

## Santander increases profitability target for 2018

*Ana Botín announces improved outlook at the Group's Strategy Update in New York.*

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Banco Santander has today increased its return on tangible equity (ROTE) target for 2018. The target has increased from 11% to over 11.5% due to an improving economic outlook in a number of the Group's core markets.

The change in target has been confirmed at Banco Santander's 2017 'Group Strategy Update' which has taken place today at the New York Stock Exchange. The event, attended by close to 200 analysts and investors, has been held in New York for the first time.

Over the past twelve months, shares in Banco Santander S.A. have outperformed the market significantly, increasing by 54.3% during the period compared to a 35.8% increase in the Stoxx Banks Index. In July 2017 the Bank announced a 24% increase in attributable profit for the first half of 2017, driven in part by particularly strong performance in Latin America as well as improvements in Spain and robust performance in the UK.

Ana Botín, Banco Santander Executive Chairman, said: *"In the last 12 months we have made significant progress in earning customer loyalty and improving the quality of our business. We continue to see excellent growth in Latin America as well as positive trends across both Europe and the US. In the UK, while GDP growth has slowed, performance has been better than we had expected. As a result we have increased our profitability targets for 2018."*

During the strategy update Santander reiterated all its remaining targets for 2018, including targets to reach double digit growth in Earnings Per Share (EPS) by 2018, and grow total and cash Dividend per Share (DPS), and Tangible Net Asset Value per share annually (see appendix).

José Antonio Álvarez, Group Chief Executive Officer, said: *"Our strategy is working and we continue to deliver on the commitments made to our shareholders. We are increasing loyal customers and progressing well with our digital transformation – maintaining our position among the most profitable and efficient banks in the world."*

All presentations will be published on [www.santander.com](http://www.santander.com) during the event.

## Appendix – Ahead of plan on all commitments

	2015	2016	1H'17 <sup>a</sup>	2017	
<b>Loyal customers (MM)</b>	13.8	15.2	16.3	17	✓
<b>Digital customers (MM)</b>	16.6	20.9	23.0	25	✓
<b>Fee income<sup>1</sup></b>	4.3%	8.1%	11%	Increase	✓
<b>Cost-to-income</b>	47.6%	48.1%	46.3%	Broadly stable	✓
<b>Cost of risk</b>	1.25%	1.18%	1.19%	Improve	✓
<b>EPS (€)</b>	0.40	0.41	0.24	Increase	✓
<b>DPS (€)<sup>2</sup></b>	0.20	0.21	0.22	Increase	✓
<b>FL CET1</b>	10.05%	10.55%	10.72%	+40bps Organic per year	✓
<b>RoTE<sup>4</sup></b>	11.0%	11.1%	11.7%	Increase	✓

(1) % change (constant euros); (2) total dividends charged to 2017 earnings are subject to the Board and AGM approval;  
(3) Underlying; (4) Group ex-Popular.

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