

Banco Santander won last year a profit of 5,816 million euros

Presentation of results

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USPA NEWS - Banco Santander obtained in 2014 attributable profit of 5,816 million euros, representing an increase of 39% over 2013. For the first time since the global economy went into crisis, the top ten markets in which the Group operates show increases in gross profit.

According to the Group, the profit improvement is due to the increase in core earnings by 3%, down costs almost 1% and a decrease of 14% in loan-loss provisions relative to those in 2013. This, while growing the business, both loans and customer funds, the NPL ratio decreases, increases the coverage rate and improves the solvency ratio. The result of 2014 occurs in a context of unequal slowing economies in Latin America; doubts about recovery in the euro area, which led the ECB to bring the policy rate at a record low of 0.05%, and favorable growth prospects in the UK and US, although interest rates pound and the dollar continue to record lows.

44% of income stems from developing economies (Latin America and Poland) and the remaining 56% in mature. By country, the largest contribution to the UK and Brazil, both with 19%; are followed by Spain (14%), United States (10%), Mexico (8%), Chile and Poland (6% each), Germany (5%), Argentina (4%) and Portugal (2%). Banco Santander closed 2014 with total assets of 1,266,296 million euros, representing 12% more than in 2013. The balance is very balanced, with a loan portfolio equivalent to 113% of deposits, which means a very comfortable liquidity ratio as before the crisis was at 150%.

At the end of 2014, the loan portfolio amounted to 761,928 million euros, 5% more than in December 2013, which means that the loan balance has increased by 50,500 million euros a year. Of the ten key markets where the Group operates, credit grows in all but Portugal. In Spain, the entire loan portfolio amounted to 162,377 million euros, an increase of 2% compared to the end of 2013, if the assets purchased discounted. This growth is due to increased funding to companies that grows 5% in stocks. The new mortgage production grows very strong rates of 64%, but did not make the repayments that occur during the year. In the UK, the loan portfolio stood at 250,094 million euros, an increase of 3% over the closing of 2013.

Current accounts, which account for more than half of these deposits show a positive evolution in the ten key markets of the Group. The balance of current accounts amounted to 362,201 million euros at the end of 2014, an increase of 18% compared to 2013. This implies that in twelve months have captured 56,518,000 in current accounts. The current account is a core product strategy linking clients with the Bank, because through it the majority of transactions occur, by centralizing revenues and expenses.

The default rate drops Group for the fourth consecutive quarter, reaching 5.19%, 0.42 percentage points down to 2013. Simultaneously, the rate of coverage of this mora with supplies improvement in two points to 67%. The default rate low for the second consecutive quarter in the three major markets. The largest decrease occurred in Brazil, where in the fourth quarter down 0.59 points to stand at 5.05%. In Spain, down by 0.19 points in the fourth quarter, up 7.38%. In the UK, the NPL ratio remains at very low levels, 1.79%, one hundredth less than the third quarter and 0.19 points below the close of 2013.

As regards capital ratios, the equity of Banco Santander stood at the end of 2014 at 91,664 million euros, more than 7,185 million a year earlier. On January 8 the bank made a capital of 7,500 million euros by the accelerated placement with institutional investors. After this increase equity reached 99,164 million euros. The Bank's capital ratio stood at 11.8%, with a core capital of 9.7%, both fully loaded. Banco Santander has a market capitalization of around 85,000 million euros, which places it as the first bank in the euro zone and tenth in the world. The capital of Santander is up to 3,240,395 shareholders and in the Group 185,405 employees serving over 100 million customers in 12,951 offices work.

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