

Half Year Results 2013

Highlights

- In the first half of 2013 Renta 4 has achieved a **net profit of 4.78 million Euros**, exceeding the result of the same period of the previous year by 75%.
- The **operating figures and the business itself** have experienced a positive development:

Commission revenue rose by 17.4% gross and 11.0% net compared to June 2012. The **interest margin** ascended to 3.2 million Euros in the first six months of 2013, an increase of 66.2% YoY and the **results of financial operations** rose by 217.7% YoY closing at 2.5 million Euros.

Client assets have reached a level of 7,783 million Euros, in comparison to 6,304 million Euros in the first semester of 2012. The

Net asset inflow stood at 686 million Euros at the end of the first half year of 2012.

At the end of the first semester Renta 4 accounts 286,919 proprietary and third party accounts (+7.4 % higher than in June 2012), again showing the highest level ever in the company's history. **52,575** belong to **clients proprietary** of Renta 4 Banco, an increase of 5% compared to end June 2012.

- The favourable development of all operating figures led to a **gross margin of 25.8 million Euros**. An important increase of 22.5% compared to the first half year of 2012.

Main figures

Operative Numbers	June 13	June 12	%
N° Clients	286,919	267,270	7.4%
<i>Proprietary Network</i>	52,575	50,049	5.0%
<i>Third Party Network</i>	234,344	217,221	7.9%
Total Assets (Euro million)	7,783	6,304	23.5%
<i>Equity</i>	3,992	3,441	16.0%
<i>Investment Funds (proprietary and third party)</i>	1,478	916	61.8%
<i>Pension Funds</i>	1,321	1,074	-8.2%
<i>SICAVs</i>	463	495	-6.5%
<i>Others</i>	463	378	22.5%
Assets Proprietary Network (Euro million)	3,421	2,867	19.3%
Assets Third Party Networks (Euro million)	4,362	3,437	26.9%
Financial Indicators (Euro thousand)			
Commissions earned	37,658	31,781	18.5%
Interest Margin	3,211	1,932	66.2%
Results of Financial operations	2,475	779	217.7%
Operative Cost	19,256	17,545	9.8%
Gross Margin	25,840	21,095	22.5%
Operative Result	6,602	3,795	74.0%
Net Profit	4,781	2,736	74.7%
EPS	0.12	0.07	74.7%
Staff			
Total Staff	332	320	3.6%
<i>Branch Network</i>	182	168	8.3%
<i>Central Services</i>	150	152	-1.3%
N° Offices	58	58	
The Stock			
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	RSVXY
Stock Price (€)	4.63	4.93	-6.09%
Capitalisation (€)	188,409,530	200,617,491	-6.09%
Total number of shares	40.693.203	40.693.203	

Consolidated Profit and Loss Account

	Q2 / 2013	Q2 / 2012	%	30/06/2013	30/06/2012	%
Interest and similar income	2,307	2,061	11.9%	4,773	3,781	26.2%
Interest expense and similar charges	-724	-981	-26.2%	-1,562	-1,849	-15.5%
Net Interest Income	1,583	1,080	46.6%	3,211	1,932	66.2%
Return on equity instruments	140	108	29.6%	140	175	-20.0%
Share of profit (loss) of entities accounted for using the equity method	-274	-124	121.0%	-442	-320	38.1%
Fee and commission income	19,434	16,491	17.8%	37,658	31,781	18.5%
Fee and commission expenses	-8,840	-7,245	22.0%	-17,354	-13,758	26.1%
Gains or losses on financial assets and liabilities (net)	1,309	-216	-706.0%	2,475	779	217.7%
Exchange differences (net)	128	219	-41.6%	460	574	-19.9%
Other operating income	63	136	-53.7%	242	253	-4.3%
Other operating expenses	-312	-168	85.7%	-550	-321	71.3%
Gross Margin	13,231	10,281	28.7%	25,840	21,095	22.5%
Administrative expenses:	-8,840	-8,076	9.5%	-17,240	-15,908	8.4%
a) Personnel expenses	-5,131	-4,664	10.0%	-9,964	-8,810	13.1%
b) Other administrative expenses	-3,709	-3,412	8.7%	-7,276	-7,098	2.5%
Depreciation and amortisation	-742	-678	9.5%	-1,466	-1,316	11.4%
Provision expenses (net)	18	-44	-141.0%	192	0	
Impairment losses on financial assets (net)	-90	361	-124.9%	-724	-76	852.6%
Operating Profit	3,577	1,845	93.9%	6,602	3,795	74.0%
PROFIT (LOSS) BEFORE TAX	3,577	1,845	93.9%	6,602	3,795	74.0%
Tax on profit	-876	-520	68.6%	-1,821	-1,059	72.0%
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	2,701	1,325	103.9%	4,781	2,736	74.7%
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	2,701	1,325	103.9%	4,781	2,736	74.7%
a) Profit (loss) attributed to the parent	2,681	1,116	140.2%	4,718	2,509	88.0%
b) Profit (loss) attributed to minority interests	20	209	-90.4%	63	227	-72.2%

In thousand Euros

Operating Data

The **number of clients increased and net asset inflows rose** in the first half of 2013 to be invested in different asset classes.

At the end of June 2013 the **total assets under management and administration** amounted to 7,783 million Euros (3,421 millions from the proprietary network and 4,362 from third party networks), and growing by 23.5% compared to the figures of 2012. The **net asset inflow** of 686 million Euros corresponds to 72% of the total inflows in 2012.

As of 30th of June 2013 assets **under management in investment funds** stood at 1,478 million Euros. Renta 4 Gestora managed at the end of June 2013 assets of 1,074 million Euros, an **increase of 400 million Euros YoY**. A highlight is the satisfactory development of **Renta 4 Gestora**. Investment funds in the first 6 months of 2013 rose by 42% and widely exceeded the growth of 9.0% of the Spanish fund management sector, based on data by Inverco. Assets managed by Renta 4 through **international third party funds** ascended at the end of the second quarter to 404 million Euros versus 240 million Euros as of end June 2012 (+68.3%).

Regarding the **SICAVS**, Renta 4 Gestora concluded the semester with 463 million Euros, a slightly inferior level than in 2012 (-6.5%) due to the change of legal nature of one SICAV. Once having adjusted for this one off effect, assets rose by 6,4%.

In respect of the assets managed in **Pension Funds** as of end June 2013 Renta 4 accounted for 1,321 million Euros compared to 1,074 million Euros at the end of the same period of last year (+23.0%).

The acquisition of new clients stayed at a satisfactory level. At the end of June the **number of clients** reached 286,919 corresponding to an increase of 7.4% YoY. This number splits up into proprietary clients: 52,575 (+5.0%) and third party clients: 234,344 (+7.9%).

- **Second Quarter 2013 (April-June)**

Net profit in the second quarter reached 2.7 million Euros, compared to 1.3 million Euros in the same period in 2012.

In this quarter **commissions charged**, including exchange rate differences and other products, stand out. A 15.7% rise to 19.4 million Euros was attained, as to 16.7 million Euros in 2012. Net revenues (commissions received minus commissions paid) resulted in an amount of 10.5 million Euros, 10.9% higher than last year.

In terms of **brokerage commissions**, a growth from 10.1 million Euros in 2012 to 10.7 million Euros for the same period in 2013 was recorded. This ascent is attributable to the slightly higher market volumes.

Commissions originating from **Asset Management** closed at 6.0 million Euros. Comparing this figure to the 4.8 million Euros reported in the second quarter of 2012 shows an augmentation by 24.5%. **Corporate Services** showed a substantial improvement, reaching 2.6 million Euros as to 1.5 million Euros in the second quarter of 2012. Thus an accession of 72.3% compared to 2012.

In the second quarter of 2013 the **interest margin** ascended by 46.6% to 1.6 million Euros.

Those positive figures were supported by the **Financial Operations result**. It grew to 1.3 million Euros from -216 thousand Euros last year.

The **operating expenses** of this quarter, including amortization, grew by 9.5% to 9.6 million Euros. **Personnel expenses** were situated at 5.1 million in this quarter, a 10% increase compared to the same quarter last year. **Other general expenses** of administration rose to 3.7 million Euros, hence 8.7% higher than in the same quarter of 2012. Finally, **amortizations** augmented to 0.74 million Euros, by 9.5%.

· 2013 Accumulated (January - June)

Net income in the first half year of 2013 amounts to 4.78 million Euros, by contrast with 2.74 million Euros in 2012 signifying an increase by 74.7%.

In this period the development of the **fee and commission charges** was positive. A growth of 18.5% to a level of 37.7 million Euros was registered. When looking at net figures, excluding commissions paid to third parties, the accretion amounts to 20.6 million Euros, i.e. +11% in relative terms.

The **trading commissions** amounted to 21.1 million Euros at the end of the last semester, maintaining the same level as of 2012. **Asset Management** commissions accounted for 11.8 million Euros compared to 8.1 million Euros in the previous year, hence a growth rate of 45.7%. **Corporate services** generated 4.6 million Euros, up from 2.6 million Euros at the end of the first half year in 2012, a growth of 77%.

Interest margin ascended from 1.9 million Euros in 2012 to 3.2 million Euros for the first semester of 2013.

Result of financial operations more than doubled: 2.5 million Euros were noted compared to 779 thousand Euros in 2012.

Looking at costs, **operating expenses** account for 18.7 million Euros in the first semester of 2013, rising by 8.6% from a previous level of 17.2 million Euros. The company is thus well on track for its announced estimations and undercutting annual costs of 37 million Euros, including amortization.

Personnel expenses experienced a rise of 13.1% to 10 million Euros for the first semester of 2013. **Other general administration expenses** accumulated to 7.3 million Euros and were up by 2.5%, from 7.1 million Euros YoY. Eventually, **amortization** mounted by 11.4% to 1.47 million Euros, versus 1.32 million Euros in 2012.

In terms of **employee numbers**, the development of new business activities and increased business in the Renta 4 network, the workforce increased from 320 last year to 332 employees after the first half of 2013.

Market situation and outlook

High net asset inflows allow us to enter the second half of the year with total assets administered close to eight billion Euros. We are therefore very **confident** concerning the development of profits for the second period.

For the second half of this year we aim at **maintaining the positive trend** for operating, financial and business figures.

Despite a promising outlook, we **remain in a cautious attitude** regarding the situation at the financial markets due to the **persistent high level of debt** and the difficulty of eliminating some fundamental imbalances, both in developed and emerging economies.

Consolidated Balance Sheet (in thousand Euros)

ASSETS		30/06/2013	31/12/2012
1. Cash and balances with central banks	1005	3,071	2,390
2. Financial assets held for trading	1010	1,053	2,363
3. Other financial assets at fair value through profit or loss	1015		
4. Available-for-sale financial assets	1020	222,791	249,163
5. Debt securities	1025	372,282	312,528
6. Held -to-maturity investments	1030		
7. Ajustes a activos financieros por macro-coberturas	1040		
8. Hedging derivatives	1035		
9. Non-current assets held for sale	1080		
10. Investments	1055	2,062	1,892
a) Associates	1056	2,062	1,892
b) Jointly controlled entities	1057		
11. Insurance contracts linked to pensions	1065		
12. Reinsurance assets	1066		
13. Property and equipment:	1045	31,776	31,268
a) For own use	1046	27,878	27,307
b) Investment properties	1047	3,898	3,961
14. Intangible assets:	1050	17,971	17,500
a) Goodwill	1051	16,507	16,106
b) Otro intangible assets	1052	1,464	1,394
15. Tax assets	1060	1,453	1,836
a) Current	1061	899	1,314
b) Deferred	1062	554	522
16. Other assets	1075	1,674	836
TOTAL ASSETS	1100	654,133	619,776
TOTAL EQUITY AND LIABILITIES			
		30/06/2013	31/12/2012
TOTAL LIABILITIES	1166	591,621	560,881
1. Financial liabilities held for trading	1110	279	770
2. Other financial liabilities at fair value through profit or loss	1115		
3. Financial liabilities at amortized cost	1120	587,097	556,393
4. Changes in the fair value of hedged items in portfolio hedges of interest rate risk	1135		
5. Hedging derivatives	1130		
6. Liabilities associated with non-current assets held for sale	1165		
7. Liabilities under insurance contracts	1149		
8. Provisions	1140		250
9. Tax liabilities	1145	3,935	3,145
a) Current	1146	2,611	1,810
b) Deferred	1147	1,324	1,335
10. Fondo de la obra social (only Cajas de Ahorro and Credit Cooperatives)	1150		
11. Other liabilities	1155	310	323
12. Cash	1160		
EQUITY	1195	62,512	58,895
OWN FUNDS	1180	61,836	58,132
1. Capital or endowment fund	1171	18,312	18,312
a) Issued capital	1161	18,312	18,312
b) Less: uncalled capital	1162		
2. Share premium	1172	8,496	8,496
3. Reserves	1173	37,805	35,590
4. Other equity instruments	1177	1,027	1,027
5. Less: Treasury shares	1174	-8,522	-7,506
6. Profit (loss) attributable to the parent	1175	4,718	5,189
7. Less: Dividends and remuneration	1176		-2,976
VALUATION ADJUSTMENTS	1188	-1,146	-1,028
1. Available-for-sale financial assets	1181	-1,179	-1,052
2. Cash flow hedges	1182		
3. Hedges in net investments in foreign operations	1183		
4. Exchange differences	1184	33	24
5. Non-current assets held for sale	1185		
6. Companies accounted using the equity method	1186		
7. Other valuation adjustments	1187		
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT	1189	60,690	57,104
MINORITY INTERESTS	1193	1,822	1,791
1. Valuation adjustments	1191	53	85
2. Others	1192	1,769	1,706
TOTAL EQUITY AND LIABILITY	1200	654,133	619,776

IVO KRATSCHMER | Director Relaciones con Inversores

Tel.: +34 913 848 856 | Fax: +34 913 848 516

ikraetschmer@renta4.es | www.renta4.com

Renta 4 Banco, S.A.
Paseo de la Habana, 74
28036 Madrid | Spain

renta4banco