

2022

RESULTS
FOURTH QUARTER



renta4banco

Highlights

Renta 4 Banco obtained in 2022 a **Net Profit of 21.8 million Euros** versus 25.3 million Euros achieved in 2021. This represents a decrease of 14.1%.

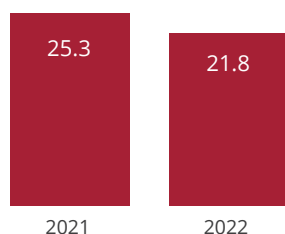
The “**CET1 Fully Loaded**” capital ratio is circa **14.48%**, well above the current regulatory requirement level.

Return on Equity (ROE) amounts to **17.0%**, a return on invested capital well above the industry average.

Net inflows in the proprietary network amounted to **1,808 million Euros**. This represents a **record figure**. The number of clients, increased to 118,542. The above mentioned is **noteworthy** considering the **difficult environment suffered during the period**, in which both equity and bond markets experienced significant declines.

Total client’s assets continued to grow despite the negative valuation effect of world markets. **The volume of client’s assets in the proprietary network increased by 7.8% reaching the figure of 16,299 million Euros**. Total client’s assets, including the third-party network, amounted to **27,905 million Euros**, which represents an **increase of 0.1% over the same period last year**.

NET PROFIT (2021 Vs 2022)
(million euros)



Net inflows in the proprietary network

+1,808Mn€ in 2022

Number of Clients Of Proprietary Network

▲ 3.8% in the same period last year

Despite the positive trend in business activity and growth in terms of inflows, **net commissions** dropped by 9.5%. This has been due **to the fall in brokerage volumes** in all markets worldwide and the significant **decline in corporate transactions**. Nevertheless, the decline in net fee income was partially balanced by the **improvement in net interest income** due to the rise in interest rates.

Net trading income (NTI) and Dividends remained **positive** but fell significantly as a result of the effect on the trading book of the poor performance of bond and equity markets.

Highlights

The Latin American subsidiaries continue to increase business activity, maintaining the trend of the last few quarters of positive results, with a joint contribution that stands at **12.4% of the consolidated result**.

At its meeting held on the 21st of February 2023, the Board of Directors decided to restate the Annual Accounts by reversing the reclassification agreed upon at the meeting held on the 28th of June of 2022, from a debt item with a nominal amount of 310 million Euros from the category "financial assets at fair value through equity" to the category "financial Assets at amortised cost".

On the 21st of February of 2023, the Board of Directors will propose to the Annual General Meeting of Shareholders the approval of a complementary dividend of 0.05 Euros per share. In addition to the interim dividend paid last October, this represents a distribution of 0.30 Euros per share againsts 2022 earnings, while further strengthening the Banks capital.

Significant data

Operational Data	31/12/2022	31/12/2021	%
Number of Clients Of Proprietary Network	118,542	114,181	3.8%
Total Assets (million Euros)	27,905	27,885	0.1%
Equities	12,170	11,474	6.1%
Investment Funds (proprietary and third party)	6,354	7,189	-11.6%
Pension Funds	4,902	5,243	-6.5%
SICAVs	754	1,060	-28.9%
Others	3,725	2,919	27.6%
Assets Proprietary Network (million Euros)	16,299	15,124	7.8%
Assets Third Party Network (million Euros)	11,606	12,761	-9.1%

Financial Indicators (thousand euros)	31/12/2022	31/12/2021	%
Net Commissions	98,250	108,538	-9.5%
Fee and commission income + Exchange differences	181,169	197,751	-8.4%
Fee and commission expenses	-82,919	-89,213	-7.1%
Cost of Operation	-82,785	-81,758	1.3%
Activity Margin	15,465	26,780	-42.3%
Financial Margin	9,094	215	-
Result of Financial Operations	3,066	11,146	-72.5%
Ordinary Margin	27,625	38,141	-27.6%
Net Profit	21,782	25,347	-14.1%
Profit attributed to minority interests	242	10	-
Profit attributed to the parent	21,540	25,337	-15.0%
EPS	0.53	0.62	-15.0%

Significant data

Employees (period average)	31/12/2022	31/12/2021	%
Employees (period average)	633	593	6.7%
Branch Network (Latam)	312(79)	294(70)	6.1%
Central services	321	299	7.4%
Number of Offices	66	66	0.0%

Share	31/12/2022	31/12/2021	%
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	
Share Price (€)	9.56	10.1	-5.3%
Capitalisation (€)	389,027,021	411,001,350	-5.3%
Number of Shares Issued	40,693,203	40,693,203	

Operating Data

Assets under management and administration at the close of 2022 reached **27,905 million Euros**, **20 million Euros** more than the previous year, representing an **increase of 0.1%**. **Assets in the proprietary network** increased by 7.8% to **16,299 million Euros** which means an **increase of 1,175 million Euros**. This increase in the proprietary network is noteworthy in view of the negative impact on valuations due to the negative trend of the different markets.

Client **assets under management** (mutual Funds, SICAVs and pension Funds) stood at **12,010 million Euros**, a **decrease of 1,482 million Euros** with respect to 2021, representing a decrease of **11.0%**, due to the decline in portfolio valuations during the period.

Assets under management in Investment **Funds** amounted to **3,379 million Euros**. In **SICAVs 754 million Euros** and in **Pension Funds 4,902 million euros**, with respective drops of **10.6%**, **28.9%** and **6.5%** over the last twelve months.

Assets invested in **third Party Funds** reached **2,975 million Euros**, representing a **decrease of 12.7% over the last twelve months**.

The decline in management products due to the negative market valuation effect was fully offset by the increase in assets in Equities, Fixed Income, Private Equity, and Others, which enabled us to maintain a positive balance in the net valuation of customer assets.

For another year **the pace of growth in the number of clients has been maintained and our market share has steadily increased**. The total number of accounts in the proprietary network reached **118,542** versus 114,181 achieved in the same period last year. **Net inflows within the proprietary network** reached the record figure for us of **1,808 million Euros** during the period.

Income Statement 2022 (January - Decembre)

Profit and Loss	31/12/2022	31/12/2021	%
Interest and similar income	12,989	4,839	168.4%
Interest expense and similar charges	-3,895	-4,624	-15.8%
Net Interest Income	9,094	215	-
Return on equity instruments	17	5	-
Profit (loss) of entities accounted for using the equity met-hod	811	2,276	-64.4%
Fee and commission income	170,684	180,630	-5.5%
Fee and commission expenses	-82,919	-89,213	-7.1%
Gains or losses on financial assets and liabilities (net)	3,049	11,141	-72.6%
Exchange differences (net)	9,395	14,313	-34.4%
Other operating income	279	532	-47.6%
Other operating expenses	-2,985	-3,750	-20.4%
Gross Margin	107,425	116,149	-7.5%
Administrative expenses and depreciation:	-69,762	-68,558	1.8%
a) Personnel expenses	-43,727	-45,952	-4.8%
b) Other administrative expenses	-26,035	-22,606	15.2%
Depreciation and amortisation	-10,038	-9,450	6.2%
Provision expenses (net)	1,349	-3,574	-
Impairment losses on financial assets (net)	408	-2,063	-
Operating Profit	29,382	32,504	-9.6%
Loss by deterioration rest of assets (net)			
Gains of susp. assets not clasif. for sale	0	2	-
Profit Before tax	29,382	32,506	-9.6%
Tax on profit	-7,600	-7,159	-6.2%
Consolidated Profit for the year	21,782	25,347	-14.1%
a) Profit attributed to the parent	21,540	25,337	-15.0%
b) Profit attributed to minority interests	242	10	-

Profit and main income and expenses items

Net Profit attributable to the Group amounted to 21.8 million Euros, representing a **decrease of 14.1%** versus 25.3 million Euros achieved in the same period last year.

During 2022, **Gross Commissions** (Commissions received, income from equity method companies and other operating income), **decreased by 6.4%** versus the same period last year, reaching **171.8 million Euros**. The drop in commissions is due to the low trading volumes in different markets worldwide and the negative valuation effect in assets under management due to the fall in prices.

Brokerage Commissions have decreased by **14.9%**, reaching **67.7 million Euros** by the end of the year.

Management Commissions amounted to **84.9 million Euros**, **1.1%** lower than in the same period last year.

Corporate Service´s Commissions increased by **6.5%**, to **19.1 million Euros**.

Net Commissions (gross commissions minus paid commissions) plus exchange differences, decreased by **9.5%** to **98.3 million Euros** versus 108.5 million Euros achieved in the same period last year.

Interest Margin during the 2022 has reached **9.1 million Euros** versus 0.2 million Euros in the same period last year. This has been possible due to the increase in interest rates thanks to the change in monetary policy that has taken place.

The Result from Financial Operations reached 3.0 million Euros versus to 11.1 million Euros in 2021. The decrease in due to the mark-to-market loss valuation on the trading portfolio held in the balance sheet.

Gross Margin during the year dropped by 7.5% to **107.4 million Euros**.

On the cost side, **Operating expenses** (General Expenses, Personnel Expenses, Other Operating expenses and Depreciation and Amortization) increased to **82.8 million Euros**, representing an increase of **1.3%**.

Personnel expenses decreased by 4.8%, reaching **43.7 million Euros**. **General administrative expenses increased by 15.2%** to **26.0 million Euros** versus 22.6 million Euros in the same period last year.

The allowance for **impairment of financial** assets was **1.3 million Euros**, reversing part of the provisions made in the last year.

Profit from operating activities amounted to **29.4 million Euros** versus 32.5 million Euros achieved during the previous year, this represents a decrease of **9.6%**.

Fourth Quarter Income Statement 2022 (October- December)

Profit and Loss	4Q 2022	4Q 2021	%
Interest and similar income	7,259	1,711	324.3%
Interest expense and similar charges	-491	-1,324	-62.9%
Net Interest Income	6,768	387	-
Return on equity instruments	4	3	33.3%
Profit (loss) of entities accounted for using the equity method	53	2,049	-97.4%
Fee and commission income	44,901	55,998	-19.8%
Fee and commission expenses	-23,624	-27,755	-14.9%
Gains or losses on financial assets and liabilities (net)	2,509	3,614	-30.6%
Exchange differences (net)	96	3,743	-97.4%
Other operating income	44	93	-52.7%
Other operating expenses	-971	-858	13.2%
Gross Margin	29,780	37,274	-20.1%
Administrative expenses:	-17,883	-20,511	-12.8%
a) Personnel expenses	-11,785	-14,810	-20.4%
b) Other administrative expenses	-6,098	-5,701	7.0%
Depreciation and amortisation	-2,584	-2,414	7.0%
Provision expenses (net)	-499	-2,231	-77.6%
Impairment losses on financial assets (net)	415	-2,227	-
Operating Profit	9,229	9,891	-6.7%¹
Loss by deterioration rest of assets (net)	0	0	-
Gains of susp. assets not clasif. for sale	0	0	-
Profit Before tax	9,229	9,891	-6.7%¹
Tax on profit	-2,895	-1,583	82.9%
Consolidated Profit for the year	6,334	8,308	-23.8%
a) Profit attributed to the parent	6,257	8,300	-24.6%
b) Profit attributed to minority interests	77	8	-

Fourth Quarter Income Statement 2022 (October- December)

Renta 4 Banco achieved a **Net Profit of 6.3 million Euros** in the fourth quarter of 2022, compared to 8.3 million Euros reached in the same period of 2021. This represents a decrease of 23.8%.

Gross Commissions for the quarter (Commissions received, income from equity method companies and other operating income) decreased by **22.6% to 45.0 million Euros**, versus 58.1 million Euros achieved last year. The drop in commissions has been motivated by the decline in trading volumes, a decline in the valuation of assets under management and smaller success fees. All the above due to the negative behaviour of world markets during the quarter.

Net Commissions during the quarter amounted to **21.3 million Euros, 24.7% lower** than in the same period last year.

Net Interest margin during the quarter stood at **6.8 million Euros**, versus a margin of 0.4 million Euros achieved in the same quarter of last year.

Gross Margin in the fourth quarter **decreased by 20.1%** standing at **29.8 million Euros**, compared to 37.3 million Euros achieved during the fourth quarter of last year.

Operating Costs (General Expenses, Personnel Expenses, Other operating Expenses and Depreciation and Amortization) amounted to **21.4 million Euros**, representing an increase of 9.9% compared to the fourth quarter of 2021.

Operating Activities during the reached at 9.2 million Euros.

Economic and financial Outlook

We value positively the trend experienced in 2022, especially the increase in client's assets in the proprietary network due to its strong growth during the year. **The strong increase of new clients and new assets supports the goodness of the strategic positioning** and business model, as the only Spanish listed bank specialising in wealth management, capital markets and corporate operations.

We expect to continue the pace of strong growth in client's assets and new accounts openings and to keep a positive development in both traditional and new areas of activities, such as alternative assets, including private equity and corporate transactions. **All of this in a context of markets that we expect will gradually normalize throughout the year**, as investors adapt to the change in the monetary regime.



We therefore have a positive outlook for 2023 based on the client's assets with which we started the year, our commercial activity and new business lines. We expect that this will enable us, yet another year, to maintain a sustained pace in the growth of new clients, assets under management and administration, as well as **solvency and liquidity ratios that comfortably exceed regulatory requirements**.

We also maintain favourable projections for the subsidiaries in Luxembourg, Chile, Peru and Colombia.

We believe that **Renta 4's strategic positioning** as a bank specialising in offering a personal and quality advice to a very wide and diversified range of clients is **even more valuable in this new environment of greater complexity and uncertainty**.

Consolidated Balance Sheets

ASSETS	31/12/2022	31/12/2021
<i>Thousand of euros</i>		
1. Cash and balances with central banks	771,494	1,194,340
2. Financial assets held for trading	56,665	65,959
3. Other financial assets at fair value through profit or loss	-	-
4. Available-for-sale financial assets	830,553	388,369
5. Debt securities	655,790	466,992
6. Held -to-maturity investments	-	-
7. Hedging derivatives	-	-
8. Non-current assets held for sale	-	-
9. Investments	578	2,104
a) Associates	578	2,104
b) Jointly controlled entities	-	-
10. Insurance contracts linked to pensions	-	-
11. Reinsurance assets	-	-
12. Property and equipment:	61,089	59,060
a) For own use	57,847	55,713
b) Investment properties	3,242	3,347
13. Intangible assets:	22,122	21,065
a) Goodwill	15,291	15,291
b) Otro intangible assets	6,831	5,774
14. Tax assets	10,111	1,332
a) Current	-	81
b) Deferred	10,111	1,251
15. Other assets	1,939	2,229
TOTAL ASSETS	2,410,341	2,201,450

Consolidated Balance Sheets

TOTAL EQUITY AND LIABILITIES	31/12/2022	31/12/2021
<i>Thousand of euros</i>		
TOTAL LIABILITIES	2,292,903	2,071,456
1. Financial liabilities held for trading	189	41
2. Other financial liabilities at fair value through profit or loss	-	-
3. Financial liabilities at amortized cost	2,276,545	2,048,233
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	2,379	3,767
9. Tax liabilities	6,398	8,737
a) Current	5,791	8,023
b) Deferred	607	714
10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)	-	-
11. Other liabilities	7,392	10,678
12. Cash	-	-
EQUITY	117,438	129,994
OWN FUNDS	140,537	133,620
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	102,830	94,147
4. Other equity instruments	-	-
5. Less: Treasury shares	486	486
6. Profit (loss) attributable to the parent	21,540	25,337
7. Less: Dividends and remuneration	-10,155	-12,186
VALUATION ADJUSTMENTS	-24,056	-4,415
1. Available-for-sale financial assets	-21,368	-1,356
2. Cash flow hedges	-	-
3. Hedges in net investments in foreign operations	-	-
4. Exchange differences	-2,688	-3,059
5. Non-current assets held for sale	-	-
6. Companies accounted using the equity method	-	-
7. Other valuation adjustments	-	-
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT	116,481	129,205
MINORITY INTERESTS	957	789
1. Valuation adjustments	-426	-352
2. Others	1,383	1,141
TOTAL EQUITY AND LIABILITY	2,410,341	2,201,450

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