



RESULTS FIRST QUARTER 2014

Highlights

- Renta 4 reached during the first quarter of 2014 a **net profit** of 3.4 million Euros, exceeding by 65.5% the result from the first quarter of 2013.
- **All operational variables showed a positive development during the first quarter**, special emphasis merits the increment in the commissions proceeding from **Asset Management and Corporate Services**.
- **Net commission income** rose to 12.1 million Euros during the first quarter, an increment of **20.8% YoY** versus the correspondent quarter of 2013. **Gross commissions** stood at 26.5 million Euros as of the end of the quarter compared to 18.2 million Euros at the end of the first quarter of 2013, an increase of 45.7%.
- **Gross Margin** posted an increase of 31.2% during the quarter and summed 16.5 million Euros contrasting with the 12.6 million Euros of the first quarter of 2013
- Client assets under management, administration and custody in Renta 4 ascended to **11.502 billion Euros** as of end the first quarter 2014 exceeding the 7.193 billion Euros reported for the corresponding period of 2013.
- **Net asset inflow** during the quarter closed at 275 million Euros, compared to 300 million Euros reported at the end of Q1 of last year. The **proprietary network** accounted for **227 million Euros** compared to 168 million Euros attracted in the first quarter of 2013.
- Renta 4 Banco proposes to the General Shareholder Assembly on the meeting of 28th of April 2014 the approval of a complementary **dividend of 854,000 Euros** to be distributed proportionally to the paid capital with charge to results. The payment will be made on the 6th of May 2014.

Main numbers

Business Data	March 14	March 13	%
Number of Clients	326,761	278,305	17.4%
<i>Proprietary Network</i>	57,240	51,498	11.1%
<i>Third party Network</i>	269,521	226,807	18.8%
Total Assets	11,502	7,193	59.9%
<i>Stock Markets</i>	6,126	4,072	50.4%
<i>Investment Funds (propriet. and third party)</i>	2,356	1,269	85.7%
<i>Pension Funds</i>	1,832	970	88.9%
<i>SICAVs</i>	543	467	16.3%
<i>Others</i>	645	415	55.4%
Assets Proprietary Network (million Euros)	4,612	3,262	41.4%
Assets Third Party Network (million Euros)	6,890	3,931	75.3%
Financial Magnitudes (Euros thousand)			
Commissions Earned	26,458	18,224	45.7%
Interest Margin	1,599	1,628	-1.8%
Result of Financial Operations	3,082	1,166	164.3%
Cost of Operation	11,847	9,326	27.0%
Gross Margin	16,547	12,609	31.2%
Profit of Operation	4,897	3,025	61.9%
Net Profit	3,443	2,080	65.5%
EPS	0.08	0.05	65.5%
Employees (period average)			
Staff	365	327	11.6%
<i>Branch Network</i>	198	180	10.0%
<i>Central services</i>	167	147	13.6%
N° Offices	60	58	3.4%
The Stock			
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	RSVXY
Market Quote (€)	5.76	4.65	23.9%
Capitalization (€)	234,392,849	189,223,394	23.9%
Number of Shares Issued	40,693,203	40,693,203	

Consolidated Profit and Loss Account

Data in Euro thousand

	ACCUMULATED 31/03/2014	ACCUMULATED 31/03/2013	% variation
Interest and similar income	2,156	2,466	-12.6%
Interest expense and similar charges	-557	-838	-33.5%
Net Interest Income	1,599	1,628	-1.8%
Return on equity instruments	0	0	
Share of profit (loss) of entities accounted for using the equity method	-145	-168	-13.7%
Fee and commission income	26,548	18,224	45.7%
Fee and commission expenses	-14,705	-8,514	72.7%
Gains or losses on financial assets and liabilities (net)	3,082	1,166	164.3%
Exchange differences (net)	379	332	14.2%
Other operating income	70	179	-60.9%
Other operating expenses	-281	-238	18.1%
Gross Margin	16,547	12,609	31.2%
Administrative expenses:	-10,693	-8,400	27.3%
a) Personnel expenses	-6,735	-4,833	39.4%
b) Other administrative expenses	-3,958	-3,567	11.0%
Depreciation and amortisation	-873	-724	20.6%
Provision expenses (net)	0	174	-100.0%
Impairment losses on financial assets (net)	-84	-634	-86.8%
Operating Profit	4,897	3,025	61.9%
PROFIT (LOSS) BEFORE TAX	4,897	3,025	61.9%
Tax on profit	-1,454	-945	53.9%
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	3,443	2,080	65.5%
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	3,443	2,080	65.5%
a) Profit (loss) attributed to the parent	3,378	2,037	65.8%
b) Profit (loss) attributed to minority interests	65	43	51.2%

Operacional Data

During the first quarter of 2014 the main business variables of the company developed favourably, with special highlight on the increase of number of clients and client assets.

The overall amount of **client assets managed and administered** rose as of the end of March 2014 to 11.502 billion Euros, compared to 7.193 billion Euros, 59.9% higher than at the end of March 2013. The **net asset inflow** during the period summed 275 million Euros compared to 300 million Euros registered at end Q1 of 2013. Highlight is on the performance of the **proprietary network** accounting for **227 million Euros** compared to 168 million Euros attracted in the first quarter of 2013.

The **assets managed in Investment Funds** rose, as of 31. March 2014, to 1.853 billion Euros compared to 887 million Euros at the end of the first quarter last year (based upon data from Inverco), rising by 109% YoY. The Investment Funds managed by **Renta 4 Gestora** experienced during the period an increase of 18%, versus a rise of 8.1% in the assets managed by the Spanish fund management industry (data by Inverco). Taking into account the funds of **Renta 4 Gestora and the third party funds** Renta 4 uses for its fund of funds portfolios, Renta 4 accounted for 2.356 billion Euros as of the end of March 2014 contrasting with 1.269 billion Euros at the end of the first quarter of 2013.

In respect of **SICAVs**, Renta 4 managed 543 million Euros as of the end of the quarter and exceeded the 467 million Euros accounted at the end of March 2013; rising by 16.3% YoY and corresponding to a market quota of 1.8%.

Pension Funds managed by Renta 4 stood at 1.832 billion Euros versus 970 million Euros of at the end of the same period last year (+88.9% YoY).

The increase of new clients stayed at satisfactory levels. The **overall number of client accounts** at the end of March 2014 stood at 326,761 compared to 278,305 the year before; a growth of 17.4% YoY. **57,240 accounts (+11.1%) belong to the proprietary network** and 269,521 to the third party network (+18.8 %).

Income

- Accumulated 2014 (January-March)

“Commissions earned” grew by 45.7%, posting 26.5 million Euros compared to 18.2 million Euros YoY. Adding to the **commissions earned the amount of financial operations** - being mainly driven by fixed income transactions – a result of **29.6 million Euros** is reported, increasing by 52.8% YoY. Net commissions rose in the period by 20.8%, reaching 12.1 million Euros. **Commissions paid-out** rose by 72.7% reaching 14.7 million Euros versus 8.5 million Euros and included commissions originated in fixed income operations of the proprietary account.

Gross commissions originated by **“Asset Management”** ascended to **8.5** million Euros compared to 5.8 million Euros of the same period of last year, an **increase in this business line of 46.0% YoY**. The commissions coming from the area of **corporate services** closed at 2.5 million Euros compared to 2.0 million Euros at the end of the first quarter 2013 (+25.0%).

Interest income posted 1.6 million Euros and slightly decreased compared to Q1 of 2013 due to the general slump of interest rates.

Results from financial operations and dividends ascended to **3.082 million Euros** and exceeding the 1.166 million Euros of the first quarter of 2013, rising by 164.3% YoY. As stated before, in this section the margin of fixed income transactions is included.

The **“Consolidated Profit of the period”** of the first quarter of 2014 totalled 3.4 million Euros compared to 2.1 million Euros at the end of the first quarter last year **incrementing by 65.5%**.

Cost

- Accumulated 2014 (January-March)

The “**Cost of operation**” as of end March 2014 reached 10.7 million Euros, an increment of 27.3% compared to the first quarter of 2013 when it stood at 8.4 million Euros.

By lines, “**Personnel expenses**” rose during the quarter by 39.4% reaching 6.7 million Euros. This increase is mainly motivated by additional personnel in client servicing, both in the branches and the Head Office as well as in Latin America. Further on, and in the light of the development of company results provisions for bonus payments were increased. Renta 4 Staff during the period increased from 327 employees one year ago to 365 employees on average of the first quarter 2014.

“**General expenses**” registered in the period an increase of 11.0% and stood at 3.9 million Euros compared to 3.6 million Euros the year before.

Finally, “**Amortizations**” rose compared to Q1 of 2013 by 20.6%, and reached 873 thousand Euros.

Market situation and outlook

The **financial environment** continued being **very favourable during Q1 of 2014**, with high levels of liquidity in the markets and very low interest rates in all segments as a consequence of the goal of the mayor Central Banks to maintaining key refinancing rates in near zero level during a longer period of time.

Notwithstanding, **financial markets experiences mayor volatility** as a consequence of the problems of some emerging economies, the growth slowdown in China and the political instability in Ukraine. But and having said that, **the main equity indices in general terms still trade at high levels** and **companies as well as the treasuries are able to finance themselves** in the securitisation markets **with ease** and at very reasonable financial cost.

In this environment and with respect to Renta 4 Banco, the elevated level of assets under administration and custody (11.5 billion Euros) at the end of the first quarter of the year allow us to think in a continued positive development during the coming quarters.

CONSOLIDATED BALANCE SHEET

ASSETS	31/03/2014	31/12/2013
1. Cash and balances with central banks	4,055	3,076
2. Financial assets held for trading	1,528	1,037
3. Other financial assets at fair value through profit or loss		
4. Available-for-sale financial assets	611,759	401,834
5. Debt securities	408,221	443,426
6. Held -to-maturity investments		
7. Ajustes a activos financieros por macro-coberturas		
8. Hedging derivatives		
9. Non-current assets held for sale		
10. Investments	2,439	3,202
a) Associates	2,439	3,202
b) Jointly controlled entities		
11. Insurance contracts linked to pensions		
12. Reinsurance assets		
13. Property and equipment:	33,223	32,372
a) For own use	29,241	28,360
b) Investment properties	3,982	4,012
14. Intangible assets:	18,055	17,447
a) Goodwill	15,460	15,460
b) Otro intangible assets	2,595	1,987
15. Tax assets	1,214	1,576
a) Current	1,170	1,314
b) Deferred	1214	1519
16. Other assets	2161	729
TOTAL ASSETS	1,082,655	904,699

TOTAL EQUITY AND LIABILITIES	31/03/2014	31/12/2013
TOTAL LIABILITIES	1,008,367	830,356
1. Financial liabilities held for trading	372	372
2. Other financial liabilities at fair value through profit or loss		
3. Financial liabilities at amortized cost	1,000,584	825,429
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	207	207
9. Tax liabilities	5,573	3,660
a) Current	3,917	2,253
b) Deferred	1,656	1,407
10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)		
11. Other liabilities	1,631	688
12. Cash		
EQUITY	74,288	74,343
OWN FUNDS	72,666	74,025
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	45,832	37,520
4. Other equity instruments	1,027	1,027
5. Less: Treasury shares	-4,379	-488
6. Profit (loss) attributable to the parent	3,378	11,099
7. Less: Dividends and remuneration		-1,941
VALUATION ADJUSTMENTS	245	-993
1. Available-for-sale financial assets	481	-809
2. Cash flow hedges		
3. Hedges in net investments in foreign operations		
4. Exchange differences	-236	-184
5. Non-current assets held for sale		
6. Companies accounted using the equity method		
7. Other valuation adjustments		
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT	72,911	73,032
MINORITY INTERSTS	1,377	1,311
1. Valuation adjustments	93	88
2. Others	1,284	1,223
TOTAL EQUITY AND LIABILITY	1,082,655	904,699

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