

2021



RESULTS
FOURTH QUARTER



renta4banco

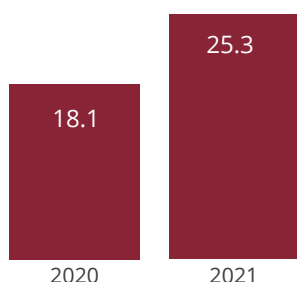
Highlights

Net Profits reached **25.3 million Euros** at the close of 2021 versus 18.1 million Euros achieved in 2020. This represents an increase of **39.7%**. Renta 4 Banco posted in 2021 the best results in its history.

Net Profit for the fourth quarter amounted to **8.3 million Euros**, compared to 7.3 million Euros in the same period of 2020, representing an increase of **13.6%**.

The **"CET1 Fully Loaded" capital ratio** is circa **14.7%**, well above the current regulatory requirement level.

NET PROFIT ATTRIBUTED TO THE GROUP
(2020 Vs 2021)
(million Euros)



Net Profit attributed to the Group: 25.3 million euros

▲ **39.7%** in the same period last year

Net commissions: 108.5 million euros

▲ **26.7%** in the same period last year

Return on Equity (ROE) stood at **21.6%** on invested capital, well above the industry average.

During the period, the operating variables and the levels of activity recorded have continued to evolve at a satisfactory pace. **Net inflows in the proprietary network** amounted to **1,365 million Euros** and the number of clients increased by 12.7% reaching **114,181**.

Total client's assets as of December 31 reached **27,885 million Euros**, an increase of **19.0%** versus the same period last year. The proprietary network accounted for **15,124 million Euros**, this is 2,577 million Euros more than those achieved in the previous year, representing an increase of **20.5%**.

The brisk commercial and business activity has been reflected in the results, with an improvement in margins in all business segments, which has led to **record net commissions of 108.5 million Euros**, which means an **increase of 26.7%** versus the same period last year.

The **Latin American subsidiaries** continue with the trend of growing positive results, with a joint contribution of approximately **9.4% of the consolidated result**.

Highlights

Once the restrictions imposed on the sector for the payment of dividends have been lifted, an **interim dividend of 0.30 euros per share** was paid last December against the results obtained during the first ten months of 2021.

Significant data

Operational Data	4Q 2,021	4Q 2,020	%
Number of Clients Of Proprietary Network	114,181	101,278	12.7%
Total Assets (million Euros)	27,885	23,432	19.0%
Equities	11,474	9,562	20.0%
Investment Funds (proprietary and third party)	7,189	5,830	23.3%
Pension Funds	5,243	4,431	18.3%
SICAVs	1,060	994	6.6%
Others	2,919	2,615	11.6%
Assets Proprietary Network (million Euros)	15,124	12,547	20.5%
Assets Third Party Network (million Euros)	12,761	10,885	17.2%

Financial Indicators (thousand euros)	4Q 2,021	4Q 2,020	%
Net Commissions	108,538	85,652	26.7%
Fee and commission income + Exchange differences	197,751	173,220	14.2%
Fee and commission expenses	-89,213	-87,568	1.9%
Cost of Operation	-81,758	-68,480	19.4%
Activity Margin	26,780	17,172	56.0%
Financial Margin	215	398	-46.0%
Result of Financial Operations	11,146	9,574	16.4%
Ordinary Margin	38,141	27,144	40.5%
Net Profit	25,347	18,046	40.5%
Profit attributed to minority interests	10	-91	-
Profit attributed to the parent	25,337	18,137	39.7%
EPS	0.62	0.45	39.7%

Significant data

Employees (period average)	4Q 2,021	4Q 2,020	%
Employees (period average)	593	541	9.6%
Branch Network (Latam)	294(70)	279(62)	5.4%
Central services	299	262	14.1%
Number of Offices	66	66	0.0%

Share	4Q 2,021	4Q 2,020	%
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	
Share Price (€)	10.1	7.08	42.7%
Capitalisation (€)	411,001,350	288,107,877	42.7%
Number of Shares Issued	40,693,203	40,693,203	

Operating Data

Assets under management and administration at the close of 2021 reached **27,885 million Euros, 4,453 million Euros more** than the previous year, representing **an increase of 19.0%**. The proprietary network accounted for **15,124 million Euros** which means an **increase of 2,577 million Euros over the last twelve months**.

Client **assets under management** (mutual funds, SICAVs and pension funds) amounted to **13,492 million Euros, an increase of 2,237 million Euros** with respect to 2020, representing an **increase of 19.9%**.

Assets under management in **mutual funds** amounted to **3,781 million Euros. In SICAVs 1,060 million Euros and in pension funds 5,243 million Euros**. With respective growth **of 21.3%, 6.6% and 18.3%** over the last twelve months.

Assets invested in **third parties funds** reached **3,408 million Euros, representing an increase of 25.6% over the same period last year**.

The pace of growth in the number of clients has been maintained, **our market share has steadily increased for a further period of time**. The total number of accounts in the proprietary network reached 114,181 versus 101,278 achieved in the same period last year. **Net inflows within the proprietary network**, amounted to **1,365 million Euros** during the period.

Income statement 2021 (January - December)

Profit and Loss	31/12/2021	31/12/2020	%
Interest and similar income	4,839	4,430	9.2%
Interest expense and similar charges	-4,624	-4,032	14.7%
Net Interest Income	215	398	-46.0%
Return on equity instruments	5	89	-94.4%
Profit (loss) of entities accounted for using the equity method	2,276	101	-
Fee and commission income	180,630	161,732	11.7%
Fee and commission expenses	-89,213	-87,568	1.9%
Gains or losses on financial assets and liabilities (net)	11,141	9,485	17.5%
Exchange differences (net)	14,313	11,116	28.8%
Other operating income	532	271	96.3%
Other operating expenses	-3,750	-3,500	7.1%
Gross Margin	116,149	92,124	26.1%
Administrative expenses and depreciation:	-68,558	-56,030	22.4%
a) Personnel expenses	-45,952	-35,756	28.5%
b) Other administrative expenses	-22,606	-20,274	11.5%
Depreciation and amortisation	-9,450	-8,950	5.6%
Provision expenses (net)	-3,574	-225	-
Impairment losses on financial assets (net)	-2,063	-2,900	-28.9%
Operating Profit	32,504	24,019	35.3%
Loss by deterioration rest of assets (net)			
Gains of susp. assets not clasif. for sale	2	0	-
Profit Before tax	32,506	24,019	35.3%
Tax on profit	-7,159	-5,973	19.9%
Consolidated Profit for the year	25,347	18,046	40.5%
Profit attributed to the parent	25,337	18,137	39.7%
Profit attributed to minority interests	10	-91	-

Profit and main income and expenses items

Net Profit attributable to the Group amounted to **25.3 million Euros**, representing an increase of **39.7%** versus 18.1 million Euros achieved in the same period last year.

Gross Commissions (Commissions received, income from equity method companies and other operating income), **increased by 13.2%** versus the same period last year, reaching **183.4 million Euros**.

Gross Commissions have increased in all the different lines of business. **Brokerage commissions** reached **79.6 million Euros, increasing by 3.6%**. **Management Commissions** amounted to **85.9 million Euros, an increase of 21.3%**. **Corporate Services increased by 24.2% to 18.0 million Euros**.

Net Commissions (gross commissions minus paid commissions) plus exchange differences, increased by **26.7% to 108.5 million Euros** versus 85.6 million Euros achieved in the same period last year.

Net interest margin reached **0.2 million Euros**, due to the high level of liquidity held on the balance sheet remunerated at negative interest rates.

The Result from Financial Operations reached 11.1 millions Euros versus to 9.5 million Euros achieved in 2020. This represents an increase of 17.5%.

Gross Margin during the year reached to **116.1 million Euros**, compared to 92.1 million Euros achieved last year. Representing an increase of **26.1%**.

On the cost side, **operating expenses** (General Expenses, Personnel Expenses, Other Operating expenses and Depreciation and Amortization) amounted to **81.8 million Euros**, representing an increase of **19.4%**.

Personnel expenses increased by 28.5% to stand at 46.0 million Euros. General administrative expenses rose by 11.5% to reach 22.6 million Euros, versus 20.3 million Euros in the same period last year.

The allowance for **impairment of financial assets amounted to 2.0 million Euros**.

Profit from operating activities amounted to 32.5 million Euros, versus 24.0 million Euros achieved during the previous year, this represents an increase of **35.3%**.

Fourth Quarter Income Statement 2021 (October – December)

Profit and Loss	4Q 2021	4Q 2020	%
Interest and similar income	1,711	963	77.7%
Interest expense and similar charges	-1,324	-1,026	29.0%
Net Interest Income	387	-63	-
Return on equity instruments	3	0	-
Profit (loss) of entities accounted for using the equity method	2,049	39	5153.8%
Fee and commission income	55,998	46,244	21.1%
Fee and commission expenses	-27,755	-24,666	12.5%
Gains or losses on financial assets and liabilities (net)	3,614	2,993	20.7%
Exchange differences (net)	3,743	2,666	40.4%
Other operating income	93	50	86.0%
Other operating expenses	-858	-871	-1.5%
Gross Margin	37,274	26,392	41.2%
Administrative expenses:	-20,511	-15,488	32.4%
a) Personnel expenses	-14,810	-10,004	48.0%
b) Other administrative expenses	-5,701	-5,484	4.0%
Depreciation and amortisation	-2,414	-2,311	4.5%
Provision expenses (net)	-2,231	343	-
Impairment losses on financial assets (net)	-2,227	688	-
Operating Profit	9,891	9,624	2.8%
Loss by deterioration rest of assets (net)	0	0	-
Gains of susp. assets not clasif. for sale	0	0	-
Profit Before tax	9,891	9,624	2.8%
Tax on profit	-1,583	-2,328	-32.0%
Consolidated Profit for the year	8,308	7,296	13.9%
Profit attributed to the parent	8,300	7,307	13.6%
Profit attributed to minority interests	8	-11	-

Fourth Quarter Income Statement 2021 (October – December)

Renta 4 Banco achieved a **Net Profit of 8.3 million Euros** in the fourth quarter of 2021, compared to 7.3 million Euros reached in the same period of 2020. This represents an increase of **13.6%**.

Gross Commissions for the fourth quarter (Commissions received, income from equity method companies and other operating income) increased by **25.5%** to **58.1 million Euros**, versus 46.3 million Euros achieved in the same period of 2020.

Net Commissions during the quarter increased by **30.9%** to **28.2 million Euros** versus the same period last year.

Net Interest margin during the quarter stood at **0.4 million Euros**. The **result from financial operations** reached **3.6 million Euros** versus 3.0 million Euros achieved in the same period last year. This represents an increase of 20.7%.

Gross Margin increased by 41.2% to 37.3 million Euros, compared to 26.4 million Euros achieved during the same period last year.

Operating Costs (General Expenses, Personnel Expenses, Other Operating Expenses and Depreciation and Amortization) amounted to **23.8 million Euros**, representing an increase of 27.4 % compared to the fourth quarter of 2020.

Operating Activities during the quarter **increased by 2.8%** reaching **10.0 million Euros** versus 9.6 million Euros achieved during the fourth quarter of 2020.

Economic and Financial Outlook

The problems of inflation and supply bottlenecks that had surfaced in the global economy as of September 2021 have been confirmed at the beginning of 2022 and everything indicates that they are due to structural misalignments in basic markets such as energy, raw materials or the labour market, so overcoming them may take longer than initially estimated.

Likewise, the slowdown in the growth rate of the global economy, geopolitical instability and the tightening of monetary policy announced by the US Federal Reserve, contribute to generating a certain instability in the financial markets, causing very rapid and intense adjustments in valuations that even affect sectors as relevant as the technology one

In this environment of heightened uncertainty, and after a very positive 2021, we expect to maintain a good pace of revenue and earnings in 2022. We base this expectation on the growth of client assets, the increase of new accounts and the dynamism of the financial markets as a result of the profound transformation that the economy is undergoing following the pandemic.



We believe that, beyond passing situations, the background scenario of an economy in transformation that will require high and prolonged investments over time, channelled largely through the financial markets, is favourable to Renta 4's positioning as a Bank specialized in investment services, in the three lines of advisory/wealth management, intermediation in the capital markets and corporate finance services to companies.

Likewise, the irruption of blockchain technology and crypto assets in all their variants will lead to a new expansion of investment markets, causing a new stage of innovation and transformation in the financial industry in the medium term.

Economic and Financial Outlook

We see 2022 as a year full of challenges, in a very demanding and extremely competitive industry environment, in which the process of disintermediation of bank balance sheets and the process of adaptation of financial markets to the new post-Covid economy will continue.

To meet these challenges, we have launched a series of initiatives, under the so-called Plan Más, incorporating new investment solutions, new products and services and new lines of business, with the aim of expanding our offer to new customer segments.

In this way, we want to reinforce our positioning as a Bank specialized in investment services, with a broad offering, based on thematic and trend investment, in line with the vision of constructive and impact investment that inspires Renta 4 Banco's actions.

The record earnings obtained in 2021, together with the high level of solvency, liquidity and return on equity, allow us to face the challenge of tackling a stage of expected high growth while maintaining an adequate shareholder remuneration.

Consolidated Balance Sheet

ASSETS	30/09/2021	31/12/2020
<i>Thousand of euros</i>		
1. Cash and balances with central banks	1,194,340	744,174
2. Financial assets held for trading	65,959	55,079
3. Other financial assets at fair value through profit or loss	-	-
4. Available-for-sale financial assets	388,369	580,321
5. Debt securities	466,992	315,846
6. Held -to-maturity investments	-	-
7. Hedging derivatives	-	-
8. Non-current assets held for sale	-	-
9. Investments	2,104	362
a) Associates	2,104	362
b) Jointly controlled entities	-	-
10. Insurance contracts linked to pensions	-	-
11. Reinsurance assets	-	-
12. Property and equipment:	59,060	60,399
a) For own use	55,713	56,944
b) Investment properties	3,347	3,455
13. Intangible assets:	21,065	20,110
a) Goodwill	15,291	15,291
b) Otro intangible assets	5,774	4,819
14. Tax assets	1,332	994
a) Current	81	0
b) Deferred	1,251	994
15. Other assets	2,229	1,850
TOTAL ASSETS	2,201,450	1,779,135

Consolidated Balance Sheet

TOTAL EQUITY AND LIABILITIES	31/12/2021	31/12/2020
<i>Thousand of euros</i>		
TOTAL LIABILITIES	2,071,456	1,657,464
1. Financial liabilities held for trading	41	522
2. Other financial liabilities at fair value through profit or loss	-	-
3. Financial liabilities at amortized cost	2,048,233	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	3,767	313
9. Tax liabilities	8,737	8,020
a) Current	8,023	6,461
b) Deferred	714	1,559
10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)	-	-
11. Other liabilities	10,678	5,158
12. Cash	-	-
EQUITY	129,994	121,671
OWN FUNDS	133,620	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	25,337	18,137
7. Less: Dividends and remuneration	-12,186	0
VALUATION ADJUSTMENTS	-4415	-637
1. Available-for-sale financial assets	-1,356	1,436
2. Cash flow hedges	-	-
3. Hedges in net investments in foreign operations	-	-
4. Exchange differences	-3,059	-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	129,205	120,765
MINORITY INTERESTS	789	906
1. Valuation adjustments	-352	-225
2. Others	1,141	1,131
TOTAL EQUITY AND LIABILITY	2,201,450	1,779,135

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