

Q1 2019 Earnings Call Portuguese

Company Participants

- Andre Parisi, 'Head'
- Angel Santodomingo, 'Executive Vice President Chief Financial Officer'
- SANB, ''
- Unidentified Speaker, ''

Other Participants

- Analyst
- Jorg Friedemann

Presentation

Operator

Welcome to conference call the town. In the moment of operator will connect your information, after all the information has been collected Non-English and the last name is I couldn't understand, what is your name? and which company came from? Okay. Thank you for information for going to come back to you in the conference right now.

Unidentified Speaker

Now the presentation also available - We would like to inform that questions received via webcast will have answering priority.

[Operator Instructions] each participant is entitled to ask one question is answered information required please reenter the line. Before proceeding the wish to clarify that forward-looking statements may be made during the conference call relating to the business outlook of Banco Santander operating and financial projections and targets based on the belief and assumptions of the executive board as well on information currently available information currently available. Such forward-looking statements are not a guarantee of performance. They involve risks, uncertainties and assumptions as they refer to future events, and hence, depend on circumstances that may or may not occur.

investors must be aware of our economic conditions and initial conditions and other operational factors made effective future performance of boxes and observable and may cause actual substantially differ from those in the forward-looking statements. I will now pass the word to Mr.Andre Parisi. Please, Mr.Paris, you may proceed.

Andre Parisi {BIO 21511610 <GO>}

Good morning, everyone.

It's my pleasure to welcome you to Santander Brasil's welcome you to something that preserves parties conference call we had another solid quarter which will be presented by CFO Mr. Angel Santodomingo. Before moving on to the quarters highlights I like to remind you that some liberals you will host our first Investor Day in October 8, when we celebrate and used as a listed company. May be a great opportunity to discuss with the top management about the strategy strategy, threats and opportunities. Will provide further information in the coming months.

Now I turn it over to Mr. Angel Santodomingo

Angel Santodomingo {BIO 15757370 <GO>}

Hello, good morning good morning everyone ----is I want be ---knowing the game. Our today's agenda as you can see, I want to start with key messages, we can look at something Santander Group's results, which we presented these moving. Next I'm going to provide a quick overview on the macro outlook of Brazil, which will be followed by our quarter results and all right I will finish with the presentation with some the provision with some concluding remarks on the main topics that we will be discussing today.

So, going to the next slide first main idea is that our our profitability to remain silent in First quarter country's '19, we delivered for 1.1% return on equity, maintained same high level as last quarter and being the highest level for a first put a face to see how what IPO ten years ago. The following is right I will elaborate on the resource that sustain these positive performance but, in a nutshell I would say that P&L were leverage, tidily conform, provision expenses was key, towards access this more than -- efficiency cheap and recruits ratios as you may see in this line. I'll also like to draw your attention to the fact that we stimulate 1 billion dividends in contact in the distant capital, in the first of the -- which compares to 60 million in first group 18 and close to 500 million in first group 17. And it's just like six and so that our good performance is our response to our efforts to continually improve the experience of our customers in nutrient level of our employees () mentioned in pass --, customers for these sections are constant of our were describing to keep growing the consistent, sustainable, and profitable runner keep track of our pro and pro is in this field through the years the net promoter score that you already know, which increased by 10 points for both the first Q '18 in a couple of versus last quarter reaching 59 points as we arrived to these high in peers levels it is obviously more difficult to keep on showing strong improvements In case when you are absolutely convinced that the positive evolution in this indicator is one of the main pillars that have helped at least helping to drive the expansion sponsoring of our customer base as you also wrote that in our view we continued education, engagement and commitment of Santander and for this the different and commitment of Santander employees have been instrumental to the sustainability of our business.

Next slide, shows that we remain focused on gaining profitable market in both assets and liabilities. Let me go to the recent problems wrinkles. Our digital platform combined with our risk-based pricing remains the backbone of our success, we have been developing solutions to strengthen our leadership, such as the latest new website platform we can

read novels. We engage and empower customers your customers and dealers, we have multidisciplinary platform that gathers solutions to -- in hands in the entire car buying and selling German-- bones I would offer of differentiated products for each niche in the best credit card up in the nursing sometimes the rain helped us deliver another solid pointer quarterly performance.

Angel loans to reach a market share is likely higher than 10% quite a positive evolution when compared with close to 0% in 2014. Our digital platform has definitively contributed to this achievement. Along with our study of increasing the number of companies and new that we considered process patents for , even considering an intense change, in the competitive environment, we keep going and meeting market leaving market share at the profitable level. Here is important to understanding fully expecting of the bank customer relationship.

We considered connect across the crucial the component of our plan to live into the bank's rooms and last but, not least of the business that I would expansion process conclusion truck as part of our plan to expand into the Russians in the side. When slide 8, we underlined the foundation's 110 thunder continues to be a group of story. We have one external valuable -- environment that all these the intent is practically our revolution. On top of that, we have full forces within our -- that should keep on food our growth, efficiency cross-section expansion of our ecosystem new businesses within them.

Among these we made two important launches in first quae I would open investment platform in the -- and employees benefits solution company, currently offering new and food brushes, these products offer customers for customers affected conditioners and we were confident that they will achieve outstanding results in the coming quarters and years. We are also about to begin our base of operations at our joint venture with the insurance company HDI to provide health insurance. On the next line you may see part of something this ecosystem the book accumulations. It shows the different examples of products that we offer, SuperGet, Superdigital and Prospera.

These are great services on the stand alone basis don't be sad you may see by the numbers we saw which good growth realities that when combined the enough as an instrument offer as an -- when you can see the platform that we should bid to support () sells representatives. With our POS will no longer need to handle class and these access control credit the freedom, you can leverage sales. All connected to a digital account with us probably don't hog. The upon the of life much assume rear and secure with integrated from, so we think works on this happens with our recent offer of our many peers well I'm waiting for some results that were presented today and I know but I never eat too much of a profit for the first few weeks 790 million years these quarters have been wrestling 29% of the group's elements.

Showing relevance of the Brazilian subsidiary results for the group, in the back of a will behave information moving through macroeconomic and microeconomic is life. I will behave in information dynamics in tandem with the maintenance of sound performance of the balance of payment, (Russian) economic fundamentals those who remain positive you also probably lower than expected levels for building some months ago. The economic activity sold slower than anticipated recovery trend the market from participants are

probably looking forward to seeing concrete progress,---Alpha structural reforms is concerned, which has given confidence indicators --from equally problem. Moving to the next slide, will be sent to you our net profitable --.

In first quarter net profit reached R\$3.5 billion increasing 22% year-on-year, and 2% Q-on-Q. These performance come as a result of our will be find a strategy focus on profitability ability improving customer perception of our services and constantly increasing the base of our deep concerns. At the same time we keep focused on maintaining our risk models among the best in class and endless effort towards to efficiency gains. As a matter of fact a number of active customers view 4046 fix conservative movement leading to a solid and sustainable revenue growth allowing us to get a profitable market shares butterfly 16 would defend the main lines of our results about which I will go into more detail later on. Considering their dreams always found seasonality in this quarter and we highlight the following figures.

the strong and I remain active only flood protection for few increasing create NII was partially offset by a reduction deposits in a line. Fees decreased by 4% 4% in the quarter we've mentioned seasonality effect that -- on these quarter. In a year-over-year comparison -- grew 10% maintaining-- performance. It will be expensive side after the hike I commended last quarter on provisioning expenses is decrease 14% in the quarter.

Reaching a level more in line learning to use corpus expenses grow for some both inflation driven only by hundred army fatigue expenses but, it's in remain below total revenue growth pace he recorded increase I will never on the main concepts in the following slides. On the next slide we show our wedding night ablation which totaled 10.8 billion 1Q19, increasing 6% in the year. Highlights our credit and expanded 1% in the quarter, impacted by a lower number of calendar days, while increased 9% listen year-over-year of reflecting a solid loan portfolio expansion. Will diminish from funding decreased 4% --explained mainly by the spirits and public volumes.

others constant are imported in line with the last four quarters average. He was lighting team we can see that our loan portfolio increased 11% year in the quarter. Which in 311 million, individuals suffer and continue to deliver that strong performance increasing 3%. In the quarter and putting descending probe month's, credit cards personal and pay the loans were the main growth drivers.

Consumer finance also delivered a solid performance year-on-year expanding 18% powered by what you've mentioned before. I will successful deep and come from in Individuals pricing mobile there is any portfolio continued on a good pace expanding by 9% year-on-year did you hear that you don't kill company's home was impacted by -- in the quarter as a chemise my more credit to move end of unit vectors and finally the corporate portfolio which is still dragging you can get capital markets activity and our profitability oriented with strawberry. When I was like '19 you can see how we were funding possible. In the unique comparison funding with a highlight to the positive performances of savings and time deposits were in 12% and 20 % is the to do.

INITIAL DRAFT

At the time, the only magic performers appeared in the most expensive instrument. Financial abuse or literacy and theaters which presented 4% contraction. On the quarter in thinking Feast 1% do not equate to support our loan book growth for the coming causes. Now let's talk about commissions in our if you feel reading, fee drugging performers is highly linked with NPS It comes as a result of adequate pricing and pays enhanced service quality and greater loyalty.

Fast increasing transaction laity in the year basement every basis total finishing his 9.5% with a positive performance and pass current account and in humans if we pass in dropping the quantities how do we in general to seasonality in different problems like counts and June's. Even considering a more aggressive competitive landscape in a few promise we remain confident that -- revenues will continue to present our group grow level --- here since, we offer a full range of banking products and services we recognize important to understand the full relationship with each crime. So, let's start with a concern to us is quality. Sultan MPL is stable around comfortable we will members.

As a matter of fact the 1.8%, in the 15 to 19 days NPL of cooperate and SMEs that will be sent to you use quarter in the lowest level, in our history settlement this whole term MPL degraded 20 basis points due to the seasonality enormous energy of these first few. And MPL over 90 days remained flat on - point this one who knows. In our view these performances are clear evidence that our recent models are highly profitable, didn't ask confidence to keep on blowing our business. on his way to decrease to a 195% living on a comfortable living in perfectly adequate to our risk exposure here that we can -- from the dynamics explain part of these evolution.

We're going to the next slide, in loan loss provisions made of recoveries dropped 13% These would dynamic led to a substantial improvement in our cost of credit which in 3%, which is the best level throughout powers use. These combined mind if I was a good loan portfolio growth. And feasible solution is an indisputable evidence that we are able, that we are on the right track, to keep on delivering a profitable operation it's like 23 nice how expenses get the ball in this country in the police station of process continues among the bank's door priorities. We focus on cost me sitting and I lean mounted.

-total expenses has dropped by 7% in the quarter to -- seasonality in both personal and administrative expenses. In the year-on-year compunction lease of expensive 13% to back of our digital level of transactionality inactivity of the bank. Or a personal expenses has remained flat. Next slide-- our performance researching the into this sport life.

Only know these metrics have sounded evolution. The efficiency ratio improved almost 20 basis points in a year reaching 39.8% person among 40% it probably doesn't live the liquid ratio product 88.8% in the quarter -- an all-time high living life instead of living in the efficiency ratio here. Both ratio are top of the class, compared to what we know today, as positive series from these final of piece. I can mention before those three of these advances and selling equity cakes the same from 1.1% level.

In the quarter asking 4Q the highest level since our IPO ten years ago. We're going to copy from inequality we continue to be central numbers, our family -- don't portable level

with a loan to deposit the ratio of 92.4% the beasts ratio ratio between the BIS ratio is at 15.4% being our CET1 the 13.2%, associative commutative earlier, which looks to study -- substantially increase our distribution of living rooms into this capital you are in this quarter to R\$1 million. It's almost double of what we we were paying two years ago. Okay.

As we worked in some, I would like to highlight that we remain committed to keep on building a solid profitability these possible way always considering our times and produced in circles. To conclude I say will you remain highlights. Total revenues -- 7% year-on-year reflecting customer and profitability -- -- assertiveness so shown by our acid quality indicators for productivity consistently and hence even to a better efficiency ratio and last year are from the 2% net profit growth in the year 3000 in a more than one person returning to be for the first year and I will these figures are indisputable evidence that we are well-positioned to keep on believing solid and sustainable results. I would like to thank you everyone that is attending the because the in positive new about to undergo decent.

Analyst

Okay. Now we're going to take the questions. this received in the first one, I studies two parties from java-- two-third from the terrible idea, what are you expecting for Cindy loans until the end of the year, do you see the price competition price competition in the -- business impacting credit origination in the segment.

Unidentified Speaker

Figure on down as I mentioned on top of the seasonality effect to what we see and what we saw in the quarter on the year with his in easy that they could be gaining momentum through all the different last quarter's in terms of volume these probably go with the economic activity and as we go forward of new investment from this from new sponsor from the segment of the business.

Now, you may already know you beat on the spirits and people from have no questions here so I cannot really - issue. What do we see in the morning you sure what do we see our -- island what we see is that volume keeps on coming in specifically more on the retail side unless as we move to large corporate's and -- it's probably because you love these last ones because our government funding voice but it gain volume is still still use their. In terms of a press spreads whooshing crashing five second but the specifically also as we move to co-operation not competition. And I -- they are what our policy she used to keep on mindsets and focus on profitability.

This specifically missing links it is given currency under strong pressure in terms of the spirits, I don't see I'm should go months without contamination coming from the qualifying market, that is probably a discount are not already present in terms of this kind of receivables and but the Punky to calling capacity of each bank and specifically for ourselves. To position the product and the service with a wide range of hopefully -- Next time we saw --end of the day beginning of the size because having this and he's a very kind of profound Goodman was there speaking from the individual company person company to company that may have close to R\$200 million of risk of income of revenues.

But I mean in general do you need a full range of products, is not about funding is there depending on the profile. It's a bit of a problem here, it is more about how do you position the and apparently diminution where we are TV putting the focus we already read to I mentioned last quarter and more than 1 million clients here and we are trying to improve that part of the package which offers full of said opens return and or destroyed patient pressure in the future.

Some part because get mad usually announce the P plus Q for some me low end employees responsible Christian up-scaling to Anthony coins for this pricing scheme what we announced in what probably triggered about the work we are seeing today in the sentries what we should be discussing that could happen in the acquiring system on the bottom center for a long time now for years. And that I had been show you the last part is which is more competition and more time to be more aggressive in terms of position to the different problems and services. So we do some weeks ago is what we offered the possibility for the long time for the segment about close to the mass market closer to the mass market. I do plus two capacity with really of 2% both on credit and debit.

It is the lowest offer today, it is profitable for us, it is clearly profitable for us we should be only we making the months to make it profitable, I -- this profitable for the time, so we sort of it was appealable --in that is why we have going to that you're selling more than double what we used to sell in terms of POS in New York really thinking much more supplies and what I will I will also like to underline here is that you can have a transparent over. What this means is that what we are offering to our clients is exactly what is being said in the your friend. I saw he was yesterday by mix it is the association of his more companies and assessment by which, we found the different kind of marketing campaigns were being conceived in the one from something reversal was clearly marked as transporting for the time. So, this is New York and what we are trying to do is to position ourselves and you will see more things coming in from the next month's and cause this country about that, positioning --in this part of the segment in this type of market sharing in the segment, in terms of being able to up to profitable and I underline profitable market shares so, this is how I want to study we are not removing any more in terms of additional offers for the time being and we expect to and nice growth right here, last time here so that they can always tell you other questions around admit important point here is to understand.

First getting it is part of our offer Second the -- is included in the offers. Not only part of the way of your foot it is integrated India, which means that something that rhymes came to see that profile similar products so, what we are trying here is to leverage the capacity of certain that problems I would have received over instead of the post, and this is not new for you because, I can serve these in bar supporters it is running sometime I have mentioned this for them for a long time, now it is sometimes timing which we have been investing in your net in two directions. First the diversification, you cannot count on one two or three single sources of revenue. This has been an investment will be could be making for some time now and I can show these review I can mentioned.

Second cost unit cost of operation. We have been in business strongly in being efficient so that today said that we have really one of the lowest cost per unique. Each of our transactions, leads to the profitability, I was mentioning before

Operator

Okay. Next question is from your equipment city.

Cost of risk should be the lowest level in four years with any NPR additionally reducing 10% Q-on-Q. How sustainable you think these trends are could do we continue seeing additional improvement and cost of risk and asset quality trends considering that retail of red represents more than 60% of loan book.

Unidentified Speaker

Okay of course the skin what he said I think I mean this goes by the English because I was like five years old very good. I think it's shown on and strong and capability in terms of Facebook's this is our factory is not something to calm this is not a compromise or it's always something that you've been delivered and you continue to focus on risk models, risk understanding, risk behavior took the -- but nothing we can do this way, that we can understand that ways to move it in so will cost of risk has gone down, in this has been at the same time that as you mentioned in your question George, at the same time that the weeks has been moving towards more return. Which is even stronger in terms of the capacity of the cost of risk being controlled.

And we can MPS pension that keeps on the quarter that around the 1%, 1.2%, 1.3%, 0.9%, 1.1% around 1 from something different. So it said about NPL formation information he's it's not about trying to lower the cost of it. It's just that back we have understood one finger understanding delivering-- . Now going looking forward obviously the next continues to change who has some pressure there but, it has to do with you excite don't see in each of the segments are kind of other generation that I would click through to underline to that.

You can pop it down see if a different behavior depending on the amount, depending on the kind of also something make the beginning of the quarter depending even geography, I mean you have all these kinds of behaviors that are difficult to understand. If we mean you no not certain clues extermination or intend to answer your question, again the information controls cost of risk controlled by segment probably going forward why not depending on the in the underneath. If you ask me this question told me to go colleagues, have some say the same thing, because he was do that the new cheese, puts pressure here, but we have been able to compete with that. And in fact to the harms are also to be seized the country going to a local cost of risk going forward.

What level to determine the economic behavior on these step one reforms are doing there's equally be if we are cheap our unity that Calgary but confidence and quality for us really happy you valuable that is much more that we have to watch these confidence in the world that continents, we covers or regains a positive trend I will say that we've had volume expansion and good credit and cost of credit. from the enemy she does it. Thank you for your presentation. You allow me such changed substantially, with individuals growing 20% year-on-year.

Consumer finance 18% year-on-year. while couple shrinking 4%, when you think start to expand. This quarter you're NII growth is still running below credit growth. Can you comment on that lease I --- on this but its you know what I feel, I feel is over the asset side in some pressure because of his place in at the same time it will go going to volume growth, more valuables -- in prediction that we put pressure on -- .

So, again I don't want to repeat myself in terms of segment, I order you never - it on the different segments how they have a balding I mean I see more stability or even possibly pollution on the retail side right hand side while we are actually the contrary as we move toward corporate video game all we found what we had different pressure will be firm behavior but we sometimes you nonsense. How do we compensate that we will try to compensate as I always say we can are coming from the deposit side from the abilities is to not there but, we are working on that and are usually prefer guarantee coming from feasts so, it is true at the mix I mentioned that we quality makes us that's changing go back not only one year of your nation and your robot to four years 60% of our balance sheet in terms of credit course material into a 72 before we have --- for sustainable change of links that I said we could before we should be able to go through with an -- cost of risk or low cost of risk but I would say going forward. I see these forces is stabilizing a game with some difference in the coming quarters, but at some point we'd economy in put this percentage on the table -- economic growth and the capacity of today is available both in terms of unemployment and letter capacity that we should still be I would have any questions about citing 76 compared 40 to 80 plus concerned that we have had in the past. When we call those GAAP in the following, I don't know supporters or junior class any problems focusing business coming back and being received volume coming back again and probably time of balancing or is population the difference in you can do Tatum and the and the competitive one

Operator

Next question from Mario Pierry, Bank of America Merrill Lynch.

It seems that the economic recovery the year is losing some momentum at the same time you're a supporter of improving how does that change your risk appetite what kind of low and girls can we expect for the year. How do you describe because and that environment in Brazil today and are there any concerns about pre tax recovery more active.

Unidentified Speaker

Thank you Mario. Okay, economic economic investment quality the government of murder and domestic politics.

But they should be in my in my group clear that this patience of growth that the market have some before or even towards as you go, and initiate for being with you, something like that the market was going with him getting 2% plus to 4% the second -- growth and broken to win your Mortgage game in the 1.5 million, which means that how earl volumes compared to what was taught these 6 months ago on probably be what I mean he has confusion so we have first the reality and ammonium terms of GDP will be growing. I don't

INITIAL DRAFT

know some new round cheeks place consent which means that volumes are the country living could grow old that still to be seen probably what the second that initially the breakdown about average and the big younger brother average these are such as publishing soul by the bank student grown more than poly banks and banks and markets are wired private banks during -- about to be 5050 in the more considerable public and private. Compared to 57, 43 was just some time ago, and they were really surprised he builds lines cross over with other banks, being more anymore markets?

Yes and volumes are going to be grown probably more than any other state respected-- policy regards. The opportunity for private --system is asking their it does that affect appetite and after quality --again again I go back to my previous rules honey we are not we are confident with our res moments and now you see we have been growing strongly in intense risk sentiments or anything like that like finance got their income consumption finance, which is only four years and episodes throughout the crisis in because in some other durations and so quantity.

So appetite may not only readings again remember we transfer credit by written, in terms of risk we can form the mobiles and take it out of the engine and won't repeat myself. So I didn't see any strong argument here to kind of move from moon very positive to really nail be something like that send them this has phones are phones mentioned this has for William open for business so, we remain as we want to few years ago in terms of for apatite in the last part of your question --- was the competitive environment, well initially applying not part of the business which is more intense and now I wouldn't be surprised but it is more intense now I mentioned the express you have be can take what is not new I will always have said please consider this integral is an opportunity now because great competition -- good potential for -- not have to leverage or Permian but this is I mean it is not a bomb is going to be up in day because I think there is going to be one of the of the of the big communication social as usual formula social media companies?

SANB

I think the petition is going to be here, is going to be intense, is going to continue. Good for that we were come back, it makes us better when you do not have a strong competition you become a little bit less appreciate when you say that batter or I needed most worried about what is happening around you so I mean point again seemed a -- banks and various good, very strong competition and we will completely go away will come that. I have always send you that I also be --from competition to sensitivity in terms of availability things so we are happy to see these things happening.

Operator

Okay. Now we're going to take questions from by phone.

Thank you. [Operator Instructions] our first question is from --would like to make a question.

Analyst

Hi good morning all my question is to this especially owned piece was a very impressive 20%, growth year-on-year, and if we assume that acquiring these problems doing less than that. It means that the interest issues this is very even, stronger than that between you could elaborate a little bit on what's happening here in fact and in addition to this when I look for the commercial expensive relate the cards that you booked on all the expenses it grew 50% year-over-year. So I'd look December 10, a little bit what's going on with the credit card bill on the issues side of the strategy to year end. How do you see this it will, thank you.

Unidentified Speaker

Okay. Take it apart. Well, can you try business the answered in the first and the -- home cities years when he had been grown in strongly not be squirted for some time now I think we have I could say with you the our bodies for some timing both kind of account in young parent account holders on the non-credit account holders we were basically only out of the business but we were not intense and we have clearly moved that into studying the last couple of years. I mentioned in my speech until I think what I think what this is It's comes from the under the store, we got the best --caught up in sometimes in Brazil today -- underway, feedback they usually charge of that obviously is enormous so it only leads we have different very good agreements like American Airlines like other wide level agreements are all leads to a opposition in which we have been able to strengthen and we are selling more than 400,000 credit cards per month so, I mean the activity is evolution is a strong and we think we can keep on we got the game competition which I don't know what I'm shaving but I think we are positive in terms of how these can evolve in the future.

We specifically because it had great very beautiful opportunity to let them speak of known create long-term account problems but to turn formed in animation to got an account holders or into other problems so, the course having the opportunity that they also mention one of those rights is also there. As a second part of your question has to do with the straight out what royalty in the I think this tradition system can give you more we tend to -- out very single movement in the convention with --- nothing, nothing really to underline but button -- that the solutions will give you

Operator

Move to Jorg Friedemann from Citibank, would like to make a question.

Jorg Friedemann {BIO 15405752 <GO>}

Hi, Thank you very much, just to try to understand a bit further the dynamics and provisions. Considering that you are part of a Spanish work.

I understand that you already cooperate it's full -- to report to the parent I was comparing the releases of -- and -- yet in noted that provisions under -- imply implied 17% to 20% higher levels versus the provisions on their BR GAAP He's already contemplating IFRS 9 by by no chance, this question is just for me to understand that in case the central bank would involve for IFRS 9 I know the position tax that they could have thank you very much.

Analyst

Thank you. Yeah you're right I mean we do please send -- indeed what we call it Spanish radius in the group numbers and do not follow -- up here believe me as IFRS 9 is a very good -- company gave it as a simple one minute answer but I will thanks you I mean to understand you understand as you're her few stages in IFRS 9. You grow the ammonia provision up front but converges with time.

That's basically meaning the I want maybe I want to share with you so. You blow all of you in terms of kind of front solutions happen and that you need to explorations happening in the future and that's basically you mean the name 80 enemy defenders. Okay be working with other fighters known as I said already for three years now so, just three years now respect buffering in to implement -- next I don't know quality for years. Then come back and you have to be prepared in terms of know how you determine this is we used to always have the word being used to run parallel, for a certain country so that.

It could be addressed in the right way, so far this is the situation will you can pick a TDI in terms of the local in value for this etcetera 15 the make numbers in Canada tricky. Okay, because you look who kept all the impacts. We want to spend here now that you have all the new parts that are not as simple as making the difference that would be my main coming here means it's the short of answer that they have don't even bring it on.

Operator

[Operator Instructions] Mr. service you would like to make a question.

Analyst

Hay. Good morning thanks for taking my question. I have a question regarding their other NII We saw a very resilient performance of this line roughly around \$2.5 billion this quarter, repeating the performance in previous quarter. How do you expect this to continue going forward due if you should we expect the decline of decline going further throughout the year, thanks.

Unidentified Speaker

I think about one of course this also I mean that I didn't I mean really been since some reliability the problem treasury activities for my wedding business banking unit that I remember to you. We see separate from the air from the capital of admiration from the other revenues that we have in that idea, that I have served with you were you in the past but when it comes to the region and you see the last the see the four quarters if I somehow is they will because of the absorbing of the referring transitional the custard is an acceptable position that will she follow you will you also in the past and have a move that so I mean if you don't care if you make I understand always be concept always kind it's kind of rice on identifier of all right in some parts of the economies but for us he's probably business associate program limited in the past. So it's abilities how to do some of these in the past, and do their homes eventually a strong movements. There will be wanted to because the in try some, but I think the element elements we see the line but

that's why I consider this land and nothing new also there were some dodging the question nothing you that they can see that these have been known that we have been in the future.

Operator

Thank you. The Q&A section is over and I wish your hand over to, Mr. Angel Santodomingo for this closing remarks.

Unidentified Speaker

I think we are saying to me doesn't have a last question he should be read right. -- would like to make a question.

Analyst

Thank you very much for looking for my questions I have two question. First to mention this to be in an -- from capital is higher in the past has been a 0 billion per quarter. I didn't indications for what your payout should be this year. In Sacramento see you can increase in that will interfere with schedule my -- of the net.

Thank you. Olympus and capital, you're right. I mean, remember in 2017, we moved from Pain almost once per year I was embedded in your ghost in the Bank of eating in December to accordingly pain what are you painting animals are moving want to make the market responded paying 500 million per quarter in 2017, that was moved to 600 million per quarter in 2018 and the board has approved one be this year, as the first few.

Unidentified Speaker

That I think, I need and this is helping to build, I'm not going to anticipate, what they will be we were discussing more of course writing so that you can leave informal solar from last year's issued couldn't keep on being the same quantity like water.

Like a out when we can walk around 50 50% per year that will be born what ideas wing which means you remember in retirement which is where they are and growth of regional assets of around close to 10% that's that's obsessed and then you a menu of Africa to some very old ratio to keep going with the same capitalization. So, around there for me salute guidelines and they will use of admit I didn't understand exactly your -- I executed the we announced the 11% acquisition so we have a 100% I think we are expecting still some this Contrition I'm not sure if you cus I really love the way you process. So it's nothing I totally agreed and well I think we're done I think we've done we invited the Q&A section. Thank you for your question, thank you for your participation.

I am quite happy to show you another set of results in August and set of results in different and I look forward to seeing you next quarter results in next quarter's currently the President's conference call has come today has come to the end. Thank you your participation. Have a nice day. The Event has Ended

INITIAL DRAFT

This transcript may not be 100 percent accurate and may contain misspellings and other inaccuracies. This transcript is provided "as is", without express or implied warranties of any kind. Bloomberg retains all rights to this transcript and provides it solely for your personal, non-commercial use. Bloomberg, its suppliers and third-party agents shall have no liability for errors in this transcript or for lost profits, losses, or direct, indirect, incidental, consequential, special or punitive damages in connection with the furnishing, performance or use of such transcript. Neither the information nor any opinion expressed in this transcript constitutes a solicitation of the purchase or sale of securities or commodities. Any opinion expressed in the transcript does not necessarily reflect the views of Bloomberg LP. © COPYRIGHT 2022, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

Bloomberg Transcript