

# 2018

FIRST SEMESTER  
RESULTS

renta4banco

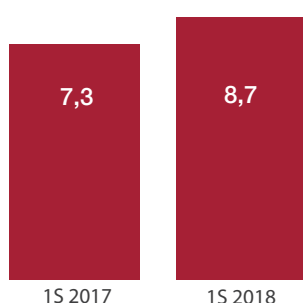
## Highlights

Renta 4 Banco has achieved in the first semester 2018 a **Net Profit** attributed to the Group of **8.7 million Euros** versus **7.3 million Euros** in the same period last year. This represents an increase of **18.8%**.

The **Bank's Capital Ratio CET1 Fully Loaded** stands at **16.75%** comfortably above current regulatory requirements and amongst the highest in our sector.

The **Bank's return** on equity is circa **20.5%**, again well above our sector average.

**NET PROFIT (1S 2017 Vs 1S 2018)**  
(Thousand euros)



**Proprietary network assets: 11,673 millions euros**

▲ **27.7%** versus same period last year

**Assets under management: 10,058 millions euros**

▲ **15.9%** versus same period last year

During the first semester 2018 the increasing trend of business has been maintained.

**Assets within the proprietary network** reached **11,673 million Euros** during the first semester 2018. This means an increase of **27.7%**. Client assets under management have reached **10,058 million Euros**. This represents an increase of **15.9%**.

**Net commissions**, excluding exchange differences, have reached **37.00 million Euros**. This represents an increase of **12.5%**.

**Operating profit**, excluding extraordinary items, has reached **12.3 million Euros**. This represents an increase of **15.3%**.

## Main Variables

OPERATIONAL DATA	152,018	152,017	%
Number of Clients Of Proprietary Network	79,182	71,943	10.1%
Total Assets (million Euros)	21,059	17,497	20.4%
Equities	9,568	7,730	23.8%
Investment Funds (proprietary and third party)	5,368	4,576	17.3%
Pension Funds	3,493	3,056	14.3%
SICAVs	1,197	1,047	14.3%
Others	1,433	1,088	31.7%
Assets Proprietary Network (million Euros)	11,673	9,141	27.7%
Assets Third Party Network (million Euros)	9,386	8,356	12.3%

FINANCIAL INDICATORS (THOUSAND EUROS)	152,018	152,017	%
Fee and commission income	71,952	66,386	8.4%
Fee and commission expenses	-37,213	-34,823	6.9%
Net Commissions Received	34,739	31,563	10.1%
Exchange differences (net)	2,260	1,317	71.6%
Net Commissions Received + Exchange differences	36,999	32,880	12.5%
Financial Margin	1,579	1,538	2.7%
Result of Financial Operations	2,088	4,157	-49.8%
Cost of Operation (Administrative expenses + Other operating expenses)	29,430	28,267	4.1%
Profit from Operating Activities	12,315	10,681	15.3%
Profit attributed to the parent	8,724	7,345	18.8%
Profit attributed to minority interests	-164	-112	46.4%
Net Profit	8,560	7,233	18.3%
EPS	0.10	0.09	18.3%

## Main Variables

EMPLOYEES (PERIOD AVERAGE)	15 2,018	15 2,017	%
Employees (period average)	490	466	5.2%
Branch Network (Latam)	255 (47)	246 (47)	3.7%
Central services	235	220	6.8%
Number of Offices	66	64	3.1%

SHARE	15 2,018	15 2,017	%
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	
Share Price (€)	7.44	5.85	27.2%
Capitalisation (€)	310,543,442	244,177,303	27.2%
Number of Shares Issued	40,693,203	40,693,203	

## Operating Data

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**Assets under management and custody**, have reached **21,059 million Euros**. This represents an **increase of 20.4%** over the same period last year. The proprietary network accounts for 11,673 million Euros and the third party network accounts for 9,386 million Euros.

**Assets from the proprietary network** (11,673 million Euros) have increased by 10.3% during 2018. In the last twelve months these assets have increased by **27.7%**. This represents an increase of 2,532 million Euros.

**Assets under management** (Investment Funds, Sicavs and Pension Funds) reached **10,058 million Euros** in the first semester 2018. This represents an increase of **15.9%** over the same period last year.

Assets in Investment **Funds distributed and managed by Renta 4** (Renta 4 Asset Management, have reached **4,013 million Euros**. This represents an increase of 18.7% during the period under review.

**Client's assets** invested in third party funds distributed by Renta 4 have reached **1,355 million Euros**. This represents an increase of 13.4%.

**Assets in Sicavs** under management have reached **1,197 million Euros**. This represents an increase of **14.3%** over the period.

**Assets from Pension Funds** under management have increased by 14.3% totaling **3,493 million Euros** during the period.

**Net inflows** of client's assets have reached **721 million Euros**. The proprietary network accounts for **287 million Euros**.

**Total accounts** in the proprietary network have reached **79,182 versus 71,943 in the same period last year**. This means an increase of 10.06%

**Profits and main areas** of revenues and costs.

## First Semester 2018. (January to June) Consolidated Profit and Loss Account

PROFIT AND LOSS	30/06/2018	30/06/2017	%
Interest and similar income	2,160	1,829	18.1%
Interest expense and similar charges	-581	-291	99.7%
<b>NET INTEREST INCOME</b>	<b>1,579</b>	<b>1,538</b>	<b>2.7%</b>
Return on equity instruments	167	168	-0.6%
Profit (loss) of entities accounted for using the equity method	-	-	-
Fee and commission income	71,952	66,386	8.4%
Fee and commission expenses	-37,213	-34,823	6.9%
Gains or losses on financial assets and liabilities (net)	2,088	4,157	-49.8%
Exchange differences (net)	2,260	1,317	71.6%
Other operating income	115	290	-60.3%
Other operating expenses	-1,264	-1,572	-19.6%
<b>GROSS MARGIN</b>	<b>39,684</b>	<b>37,461</b>	<b>5.9%</b>
Administrative expenses and depreciation:	-25,627	-24,195	5.9%
a) Personnel expenses	-16,095	-15,124	6.4%
b) Other administrative expenses	-9,532	-9,071	5.1%
Depreciation and amortisation	-2,539	-2,500	1.6%
Provision expenses (net)	-5	-	-
Impairment losses on financial assets (net)	802	-85	-
<b>OPERATING PROFIT</b>	<b>12,315</b>	<b>10,681</b>	<b>15.3%</b>
Loss by deterioration rest of assets (net)	-	-	-
Gains of susp. assets not clasif. for sale	-	-	-
<b>PROFIT BEFORE TAX</b>	<b>12,315</b>	<b>11,401</b>	<b>8.0%</b>
Tax on profit	-3,755	-4,168	-9.9%
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>8,560</b>	<b>7,233</b>	<b>18.3%</b>
a) Profit attributed to the parent	8,724	7,345	18.8%
b) Profit attributed to minority interests	-164	-82	46.4%

## Profit and main income and expens items

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**Net Profit** attributed to the Group in the first semester 2018 **has increased by 18.8%** reaching 8.7 million Euros versus the same period last year.

**Gross commissions** (commissions received plus company results based on participation method and other products from operations) **have increased by 8.1% to 72.1 million Euros versus 66.7 million Euros** in the same period last year.

In this chapter it is noteworthy the amount of gross commissions generated by the **Asset Management Division** which have increased by **19.5% to 36.1 million Euros**.

With respect to the amount of **gross commissions generated** in the securities trading division, these have dropped by **4.4% reaching 29.1 million Euros versus 30.4 million Euros** in the same period last year.

**Corporate services commissions** have increased by **13.7% to 6.8 million Euros** during the period.

In terms of **net commissions** (gross commissions minus paid commissions) these have increased by **10.1%** totaling **34.7 million Euros versus 31.6 million Euros** in the same period last year.

**Financial margin** has increased by **2.7% to 1.6 million Euros** versus **1.5 million Euros** achieved in the same period last year.

**The result of financial operations** has dropped by **49.8% to 2.1 million Euros versus 4.1 million Euros** achieved during the same period last year.

On the costs side, **operating costs** during the period (general costs, staff costs, other operational costs and amortizations) **have totaled 28.2 million Euros**. This represents an increase of 5.5% over the same period last year.

**Saff costs have increased by 6.4% to 16.1 million Euros**. General administrative costs have reached 9.5 million Euros versus 9.1 million Euros in the same period last year. This means an increase of 5.1%

**Operating profit tax** has increased by 15.3% to **12.3 million Euros versus 10.7 million Euros** in the same period last year.

## Second Quarter Results 2018 (April to June) Consolidated Profit and Loss Account

PROFIT AND LOSS	2Q 2018	2Q 2017	%
Interest and similar income	1,236	948	30.4%
Interest expense and similar charges	-284	-131	116.8%
<b>NET INTEREST INCOME</b>	<b>952</b>	<b>817</b>	<b>16.5%</b>
Return on equity instruments	163	167	-2.4%
Profit (loss) of entities accounted for using the equity method	-	-	-
Fee and commission income	35,518	32,356	9.8%
Fee and commission expenses	-18,484	-16,965	9.0%
Gains or losses on financial assets and liabilities (net)	926	2,464	-62.4%
Exchange differences (net)	1,148	371	209.4%
Other operating income	57	186	-44.2%
Other operating expenses	-596	-371	-44.4%
<b>GROSS MARGIN</b>	<b>19,684</b>	<b>19,025</b>	<b>8.5%</b>
Administrative expenses:	-12,883	-12,024	4.7%
a) Personnel expenses	-8,027	-7,651	8.0%
b) Other administrative expenses	-4,856	-4,373	-0.5%
Depreciation and amortisation	-1,279	-1,227	-1.0%
Provision expenses (net)	-5	-	-
Impairment losses on financial assets (net)	796	-116	-80.6%
<b>OPERATING PROFIT</b>	<b>6,313</b>	<b>5,658</b>	<b>19.5%</b>
Loss by deterioration rest of assets (net)	-	-	-
Gains of susp. assets not clasif. for sale	-	8	-
<b>PROFIT BEFORE TAX</b>	<b>6,313</b>	<b>5,666</b>	<b>4.7%</b>
Tax on profit	-2,003	-2,223	-9.9%
Consolidated Profit for the year	4,310	3,443	12.1%
a) Profit attributed to the parent	4,398	3,523	13.2%
b) Profit attributed to minority interests	-88	-80	-137.5%



## Second Quarter Results 2018 (April to June) Consolidated Profit and Loss Account

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Renta 4 has obtained in the second quarter 2018 a Net Profit of 4.3 million Euros versus 3.4 million Euros in the same period last year. This means an increase of 25.2%.

Gross commissions during the second quarter 2018 (commissions received plus company results based on participation method and other products from operations) have increased by 9.3% to 35.6 million Euros versus 32.5 million Euros in the same period last year.

Asset Management commissions obtained during the second quarter 2018 are noteworthy with an increase of 17.9% to 18.1 million Euros.

With respect to the amount of gross commissions generated in the securities trading division, these have dropped by 1.4% reaching 14.2 million Euros.

Corporate services commissions during the second quarter 2018 have increased by 17.3% to 3.3 million Euros versus 2.9 million Euros obtained in the same period last year.

In terms of net commissions (gross commissions minus paid commissions) these have increased by 10.7% totaling 17.00 million Euros.

Financial margin has increased by 16.5% to 0.9 million Euros versus 0.8 million Euros obtained in the same period last year.

The result from financial operations during the second quarter 2018 has decreased by 62.4% to 0.9 million Euros versus 2.5 million Euros in the same period last year.

On the costs side, operating costs during the second quarter 2018 (general costs, staff costs, other operational costs and amortizations) have totaled 14.8 million Euros. This represents an increase of 8.3% over the same period last year.

Staff costs during the second quarter 2018 have increased by 4.9% totaling 8.0 million Euros.

Administrative costs during the second quarter 2018, general costs and staff costs, have increased by 11% to 4.9 million Euros versus 4.4 in the same period last year.

Amortization costs have increased by 4.2% to 1.3 million Euros during the second quarter 2018.

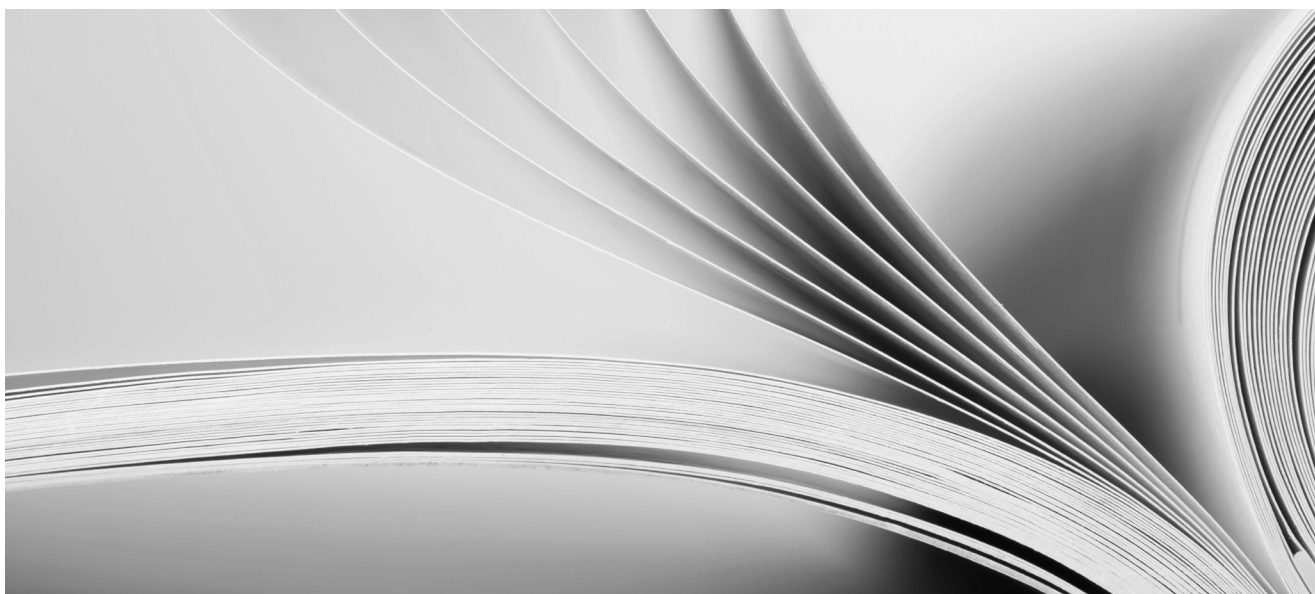
Operating profit for the second quarter 2018 has increased by 11.6% to 6.3 million Euros versus 5.7 million Euros in the same period last year.

## Economic and Financial Outlook

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Renta 4 maintains a business model based upon the specialization in financial services which is achieving to maintain a rhythm of **constant growth**, not only in **assets under management** and custody, but in profits, which together with a high level of profitability and solvency, positions the Bank in a strong situation to affront future challenges.

Under the current environment, Renta 4 continues to strive in a model based upon the **relation with our client**, as basic element upon which our strategy and competitive edge pivots, and where a crucial role is played amongst the integration of our offices and the strengthening of digitalization.



## Consolidated Balance Sheet

ASSETS	30/06/2018	31/12/2017
		<i>Thousand of euros</i>
1. Cash and balances with central banks	440,712	398,333
2. Financial assets held for trading	33,434	2,232
3. Other financial assets at fair value through profit or loss	-	-
4. Available-for-sale financial assets	690,023	598,393
5. Debt securities	109,886	162,423
6. Held -to-maturity investments	-	-
7. Hedging derivatives	-	-
8. Non-current assets held for sale	-	-
9. Investments	-	-
a) Associates	-	-
b) Jointly controlled entities	-	-
10. Insurance contracts linked to pensions	-	-
11. Reinsurance assets	-	-
12. Property and equipment:	40,728	40,255
a) For own use	36,969	36,432
b) Investment properties	3,759	3,823
13. Intangible assets:	17,680	17,576
a) Goodwill	15,291	15,291
b) Otro intangible assets	2,389	2,285
14. Tax assets	1,819	1,818
a) Current	681	631
b) Deferred	1,138	1,187
15. Other assets	1,175	508
<b>TOTAL ASSETS</b>	<b>1,335,457</b>	<b>1,221,538</b>

## Consolidated Balance Sheet. Liabilities and Equity.

TOTAL EQUITY AND LIABILITIES	30/06/2018	31/12/2017
<i>Thousand of euros</i>		
<b>TOTAL LIABILITIES</b>	<b>1,236,088</b>	<b>1,126,536</b>
1. Financial liabilities held for trading	166	213
2. Other financial liabilities at fair value through profit or loss	-	-
3. Financial liabilities at amortized cost	1,226,533	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	55	628
9. Tax liabilities	6,326	4,677
a) Current	4,619	2,996
b) Deferred	1,707	1,681
10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)	-	-
11. Other liabilities	3,008	4,771
12. Cash	-	-
<b>EQUITY</b>	<b>99,369</b>	<b>95,002</b>
<b>OWN FUNDS</b>	<b>97,774</b>	<b>93,479</b>
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	63,068	58,919
4. Other equity instruments	-	-
5. Less: Treasury shares	826	643
6. Profit (loss) attributable to the parent	8,724	16,513
7. Less: Dividends and remuneration	-	-8,118

## Consolidated Balance Sheet. Liabilities and Equity.

TOTAL EQUITY AND LIABILITIES	30/06/2018	31/12/2017
		<i>Thousand of euros</i>
VALUATION ADJUSTMENTS	905	873
1. Available-for-sale financial assets	1,432	1,253
2. Cash flow hedges	-	-
3. Hedges in net investments in foreign operations	-	-
4. Exchange differences	-527	-380
5. Non-current assets held for sale	-	-
6. Companies accounted using the equity method	-	-
7. Other valuation adjustments	-	-
<b>TOTAL EQUITY ATTRIBUTABLE TO THE PARENT</b>	<b>98,679</b>	<b>94,352</b>
MINORITY INTERESTS	690	650
1. Valuation adjustments	-31	-
2. Others	721	711
<b>TOTAL EQUITY AND LIABILITY</b>	<b>1,335,457</b>	<b>1,221,538</b>

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