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Second Quarter  
**RESULTS**

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**2015**

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## Highlights

In the first semester of 2015 Renta 4 has reached a Net Profit attributed to the Group of **7.6<sup>1</sup> million Euros**, up 4.6% from the one obtained in the first semester of 2014. On a consolidated basis, net profit was up 3.3% compared to the one achieved in the first semester of 2014.

As from the 11 of June 2015, the CNMV, has named Renta 4 Gestora as temporary manager of the investment funds that up to the date were managed by Banco Madrid Gestion de Activos S.G.I.I.C., being the 24 of June 2015 the effective date of management. The assets temporarily under management reached the amount of 3,064 million Euros at 30 June 2015.

During the first semester 2015 all **business and operational areas** were positive:

- ▶ **Assets under management and custody** reached 14,945 million, an increase of 19.5% over the same period in 2014. Taking into account the temporary assets under management from Banco Madrid, total assets under management and custody have reached 18,009 million Euros at the close of the first semester 2015.
- ▶ **Assets within the proprietary network** reached 6,642 million Euros against 5,052 million Euros in the first semester 2014 which represents an increase of 31.5%. The number of accounts has reached 62,761. The clients within the proprietary network generated 85% of net commission income during the period.
- ▶ From this point of view, it is worth noting the increase in assets in the proprietary network which has been of an increase of 31.5% over the same period in 2014 and the net inflows from the proprietary network, which in the period has been of 624 million Euros, up 36.8% from the same period last year.
- ▶ The **assets derived from clients under management** (Investment Funds, Sicavs and Pension Funds) as of 30 June 2015 reached **6,560 million Euros, up by 26.7%** over the same period last year. Taking into account the 3,064 million Euros from Banco Madrid total assets reach 9,624 million Euros at the end of the first semester 2015.
- ▶ **Gross Commission Income during the first semester 2015** increased by 14.7% to 58.9 million Euros. **Net commissions** increased by 23.9% reaching a total of 29.9 million Euros.

### Assets

 **14.94** billion Euros

### Asset management commissions

 **32.7%** Increase

▶ **Asset management commissions during the first semester 2015** reached 23.4 million Euros vs. 17.6 million in 2014, **an increase of 32.7%**. Assets from Banco Madrid have not contributed to such an increase of commissions in this division since it was not until the last days of the month of June 2015 that effective control over those assets was achieved.

▶ The positive growth in commissions has been able to compensate the drop in financial margin and the result of financial operations. Both have been negatively influenced due to the low environment in interest rates, nearing zero and even sometimes negative during the first semester 2015.

Again **during the first semester 2015**, the positive growth in clients assets and commissions has meant that results from operating activities was up 5.4% from the same period in 2014 reaching a total of 11 million Euros. This result has been achieved in spite of a 42.9% drop in the financial margin and a drop of 70.1% in financial operations. Both drops are due to the near zero and even negative interest rates during the first semester 2015.

**Return on Equity (ROE)** stands at 19% substantially higher than the sector average.

The **capital ratio under "Basel III"** criteria stands around 14.26%, comfortably above regulatory requirements.





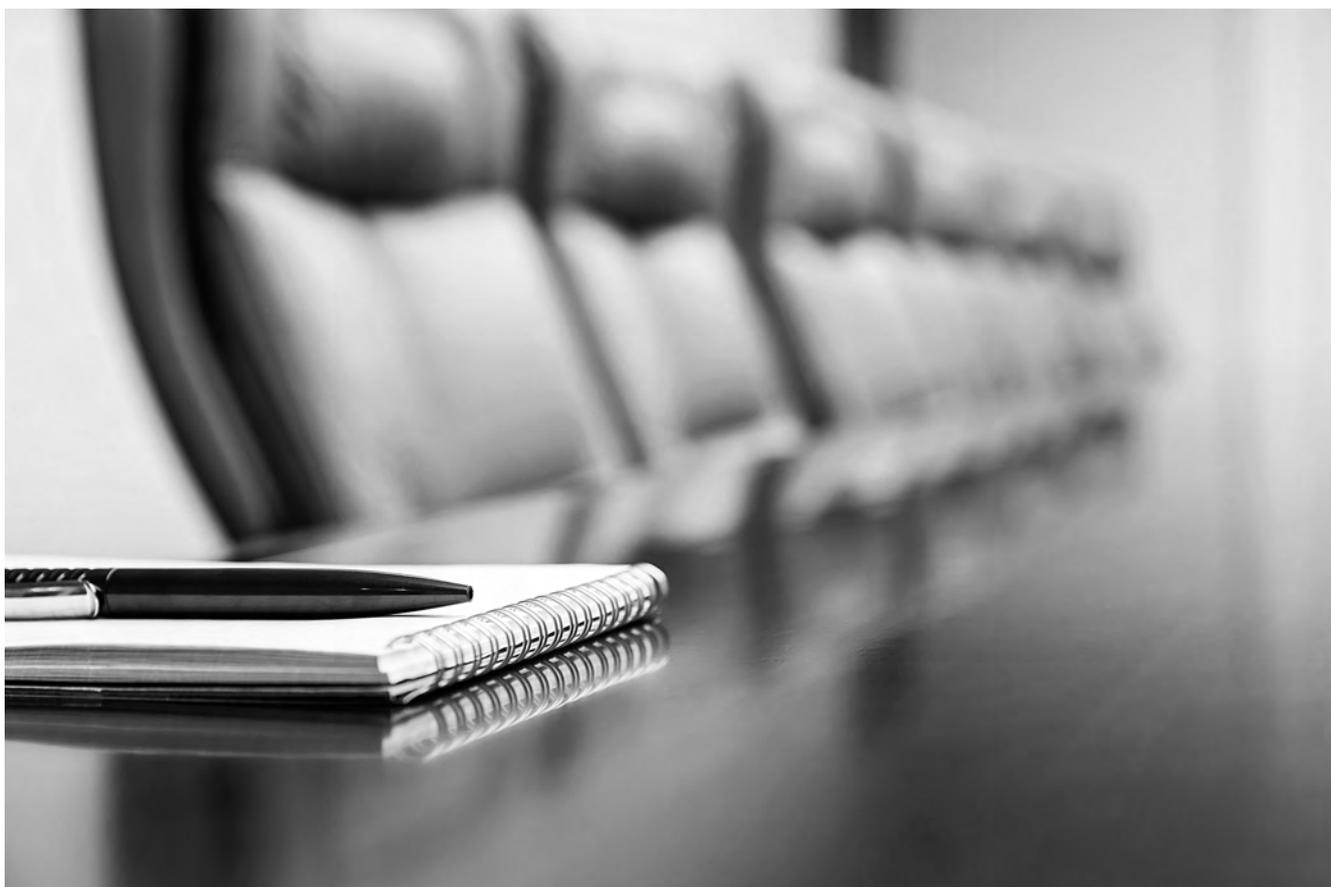
OPERATIONAL DATA	2015 1.S	2014 1.S	%
<b>Number of Clients</b>	<b>370,838</b>	<b>336,693</b>	<b>10.1%</b>
Of Proprietary Network	62,761	59,645	5.2%
Of Third Party Network	308,077	277,048	11.2%
<b>Total Assets Temporary of Banco Madrid (million Euros)</b>	<b>3,064</b>		
<b>Total Assets (million Euros)</b>	<b>14,945</b>	<b>12,508</b>	<b>19.5%</b>
Equities	7,316	6,669	9.7%
Investment Funds (proprietary and third party)	3,501	2,703	29.5%
Pension Funds	2,355	1,889	24.7%
SICAVs	704	585	20.3%
Others	1,069	662	61.5%
<b>Assets Proprietary Network (million Euros)</b>	<b>6,642</b>	<b>5,052</b>	<b>31.5%</b>
<b>Assets Third Party Network (million Euros)</b>	<b>8,303</b>	<b>7,456</b>	<b>11.4%</b>
<b>Total Assets Temporary of Banco Madrid (million Euros)</b>	<b>3,064</b>		

FINANCIAL INDICATORS	2015 1.S	2014 1.S	%
<i>Thousand euros</i>			
<b>Commissions Received</b>	<b>58,911</b>	<b>51,369</b>	<b>14.7%</b>
Financial Margin	1,770	3,099	(42.9%)
Result of Financial Operations	1,516	5,068	(70.1%)
<b>Cost of Operation</b>	<b>22,577</b>	<b>22,186</b>	<b>1.8%</b>
Profit from Operating Activities	11,036	10,466	5.4%
<b>Net Profit</b>	<b>7,639</b>	<b>7,396</b>	<b>3.3%</b>
<b>EPS</b>	<b>0,19</b>	<b>0,18</b>	<b>3.3%</b>



EMPLOYEES (PERIOD AVERAGE)	2015 1.5	2014 1.5	%
Employees (period average)	397	373	6.4%
Branch Network (Latam)	220 (29)	202 (22)	8.9%
Central services	177	171	3.5%
Number of Offices	62	61	1.6%

SHARE	2015 1.5	2014 1.5	%
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	
Share Price (€)	6.05	5.8	4.3%
Capitalisation (€)	246,193,878	236,020,577	4.3%
Number of Shares Issued	40,693,203	40,693,203	





Total client assets under management and administration reached 14,945 million Euros during the first semester 2015. The proprietary network accounts for 6,642 million Euros and the third party network accounts for 8,303 million euros. In percentage terms assets have increased by 19.5% in the last twelve months and 10.6% in the first semester 2015.

Taking into account the temporary assets under management from Banco Madrid, total assets under management and custody have reached 18,009 million Euros at the close of the first semester 2015.

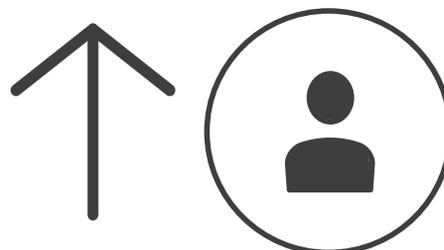
The assets derived from clients under management (Investment Funds, Sicavs and Pension Funds) as of 30 June 2015 reached 6,560 million Euros, up by 26.7% v 5,177 million Euros in June 2014 and v 5,862 million Euros in December 2014(+11.9%). Taking into account the 3,064 million Euros from Banco Madrid total assets reach 9,624 million Euros at the end of the first semester 2015.

It is especially noteworthy the increase in the volume of assets in the Investment Funds managed and sold by Renta 4 (Renta 4 Asset Management and other third party funds, without taking into account those coming from Banco Madrid). These assets have increased by 29.5% reaching 3,501 million Euros at the end of the first semester 2015 v 2,703 million Euros during the same period in 2014.

It is again noteworthy the assets in investment funds at Renta 4 Gestora which have reached 2,507 million euros. This means an increase of 4.6% in the first semester 2105 and of 18.6% over the same period last year. If we take into account the temporarily managed assets coming from Banco Madrid, total assets under management reach 5,571 million euros at the end of June 2015.

Client assets invested in third party funds has increased by 68.5% totalling 994 million Euros in the last twelve months.

#### Proprietary network clients



# 62,761

Regarding SICAVS under management assets have increased by 11.6% to a total of 704 million Euros during the first semester 2015 and by 20.3% since June 2014.

Meanwhile during the first semester 2015, Pension Funds assets under management have reached 2,355 million euros, up 24.7% from the same period last year. According to VDOS, Renta 4 Pensiones is the manager that has achieved the best weighted average profitability in assets under management. The second Pension Fund manager in Spain that has achieved the largest net inflows in assets. It currently ranks in sixth position in the category of Individual Pension Funds.

During the first semester 2015 net asset inflows from the proprietary network has totalled 624 million Euros v 456 million in June 2014. This represents an increase of 36.8%. Net assets inflow from the third party network reached 63 million Euros.

New clients have continued to increase during the first semester 2015. At the close of June 2015 total clients reach 370,838 v 336,693 at the end of 2014. The number of clients is up 10.1%. The proprietary network is up by 5.2% totalling 62,761 clients. The third party network is up 11.2% v June 2014 totalling 308,077 clients.





## First Semester Results 2015

**PROFIT AND LOSS**

2015 1.5

2014 1.5

%

Thousand of euros

Interest and similar income	2,278	4,174	-45.4%
Interest expense and similar charges	-508	-1,075	-52.7%
<b>NET INTEREST INCOME</b>	<b>1,770</b>	<b>3,099</b>	<b>-42.9%</b>
Return on equity instruments	4	80	-95.0%
Profit (loss) of entities accounted for using the equity method	-434	-315	37.8%
Fee and commission income	58,911	51,369	14.7%
Fee and commission expenses	-28,975	-27,203	6.5%
Gains or losses on financial assets and liabilities (net)	1,516	5,068	-70.1%
Exchange differences (net)	749	791	-5.3%
Other operating income	271	153	77.1%
Other operating expenses	-150	-65	130.8%
<b>GROSS MARGIN</b>	<b>33,662</b>	<b>32,977</b>	<b>2.1%</b>
Administrative expenses:	-20,319	-20,297	0.1%
a) Personnel expenses	-11,652	-12,250	-4.9%
b) Other administrative expenses	-8,667	-8,047	7.7%
Depreciation and amortisation	-2,108	-1,824	15.6%
Provision expenses (net)			
Impairment losses on financial assets (net)	-199	-390	-49%
<b>OPERATING PROFIT</b>	<b>11,036</b>	<b>10,466</b>	<b>5.4%</b>
Loss by deterioration rest of assets (net)			
Gains of susp. assets not clasif. for sale			
<b>PROFIT BEFORE TAX</b>	<b>11,036</b>	<b>10,466</b>	<b>5.4%</b>
Tax on profit	-3,397	-3,070	10.7%
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>7,639</b>	<b>7,396</b>	<b>3.3%</b>
a) Profit attributed to the parent	7,638	7,300	4.6%
b) Profit attributed to minority interests	1	96	-99.0%



Renta 4 has reached during the first semester 2015 a net profit of 7.6 million euros, up 3.3% from the first semester 2014.

**Net Profit attributed** to the Group in the first semester 2015 has increased by 4.6% totalling 7.6 million Euros over the same period last year.

**Gross Commissions** (commissions received plus company results based on participation method and other products from operations) have increased during the second quarter 2015 by 14.7% totalling 58.748 thousand Euros v 51.207 thousand Euros in the second quarter 2014.

In this chapter it is noteworthy the amount of gross commissions generated by the asset management division. They were up 32.7% totalling 23.391 thousand Euros during the period v 17.627 thousand Euros in the same period 2014. This has been possible due to the substantial asset growth during the quarter.

With respect to the amount of gross commissions generated in the securities trading division, these have increased by 7.1% totalling 30.792 thousand Euros during the second quarter 2015 v the 28.752 thousand achieved in the same period 2014. Securities trading in international equities has increased by 11.7%.

**Corporate services commissions** have dropped by 5.4% totalling 4.565 thousand Euros during the second quarter 2015 v 4.828 thousand Euros generated in the same period 2014.

In terms of net commissions (gross commissions minus paid commissions) these were up 24% totalling 29.773 thousand Euros during the second quarter 2015 v 24.004 thousand in the same period 2014.

**Financial margin** during the second quarter 2015 has dropped by 42.9% totalling 1.770 thousand Euros v 3.099 thousand Euros in the same period last year. This drop has been caused to the additional decline in interest rates which have placed themselves near zero and even in negative yields in some paper in the Euro zone.

The result of financial operations during the first semester 2015 has suffered a significant drop of 70.1% totalling 1.516 thousand Euros v 5.068 thousand Euros in the first semester 2014. The main reason for this drop has been the contraction of activity in fixed income markets as a consequence of the mentioned in the above paragraph, low interest rates.

The strong growth in commissions has offset in the accounts the intense drop in interest rates already mentioned in the above paragraph.

**On the costs side**, operation costs in the first semester 2015 (general costs, staff costs, other operational costs and amortization) have totalled 22.577 thousand euros, which means an increase of 1.8% v the 22.186 thousand Euros of the first semester 2014.

It is noteworthy during the first semester 2015 the reduction in staff costs, 598 thousand euros. It is a drop of 4.9% due to the variable component of wages paid over the same period last year.

**General administrative** costs during the first semester 2015 have increased by 7.7% totalling 8.667 thousand Euros v 8.047 thousand Euros in the first semester 2014.

**Amortization costs during the first semester 2015** have increased by 15.6% totalling 2.108 thousand Euros v the first semester 2014.



Regarding the average number of staff during the first semester 2015, the increase in activity and the strong increase in volume has been translated in an increase in the number staff of 6.4% thus reaching a total number of 397 staff v 373 in the same period last year. The branch network increased its staff with 18 new employees reaching a total of 220 v 202 in the first semester 2014, an increase of 8.9%.

## Second Quarter Results 2015

### PROFIT AND LOSS

2015 2.Q

2014 2.Q

%

Thousand of euros

Interest and similar income	970	2,018	-51.9%
Interest expense and similar charges	-225	-518	-56.6%
<b>NET INTEREST INCOME</b>	<b>745</b>	<b>1,500</b>	<b>-50.3%</b>
Return on equity instruments	4	80	-95.0%
Profit (loss) of entities accounted for using the equity method	-242	-170	42.4%
Fee and commission income	28,497	24,821	14.8%
Fee and commission expenses	-13,308	-12,498	6.5%
Gains or losses on financial assets and liabilities (net)	912	1,986	-54.1%
Exchange differences (net)	513	412	24.5%
Other operating income	199	83	139.8%
Other operating expenses	5	216	-97.7%
<b>GROSS MARGIN</b>	<b>17,325</b>	<b>16,430</b>	<b>5.4%</b>
Administrative expenses:	-10,343	-9,604	7.7%
a) Personnel expenses	-5,817	-5,515	5.5%
b) Other administrative expenses	-4,526	-4,089	10.7%
Depreciation and amortisation	-1,076	-951	13.1%
Provision expenses (net)	0	0	
Impairment losses on financial assets (net)	-248	-306	
<b>OPERATING PROFIT</b>	<b>5,658</b>	<b>5,569</b>	<b>1.6%</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>5,658</b>	<b>5,569</b>	<b>1.6%</b>
Tax on profit	-1,727	-1,616	6.9%
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>3,931</b>	<b>3,953</b>	<b>-0.6%</b>
a) Profit attributed to the parent	3,930	3,922	0.2%
b) Profit attributed to minority interests	1	31	-96.8%



**Renta 4 has reached in the second quarter 2015** a net profit of 3.9 million Euros thus achieving a similar result to that of the second quarter 2014.

**Net profit attributed to the Group** has reached 3.9 million Euros which means an increase of 0.2% v the same period last year.

**Gross Commissions** (commissions received and company results based on participation method plus other products of operations) have increased during the second quarter by 15% reaching a total of 28.454 thousand Euros v 24.734 thousand Euros in the second quarter 2014.

In this chapter it is noteworthy the increase in gross commissions corresponding to the asset management division which were up 32.4% during the second quarter 2015 totalling 12.115 thousand Euros v 9.151 in the second quarter 2014. In this division the positive trend of the past years is maintained.

With **respect to gross commissions in the area of securities trading**, these have increased by 5.7% closing the quarter at 14.057 thousand Euros v 13.296 thousand Euros in the second quarter of 2014.

**Corporate services commissions** have reached 2.282 thousand Euros during the second quarter 2105 v 2.287 thousand Euros in the second quarter 2014, a drop of 0.2%.

**In terms of net commissions** (gross commissions minus paid commissions) these were up 23.8% reaching the amount of 15.146 thousand Euros v 12.236 thousand Euros in the second quarter 2014.

**Financial margin during the second quarter 2015** has reached 745 thousand Euros v 1.5 thousand Euros in the same period last year. This means a 50.3% drop.

The result of financial operations during the second quarter 2015 has dropped by 54.1% totalling 912 thousand Euros v 1.986 thousand Euros in the second quarter 2014.

The drop in the revenue from financial operations and interest margin has been due to the low levels of interest rates during the period. This revenue has been offset by the increase in commissions generated which in turn has allowed gross margin for the period to reach a total of 17.3 million Euros. This means an increase of 5.4% over the same period last year.

**On the costs side**, administrative costs during the second quarter 2015 (general costs and staff costs) have reached 10.343 thousand Euros v 9.604 thousand Euros during the second quarter 2105. An increase of 7.7%.





The **business outlook** for the second semester 2015 remains positive due to the satisfactory evolution maintained during the **first semester 2015 by the growth in client assets administered by Renta 4** and in particular, assets under management.

**Our forecast**, based upon the data that is available to us, is that with a high degree of certainty the net inflow of client assets from our proprietary network will continue at a good pace during the second semester 2015. To this, one must add the positive impact of having assumed temporarily the management at the end of the month of June of the investment funds from Banco Madrid Gestion de Activos (BMGA).



Consequently we estimate that revenues from commissions will reflect a positive behaviour in the second semester 2015.

Regarding the financial margin and the result from financial operation we expect that interest rates, although still remaining at low levels, will tend to rise moderately in the coming months, favouring in this way a bettering in our financial margin and results from financial operations.

Proceedings have been made with the supervising authorities of Colombia in order to constitute a Fiduciary company, maintaining as well the Representative office that Renta 4 currently has in that country. The new licence will allow Renta 4 to develop an ample activity in the area of asset management and investment funds, together with completing our activity in capital markets with the aim of becoming the reference as a European operator in the MILA market.

Renta 4 trusts, that with all the above mentioned, in improving in the following quarters the profit, return on capital (roe), dividend and payout to shareholders.





ASSETS	30/06/2015	31/12/2014
<i>Thousand of euros</i>		
1. Cash and balances with central banks	7,436	3,729
2. Financial assets held for trading	1,197	1,764
3. Other financial assets at fair value through profit or loss		
4. Available-for-sale financial assets	709,103	626,628
5. Debt securities	509,135	797,884
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	5,417	5,880
a) Associates	5,417	5,880
b) Jointly controlled entities		
11. Insurance contracts linked to pensions		
12. Reinsurance assets		
13. Property and equipment:	37,890	35,171
a) For own use	33,742	30,958
b) Investment properties	4,148	4,213
14. Intangible assets:	17,908	17,861
a) Goodwill	15,420	15,420
b) Otro intangible assets	2,488	2,441
15. Tax assets	2,195	2,092
a) Current	10	
b) Deferred	2,185	2,092
16. Other assets	1,369	826
<b>TOTAL ASSETS</b>	<b>1,291,650</b>	<b>1,491,835</b>



## TOTAL EQUITY AND LIABILITIES

30/06/2015

31/12/2014

Thousand of euros

<b>TOTAL LIABILITIES</b>	<b>1,21,687</b>	<b>1,410,957</b>
1. Financial liabilities held for trading	36	360
2. Other financial liabilities at fair value through profit or loss		
3. Financial liabilities at amortized cost	1,203,927	1,404,287
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		130
9. Tax liabilities	6,856	4,162
a) Current	5,368	2,674
b) Deferred	1,488	1,488
10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)		
11. Other liabilities	868	2,018
12. Cash		
<b>EQUITY</b>	<b>79,963</b>	<b>80,878</b>
<b>OWN FUNDS</b>	<b>80,219</b>	<b>79,630</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	47,769	44,269
4. Other equity instruments	0	142
5. Less: Treasury shares	-1,996	-2,400
6. Profit (loss) attributable to the parent	7,638	13,369
7. Less: Dividends and remuneration	0	-2,558
<b>VALUATION ADJUSTMENTS</b>	<b>-303</b>	<b>-304</b>
1. Available-for-sale financial assets	-275	-148
2. Cash flow hedges		
3. Hedges in net investments in foreign operations		
4. Exchange differences	-28	-156
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>79,916</b>	<b>79,326</b>
<b>MINORITY INTERESTS</b>	<b>47</b>	<b>1,552</b>
1. Valuation adjustments	0	0
2. Others	47	1,552
<b>TOTAL EQUITY AND LIABILITY</b>	<b>1,291,650</b>	<b>1,491,835</b>



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