecology-friendly paper and has been produced in an environmentally friendly way

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Feed-back

General impression of this report

☐ No interest ☐ Some interest ☐ Interesting ☐ Very interesting

Did it help you to understand the nature and spirit of the Santander Group's actions in social responsibility?

☐ Almost nothing ☐ Little ☐ Quite a lot ☐ A lot

	Insufficient	Can be improved	Sufficient
Vision and values	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chairman's statement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Group profile	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Santander brand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate governance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Multiple commitment / CSR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Santander and its customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Santander and its shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Santander and its employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Santander and its suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Santander and its social environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Santander and the environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I believe the data provided by the Santander Group is:

	Important	Not so important
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General figures	<input type="checkbox"/>	<input type="checkbox"/>
Shareholder composition	<input type="checkbox"/>	<input type="checkbox"/>
Assessment of the quality of customer service	<input type="checkbox"/>	<input type="checkbox"/>
Handling of complaints	<input type="checkbox"/>	<input type="checkbox"/>
Corporate governance	<input type="checkbox"/>	<input type="checkbox"/>
Shareholders' area	<input type="checkbox"/>	<input type="checkbox"/>
Human resources	<input type="checkbox"/>	<input type="checkbox"/>
Relation with suppliers	<input type="checkbox"/>	<input type="checkbox"/>
Investment in humanitarian actions	<input type="checkbox"/>	<input type="checkbox"/>
Relations with the environment	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

Name

Company

Address

Please tick the relevant box:

- ☐ Santander shareholder
☐ Santander employee
☐ Santander customer
☐ Santander supplier
☐ Others (please specify):



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