



Highlights

- Renta 4 reached during the first nine months of 2014 a **net profit of 10.3 million Euros** and **exceeded by 35%** the result of end September 2013.
- Both **operational and business variables** proved to be satisfactory during the period:

Total client assets in Renta 4 Banco reached 12.9 billion Euros at the end of September of 2014, an increase of 39,1% year on year. The **proprietary branch network** closed at **5.1 billion Euros of client assets, rising by 35.4%** compared to the **3.8 billion Euros** at the end of September 2013.

The increase in assets of the proprietary network is highly remarkable given it represents **87.8% of the total net commissions** of Renta 4 Banco, thus the third party network accounts for 12.2% of net commissions.

Client assets under management sum **4.9 billion Euros** as of 30th September 2014.

The **number of accounts of the proprietary network** closed the quarter at **60,639** and the total number of accounts including the third party network totals **345,330**, an increment of 17.6% compared to end September 2013.

Gross commission income rose by 32.9% during the period and **net commissions** increased by 22% year on year **due to the increase of client assets** under management and administration.

Outstanding is the **growth of commission income from asset management, exceeding last year's result by 50%** both in the year to date as in the third quarter.

Gross margin increased by **24.4%** during the period.

The **result of financial operations** posted a rise of 66,6% year on year.

Net client capital inflow during the period ascended to 1.4 billion Euros versus 1.0 billion Euros in the corresponding period of 2013 (+34.0%).

- The **result of ordinary operation** reached **14.7 million Euros**, rising by 35.8% YoY (10.8 million Euros in Q3 of 2013).
- **ROE (return on capital)** at the end of the last 12 months stands at **18.2%** - well above the sector average.
- The **solvency ratio** reaches **19.3%** and exceeds widely the levels required by the banking supervisory authorities.
- The **Board of Directors in its meeting of 28th of October 2014** agreed to grant a **cash dividend of 0.063 Euros per share**. The dividend will be paid on the 31st of October 2014 for those being shareholders as of 30th of October 2014

Main figures

Operative data	Sept. 14	Sept. 13	%
N° Clients	345,330	293,655	17.6%
<i>Proprietary Network</i>	60,639	53,293	13.8%
<i>Third Part Networks</i>	284,691	240,362	18.4%
Total Assets (Euro million)	12,907	9,279	39.1%
<i>Exchanges</i>	6,708	5,065	32.4%
<i>Investment Funds (proprietary and third party)</i>	2,939	1,740	68.9%
<i>Pension Funds</i>	1,956	1,438	36.0%
<i>SICAVs and SIL</i>	629	488	28.9%
<i>Others</i>	675	548	23.4%
Asset Proprietary Network(mn Euros)	5,096	3,763	35.4%
Assets Third Party Networks (mn Euros)	7,811	5,516	41.6%
Financials (Euro thousand)			
Commission Income	75,944	57.123	32,9%
Financial Margin	4,720	4.760	-0,8%
Result of Financial Operations	6,497	3.899	66,6%
Cost of Operation	33,506	28.003	19,7%
Gross Margin	47,862	38.475	24,4%
Result of Ordinary Activity	14,690	10.818	35,8%
Net Profit	10,304	7.653	34,6%
EPS	0.253	0.188	34,6%
Employees			
Staff (period average)	381	333	14.4%
<i>Branch Network (Latam)</i>	208 (25)	183 (15)	13.7%
<i>Central services</i>	173	150	15.3%
N° Offices	60	58	
The Share			
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	RSVXY
Quote (€)	5.39	4.68	15.2%
Capitalization (€)	219,336,364	190,444,190	15.2%
N° Issued Shares	40,693,203	40,693,203	

Consolidated Profit and Loss account

	THIRD QUARTER 2014	THIRD QUARTER 2013	% variation	ACCRUED 30/09/2014	ACCRUED 30/09/2013	% variation
Interest and similar income	1.839	2.263	-18,7%	6.013	7.036	-14,5%
Interest expense and similar charges	-218	-714	-69,5%	-1.293	-2.276	-43,2%
Net Interest Income	1.621	1.549	4,6%	4.720	4.760	-0,8%
Return on equity instruments	49	75	-34,7%	129	215	-40,0%
Share of profit (loss) of entities accounted for using the equity method	-218	-51	327,5%	-533	-493	8,1%
Fee and commission income	24.575	19.465	26,3%	75.944	57.123	32,9%
Fee and commission expenses	-12.363	-9.949	24,3%	-39.566	-27.303	44,9%
Gains or losses on financial assets and liabilities (net)	1.429	1.424	0,4%	6.497	3.899	66,6%
Exchange differences (net)	460	311	47,9%	1.251	771	62,3%
Other operating income	69	58	19,0%	222	300	-26,0%
Other operating expenses	-263	-247	6,5%	-802	-797	0,6%
Gross Margin	15.359	12.635	21,6%	47.862	38.475	24,4%
Administrative expenses:	-9.568	-7.718	24,0%	-29.865	-24.958	19,7%
a) Personnel expenses	-5.536	-4.647	19,1%	-17.786	-14.611	21,7%
b) Other administrative expenses	-4.032	-3.071	31,3%	-12.079	-10.347	16,7%
Depreciation and amortisation	-1.015	-782	29,8%	-2.839	-2.248	26,3%
Provision expenses (net)	47	-160	-129,4%	47	32	46,9%
Impairment losses on financial assets (net)	-125	241	-151,9%	-515	-483	6,6%
Operating Profit	4.698	4.216	11,4%	14.690	10.818	35,8%
PROFIT (LOSS) BEFORE TAX	4.698	4.216	11,4%	14.690	10.818	35,8%
Tax on profit	-1.458	-1.344	8,5%	-4.386	-3.165	38,6%
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	3.240	2.872	12,8%	10.304	7.653	34,6%
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	3.240	2.872	12,8%	10.304	7.653	34,6%
a) Profit (loss) attributed to the parent	3.194	2.807	13,8%	10.162	7.525	35,0%
b) Profit (loss) attributed to minority interests	46	65	-29,2%	142	128	10,9%

Euro thousand

Operational data

Third Quarter 2014 (July-September)

The **consolidated net profit** of the third quarter stood at 3.24 million Euros **exceeding by 13%** the 2.87 million Euros of the **same period of 2013**.

Client assets as of 30th of September 2014 summed **12.9 billion** Euros after a **net capital inflow** during the quarter of **389 million** Euros.

Total number of client accounts of the proprietary network reached as of 30th of September 60,639, increasing by 994 accounts in the quarter.

"Commission income" is noteworthy, reaching 24.6 million Euros versus the 19.5 million Euros of last year and representing a rise of 26.3%.

By business lines the **"Securities Trading Commissions"** stood at 12.4 million Euros, beating last year's result by 10.4%. Especially the trading in Spanish derivatives posted positive numbers with an increase of 24.0%.

Remarkable is the rise in commission income from **"Asset Management"** closing at 10.0 million Euros and **increasing by 52.6% YoY** as well as keeping the high level of growth of the three earlier quarters.

Interest margin ascended to 1.6 million Euros in the quarter (+4.6%) and the **result of financial operations** matched last year's period with 1.43 million Euros (+0.4%).

The area **"Corporate Services"** contributed 2.2 million Euros in Q3 (+29.1% YoY).

The item **"operational expenses"** reached 9.5 million Euros and **"amortizations"** stood at 1.01 million Euros as of end Q3 2014 adding to the total of expenses and amortizations to 10.6 million Euros versus 8.5 million Euros YoY. By origin, the **"personnel expenses"** stood at 5.5 million Euros at the end of the quarter; an increase of 19.1% YoY, mainly attributable to the enhancement in the branch network and the additional operations in Latin America. **"Other general and administration expenses"** closed at 4.0 million Euros, 31.3%

higher than at the end of third quarter 2013 due to the enhancement of the branch network. The item **“amortizations”** rose by 29.8% reaching 1.015 million Euros.

Accumulated Figures 2014 (January-September)

The **“net consolidated profit”** as of end third quarter 2014 stood at **10.3 million Euros** compared to 7.65 million Euros year on year, an increase of 34.6%.

Net client capital inflow during the first nine months totals **1.356 billion Euros**.

The **number of client accounts in the proprietary network** increased during the three quarters of 2014 by 5,506 accounts.

During this period **“commission income”** grew by 32.9% reaching 75.9 million Euros. **Net commissions** increase by 22.5% and summed 37.9 million Euros.

By lines of business, the highest increase during the first nine months posted the **commissions originating from “Asset Management”** ascending to 27.6 million Euros and contrasting with the 18.3 million Euros of last year, a rise of **50.7%**. **“Trading Commissions”** rose to 41.3 million Euros at the end of the third quarter versus 32.7 million Euros as of end of third quarter 2013, an increase of 26.6%. The income from **“Corporate Services”** generated commission income of 6.9 million Euros at the end of third quarter 2014 incrementing by 13.4% the 2013 result of 6.1 million Euros.

Highlight is on the positive development of commission income from asset management, maintaining its growth during third quarter of 2014.

“Interest margin” reached 4.7 million Euros and is similar to last year’s result (-0.8%) even in the environment of a strong decline of interest rates.

In respect of **“result of financial operations and dividends”** the number reached in the business year ascended to 6.5 million Euros versus 3.9 million Euros the year before (+66.6%).

Turning to costs the **“cost of operation”** registered at the end of the third quarter 2014 reached 29.9 million Euros and experienced a growth of 19.7% year on year when they stood at 25.0 million Euros.

By cost category **“personnel expenses”** accumulated during the period a rise of 21.7% reaching 17.8 million Euros, mainly attributable to enhancements in the branch organisation and the start of operations in Peru. **“Other general and administration expenses”** posted a growth of 16.7% ascending to 12.1 million Euros contrasting with the 10.3 million Euros at the end of the same period last year. Finally **“amortization”** rose by 26.3% and finished at 2.8 million Euros compared to 2.2 million Euros YoY.

Regarding the **average number of employees**, enhanced branch structures and the development of new domestic and international projects led to an increase in the workforce from 333 in Q3 2013 to 381 employees Q3 2014.

Market View and Outlook

From our point of view **the environment of our activity will continue to be extremely demanding** during the last quarter of the year with **increases of volatility** in the markets and a **scenario of lower economic growth** demanding special attention to the management of risk.

Renta 4 Banco is prepared to cope with this scenario given the sustained growth of activity and profit and thanks to the **increased levels of client assets** obtained during the first nine months of the year and the **diversification as well as a prudent balanced composition of income sources**.

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CONSOLIDATED BALANCE SHEET		
EURO THOUSAND		
ASSETS	30/09/2014	31/12/2013
1. Cash and balances with central banks	3.723	3.076
2. Financial assets held for trading	1.757	1.037
3. Other financial assets at fair value through profit or loss		
4. Available-for-sale financial assets	603.902	401.834
5. Debt securities	519.614	443.426
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	3.761	3.202
a) Associates	3.761	3.202
b) Jointly controlled entities		
11. Insurance contracts linked to pensions		
12. Reinsurance assets		
13. Property and equipment:	34.385	32.372
a) For own use	30.140	28.360
b) Investment properties	4.245	4.012
14. Intangible assets:	18.088	17.447
a) Goodwill	15.460	15.460
b) Otro intangible assets	2.628	1.987
15. Tax assets	1.256	1.576
a) Current	0	57
b) Deferred	1.256	1.519
16. Other assets	1.779	729
TOTAL ASSETS	1.188.265	904.699
Euro Thousand		
TOTAL EQUITY AND LIABILITIES	30/09/2014	31/12/2013
TOTAL LIABILITIES	1.105.901	830.356
1. Financial liabilities held for trading	502	372
2. Other financial liabilities at fair value through profit or loss		
3. Financial liabilities at amortized cost	1.097.846	825.429
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	207
9. Tax liabilities	5.715	3.660
a) Current	3.899	2.253
b) Deferred	1.816	1.407
10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)		
11. Other liabilities	1.708	688
12. Cash		
EQUITY	82.364	74.343
OWN FUNDS	80.285	74.025
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	45.382	37.520
4. Other equity instruments	142	1.027
5. Less: Treasury shares	-2.209	-488
6. Profit (loss) attributable to the parent	10.162	11.099
7. Less: Dividends and remuneration	0	-1.941
VALUATION ADJUSTMENTS	598	-993
1. Available-for-sale financial assets	836	-809
2. Cash flow hedges		
3. Hedges in net investments in foreign operations		
4. Exchange differences	-238	-184
5. Non-current assets held for sale		
6. Companies accounted using the equity method		
7. Other valuation adjustments		
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT	80.883	73.032
MINORITY INTERSTS	1.481	1.311
1. Valuation adjustments	120	88
2. Others	1.361	1.223
TOTAL EQUITY AND LIABILITY	1.188.265	904.699

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