

2018

FIRST QUARTER
RESULTS

renta4banco

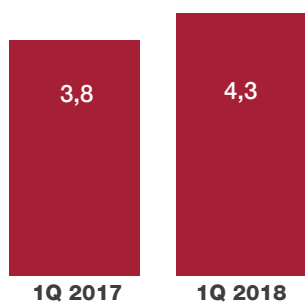
Highlights

Renta 4 Banco has increased during the first quarter 2018 its Group Net Profit by 13.2% reaching a total of 4.3 million Euros versus 3.8 million Euros achieved in the same period last year.

The Bank's Capital Ratio CET1 Fully Loaded stands circa 18.2% comfortably above current regulatory requirements and amongst the highest in our sector.

The Bank's return on equity, ROE, stands at 19.7% again well above the sector average.

NET PROFIT (1Q 2017 Vs 1Q 2018)
(Thousand euros)



Proprietary network assets: 11,367 millions euros

▲ 21.6% versus same period last year

Assets under management: 9,919 millions euros

▲ 19.2% versus same period last year

During the period under review the positive trend seen in previous quarters in all business and operating areas has continued. Client assets and assets under management have again increased steadily despite the drop in world markets during the term.

- ▶ Client assets in our proprietary network have reached 11,367 million Euros. This represents an increase of 21.6% over the same period last year. Assets under management have reached 9,919 million Euros with an increase of 19.2% over the same period last year.
- ▶ Net commissions, including exchange differences, have increased by 9.6% to 18,9 million Euros. This is due to the increase in clients assets.
- ▶ The increase in net commission has been able to compensate for a smaller result in financial margin and financial operations.
- ▶ Profit from operating activity, excluding extraordinary results, has increased by 19.5% reaching a total of 6 million Euros.

At the AGM to be held on the 27 April 2018, the Board of Directors will propose the payment of a final dividend of 0.10 Euros per share which added to the interim dividend of 0.20 Euros paid last November 2017 sets the dividend yield at current market levels above 4%.

Main Variables

OPERATIONAL DATA	1Q 2,018	1Q 2,017	%
Number of Clients Of Proprietary Network	78,078	70,401	10.9%
Total Assets (million Euros)	20,673	17,547	17.8%
Equities	9,380	8,198	14.4%
Investment Funds (proprietary and third party)	5,324	4,322	23.2%
Pension Funds	3,417	3,005	13.7%
SICAVs	1,178	996	18.3%
Others	1,374	1,026	33.9%
Assets Proprietary Network (million Euros)	11,367	9,347	21.6%
Assets Third Party Network (million Euros)	9,306	8,200	13.5%

FINANCIAL INDICATORS (THOUSAND EUROS)	1Q 2,018	1Q 2,017	%
Fee and commission income	36,434	34,030	7.1%
Fee and commission expenses	-18,729	-17,858	4.9%
Net Commissions Received	17,705	16,172	9.5%
Exchange differences (net)	1,112	0,946	17.5%
Net Commissions Received + Exchange differences	18,817	17,118	9.9%
Financial Margin	627	721	-13.0%
Result of Financial Operations	1,162	1,693	-31.4%
Cost of Operation (Administrative expenses + Other operating expenses)	14,672	14,645	0.2%
Profit from Operating Activities	6,002	5,023	19.5%
Profit attributed to the parent	4,326	3,822	13.2%
Profit attributed to minority interests	-76	-32	137.5%
Net Profit	4,250	3,790	12.1%
EPS	0.10	0.09	12.1%

Main Variables

EMPLOYEES (PERIOD AVERAGE)	1Q 2,018	1Q 2,017	%
Employees (period average)	485	465	4.3%
Branch Network (Latam)	252 (46)	245 (46)	2.9%
Central services	233	220	5.9%
Number of Offices	65	64	1.6%

SHARE	1Q 2,018	1Q 2,017	%
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	
Share Price (€)	6.9	5.73	20.4%
Capitalisation (€)	249,035,496	244,177,303	20.4%
Number of Shares Issued	40,693,203	40,693,203	

Operating Data

Assets under management and custody have reached **20,673 million Euros**. The proprietary network accounts for **11,367 million Euros** and 9,306 million Euros belong to the third party network. The total amount of assets has **increased by 17.8%** versus the same period last year. Assets have increased by 3.5% since the close of December 2017 hence maintaining a strong rate of growth despite the drop in valuation of assets due to lower markets world-wide.

During the first quarter 2018, **assets in the proprietary network** have increased by 4.8%. During the last twelve months they have increased by 21.6%. This means an increase in of 2,020 million Euros.

Assets under management during the period (Investment Funds, Sicavs and Pension Funds) reached **9,919 million Euros**. This represents an increase of **19.2%** over the first quarter 2017.

Assets in Investment **Funds distributed and managed by Renta 4** have reached at the end of the first quarter **5,324 million Euros** versus 4,322 million Euros in the same period last year. This represents an increase of 23.2%

Assets managed by **Renta 4 Asset Management** have increased by 24.6% to **3,975 million Euros** versus the same period last year.

Assets invested in third party funds distributed by Renta 4 have reached **1,349 million Euros**. They have increased by 19.2% during the last twelve months.

Assets in Sicavs under management during the first quarter 2018 have reached **1,178 million Euros**. This represents an increase of 18.3% over the same period last year.

Pension Funds under management have increased by 13.7% reaching a total of **3,417 million Euros** over the same period last year.

Net asset inflows have increased by **606 million Euros during the period**. The **proprietary network** channeled **210 million Euros** and the third party network 396 million Euros.

New clients have continued to increase. The proprietary **network accounts for 78,078** versus 70,401 in the same period last year. An increase of 10.9%.

First Quarter (January- March) Consolidated Profit and Loss Account

PROFIT AND LOSS	31/03/2018	31/03/2017	%
Interest and similar income	924	881	4.9%
Interest expense and similar charges	-297	-160	85.6%
NET INTEREST INCOME	627	721	-13.0%
Return on equity instruments	4	1	300.0%
Profit (loss) of entities accounted for using the equity method	0	0	-
Fee and commission income	36,434	34,030	7.1%
Fee and commission expenses	-18,729	-17,858	4.9%
Gains or losses on financial assets and liabilities (net)	1,162	1,693	-31.4%
Exchange differences (net)	1,112	946	17.5%
Other operating income	58	104	-44.2%
Other operating expenses	-668	-1,201	-44.4%
GROSS MARGIN	20,000	18,436	8.5%
Administrative expenses and depreciation:	-14,004	-13,444	4.2%
a) Personnel expenses	-8,068	-7,473	8.0%
b) Other administrative expenses	-4,676	-4,698	-0.5%
c) Depreciation and amortisation	-1,260	-1,273	-1.0%
Provision expenses (net)	0	0	-
Impairment losses on financial assets (net)	6	31	-
OPERATING PROFIT	6,002	5,023	19.5%
Loss by deterioration rest of assets (net)	0	0	-
Gains of susp. assets not clasif. for sale	0	1	-
PROFIT BEFORE TAX	6,002	5,735	4.7%
Tax on profit	-1,752	-1,945	-9.9%
CONSOLIDATED PROFIT FOR THE YEAR	4,250	3,790	12.1%
a) Profit attributed to the parent	4,326	3,822	13.2%
b) Profit attributed to minority interests	-76	-82	137.5%

Profits and mayor chapters of income and costs

Net Profit attributed to the Group has reached **4.3 million Euros** during the first quarter 2018. This represents an increase of **13.2%** over the same period last year.

Gross commissions (commissions received plus company results based on participation method and other products from operations) **have increased by 6.9%** to **36.5 million Euros** versus 34.1 million Euros achieved in the same period last year.

Asset management commissions have increased by **21.1%** to 18.1 million Euros.

Broking commissions(gross) have dropped by 7% reaching **14.9 million Euros** versus 16 million Euros in the same period last year. It is noteworthy the increase of 57.3% in the trading of international derivatives.

Corporate services have increased by 10.4% to **3.5 million Euros**.

Net commissions (gross commissions minus paid commissions) have increased by 9.5% to a total of **17.7 million Euros** versus 16.2 million Euros in the same period last year.

Financial margin has reached **0.6 million Euros** versus 0.7 million Euros in the same period last year. This is a drop of 13%.

The result of financial operations has dropped by 31.4% to **1.2 million Euros** versus 1.7 million Euros during the same period last year.

Operating costs (general costs, staff costs, other operational costs and amortizations) have totaled **14.004 million Euros**. This represents an increase of 4.2% over the last twelve months.

Staff costs have increased by 8% to **8.1 million Euros**.

General administrative costs have dropped by 0.5 % to **4.6 million Euros** versus 4.7 million Euros in the same period last year.

Profit before tax has reached 6.0 million Euros versus 5.0 million Euros during the same period last year. This represents an increase of **19.5%**.

Economic and Financial outlook

After the close of the first quarter 2018 we maintain a **positive projection** for our business activity and profits for the **rest of the year**. The projection is based upon the solid growth in the **increase of our client's assets** and in particular those under management, with the **increasing consolidation of Renta 4 as a Bank specialized** in wealth management and investment services plus the rising trend of Spanish households in increasing their investments in **financial assets**.

Our **goal**, in this context, is to maintain a **high level of solvency** and strong return on equity which will allow for a **satisfactory dividend payment** to shareholders, together with being able to offer **high quality services to savers** and investors. All of this based upon teams of first class professionals backed with the best of technology and a corporate culture focused on the client.



Consolidated Balance Sheet

ASSETS	31/03/2017	31/12/2016
		<i>Thousand of euros</i>
1. Cash and balances with central banks	315,192	398,333
2. Financial assets held for trading	31,524	2,232
3. Other financial assets at fair value through profit or loss		
4. Available-for-sale financial assets	641,919	598,393
5. Debt securities	110,494	162,423
6. Held -to-maturity investments		
7. Hedging derivatives		
8. Non-current assets held for sale		
9. Investments	0	0
a) Associates	0	0
b) Jointly controlled entities		
10. Insurance contracts linked to pensions		
11. Reinsurance assets		
12. Property and equipment:	40,592	40,255
a) For own use	36,801	36,432
b) Investment properties	3,791	3,823
13. Intangible assets:	17,585	17,576
a) Goodwill	15,291	15,291
b) Otro intangible assets	2,294	2,285
14. Tax assets	1,366	1,818
a) Current	3	631
b) Deferred	1,363	1,187
15. Other assets	1,267	508
TOTAL ASSETS	1,159,939	1,221,538

Consolidated Balance Sheet. Liabilities and Equity.

TOTAL EQUITY AND LIABILITIES	31/03/2018	31/12/2017
<i>Thousand of euros</i>		
TOTAL LIABILITIES	1,064,517	1,126,536
1. Financial liabilities held for trading	75	213
2. Other financial liabilities at fair value through profit or loss		
3. Financial liabilities at amortized cost	1,054,988	1,116,247
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	628	628
9. Tax liabilities	5,442	4,677
a) Current	3,489	2,996
b) Deferred	1,953	1,681
10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)		
11. Other liabilities	3,384	4,771
12. Cash		
EQUITY	95,422	95,002
OWN FUNDS	93,478	93,479
1. Capital or endowment fund	18,312	18,312
a) Issued capital	18,312	18,312
b) Less: uncalled capital		
2. Share premium	8,496	8,496
3. Reserves	63,045	58,919
4. Other equity instruments	0	0
5. Less: Treasury shares	701	643
6. Profit (loss) attributable to the parent	4,326	16,513
7. Less: Dividends and remuneration	0	-8,118
VALUATION ADJUSTMENTS	1,347	873
1. Available-for-sale financial assets	1,741	1,253
2. Cash flow hedges		
3. Hedges in net investments in foreign operations		
4. Exchange differences	-394	-380
5. Non-current assets held for sale		
6. Companies accounted using the equity method		
7. Other valuation adjustments		
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT	94,825	94,352
MINORITY INTERESTS	597	650
1. Valuation adjustments	-38	0
2. Others	635	711
TOTAL EQUITY AND LIABILITY	1,159,939	1,221,538

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