

2021



FIRST QUARTER
RESULTS

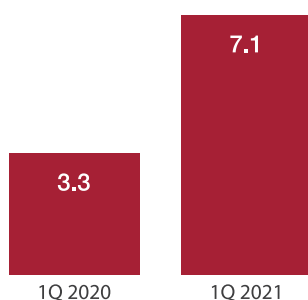
Highlights

Renta 4 Banco obtained in the first quarter of 2021 a **Net Profit attributable to the Group of EUR 7.1 million** compared to EUR 3.3 million in the same period last year, representing an increase of 112.8%.

The "CET1 Fully Loaded" capital ratio was around **18.5%** well above regulatory solvency requirements.

Return on Equity (ROE) reached **20.4%**, over invested capital again well above the sector's average.

NET PROFIT (1Q 2020 Vs 1Q 2021)
(Thousand euros)



Net Profit: 7.1 million Euros

▲ **112.8%** versus same period last year

Net commissions: 25,572 million Euros

▲ **12,6%** versus same period last year

The **operating variables and levels of activity** in the first three months of the year continued to develop at a satisfactory pace. **Net inflows in the Group's proprietary network in the quarter amounted to EUR 364 million and the number of clients increased by 4.2% to 105,497.**

Total clients' assets at 31 of March amounted to EUR **24,999 million**, of which EUR **13,340 million** corresponded to **clients assets of the proprietary network.**

The **subsidiaries in Latin America** maintained the trend of growing positive results, with a combined contribution of approximately **11% of consolidated results.**

On April 6, a **dividend of EUR 0.0229 per share was paid out of the profit for 2020**, in accordance with the limits communicated by the European Central Bank. Without prejudice to a new dividend to be paid in September, if the European Central Bank allows it.

Main Data

Operational Data	1Q 2,021	1Q 2,020	%
Number of Clients Of Proprietary Network	105,497	86,776	21.6%
Total Assets (million Euros)	24,999	19,173	30.4%
Equities	10,544	7,620	38.4%
Investment Funds (proprietary and third party)	6,263	4,512	38.8%
Pension Funds	4,651	3,639	27.8%
SICAVs	1,044	952	9.7%
Others	2,497	2,450	1.9%
Assets Proprietary Network (million Euros)	13,340	10,764	23.9%
Assets Third Party Network (million Euros)	11,659	8,409	38.6%

Financial Indicators (thousand euros)	1Q 2,021	1Q 2,020	%
Net Commissions	25,572	22,712	12.6%
Fee and commission income + Exchange differences	48,552	43,275	12.2%
Fee and commission expenses	-22,980	-20,563	11.8%
Cost of Operation	-19,946	-16,144	23.6%
Activity Margin	5,626	6,568	-14.3%
Financial Margin	-223	608	-
Result of Financial Operations	4,011	1,315	205.0%
Ordinary Margin	9,414	8,491	10.9%
Net Profit	7,102	3,288	116.0%
Profit attributed to minority interests	-2	-50	-96.0%
Profit attributed to the parent	7,104	3,338	112.8%
EPS	0.17	0.08	112.8%

Main Data

Employees (period average)	1Q 2,021	1Q 2,020	%
Employees (period average)	572	526	8.7%
Branch Network (Latam)	288(67)	275(58)	4.7%
Central services	284	251	13.1%
Number of Offices	66	66	0.0%

Share	1Q 2,021	1Q 2,020	%
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	
Share Price (€)	7.98	6.06	31.7%
Capitalisation (€)	324,731,760	246,600,810	31.7%
Number of Shares Issued	40,693,203	40,693,203	

Operating Data

The volume of **assets under administration and management** in the first quarter of 2021 amounted to **EUR 24,999 million, 30.4% more than a year ago**, of which **EUR 13,340 million** corresponded to the **proprietary network**. The amount of assets reached in the proprietary network was EUR 2,576 million higher than in the previous year **(+23.9%)**.

Customer **assets under management** (mutual funds, SICAVs and pension funds) amounted to **EUR 11,958 million, EUR 2,855 million** more than a year earlier **(+31.4%)**.

Assets under management in **mutual funds** amounted to **EUR 3,316 million, EUR 1,044 million** in SICAVs and **EUR 4,651 million** in pension funds,

The assets invested in **third party funds** reached **EUR 2,947 million, an increase of 82.8% in the last twelve months**.

The pace of incorporation of **new clients also increased**. The total number of accounts in the proprietary network was **105,497** compared to 86,776 in the same period last year.

Net inflows continued to grow steadily and reached **EUR 364 million in the quarter**.

Income Statement 1st Quarter 2021 (January- March)

Profit and Loss	31/03/2021	31/03/2020	%
Interest and similar income	902	1,392	-35.2%
Interest expense and similar charges	-1,125	-784	43.5%
Net Interest Income	-223	608	-
Return on equity instruments	0	0	-
Profit (loss) of entities accounted for using the equity method	59	16	268.8%
Fee and commission income	43,398	39,888	8.8%
Fee and commission expenses	-22,980	-20,563	11.8%
Gains or losses on financial assets and liabilities (net)	4,011	1,315	205.0%
Exchange differences (net)	4,812	3,320	44.9%
Other operating income	283	51	454.9%
Other operating expenses	-1,233	-787	56.7%
Gross Margin	28,127	23,848	17.9%
Administrative expenses and depreciation:	-16,417	-13,151	24.8%
a) Personnel expenses	-10,560	-8,205	28.7%
b) Other administrative expenses	-5,857	-4,946	18.4%
Depreciation and amortisation	-2,296	-2,206	4.1%
Provision expenses (net)	-255	-2	-
Impairment losses on financial assets (net)	24	-3955	-
Operating Profit	9,183	4,534	102.5%
Loss by deterioration rest of assets (net)			
Gains of susp. assets not clasif. for sale	0	0	-
Profit Before tax	9,183	4,534	102.5%
Tax on profit	-2,081	-1,246	67.0%
Consolidated Profit for the year	7,102	3,288	116.0%
a) Profit attributed to the parent	7,104	3,338	112.8%
b) Profit attributed to minority interests	-2	-50	-96.0%

Profit and main items of income and expenditure

The **Net Profit Attributable to the Group** amounted to **7.1 million euros**, representing an **increase of 112.8%** compared to that obtained in the first quarter of 2020.

In the first quarter of 2021, **gross commissions** (commissions received, profit from companies accounted for using the equity method and other operating income) **increased by 8.8%** compared to the same period last year, reaching **43.4 million euros**.

Gross brokerage commissions increased **16.6%** to **EUR 22.7 million**.

Management fees amounted to **EUR 17.3 million**, **1.2%** higher than in the same period last year.

Fees in the **Corporate Services** area increased **10.0%** year-on-year to **EUR 3.8 million**.

Net fees and **commissions (gross fees and commissions paid)** increased **7.1%** to **EUR 20.8 million**, compared to EUR 19.4 million in the first quarter of 2020.

The growth in assets and in the number of clients led to a **12.6% increase in net fees and commissions plus exchange rate differences**.

Net interest income declined to **EUR -0.2 million**, due to the high level of liquidity held on the balance sheet at negative interest rates.

The result in financial operations amounted to **EUR 4.0 million** compared to EUR 1.3 million in the same period of 2020, an increase of 205.0%.

Gross Margin during the quarter was **EUR 28.1 million**, compared to EUR 23.8 million in the same period of the previous year, an increase of **17.9%**.

On the cost side, **Operating Expenses and Depreciation** (General Expenses, Personnel Expenses and Depreciation) amounted to **19.9 million euros**, an **increase of 23.6%**.

Personnel expenses increased by **28.7%** to **10.6 million euros** and **general administrative expenses** amounted to **5.9 million euros**, compared to 4.9 million euros the previous year, an **increase of 18.4%**.

Operating profit amounted to **9.2 million euros**, compared to 4.5 million euros in the first quarter of the previous year, a comparative growth of **102.5%**.

Economic and financial perspective

The first quarter of 2021 confirmed the trends that had begun to emerge in the second part of 2020, in particular the growing shift of investment and financing flows from bank balance sheets to markets. **This growing weight of financial markets and the profound transformation** that these markets are undergoing were already manifesting themselves to a large extent before Covid-19, but have accelerated after the pandemic and are likely to continue in the coming years.

We expect the **low interest rate environment to continue for a prolonged period, as well as the process of financial disintermediation**, which increases the importance of alternative sources of capital. We also believe that **sustainability and the importance of environmental, social and governance (ESG) criteria** will increase, in a financial environment increasingly dominated by **digital platforms and ecosystems**, which will generate a new wave of innovation and disruption.

Renta 4 Banco has a positioning and a business model that enables it to face these changes with a positive attitude, and to aspire to sustained growth in commercial activity and business variables.



In the first quarter, the number of clients, the increase of new customer assets, the fees obtained and, as a result of all this, profits increased significantly. It is noteworthy that the **Latin American subsidiaries** are contributing more and more to the consolidated **Group's results**.

We expect to maintain this line of growth and good results in the coming quarters, although we are well aware of the challenges that condition our activity, such as the possible ups and downs in trading volumes in the markets and the growing pressure on spreads in all areas of activity. **To meet these challenges, we will continue to incorporate new investment solutions and alternatives**, under the model of a bank specialising in investments and with the philosophy of profitable growth that we have always maintained.

Our mission as Renta 4 Banco is to promote investment to improve people's lives and contribute to the progress of society, based on the conviction that this objective is the safest way to offer sustainable returns to our clients and shareholders. With this objective in mind, we have increasingly incorporated thematic **investment in long-term megatrends** into our offering and **we are continually adapting and improving our technological platform**.

Consolidated Balance Sheet

ASSETS	31/03/2021	31/12/2020
<i>Thousand of euros</i>		
1. Cash and balances with central banks	887,032	744,174
2. Financial assets held for trading	52,464	55,079
3. Other financial assets at fair value through profit or loss	-	-
4. Available-for-sale financial assets	490,931	580,321
5. Debt securities	326,390	315,846
6. Held -to-maturity investments	-	-
7. Hedging derivatives	-	-
8. Non-current assets held for sale	-	-
9. Investments	421	362
a) Associates	421	362
b) Jointly controlled entities	-	-
10. Insurance contracts linked to pensions	-	-
11. Reinsurance assets	-	-
12. Property and equipment:	59,668	60,399
a) For own use	56,242	56,944
b) Investment properties	3,426	3,455
13. Intangible assets:	20,211	20,110
a) Goodwill	15,291	15,291
b) Otro intangible assets	4,920	4,819
14. Tax assets	836	994
a) Current	17	0
b) Deferred	819	994
15. Other assets	2,360	1,850
TOTAL ASSETS	1,840,313	1,779,135

Consolidated Balance Sheet

TOTAL EQUITY AND LIABILITIES	31/03/2021	31/12/2020
		<i>Thousand of euros</i>
TOTAL LIABILITIES	1,712,673	1,657,464
1. Financial liabilities held for trading	64	522
2. Other financial liabilities at fair value through profit or loss	-	-
3. Financial liabilities at amortized cost	1,696,377	1,643,451
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	568	313
9. Tax liabilities	9,433	8,020
a) Current	7,993	6,461
b) Deferred	1,440	1,559
10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)	-	-
11. Other liabilities	6,231	5,158
12. Cash	-	-
EQUITY	127,640	121,671
OWN FUNDS	127,573	121,402
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	94,147	76,943
4. Other equity instruments	-	-
5. Less: Treasury shares	486	486
6. Profit (loss) attributable to the parent	7,104	18,137
7. Less: Dividends and remuneration	-	-
VALUATION ADJUSTMENTS	-811	-637
1. Available-for-sale financial assets	1,132	1,436
2. Cash flow hedges	-	-
3. Hedges in net investments in foreign operations	-	-
4. Exchange differences	-1,943	-2,073
5. Non-current assets held for sale	-	-
6. Companies accounted using the equity method	-	-
7. Other valuation adjustments	-	-
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT	126,762	120,765
MINORITY INTERESTS	878	906
1. Valuation adjustments	-251	-225
2. Others	1,129	1,131
TOTAL EQUITY AND LIABILITY	1,840,313	1,779,135

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