

# 2023

THIRD QUARTER  
RESULTS



renta4banco

## Highlights

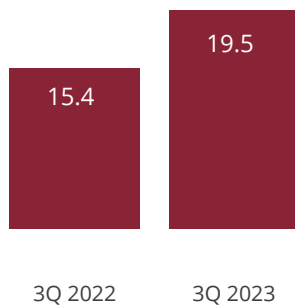
**Renta 4 Banco has achieved a Net Profit of 19.5 million Euros in the first 9 months of 2023.** This represents an increase of **26.4%** versus 15.4 million Euros achieved in the same period last year.

**Net profit** amounted to **5.2 million Euros** in the third quarter of 2023 versus 2.4 million Euros achieved in the same period of 2022, which represents an increase of **117,5%**.

**The “CET 1 Fully loaded” capital ratio** is currently at **18.78%**, well above the current regulatory requirement level.

**Return on Equity (ROE)** stood at **19.0%**, on invested capital, well above the industry average.

**NET PROFIT (2022 Vs 2023)**  
*(million euros)*



**Net Profit attributed to the Group: 19.5 million Euros**

▲ **26.4%** in the same period last year

**Total client assets**

▲ **17.4%** in the same period last year

During the third quarter of 2023, **business activity** has remained satisfactory, registering a significant increase in the number of customers and the number of assets. During this year, net new client assets in the proprietary network amounted to **1,757 million euros** and the **number of clients** reached **123,894**. Data which reflects the Bank’s ability to attract new customers.

**Total client assets** at the end of September amounted to **29,618 million Euros**, **17.4 % more than a year ago**, of which **18,339 million Euros** were in the proprietary network and **11,279 million Euros** in third party network.

**The Latin American subsidiaries** continued commercial activity at a good pace. They have represented **11.1% of the consolidated group results**, during the first 9 months of 2023.

**The Board of Directors**, at its meeting held on **October 30th**, resolved to distribute an interim dividend of **0.3 Euros per share**, to be paid on **November 7th**, to those who are shareholders on **November the second**.

## Significant data

OPERATIONAL DATA	30/09/2023	30/09/2022	%
<b>Number of Clients Of Proprietary Network</b>	<b>123,894</b>	<b>117,891</b>	<b>4.3%</b>
<b>Total Assets (million Euros)</b>	<b>29,618</b>	<b>25,235</b>	<b>15.2%</b>
Equities	13,614	11,275	15.8%
Investment Funds (proprietary and third party)	7,048	6,148	12.4%
Pension Funds	3,695	3,229	15.7%
SICAVs	823	918	-14.4%
Others	4,438	3,665	26.0%
<b>Assets Proprietary Network (million Euros)</b>	<b>18,339</b>	<b>15,650</b>	<b>17.0%</b>
<b>Assets Third Party Network (million Euros)</b>	<b>11,279</b>	<b>9,585</b>	<b>12.8%</b>

FINANCIAL INDICATORS ( THOUSAND EUROS)	30/09/2023	30/09/2022	%
<b>Net Commissions</b>	<b>68,361</b>	<b>76,780</b>	<b>-11.0%</b>
Fee and commission income + Exchange differences	124,757	136,075	-8.3%
Fee and commission expenses	-56,396	-59,295	-4.9%
<b>Financial Margin</b>	<b>17,685</b>	<b>2,326</b>	<b>660.3%</b>
<b>Result of Financial Operations</b>	<b>8,309</b>	<b>553</b>	<b>1402.5%</b>
<b>Cost of Operation</b>	<b>-68,113</b>	<b>-61,347</b>	<b>11.0%</b>
<b>Ordinary Margin</b>	<b>26,242</b>	<b>18,312</b>	<b>43.3%</b>
<b>Net Profit</b>	<b>19,521</b>	<b>15,448</b>	<b>26.4%</b>
<b>Profit attributed to minority interests</b>	<b>280</b>	<b>165</b>	<b>69.7%</b>
<b>Profit attributed to the parent</b>	<b>19,241</b>	<b>15,283</b>	<b>25.9%</b>
<b>EPS</b>	<b>0.47</b>	<b>0.38</b>	<b>25.9%</b>

(\* ) The equity has been eliminated from the participation accounts of the investing pension funds, aligning the data with the information disseminated by INVERCO and the DGS. As of September 30, 2022, the data has been updated.

## Significant data

<b>EMPLOYEES (period average)</b>	<b>30/09/2023</b>	<b>30/09/2022</b>	<b>%</b>
Employees (period average)	652	630	3.5%
Branch Network (Latam)	322(84)	310(77)	3.9%
Central services	330	320	3.1%
Number of Offices	66	66	0.0%

<b>SHARE</b>	<b>30/09/2023</b>	<b>30/09/2022</b>	<b>%</b>
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	
Share Price (€)	10.4	9.36	11.1%
Capitalisation (€)	432,209,311	380,888,380	11.1%
Number of Shares Issued	40,693,203	40,693,203	

## Operating Data

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Total volume of **assets under management and administration** amounted to **29,618 million Euros**. This is an increase of **4,383 million Euros** versus the same period last year. This represents an **increase of 17.4%**. **Of the total assets, 18,339 million Euros** correspond to the assets of customers of the **proprietary network, which increased by 2,689 million Euros, representing an increase of 17.2% in the last twelve months.**

Customer **assets under management** (Investment Funds, RCF, SICAVs, FIC, RCC and Pensión Funds) amounted to **11,566 million Euros**, representing an increase of **1,271 million Euros** more than in the same period last year.

Assets under management in **Mutual Funds and PEF** reached **3,851 million Euros, representing an increase of 593 million Euros in the last twelve months.** Assets in **SICAVs, FIC AND RCC** have reached **823 million Euros, 10.3% less than in the same period last year as a result of the liquidation of numerous SICAVS.** Pension Funds have reached **3,695 million Euros**, which represents an increase of 14.4% versus the the same period last year.

Assets in **third party Funds** reached **3,197 million Euros, representing an increase of 10.6% in the same period last year, an increase in assets of 307 million Euros.**

The **pace of growth in the number of customers is maintained for a further quarter and our market share is steadily increasing during the yet another period.** The total number of accounts in the proprietary network reached 123,894 versus 117,891 in the same period last year.

To highlight the high volume **in net inflows in the proprietary network** which reached **1.757 million Euros** in the first 9 months of the year.

## Income Statement 2023 (January – September)

Profit and Loss	30/09/2023	30/09/2022	%
<i>Thousand Euros</i>			
Interest and similar income	28,326	5,730	394.3%
Interest expense and similar charges	-10,641	-3,404	212.6%
<b>Net Interest Income</b>	<b>17,685</b>	<b>2,326</b>	<b>660.3%</b>
Return on equity instruments	57	13	338.5%
Profit (loss) of entities accounted for using the equity method	-13	758	-
Fee and commission income	119,497	125,783	-5.0%
Fee and commission expenses	-56,396	-59,295	-4.9%
Gains or losses on financial assets and liabilities (net)	8,252	540	1428.1%
Exchange differences (net)	5,074	9,299	-45.4%
Other operating income	199	235	-15.3%
Other operating expenses	-2,863	-2,014	42.2%
<b>Gross Margin</b>	<b>91,492</b>	<b>77,645</b>	<b>17.8%</b>
Administrative expenses and depreciation:	-56,896	-51,879	9.7%
a) Personnel expenses	-36,763	-31,942	15.1%
b) Other administrative expenses	-20,133	-19,937	1.0%
Depreciation and amortisation	-8,354	-7,454	12.1%
Provision expenses (net)	-59	1,848	-
Impairment losses on financial assets (net)	513	-7	-
<b>Operating Profit</b>	<b>26,696</b>	<b>20,153</b>	<b>32.5%</b>
Loss by deterioration rest of assets (net)			
Gains of susp. assets not clasif. for sale	0	0	-
<b>Profit Before tax</b>	<b>26,696</b>	<b>20,153</b>	<b>32.5%</b>
Tax on profit	-7,175	-4,705	52.5%
<b>Consolidated Profit for the year</b>	<b>19,521</b>	<b>15,448</b>	<b>26.4%</b>
a) Profit attributed to the parent	19,241	15,283	25.9%
b) Profit attributed to minority interests	280	165	69.7%

## Profit and main income and expense items

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Net profit reached **19.5 million Euros**, which represents an **increase of 26.4%** versus 15.4 million Euros achieved in the first nine months of 2022.

During the first nine months of 2023, **Gross Commissions** (Commissions received, income from equity method companies, exchange differences and other operating income) **decreased by 8.3%** versus the same period last year, reaching **124.8 million Euros**.

**Gross brokerage commissions** decreased by **14.2%**, closing the quarter at **45.9 million Euros**.

**Asset Management commissions** amounted to **59.7 million Euros**, 1.1% higher than those recorded in the same period last year.

**Commissions** from **Corporate Services** area have decreased by **1.0%** versus the same period last year, with revenue standing at **14.1 million Euros**.

**Net Commissions** (gross commissions minus paid commissions) plus exchange differences decreased by **11.0%** to **68.4 million Euros** versus 76.8 million Euros achieved during the first nine months of 2022.

The decline in fees and **commissions** was driven by the persistently **low trading volumes** in the markets and the small number of corporate transactions in the period. This decline in net fee and commission income was more than offset by the rise in net interest income due to higher interest rates, which amounted to **17.7 million Euros**, compared to 2.3 million Euros in the same period of the previous year.

**The result from Financial Operations** reached **8.3 million Euros** versus 0.5 million Euros achieved in the same quarter of 2022.

**Gross Margin** during the first nine months of 2023 reached **91.5 million Euros**, **17.8%** higher than in the same period of last year.

On the cost side, **Operating Expenses** (General expenses, Personnel expenses, Other operating expenses and Depreciation and Amortization) amounted **68.1 million Euros**, representing an increase of **11.03%**.

Personnel expenses increased by **15.1%** to stand at **36.8 million Euros**. **General Administrative** expenses rose by **1.0%** to reach **20.1 million Euros** versus 19.9 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 during the previous year.

**Profit from operating activities** amounted **26.7 million Euros**, versus 20.2 million Euro achieved during the third quarter of last year, this represents an increase of 32.5%.

## Income Statement 2023 (July – September)

Profit and Loss	2023 3Q	2022 3Q	%
<i>Thousand Euros</i>			
Interest and similar income	10,220	2,228	358.7%
Interest expense and similar charges	-4932	-629	684.1%
<b>Net Interest Income</b>	<b>5288</b>	<b>1599</b>	<b>230.7%</b>
Return on equity instruments	0	2	-100.00%
Profit (loss) of entities accounted for using the equity method	-8	123	-
Fee and commission income	39,901	38,329	4.1%
Fee and commission expenses	-18,545	-18,018	2.9%
Gains or losses on financial assets and liabilities (net)	1,657	-230	-
Exchange differences (net)	1,864	3,185	-41.5%
Other operating income	7	55	-87.3%
Other operating expenses	-1,021	-845	20.8%
<b>Gross Margin</b>	<b>29,143</b>	<b>24,200</b>	<b>20.4%</b>
Administrative expenses:	-19,111	-17,414	9.7%
a) Personnel expenses	-12,516	-10,762	16.3%
b) Other administrative expenses	-6,595	-6,652	-0.9%
Depreciation and amortisation	-2,865	-2,520	13.7%
Provision expenses (net)	-57	-5	1040%
Impairment losses on financial assets (net)	45	-1,207	-
<b>Operating Profit</b>	<b>7,155</b>	<b>3,054</b>	<b>134.3%</b>
Loss by deterioration rest of assets (net)	0	0	-
Gains of susp. assets not clasif. for sale	0	0	-
<b>Profit Before tax</b>	<b>7,155</b>	<b>3,054</b>	<b>134.3%</b>
Tax on profit	-1,918	-646	196.9%
<b>Consolidated Profit for the year</b>	<b>5,237</b>	<b>2,408</b>	<b>117.5%</b>
a) Profit attributed to the parent	5,145	2,334	120.4%
b) Profit attributed to minority interests	92	74	24.3%



## Income Statement 2023 (July – September)

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Renta 4 Banco throughout the third quarter of 2023 has obtained a **Net Profit of 5.2 million Euros** which represents an **increase of 117.5%** with respect to the 2.4 million Euros achieved in the same period of 2022.

**Gross Commissions** (Commissions received, income from equity method companies and other operating expenses) increased by **3.6%**, reaching **39.9 million Euros**, with respect to the 38.5 million Euros achieved the same period last year.

In terms of **Net Commissions**, **21.4 million Euros** were obtained in the third quarter, **5.1% more** than in the same period last year.

Third quarter **net Interest Margin** amounted **5.3 million Euros** compared to 1.6 million Euros achieved in the same period last year.

In comparative terms, **Gross Margin increased by 20.4% to 29.1 million Euros** in the second quarter, compared to 24.2 million Euros obtained in the same quarter last year.

**Operating Costs** (General Expenses, Personnel Expenses, Other Operating Expenses and Depreciation and Amortization) amounted to **23.0 million Euros**, an increase of 10.7% compared to the third quarter of 2022.

**Quarterly Profit from Operating Activities amounted to 7.2 million Euros, an increase of 134.3%** compared to the same period last year.

## Economic and financial perspective

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**From the point of view of the financial markets, the main novelty in the third quarter has been the confirmation** by the Central Banks of a scenario of **high interest rates for an extended period of time**, the so-called "higher for longer". A scenario which, from the point of view of economic growth, leads us to think of a **gradual slowdown of the economy**, the so-called "soft landing", **and not of scenarios of deep recession or great depression**.

**Stock markets and bond markets are adjusting to this new scenario**, which has resulted in a significant rise in long-term bond rates and a correction of stock markets from July's highs. In our view this adjustment **should result in a revival of corporate transactions and trading volumes** in both primary and secondary markets, volumes that have remained quite modest in the third quarter.



**The environment of decelerating growth with high interest rates continues to present financial institutions with numerous challenges**, in addition to geopolitical uncertainty, further aggravated by the current instability in the Middle East. **The strength of our Balance Sheet**, with high levels of solvency and liquidity, and the top quality of the assets in which it is invested, **places Renta 4 Banco in a privileged position to face these challenges**.

**From the point of view of commercial activity, it continued to develop very satisfactorily in the third quarter**, both in terms of growth in customer assets and in the opening of new accounts, with record levels in both cases, which leads us to believe that the end of the year will be positive, in line with the evolution of the third quarter.

**The good results for the first nine months enabled us to continue with our shareholder remuneration policy**, through an interim dividend of EUR 0.3 per share, while continuing to strengthen shareholders' equity, as a permanent objective of the Bank.

## Consolidated Balance Sheets

ASSETS	30/09/2023	31/12/2022
		<i>Thousand of Euros</i>
1. Cash and balances with central banks	735,378	771,494
2. Financial assets held for trading	46,240	56,665
3. Other financial assets at fair value through profit or loss	-	-
4. Available-for-sale financial assets	487,870	830,553
5. Debt securities	643,854	655,790
6. Held -to-maturity investments	-	-
7. Hedging derivatives	-	-
8. Non-current assets held for sale	-	-
9. Investments	5,024	578
a) Associates	5,024	578
b) Jointly controlled entities	-	-
10. Insurance contracts linked to pensions	-	-
11. Reinsurance assets	-	-
12. Property and equipment:	62,556	61,089
a) For own use	57,624	57,847
b) Investment properties	4,932	3,242
13. Intangible assets:	22,668	22,122
a) Goodwill	15,291	15,291
b) Otro intangible assets	7,377	6,831
14. Tax assets	7,893	10,111
a) Current	-	-
b) Deferred	7,893	10,111
15. Other assets	2,505	1,939
<b>TOTAL ASSETS</b>	<b>2,013,988</b>	<b>2,410,341</b>

## Consolidated Balance Sheets

TOTAL EQUITY AND LIABILITIES	30/09/2023	31/12/2022
		<i>Thousand of euros</i>
<b>TOTAL LIABILITIES</b>	<b>1,872,485</b>	<b>2,292,903</b>
1. Financial liabilities held for trading	577	189
2. Other financial liabilities at fair value through profit or loss	-	-
3. Financial liabilities at amortized cost	1,854,305	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	1,805	2,379
9. Tax liabilities	8,443	6,398
a) Current	7,836	5,791
b) Deferred	607	607
10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)	-	-
11. Other liabilities	7,355	7,392
12. Cash	-	-
<b>EQUITY</b>	<b>141,503</b>	<b>117,438</b>
<b>OWN FUNDS</b>	<b>158,513</b>	<b>140,537</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	112,464	102,830
4. Other equity instruments	-	-
5. Less: Treasury shares	-	486
6. Profit (loss) attributable to the parent	19,241	21,540
7. Less: Dividends and remuneration	-	-10,155
<b>VALUATION ADJUSTMENTS</b>	<b>-18,440</b>	<b>-24,056</b>
1. Available-for-sale financial assets	-15,915	-21,368
2. Cash flow hedges	-	-
3. Hedges in net investments in foreign operations	-	-
4. Exchange differences	-2,525	-2,688
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>140,073</b>	<b>116,481</b>
<b>MINORITY INTERESTS</b>	<b>1,430</b>	<b>957</b>
1. Valuation adjustments	-211	-426
2. Others	1,641	1,383
<b>TOTAL EQUITY AND LIABILITY</b>	<b>2,013,988</b>	<b>2,410,341</b>

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