

renta4

# Nine Months Results 05<sup>th</sup> November 2010

www.renta4.com

## **Main Financial Figures**

Earnings Data (€ thousand)	Sep. 10	Sep. 09	%
Commission income	40,212	36,897	9.0%
Net interest income	1,367	784	74.4%
Net financials operations	1,952	307	n.s
<b>Operating expenses</b>	22,331	20,470	9.1%
Income from ordinary activity	4,145	5,018	-17.4%
Net operating income	7,464	6,109	22.2%
Net profit	5,085	4,662	9.1%
<b>EPS</b> (€ cents)	0.12	0.11	9.1%
Earnings Ratios			
% Commissions / Total income	88.8%	89.4%	-0.6 p.p
% Net finc. operations / Total income	4.5%	0.7%	3.8 p.p
% Net profit/Total income	11.6%	11.3%	0.3 p.p
Cost/income ratio	69.2	70.7	-1.5 p.p

Net Operating Income for the nine month period amounted to €7.5 million, year-on-year growth of 22.2%, while Net profit went up by 9.1%.

Cost/Income ratio reached 69.2%, improving 1.5 percentage points against last year figure





# **Operating Data**

Operating Data	Sep. 10	Sep. 09	%
Customers	151,692	133,257	13.8%
Renta 4 network	45,985	43,959	4.6%
Third party	105,707	89 <i>,</i> 298	18.4%
Executed orders	2,318,681	2,283,676	1.5%
<b>Total assets under custody</b> (€ <i>mill.</i> )	5,093	4,186	21.7%
Stocks	3,292	2,475	33.0%
Funds (mutual, pension and third party)	1,048	931	12.6%
SICAVs	509	501	1.6%
Others	244	279	-12.5%
<b>Online Channel</b> (retail)			
% Revenues	71.0%	75.0%	- 4,0 p.p
% Orders	84.0%	83.0%	1,0 p.p
% International markets	42.4%	46.6%	-4,2 p.p

The **operating data** posted another healthy performance.

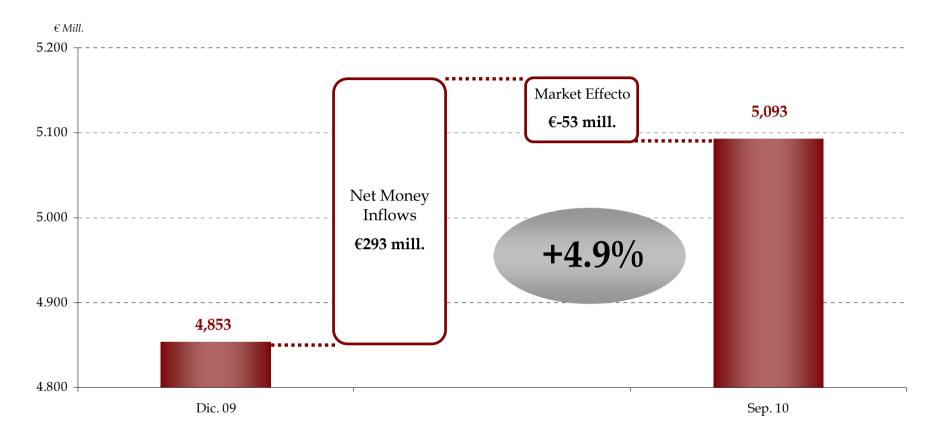
Total number of accounts, including third party networks, grew by 13.8% reaching 151,962.

Total assets under custody totalled €5,093million, the Company's highest level ever reached





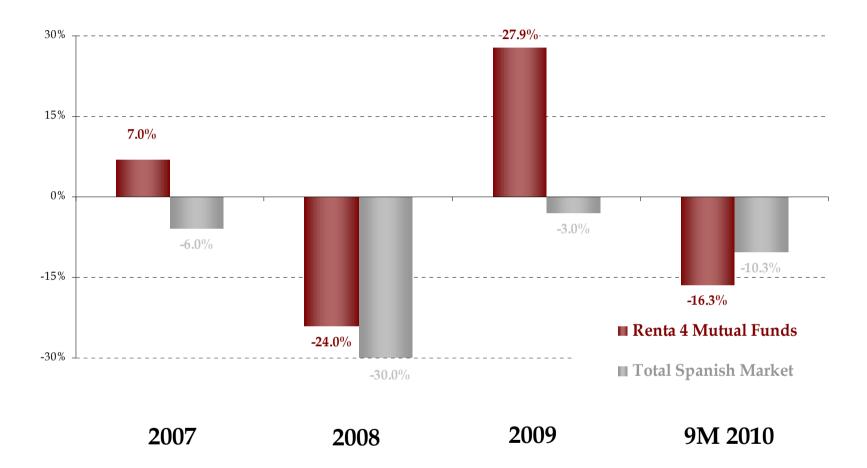
### **Total Assets Evolution 2010**



**Total assets under management and custody** at the September close above €5.0 billion. **Net money inflows** year-todate amounted to **€293 million**, offsetting the €53 million adverse impact on assets under management of market valuation trends.



### **Renta 4 Gestora: growing and gaining market share**

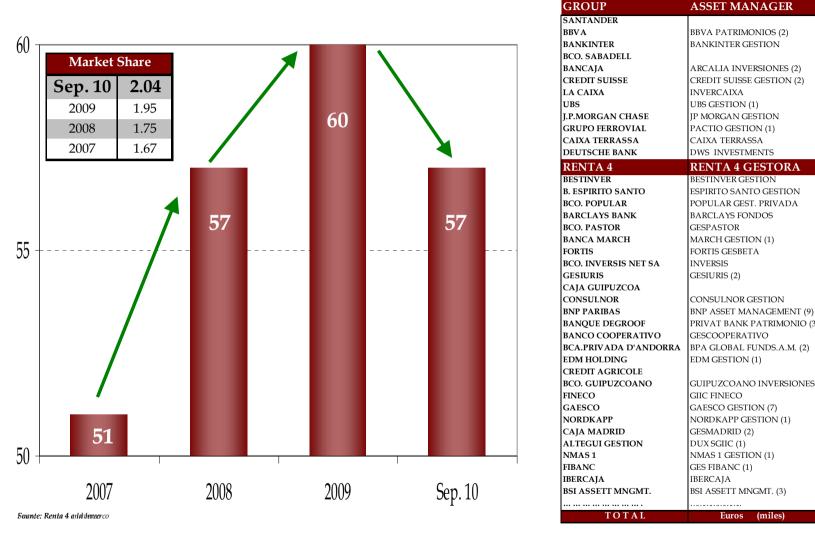


According to data published by Inverco, assets under management by **Renta 4's mutual fund management business** narrowed 16.3% in the first nine months of the year to €604 million at 30 September 2010, broadly in line with the overall market trend, which contracted by 16.3%.





### **SICAVs:** Maintaining trends



#### **RANKING SICAVS SEPTEMBER 2010**

TOTAL ASSETS

4,253,912

3,031,329

1,355,234

1,212,710

1,188,941

1.008.324

983,697

974,391

797,446

726,978

665,859

638,837

461,427

433.702

418,323

416,174

356,548

338,165

319,762

308,312

321,07

314,093

287,450

275,900

255,763

215,306

212,564

202,056

195,414

190,935

184,300

164,204

145,253

138,889

128,444

100.16

90,898

87,710

85,911

25,010,702

509.119

Renta 4 picked up market share in high network individuals segment to 2.04% at September.





# **Commissions Breakdown**

	Q3 10	Q3 09	0⁄0	9M 10	9M 09	%
© Thousand COMMISSIONS INCOME	11,582	12,292	-5.8%	40,212	36,897	<b>9.0</b> %
BROKERAGE(*)	6,828	8,498	-19.7%	25,117	26,450	-5.0%
ASSET MANAGEMENT	3,960	3,041	30.2%	11,015	8,072	36.5%
CORPORATE SERVICES	794	753	5.4%	4,080	2,375	71.8%

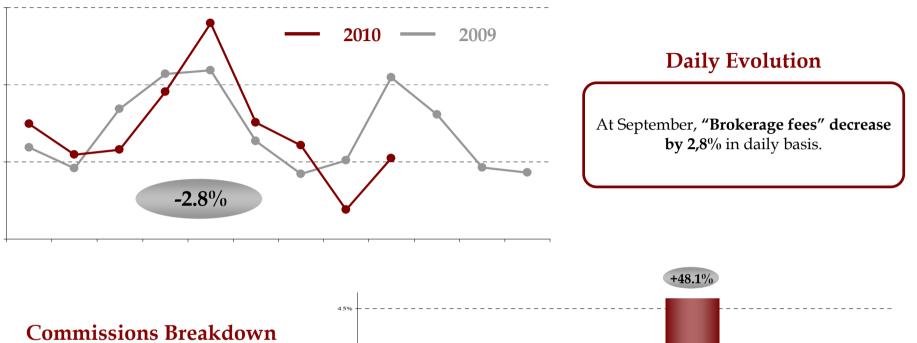
(\*) Exchange commissions included

**Fee and commission income rose 9.0% in first nine most of the year,** mainly thanks to the positive contribution by the asset management and corporate service businesses, which posted combined growth of 44.5%.

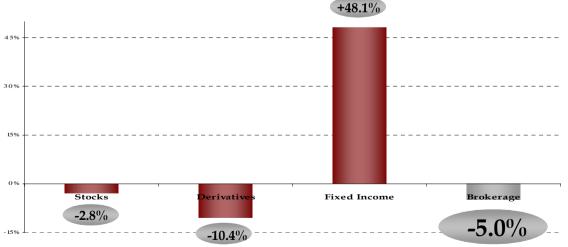




# **Brokerage Commissions**



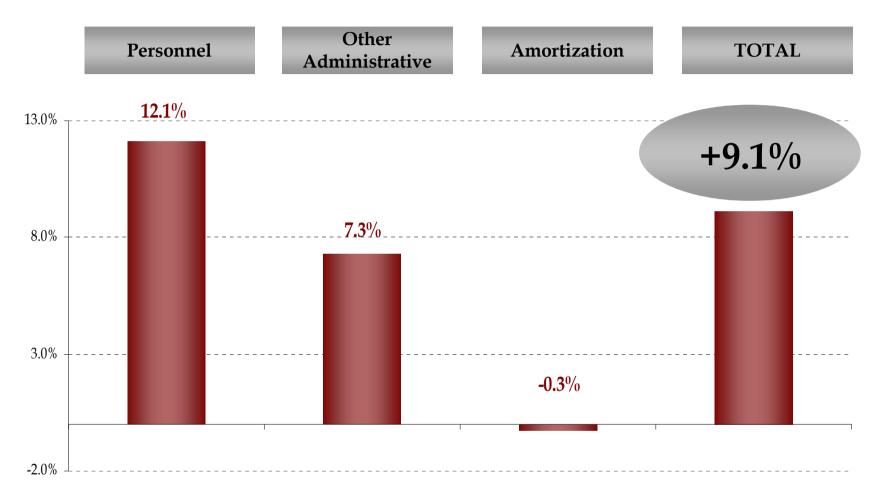
**By product type**, stock market brokerage and derivatives fees fell by 2.8% and 10.4% respectively, while fees from fixed income securities jumped 48.1%







# **Operating Expenses**

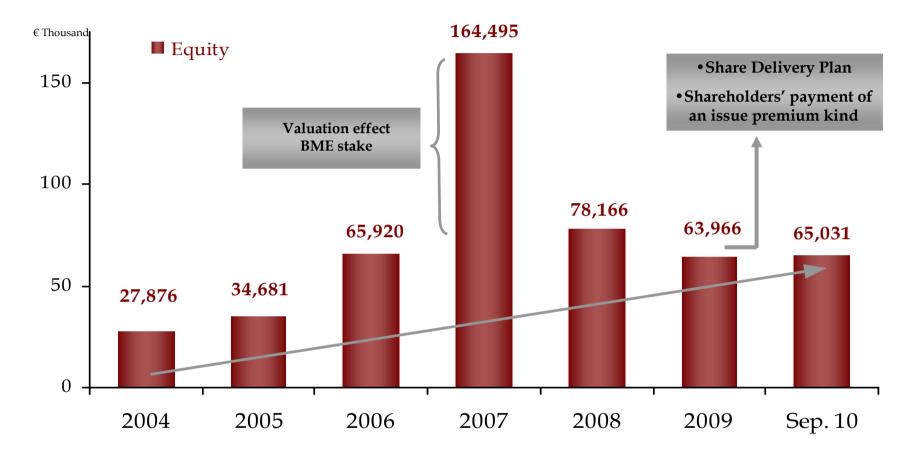


**Operating expenses** performed in line with what the Company forecast, ending at September **up 8.4**% year-onyear, keeping it on target to end the year with operating expenses, of roughly €30 million.





# **Balance Sheet**



The **decline in the Equity** figure at 31 December **is due to the treasury shares held for the Share Delivery Plan** approved at the Extraordinary General Shareholders' Meeting held 22 December 2009 (1.9 million shares representing 4.6% of share capital).





### Market Situation and Outlook

- Business conditions remain extremely challenging and warrant the utmost management discipline. Renta 4, thanks to its business model, is well positioned to continue to post healthy growth despite prevailing market uncertainty.
- The pace of fund inflows and the growth in the customer base remain healthy, prompting the Company to reiterate its guidance for growth in net fee and commission income in 2010, although a portion of these fees, namely those from the fixed income trading business, will be included in income from net financial operations.
- Underpinned by this growth, **Renta 4 expects to be able to improve its cost-income ratio in 2010**, despite plans for new office openings and the start-up of new business lines. **The trend in operating income year-to-date, meanwhile, bodes well for further year-on-year growth in 2010**.

Next Event:

February 2011, Full Year Results 2011







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