

2023



FIRST QUARTER
RESULTS



renta4banco

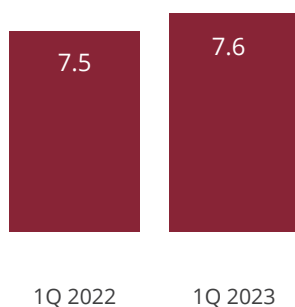
Highlights

Renta 4 Banco has achieved a Net Profit of 7.6 million Euros in the first quarter of 2023. This represents an increase of 1.8% versus 7.5 million Euros achieved in the same period last year.

The **“CET1 Fully Loaded” capital ratio** is circa **18.24%**, well above the current regulatory requirement level and one of the largest in the banking sector.

Return on Equity (ROE) stood at **16.8%**, on invested capital, well above the industry average.

NET PROFIT (1Q 2022 Vs 1Q 2023)
(Thousand euros)



Net Profit: 7.6 million Euros

▲ 1.8% versus same period last year

Number of Clients Of Proprietary Network

▲ 3.4% versus same period last year

During the **first quarter of 2023, business activity has remained satisfactory** and all variables have continued to grow steadily.

During the first three months of the year, **net new client assets** in the proprietary network amounted to **713 million Euros**. The **number of clients reached 120,770** and **total client assets** at the end of March amounted to **29,708 million Euros, 7.5% more than a year ago, of which 17,136 million Euros were in the proprietary network and 12,572 million Euros in the third party network.**

All these variables (net inflows, clients of the proprietary network and total assets) reached record highs in the first quarter, after a consistent increase in their pace of growth over the last twelve months.

Against a general background of low trading volumes in the financial markets and weak corporate transactions. The strong increase in client assets has not, for the time being, translated into an increase in commissions. This context is very different from the first quarter of 2022, which was the best quarter of the year in terms of market volumes.

The fall in fee income was offset by the sharp improvement in net interest income and net trading income (NTI), thanks to Renta 4 Banco's diversified revenue model.

Highlights

The **Latin American subsidiaries** continued to consolidate their activity and **their joint contribution with a consolidated profit of 7.9%** in the first quarter.

On April 11th Renta 4 Banco paid a dividend of EUR 0.05 per share, which added to the interim dividend of EUR 0.25 per share paid in November gives a total dividend of EUR 0.30 per share in 2022.

Significant data

Operational Data	31/03/2023	31/03/2022	%
Number of Clients Of Proprietary Network	120,770	116,771	3.4%
Total Assets (million Euros)	29,708	27,638	7.5%
Equities	13,217	11,639	13.6%
Investment Funds (proprietary and third party)	6,775	6,713	0.9%
Pension Funds	5,205	5,054	3.0%
SICAVs	756	1,088	-30.5%
Others	3,755	3,144	19.4%
Assets Proprietary Network (million Euros)	17,136	15,358	11.6%
Assets Third Party Network (million Euros)	12,572	12,280	2.4%

Financial Indicators (thousand euros)	31/03/2023	31/03/2022	%
Net Commissions	22,715	27,094	-16.2%
Fee and commission income + Exchange differences	42,423	49,334	-14.0%
Fee and commission expenses	-19,708	-22,240	-11.4%
Cost of Operation	-22,243	-19,688	13.0%
Activity Margin	0,472	7,406	-93.6%
Financial Margin	6,357	-46	-
Result of Financial Operations	3,421	1,075	218.2%
Ordinary Margin	10,250	8,435	21.5%
Net Profit	7,638	7,502	1.8%
Profit attributed to minority interests	88	66	-
Profit attributed to the parent	7,550	7,436	1.5%
EPS	0.38	0.42	1.5%

Datos significativos

Employees (period average)	31/03/2023	31/03/2022	%
Employees (period average)	643	619	3.9%
Branch Network (Latam)	318(83)	304(74)	4.6%
Central services	325	315	3.2%
Number of Offices	66	66	0.0%

Share	31/03/2023	31/03/2022	%
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	
Share Price (€)	10.35	9.9	4.5%
Capitalisation (€)	421,174,651	402,862,710	4.5%
Number of Shares Issued	40,693,203	40,693,203	

Operating Data

The total volume of **assets under management and administration** amounted to **29,708 million Euros**, **2,070 million Euros** more than in the same period last year, representing an increase of 7.5% of which **17,136 million Euros** correspond to client assets in the **proprietary network**, representing an increase of 11.6% in the last twelve months reaching **1,778 million Euros**. With respect to December 2022, the increase in the equity of the proprietary network in the first three months of the year amounted to **837 million Euros**.

Customer **assets under management** (Investment Funds, SICAVs and Pension Funds) amounted to **12,736 million Euros**, representing an increase of **726 million Euros** in the first three months.

Assets under management in **Mutual Funds** amounted to **3,593 million Euros**, increasing by 6.3% in the quarter which adds up to **214 million Euros**. In **SICAVS 756 million Euros** and in **Pension Funds 5,205 million Euros**, which in quarterly terms represents an increase of **303 million Euros**, equivalent to **6,2% more than at the end of the previous year**.

Assets invested in **third party Funds** reached **3,182 million Euros**, representing an increase of **6.9% in the quarter** which represents a **207 million Euros increase in assets**.

The **pace of growth in the number of customers** is maintained for a further quarter **and our market share is steadily increasing during yet another period**. The total number of accounts in the proprietary network reached **120,770** versus **116,771** in the same period last year. **Net inflows** in the **proprietary network** amounted to **713 million Euros** in the first three months of the year.

Income Statement 2023 (January - March)

Profit and Loss	31/03/2023	31/03/2022	
Interest and similar income	8,347	1,327	529.0%
Interest expense and similar charges	-1,990	-1,373	44.9%
Net Interest Income	6,357	-46	-
Return on equity instruments	0	0	-
Profit (loss) of entities accounted for using the equity method	-3	571	-
Fee and commission income	40,585	45,912	-11.6%
Fee and commission expenses	-19,708	-22,240	-11.4%
Gains or losses on financial assets and liabilities (net)	3,421	1,075	218.2%
Exchange differences (net)	1,589	2,809	-43.4%
Other operating income	252	42	500%
Other operating expenses	-879	-466	88.6%
Gross Margin	31,614	27,657	14.3%
Administrative expenses and depreciation:	-18,676	-16,780	11.3%
a) Personnel expenses	-11,791	-10,257	15.0%
b) Other administrative expenses	-6,885	-6,523	5.5%
Depreciation and amortisation	-2,688	-2,442	10.1%
Provision expenses (net)	-141	822	-
Impairment losses on financial assets (net)	495	780	-36.5%
Operating Profit	10,604	10,037	5.6%
Loss by deterioration rest of assets (net)			
Gains of susp. assets not clasif. for sale	0	0	-
Profit Before tax	10,604	10,037	5.6%
Tax on profit	-2,966	-2,535	17.0%
Consolidated Profit for the year	7,638	7,502	1.8%
a) Profit attributed to the parent	7,550	7,436	1.5%
b) Profit attributed to minority interests	88	66	33.3%

Profit and main income and expense items

Net Profit attributed to the Group during the first quarter of 2023 reached **7.6 million Euros** which represents an **increase of 1.8%** with respect to the 7.5 million Euros achieved in the same period of 2022.

During the first three months of 2023, **Gross Commissions** (Commissions received, income from equity method companies and other operating income) **decreased by 12.2%** versus the same period last year, reaching **40.8 million Euros**. The **decline in fees and commissions is due to low trading volumes** in the markets and the **general weakness of the corporate transactions** due to the prevailing uncertainty.

Gross brokerage commissions decreased by **21.3%**, closing the quarter at **17.2 million Euros**.

Asset Management commissions amounted to **19.2 million Euros**, **5.9%** lower than those recorded in the same period last year.

Commissions from **Corporate Services** area increased by **4.6%** versus the same period last year, with revenue standing at **4.4 million Euros**.

Net Commissions (gross commissions minus paid commissions) plus exchange differences decreased by **16.2%** to **22.7 million Euros** versus 27.1 million Euros achieved during the first quarter of 2022.

The rise in interest rates as a result of the change in monetary policy conditions has enabled the **Net Interest Margin** to achieve **6.4 million Euros**, compared to a slightly negative margin achieved in the same period of the previous year.

The result from Financial Operations reached **3.4 million Euros** versus 1.1 million Euros achieved in the same quarter in 2022.

Gross Margin during the first three months of 2023 reached **31.6 million Euros**, **14.3%** higher than in the same period of the previous year.

On the cost side, **Operating Expenses** (General expenses, Personnel expenses, Other Operating expenses and Depreciation and Amortization) amounted **22.2 million Euros**, representing an increase of **13%**.

Personnel expenses increased by **15%** to stand at **11.8 million Euros**. **General Administrative expenses** rose by **5.5%** to reach **6.9 million Euros**, versus 6.5 million Euros achieved in the same period last year.

The allowance for **impairment of financial assets** increased to **0.5 million Euros**, reversing part of the allocations made in the previous year.

Profit from operating activities amounted to **10.6 million Euros**, versus to 10.0 million Euros achieved during the first quarter of last year, this represents an increase of **5.6%**.

Economic and financial perspective

The good performance of the commercial activity in the first quarter of 2023, which resulted in record numbers of customers, total customer assets and net new customer assets, **confirms the favourable outlook for the 2023 financial year that we advanced in the 2022 earnings report.**

This positive performance has taken place, once again in a complex environment, in which both the real economy and the financial sector are beginning to feel the effects of successive interest rate rises and lower liquidity in the system. **In which the problems of some Banks have provoked episodes of financial instability** at the beginning of March.

Nevertheless, the overall tone of the economy and markets in the first quarter has been encouraging, with low volatility and upward movements in both stock and bond markets, **as concerns about inflation and a possible recession have moderated** in the light of emerging economic data.



This recovery in the markets also suggests a gradual improvement in fee income in the coming quarters, where we expect a return of corporate transactions, which were very slow in the first quarter, and a recovery in trading volumes in the financial markets, which continued to be very weak in the first quarter.

We expect the economic and financial scenario to remain complex in the coming quarters, given the numerous uncertainty factors and the intensity and depth of the changes initiated by the economy in 2022. These changes are not limited to a tightening of financing conditions or a transitory contraction of growth, but go beyond that, causing a substantial transformation of the economy and of living habits

In this environment, we believe that Renta 4 Banco, as a specialised and local bank, **will continue to gain market share** by offering investment and financing solutions adapted to a very wide and diversified range of customers.

Consolidated Balance Sheets

ASSETS	31/03/2023	31/12/2022
		<i>Thousand of euros</i>
1. Cash and balances with central banks	768,435	771,494
2. Financial assets held for trading	40,787	56,665
3. Other financial assets at fair value through profit or loss	-	-
4. Available-for-sale financial assets	585,564	830,553
5. Debt securities	679,920	655,790
6. Held -to-maturity investments	-	-
7. Hedging derivatives	-	-
8. Non-current assets held for sale	-	-
9. Investments	559	578
a) Associates	559	578
b) Jointly controlled entities	-	-
10. Insurance contracts linked to pensions	-	-
11. Reinsurance assets	-	-
12. Property and equipment:	61,725	61,089
a) For own use	58,508	57,847
b) Investment properties	3,217	3,242
13. Intangible assets:	22,191	22,122
a) Goodwill	15,291	15,291
b) Otro intangible assets	6,900	6,831
14. Tax assets	8,612	10,111
a) Current	-	-
b) Deferred	8,612	10,111
15. Other assets	3,016	1,939
TOTAL ASSETS	2,170,809	2,410,341

Consolidated Balance Sheets

TOTAL EQUITY AND LIABILITIES	31/03/2023	31/12/2022
	<i>Thousand of euros</i>	
TOTAL LIABILITIES	2,071,456	1,657,464
1. Financial liabilities held for trading	277	189
2. Other financial liabilities at fair value through profit or loss	-	-
3. Financial liabilities at amortized cost	2,024,118	2,276,545
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	1,757	2,379
9. Tax liabilities	8,558	6,398
a) Current	7,951	5,791
b) Deferred	607	607
10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)	-	-
11. Other liabilities	7,983	7,392
12. Cash	-	-
EQUITY	128,116	117,438
OWN FUNDS	146,822	140,537
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	112,464	102,830
4. Other equity instruments	-	-
5. Less: Treasury shares	-	486
6. Profit (loss) attributable to the parent	7,550	21,540
7. Less: Dividends and remuneration	-	-10,155
VALUATION ADJUSTMENTS	-19,702	-24,056
1. Available-for-sale financial assets	-17,741	-21,368
2. Cash flow hedges	-	-
3. Hedges in net investments in foreign operations	-	-
4. Exchange differences	-1,961	-2,688
5. Non-current assets held for sale	-	-
6. Companies accounted using the equity method	-	-
7. Other valuation adjustments	-	-
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT	127,120	116,481
MINORITY INTERSTS	996	957
1. Valuation adjustments	-453	-426
2. Others	1,449	1,383
TOTAL EQUITY AND LIABILITY	2,170,809	2,410,341

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