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First Quarter  
**Results**

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**2015**

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# FIRST QUARTER RESULTS

# 2015

## Highlights

Renta 4 closed the first quarter results 2015 with a **net profit of 3.7 million Euros**, an increase of **7.7%** over those of achieved in the first quarter of 2014.

Net Profit attributed to the Group has reached 3.7 million Euros, an increase of 9.8% over the same period last year.

During the first quarter of 2015, all operative and business variables have shown a positive performance:

- ▶ **Assets under management and custody** exceeded for the first time in the history of Renta 4 the amount of 15,000 million Euros, reaching the figure of 15,354 million Euros, which represents an increase of 33.5% over the same period last year.
- ▶ **Assets originated from the proprietary network** reached **6,374 million Euros** with **61,152 clients**. The **clients of the proprietary network make up for 86% of net commission income** earned in the period.
- ▶ The **assets derived from clients under management** (Investment Funds, Sicavs and Pension Funds) at 31 March 2015 reached **6,513 million Euros, up by 37.7%** from a year ago.
- ▶ Special emphasis merits the satisfactory development of **net client asset inflow** during the period reaching 338 million Euros, an increase of 23.11% over the first quarter of 2014.
- ▶ Gross commissions have increased by 14.6% during the first quarter reaching a total of 30, 4 million Euros and net commissions have increased by 24.5% to 14.7 million Euros during the first quarter of 2015.
- ▶ Outstanding is the growth in **asset management commissions** closing at 11.3 million Euros vs. 8.5 million of 2014, **an increase of 33%**.

### Assets

 **15.35** billion Euros

### Asset management commissions

 **33%** Increase

This satisfactory development of business has made possible a **result from operating activities of 5.4 million Euros, an increase of 9.8% over the same period last year.**

**Return on Equity (ROE)** stands at the end of the first quarter around 19%, substantially higher than sector average.

The **capital ratio under "Basel III" rules** closed in excess of 17% at the end of quarter and exceeds widely regulatory requirements.

It is the intention of the Board of Directors to propose to the **General Shareholder Assembly that will take place on the 28 April a complementary dividend of 0.10157 Euros per share against the profit of 2014.** The cash dividend paid in October 2014 was 0.063 Euros per share resulting in a **total dividend of 0.16457 Euros per share** which represents a dividend yield of 3% over an average trading price of the stock of 5.55 Euros per share.

## Main Variables



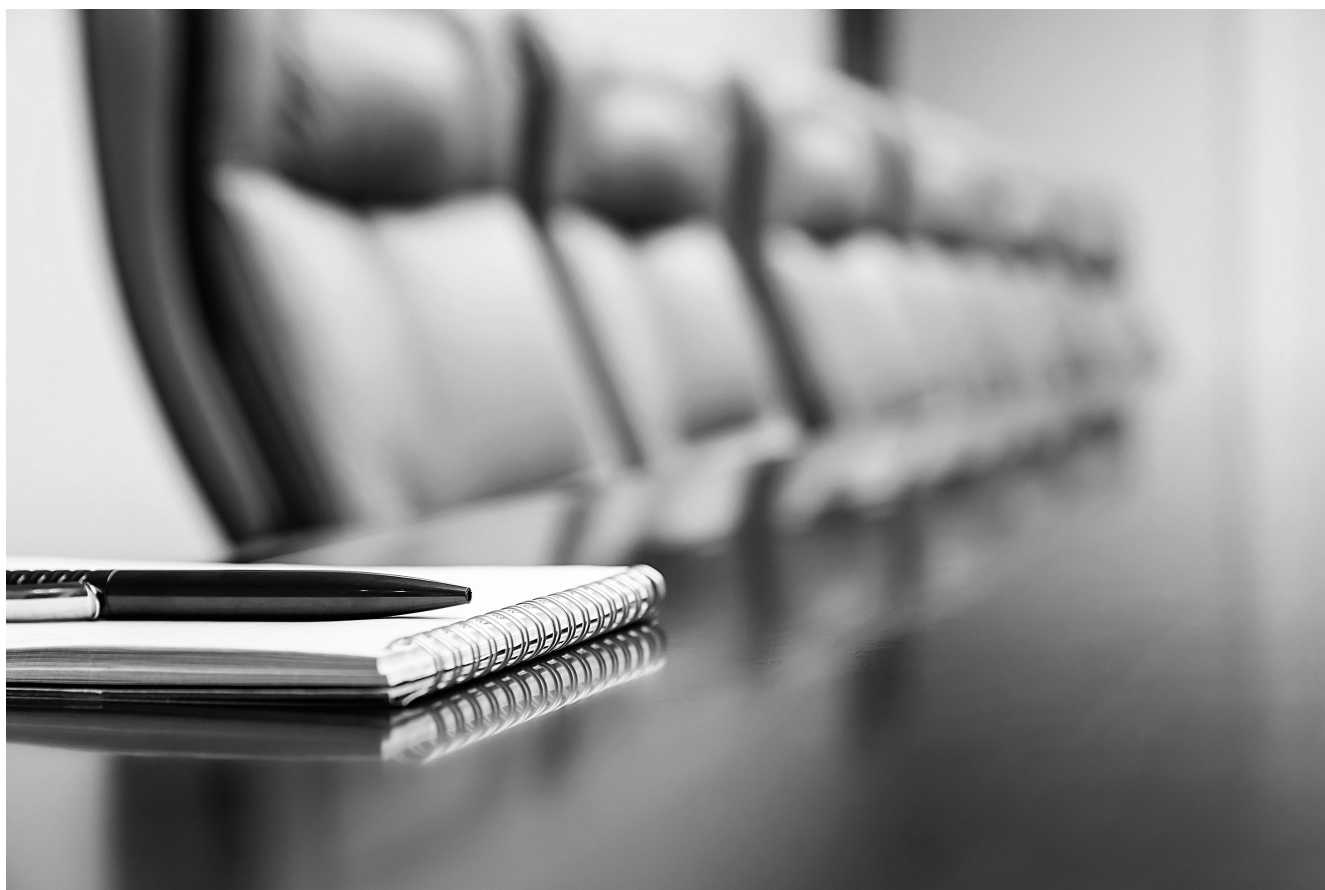
| OPERATIONAL DATA                               | 2015 Q1        | 2014 Q1        | %            |
|--|----------------|----------------|--------------|
| <b>Number of Clients</b>                       | <b>366,548</b> | <b>326,761</b> | <b>12.2%</b> |
| of Proprietary Network                         | 61,152         | 57,240         | 6.8%         |
| of Third Party Network                         | 305,396        | 269,521        | 13.3%        |
| <b>Total Assets (million Euros)</b>            | <b>15,354</b>  | <b>11,502</b>  | <b>33.5%</b> |
| Equities                                       | 7,764          | 6,126          | 26.7%        |
| Investment Funds (proprietary and third party) | 3,443          | 2,356          | 46.1%        |
| Pension Funds                                  | 2,395          | 1,832          | 30.7%        |
| SICAVs   | 675            | 543            | 24.3%        |
| Others   | 1,077          | 645            | 67.0%        |
| <b>Assets Proprietary Network (Euro bn)</b>    | <b>6,374</b>   | <b>4,612</b>   | <b>38.2%</b> |
| <b>Assets Third Party Network (Euro bn)</b>    | <b>8,980</b>   | <b>6,890</b>   | <b>30.3%</b> |

| FINANCIAL INDICATORS (EURO MILLION) | 2015 Q1       | 2014 Q1       | %            |
|-------------------------------------|---------------|---------------|--------------|
| <b>Commissions Received</b>         | <b>30,414</b> | <b>26,548</b> | <b>14.6%</b> |
| Financial Margin                    | 1,025         | 1,599         | -35.9%       |
| Result of Financial Operations      | 604           | 3,082         | -80.4%       |
| <b>Cost of Operation</b>            | <b>11,008</b> | <b>11,566</b> | <b>-4.8%</b> |
| Profit from Operating Activities    | 5,378         | 4,897         | 9.8%         |
| <b>Net Profit</b>                   | <b>3,708</b>  | <b>3,443</b>  | <b>7.7%</b>  |
| <b>EPS</b>                          | <b>0.09</b>   | <b>0.08</b>   | <b>7.7%</b>  |



| EMPLOYEES (PERIOD AVERAGE) | 2015 Q1  | 2014 Q1  | %     |
|----------------------------|----------|----------|-------|
| As of 31 December          | 414      | 365      | 13.4% |
| Branch Network (Latam)     | 223 (31) | 198 (20) | 12.6% |
| Central services           | 191      | 167      | 14.4% |
| Number of Offices          | 62       | 60       | 3.3%  |

| SHARE                           | 2015 Q1     | 2014 Q1     | %     |
|---------------------------------|-------------|-------------|-------|
| Ticker (Reuters/Bloomberg/Adrs) | RTA4.MA     | RTA4.MA     | RSVXY |
| Share Price (€)                 | 5.95        | 5.76        | 3.3%  |
| Capitalisation (€)              | 242,124,558 | 234,392,849 | 3.3%  |
| Number of Shares Issued         | 40,693,203  | 40,693,203  |       |





| PROFIT AND LOSS   | 2015 Q1       | 2014 Q1       | %             |
|---|---------------|---------------|---------------|
| (+) Interest and similar income                                 | 1,308         | 2,156         | -39.3%        |
| (-) Interest expense and similar charges                        | -283          | -557          | -49.2%        |
| <b>= Net Interest Income</b>                                    | <b>1,025</b>  | <b>1,599</b>  | <b>-35.9%</b> |
| (+) Return on equity instruments                                |               |               |               |
| Profit (loss) of entities accounted for using the equity method | -192          | -145          | 32.4%         |
| (+) Fee and commission income                                   | 30,414        | 26,548        | 14.6%         |
| (-) Fee and commission expenses                                 | -15,667       | -14,705       | 6.5%          |
| (+/-) Gains or losses on financial assets and liabilities (net) | 604           | 3,082         | -80.4%        |
| (+/-) Exchange differences (net)                                | 236           | 379           | -37.7%        |
| (+) Other operating income                                      | 72            | 70            | 2.9%          |
| (-) Other operating expenses                                    | -155          | -281          | -44.8%        |
| <b>= Gross Margin</b>   | <b>16,337</b> | <b>16,547</b> | <b>-1.3%</b>  |
| (-) Administrative expenses:                                    | -9,976        | -10,693       | -6.7%         |
| (-) a) Personnel expenses                                       | -5,835        | -6,735        | -13.4%        |
| (-) b) Other administrative expenses                            | -4,141        | -3,958        | 4.6%          |
| Depreciation and amortisation                                   | -1,032        | -873          | 18.2%         |
| (+/-) Provision expenses (net)                                  | 0             | 0             | 0.0%          |
| (+/-) Impairment losses on financial assets (net)               | 49            | -84           | 0.0%          |
| <b>= OPERATING PROFIT</b>                                       | <b>5,378</b>  | <b>4,897</b>  | <b>9.8%</b>   |
| (+/-) Loss by deterioration rest of assets (net)                | 0             | 0             | 0.0%          |
| (+/-) Gains of susp. assets not clasif. for sale                | 0             | 0             | 0.0%          |
| <b>= PROFIT BEFORE TAXES</b>                                    | <b>5,378</b>  | <b>4,897</b>  | <b>9.8%</b>   |
| (+/-) Tax on profit   | -1,670        | -1,454        | 14.9%         |
| <b>= CONSOLIDATED PROFIT FOR THE YEAR</b>                       | <b>3,708</b>  | <b>3,443</b>  | <b>7.7%</b>   |
| a) Profit attributed to the parent                              | 3,708         | 3,378         | 9.8%          |
| b) Profit attributed to minority interests                      | 0             | 65            | 0.0%          |

Euro million





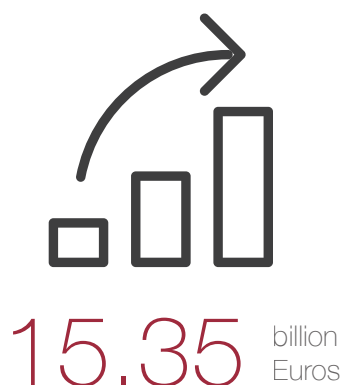
Total client assets under management and custody comfortably stands over 15,000 million Euros, reaching 15,354 million Euros, out of which 6,374 million belong to the proprietary network and 8,980 million to third party networks. In percentage points assets have increased by 33.5% over the last twelve months and by 13.6% during the first quarter 2015.

The **assets derived from clients under management** (Investment Funds, Sicavs and Pension Funds) at 31 March reached **6,513 million Euros**, against **4,731 million Euros (+37.7%)** in March 2014 and against **5,862 million Euros** in December 2014 (+11.1%).

It is especially noteworthy the increase in the volume of assets by the Investment Funds managed and sold by Renta 4 (Renta 4 asset management and other asset management funds) which have reached 3,443 million Euros against 2,356 million in March 2014. It has increased by 46.1% during the last year.

In particular, the assets of investment funds at Renta 4 asset management have reached 2,513 million Euros, which means a 38.2% increase year over year, above the sector average which is near 29%, as published recently by Inverco.

**Client assets under management and custody**



**Proprietary network clients**



**Clients assets invested** in other asset managers have reached 930 million Euros, which means an increase of 72.9% over the last twelve months.

Regarding **SICAVS under management**, assets have increased by 24.3% during the last twelve months and reaching a total of 675 million Euros.

Meanwhile, **Pension Funds assets** under management have reached 2,395 million Euros (+30,7% over the first quarter 2014). Renta 4 Pension ranks amongst the top Ten Spanish Companies in the sector by assets under management and according to VDOS it is the second pension fund asset manager in Spain with the largest net inflows during the first quarter 2015.

During the first quarter 2015 net **asset inflow from clients** has reached **338 million Euros**, against 275 million Euros in the same period last year, which means an increase of 23.1%. Net inflow of funds through the proprietary network has been 231 million Euros and third party networks have achieved 107 million Euros

New clients have continued to increase at good pace. Total number of client accounts has reached 366,548 out of which 61,152 belong to our network and 305,396 to third party networks.





**Net profit for the first quarter 2015 reached 3.7 million Euros beating the 3.4 million** of the first quarter 2014, an increase of 7.7%. Net profit attributed to the Group reached 3.7 million Euros, which represents an increase of 9.8% over the same period last year.

**Gross Commissions** (commissions received, companies results based on participation method and other products of operations) have increased during the first quarter 2015 by 14.6% reaching 30,414 million Euros, against the 26,548 million Euros of the first quarter 2014.

In this chapter it is noteworthy the gross commissions generated by the asset management division which were up 33% to 11,276 million Euros during the period (8,476 million Euros in the first quarter 2014) in accordance with the increase in assets already mentioned in earlier paragraphs. The positive trend of other years is maintained.

With respect to gross commissions in the area of **securities trading**, these have increased by 8.3% closing the quarter at 16,735 million Euros against 15,456 million Euros in the first quarter 2014, noting above all trading in international equities which has increased by 17% during the last year.

**Corporate services** commissions have reached 2,283 million Euros against 2,541 million Euros in the first quarter 2015, a 10.2% drop from the figure achieved in the same period last year.

In terms of **net commissions** (gross commissions-paid commissions) these were up 24.5% reaching the amount of 14,747million Euros, against 11,843million Euros achieved in the first quarter 2014.

**Financial margin** has reached 1,025 million Euros, against 1,599 million Euros during the same period last year, which has meant a 35.9% decline due to the additional drop in interest rates which have placed themselves near zero and even negative in some issued paper in the Euro zone.

**The result of financial operations has suffered a significant drop of 80.4% from 3.82 million Euros in the first quarter of 2014, to 604 thousand Euros in the first quarter of 2015.** The main reason for this drop has been the contraction of activity in fixed income markets as a consequence of the mentioned in the above paragraph, low interest rates.

The strong growth in **commissions has offset** in the accounts the already intense drop in interest rates already mentioned in the above paragraph.

On the costs side, **operation costs** in the first quarter 2015 (general costs, staff costs, other operational costs and amortization) have reached 11,163 million Euros, which means a 5.8% drop against the 11,847 million Euros achieved in the first quarter of 2014.

It is noteworthy, the significant reduction in staff costs, 900 thousand Euros. In percentage points it implies a drop of 13%, due to the variable part of wages paid.

**General administrative costs** have increased by 4.6% to 4,141 million Euros, against 3,958 million Euros during the first quarter a year ago. Amortization costs have reached 1,032 million Euros during the period (+18.2% over the first quarter 2014).



Regarding the average number of staff, the increase in activity and the strong increase in volume has been translated in an increase of staff which has reached 414 employees in the first quarter 2015 against the 365 staff during the same period a year ago (+13.4%) The sales force increased its staff with 25 new employees and stands at 223, against 198 at the end of the first quarter 2014(+12.6%).

## Economic and financial outlook



In the first quarter 2015, **has not only continued the scenario of interest rates close to zero or even negative in the safest assets**, but has even intensified, particularly in the Euro zone, as a consequence of the implementation of the program of purchases of sovereign bonds, amounting to sixty billion Euros monthly, decided by the European Central Bank.

**This situation necessarily requires a choice between a lower return on assets**, prioritizing safety investments or taking greater risks, seeking higher returns. Renta 4 Bank has continued to maintain a very prudent investment policy in its balance sheet, avoiding to the maximum the risks that could lead to a sudden change in investor sentiment, especially in the fixed income markets.



**This approach leads to greater pressure on financial margins and in the result of financial operations**, being offset this effect by the extraordinary growth of client assets and the consequent rise in net commissions, derived exclusively from increased assets under management.

**We understand that falling interest rates could be reaching their final stages, allowing us to expect better results in the coming quarters**, in the financial margin and in the result of financial operations. Also we maintain a positive outlook in relation to the growth of client's assets, whose rate of inflows has accelerated in the last months.

**Everything indicates that growth in assets under management and custody** at Renta 4 Bank, which at the end of the first quarter already exceeds fifteen billion Euros will continue in the coming quarters, which constitutes the best guarantee of maintaining a high return on equity (ROE) and continue to offer to our shareholders a sustained increase in profits and dividends.

**We continue to develop our presence in Chile, Peru and Colombia**, an area, that beyond the current cyclical slowdown, we consider as very attractive for the investment services provided by Renta 4 Bank. The fruits of such a local presence should start to be seen in terms of income statement in the second part of this year.

Based on the above, **Renta 4 Banco relies on further improving** return on equity(ROE)the ratio of regulatory capital and the dividend and the remuneration to shareholders.







| ASSETS   | 31/03/2015       | 31/12/2014          |
|--|------------------|---------------------|
|  |                  | <i>Euro billion</i> |
| 1. Cash and balances with central banks                        | 12,978           | 3,729               |
| 2. Financial assets held for trading                           | 1,952            | 1,764               |
| 3. Other financial assets at fair value through profit or loss |                  |                     |
| 4. Available-for-sale financial assets                         | 669,360          | 626,628             |
| 5. Debt securities   | 703,799          | 797,884             |
| 6. Held -to-maturity investments                               |                  |                     |
| 7. Ajustes a activos financieros por macro-coberturas          |                  |                     |
| 8. Hedging derivatives   |                  |                     |
| 9. Non-current assets held for sale                            |                  |                     |
| 10. Investments  | 5,450            | 5,880               |
| a) Associates  | 5,450            | 5,880               |
| b) Jointly controlled entities                                 |                  |                     |
| 11. Insurance contracts linked to pensions                     |                  |                     |
| 12. Reinsurance assets   |                  |                     |
| 13. Property and equipment:                                    | 37,046           | 35,171              |
| a) For own use   | 32,866           | 30,958              |
| b) Investment properties                                       | 4,180            | 4,213               |
| 14. Intangible assets:   | 17,840           | 17,861              |
| a) Goodwill  | 15,420           | 15,420              |
| b) Otro intangible assets                                      | 2,420            | 2,441               |
| 15. Tax assets   | 2,045            | 2,092               |
| a) Current   |                  |                     |
| b) Deferred  | 2,045            | 2,092               |
| 16. Other assets   | 1,465            | 826                 |
| <b>TOTAL ASSETS</b>  | <b>1,451,935</b> | <b>1,491,835</b>    |



## TOTAL EQUITY AND LIABILITIES

31/03/2015

31/12/2014

Euro billion

|  |                  |                  |
|--|------------------|------------------|
| <b>TOTAL LIABILITIES</b>   | <b>1,375,532</b> | <b>1,410,957</b> |
| 1. Financial liabilities held for trading  | 651              | 360              |
| 2. Other financial liabilities at fair value through profit or loss                    |                  |                  |
| 3. Financial liabilities at amortized cost   | 1,367,669        | 1,404,287        |
| 4. Changes in the fair value of hedged items in portfolio hedges of interest rate risk |                  |                  |
| 5. Hedging derivatives   |                  |                  |
| 6. Liabilities associated with non-current assets held for sale                        |                  |                  |
| 7. Liabilities under insurance contracts   |                  |                  |
| 8. Provisions  |                  | 130              |
| 9. Tax liabilities   | 5,977            | 4,162            |
| a) Current   | 4,408            | 2,674            |
| b) Deferred  | 1,569            | 1,488            |
| 10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)           |                  |                  |
| 11. Other liabilities  | 1,235            | 2,018            |
| 12. Cash   |                  |                  |
| <b>EQUITY</b>  | <b>76,403</b>    | <b>80,878</b>    |
| <b>OWN FUNDS</b>   | <b>75,962</b>    | <b>79,630</b>    |
| 1. Capital or endowment fund   | 18,312           | 18,312           |
| a) Issued capital  | 18,312           | 18,312           |
| b) Less: uncalled capital  | 0                |                  |
| 2. Share premium   | 8,496            | 8,496            |
| 3. Reserves  | 47,758           | 44,269           |
| 4. Other equity instruments  | 0                | 142              |
| 5. Less: Treasury shares   | -2,312           | -2,400           |
| 6. Profit (loss) attributable to the parent  | 3,708            | 13,369           |
| 7. Less: Dividends and remuneration  | 0                | -2,558           |
| <b>VALUATION ADJUSTMENTS</b>   | <b>397</b>       | <b>-304</b>      |
| 1. Available-for-sale financial assets   | 191              | -148             |
| 2. Cash flow hedges  | 0                |                  |
| 3. Hedges in net investments in foreign operations                                     | 0                |                  |
| 4. Exchange differences  | 206              | -156             |
| 5. Non-current assets held for sale  | 0                |                  |
| 6. Companies accounted using the equity method   | 0                |                  |
| 7. Other valuation adjustments   | 0                |                  |
| <b>TOTAL EQUITY ATTRIBUTABLE TO THE PARENT</b>   | <b>76,359</b>    | <b>79,326</b>    |
| <b>MINORITY INTERSTS</b>   | <b>44</b>        | <b>1,552</b>     |
| 1. Valuation adjustments   | 0                | 0                |
| 2. Others  | 44               | 1,552            |
| <b>TOTAL EQUITY AND LIABILITY</b>  | <b>1,451,935</b> | <b>1,491,835</b> |



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