

# 2017

FIRST QUARTER  
RESULTS

renta4banco

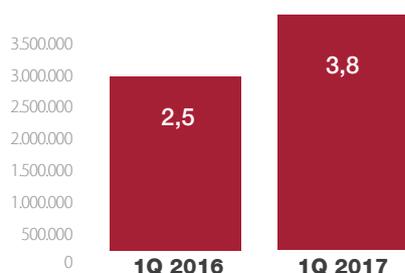
## Highlights

Renta 4 Banco has increased its Net Profit by 51.2% during the first quarter 2017 to 3.8 million Euros versus 2.5 million Euros achieved in the same period last year.

The Bank's Capital Ratio CET1 Fully Loaded stands at 16.6%, comfortably above current regulatory requirements and amongst the highest in our sector.

The Bank's return on equity, ROE, stands at 16.5% again well above the sector average.

**NET PROFIT (1Q 2017 Vs 1Q 2016)**  
(Thousand euros)



**Proprietary network assets: 9,347 millions euros**

▲ **33%** versus same period last year

**Assets under management: 8,323 millions euros**

▲ **24,9%** versus same period last year

During the first quarter the positive trend seen in previous quarters in all business and operating areas has continued. Assets under management have again increased steadily. Net inflows within our proprietary network remain strong.

- ▶ Total client assets at the close of the quarter reached 17,547 million Euros.
- ▶ Assets under our proprietary network have reached 9,347 million Euros. This represents an increase of 33% over the same period last year. Assets under management have reached 8,323 million Euros with an increase of 24.9% over the same period last year.
- ▶ Assets in the proprietary network have increased by 413 million Euros during the first quarter 2017.
- ▶ Net commissions, including exchange differences, have increased by 16.4% to 17.2 million Euros.

At the next AGM to be held on 28 April 2017, the Board of Directors will propose the payment of a final dividend of 0.094 Euros per share which added to the interim dividend of 0.1025 Euros paid last November 2016 sets the dividend yield at current market levels near 3.6%.

## Operating Data

Operating Data	1Q 2017	1Q 2016	%
<b>Number of Clients</b>	<b>449,745</b>	<b>399,808</b>	<b>12.5%</b>
of Proprietary Network	70,401	66,471	5.9%
of Third Party Network	379,344	333,337	13.8%
<b>Total Assets (million Euros)</b>	<b>17,547</b>	<b>13,419</b>	<b>30.8%</b>
Equities	8,198	5,822	40.8%
Investment Funds (proprietary and third party)	4,322	3,403	27.0%
Pension Funds	3,005	2,444	23.0%
SICAVs	996	819	21.6%
Others	1,026	931	10.2%
<b>Assets Proprietary Network (million Euros)</b>	<b>9,347</b>	<b>7,027</b>	<b>33.0%</b>
<b>Assets Third Party Network (million Euros)</b>	<b>8,200</b>	<b>6,392</b>	<b>28.3%</b>
<b>Total Assets Temporary of Banco Madrid (million Euros)</b>	<b>0</b>	<b>933</b>	<b>-</b>

Financial Indicators (thousand euros)	1Q 2017	1Q 2016	%
<i>Thousand of euros</i>			
Fee and commission income	34,030	31,963	6.5%
Fee and commission expenses	-17,858	-17,132	4.2%
Net Commissions Received	16,172	14,831	9.0%
Exchange differences (net)	946	-81	-
Net Commissions Received + Exchange differences	17,222	14,799	16.4%
Financial Margin	721	839	-14.1%
Result of Financial Operations	1,693	951	78.0%
Cost of Operation	14,645	12,839	14.1%
Profit from Operating Activities	5,023	3,725	34.8%
<b>Net Profit</b>	<b>3,790</b>	<b>2,507</b>	<b>51.2%</b>
EPS	0.30	0.34	51.2%

## Operating Data

Employees (period average)	1Q 2017	1Q 2016	%
Employees (period average)	465	434	7.1%
Branch Network (Latam)	245 (46)	225 (31)	8.9%
Central services	220	209	5.3%
Number of Offices	64	63	1.6%

Share	1Q 2017	1Q 2016	%
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	
Share Price (€)	5.87	5.85	0.5%
Market Capitalisation (€)	244,177,303	243,345,353	0.5%
Number of Shares Issued	40,693,203	40,693,203	



## Operating Data

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Assets under management and custody have reached 17,547 million Euros. The proprietary network accounts for 9,347 million Euros and 8,200 million Euros belong to the third party network. The total amount of assets has increased by 30.8% versus the same period last year. Assets have increased by 13.6% since the close of December 2016 hence maintaining a strong rate of growth.

During the first quarter 2017, assets within the proprietary network have increased by 18%. During the last twelve months they have increased by 33%. This translates in an increase of 2,320 million Euros.

**Assets under management during the period (Investment Funds, Sicavs and Pension Funds) reached 8,323 million Euros. This represents an increase of 24.9% over the first quarter 2016.**

Assets in Investment Funds distributed and managed by Renta 4 have reached at the end of the first quarter 4,322 million Euros versus 3,403 million Euros in the same period last year. This represents an increase of 27%

Assets managed by Renta 4 Asset Management have increased by 32.6% to 3,190 million Euros versus the same period last year.

**Assets invested in third party funds distributed by Renta 4 have reached 1,132 million Euros. They have increased by 13.5% during the last twelve months.**

Assets in Sicavs under management during the first quarter 2017 have reached 996 million Euros. This represents an increase of 21.6% over the same period last year

Pension Funds under management have increased by 23% reaching 3,005 million Euros over the same period last year.

Net asset inflows have increased by 648 million Euros during the period. The proprietary network channelled 413 million Euros and the third party network 235 million Euros.

New clients have continued to increase. Total number of clients have reached 449,745. The proprietary network accounts for 70,401 with an increase of 5.9%. The third party network accounts for 379,344 with an increase of 13.8%

## First Quarter (January- March) Consolidated Profit and Loss Account

Thousand of euros

Profit and Loss	31/03/2017	31/03/2016	%
Interest and similar income	881	974	-9.5%
Interest expense and similar charges	-160	-135	18.5%
<b>Net Interest Income</b>	<b>721</b>	<b>839</b>	<b>-14.1%</b>
Return on equity instruments	1	0	-
Profit (loss) of entities accounted for using the equity method	0	0	-
Fee and commission income	34,030	31,963	6.5%
Fee and commission expenses	-17,858	-17,132	4.2%
Gains or losses on financial assets and liabilities (net)	1,693	951	78.0%
Exchange differences (net)	946	-81	-
Other operating income	104	49	112.2%
Other operating expenses	-1,201	-354	239.3%
<b>Gross Margin</b>	<b>18,436</b>	<b>16,235</b>	<b>13.6%</b>
Administrative expenses:	-12,171	-11,310	7.6%
a) Personnel expenses	-7,473	-5,953	25.5%
b) Other administrative expenses	-4,698	-5,357	-12.3%
Depreciation and amortisation	-1,273	-1,175	8.3%
Provision expenses (net)	0	0	-
Impairment losses on financial assets (net)	31	-25	-
<b>Operating Profit</b>	<b>5,023</b>	<b>3,725</b>	<b>34.8%</b>
Loss by deterioration rest of assets (net)	0	0	-
Gains of susp. assets not clasif. for sale	712	0	-
<b>Profit Before tax</b>	<b>5,735</b>	<b>3,725</b>	<b>54.0%</b>
Tax on profit	-1,945	-1,218	59.7%
<b>Consolidated Profit for the year</b>	<b>3,790</b>	<b>2,507</b>	<b>51.2%</b>
a) Profit attributed to the parent	3,842	2,507	53.3%
b) Profit attributed to minority interests	-52		

## First Quarter (January- March) Consolidated Profit and Loss Account

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Net Profit attributed to the Group has reached 3.8 million Euros during the first quarter 2016. This represents an increase of 51.2% over the same period last year.

Gross commissions (commissions received plus company results based on participation method and other products from operations) have increased by 6.6% to 34.1 million Euros versus 32 million Euros achieved in the same period last year.

Asset management commissions have decreased by 4.2% to 15 million Euros from 15.7 million Euros during the same period last year. This drop is explained by the fact that during the first quarter 2016 the contract of temporary assets under management from Banco Madrid ceased. Excluding such an effect, commissions have increased by 26% during the period.

Broking commissions (gross) have increased by 13.9% reaching 16 million Euros versus 14 million Euros in the same period last year.

Corporate services commissions have increased by 35.5% to 3.2 million Euros.

Net commissions (gross commissions-paid commissions) have increased by 9.4% reaching a total of 16.3 million Euros versus 14.9 million Euros in the same period last year. Taking into account exchange differences the increase is of 16.45.

Financial margin has reached 0.7 million Euros versus 0.8 in the same period last year. This is a drop of 12.5% explained due to the very low level of interest rates during the period.

The result of financial operations has increased by 70% to 1.7 million Euros versus 1 million Euros during the same period last year.

Operating costs (general costs, staff costs, other operational costs and amortizations) have totaled 14.645 million Euros. This represents an increase of 14.1% over the same period last year.

Staff costs have increased by 25.5% to 7.5 million Euros. This is mainly due to the calculation of bonuses to be paid to employees at the end of the year.

General administrative costs have decreased by 12.3% to 4.7 million Euros versus 5.4 million Euros in the same period last year. The fall is due to several cost cutting measures implemented over the last year.

Profit before tax has reached 5.7 million Euros versus 3.7 million Euros during the same period last year. This represents a 54% increase.

## Economic and Financial Outlook

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During the first quarter 2107 new clients have increased at a good pace and the increase in client assets has been confirmed yet for another quarter. The consistent and sustainable growth in the number of new clients together with the increase in assets and specially in the asset management division confirms the positioning of Renta 4 Banco as the only listed Spanish bank specialist in investment services and asset management.

The growth trend experienced in the last years allows us to maintain a positive projection of our activity and net profit for 2017 as seen in the last quarters.

The aim of the Bank is to maintain a high level of solvency and strong return on equity which together with the obtained profits allow for an increasing dividend distribution to shareholders.

## Consolidated Balance Sheet

ASSETS	31/03/2017	31/12/2016
<i>Thousand of euros</i>		
1. Cash and balances with central banks	8,896	10,972
2. Financial assets held for trading	4,874	7,379
3. Other financial assets at fair value through profit or loss		
4. Available-for-sale financial assets	616,976	565,528
5. Debt securities	488,949	549,205
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	0	286
a) Associates	0	286
b) Jointly controlled entities		
11. Insurance contracts linked to pensions		
12. Reinsurance assets		
13. Property and equipment:	40,262	40,490
a) For own use	36,342	36,538
b) Investment properties	3,920	3,952
14. Intangible assets:	17,419	17,567
a) Goodwill	15,291	15,291
b) Otro intangible assets	2,128	2,276
15. Tax assets	3,091	2,975
a) Current	0	0
b) Deferred	3,091	2,975
16. Other assets	1,140	716
<b>TOTAL ASSETS</b>	<b>1,181,607</b>	<b>1,195,118</b>

## Consolidated Balance Sheet

TOTAL EQUITY AND LIABILITIES	31/03/2017	31/12/2016
<i>Thousand of euros</i>		
<b>TOTAL LIABILITIES</b>	<b>1,089,884</b>	<b>1,104,612</b>
1. Financial liabilities held for trading	822	4,205
2. Other financial liabilities at fair value through profit or loss		
3. Financial liabilities at amortized cost	1,078,261	1,092,883
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	500	700
9. Tax liabilities	6,660	4,533
a) Current	4,744	3,077
b) Deferred	1,916	1,456
10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)		
11. Other liabilities	3,641	2,291
12. Cash		
<b>EQUITY</b>	<b>91,723</b>	<b>90,506</b>
<b>OWN FUNDS</b>	<b>89,142</b>	<b>89,100</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	58,919	54,782
4. Other equity instruments	0	0
5. Less: Treasury shares	427	370
6. Profit (loss) attributable to the parent	3,842	12,045
7. Less: Dividends and remuneration		-4,165
<b>VALUATION ADJUSTMENTS</b>	<b>1,690</b>	<b>381</b>
1. Available-for-sale financial assets	1,446	377
2. Cash flow hedges		
3. Hedges in net investments in foreign operations		
4. Exchange differences	244	4
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>90,832</b>	<b>89,481</b>
<b>MINORITY INTERSTS</b>	<b>891</b>	<b>1,025</b>
1. Valuation adjustments	0	0
2. Others	891	1,025
<b>TOTAL EQUITY AND LIABILITY</b>	<b>1,181,607</b>	<b>1,195,118</b>

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