

2017

SECOND QUARTER
RESULTS

renta4banco

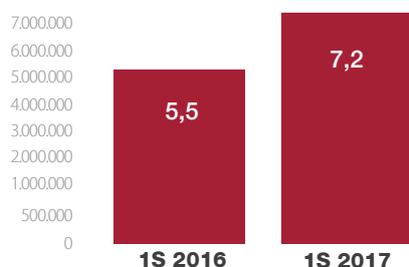
Highlights

Renta 4 Banco has reached during the first semester 2017 a **Net Profit of 7.2 million Euros**. This represents an increase of 30.9% compared over the same period last year.

The **Bank's Capital Ratio CET1 Fully Loaded** stands at 17.26%, comfortably above current regulatory requirements and amongst the highest in the sector.

The **Bank's return on equity, ROE**, is circa 16.9% again well above the sector average.

NET PROFIT (1S 2017 Vs 1S 2016)
(Thousand euros)



Proprietary network assets: 9.141 millions euros

▲ **32,2%** versus same period last year

Assets under management: 8.679 millions euros

▲ **28,2%** versus same period last year

Renta 4 Banco confirms the strength of its business model. Again the Bank is able show a constant and positive growth in its business and operating areas. Thus following the positive trend of recent years.

During the first semester 2017 the growth in assets in our **proprietary network** has increased by 32.2% reaching a total of 9,141 million Euros. **Assets under management** have increased by 28.2% reaching a total of 8,679 million Euros.

Net inflows over the period in our proprietary network have increased by 21% to a total of 667 million Euros.

Renta 4 Banco is increasing its client's assets at a higher rate compared to its competitors and thus **gaining market share**. In this way the Bank consolidates its position as a specialized player in the market.

Revenues have again performed well. **Net commissions and exchange differences** have increased by 11.5%. **Asset management commissions** have increased by 7.4%. At the same time, broking commissions were up 12.6% and corporate services commissions increased by 29.6% over the period. The result from **financial operations** has increased by 76.2%. Nevertheless, **financial margin** over the period dropped by 4.3% due to persistent low interest rates.

Operating Data

OPERATIONAL DATA	1S 2017	1S 2016	%
Number of Clients	462,097	408,416	13.1%
of Proprietary Network	71,943	67,039	7.3%
of Third Party Network	390,154	341,377	14.3%
Total Assets (million Euros)	17,497	13,342	31.1%
Equities	7,730	5,656	36.7%
Investment Funds (proprietary and third party)	4,576	3,485	31.3%
Pension Funds	3,056	2,448	24.8%
SICAVs	1,047	839	24.8%
Others	1,088	914	19.0%
Assets Proprietary Network (million Euros)	9,141	6,917	32.2%
Assets Third Party Network (million Euros)	8,356	6,425	30.1%
Total Assets Temporary of Banco Madrid (million Euros)	0	1,127	-

FINANCIAL INDICATORS (THOUSAND EUROS)	1S 2017	1S 2016	%
Fee and commission income	66,386	59,794	11.0%
Fee and commission expenses	-34,823	-31,026	12.2%
Net Commissions Received	31,563	28,768	9.7%
Exchange differences (net)	1,317	714	84.5%
Net Commissions Received + Exchange differences	32,880	29,482	11.5%
Financial Margin	1,538	1,607	-4.3%
Result of Financial Operations	4,157	2,359	76.2%
Cost of Operation	28,267	25,656	10.2%
Profit from Operating Activities	10,681	7,852	36.0%
Net Profit	7,233	5,526	30.9%
EPS	0.18	0.14	30.9%

Operating Data

EMPLOYEES (PERIOD AVERAGE)	1S 2017	1S 2016	%
Employees (period average)	466	436	6.9%
Branch Network (Latam)	246 (47)	227 (33)	8.9%
Central services	220	209	5.3%
Number of Offices	64	63	1.6%

SHARE	1S 2017	1S 2016	%
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	
Share Price (€)	5.85	5.7	2.6%
Capitalisation (€)	238,055,238	231,951,257	2.6%
Number of Shares Issued	40,693,203	40,693,203	

Operating Data

Total **client assets under management and administration** reached **17,497 million Euros**. The proprietary network accounts for **9,141 million Euros** and 8,356 belong to the third party network. Total assets have **increased by 31.1%** versus the second quarter 2016. Total assets have increased by 13.3% since December 2016.

During the first semester 2017 assets within the **proprietary network** have increased by **15.4%**. During the last twelve months they have increased by **32.2%**. This means an increase of 2,224 million Euros.

Asset under management (Investment Funds, Sicavs and Pension Funds) reached **8,679 million Euros**. This represents an increase of **28.2%** over the same period last year.

Assets in **investment funds managed and distributed by Renta 4** have reached **4,576 million Euros** versus 3,485 in the same period last year. This represents an increase of **31.3%**.

Assets in **investment funds managed by Renta 4 Asset Management** reached **3,381 million Euros**. This represents an increase of **35.2%** over the same period last year.

Assets in third party **investment fund distributed by Renta 4** have reached **1,195 million Euros**. This means an increase of 21.4%.

Assets in **SICAVs under management** have reached **1,047 million Euros**. This represents an increase of 24.8% over the same period last year.

Pension Funds' assets under management have increased by 24.8% totaling **3,056 million Euros** during the period.

Net asset inflows during the period have increased by **1,121 million Euros**. The proprietary network channeled **667 million Euros** and the third party network 454 million Euros.

The number of **new clients continues to increase**. Total number of clients have reached 462,097. **The proprietary network accounts for 71,943** the third party network accounts for 390,154.

First Semester. (January-June) Consolidated Results 2017

PROFIT AND LOSS	30/06/2017	30/06/2016	%
<i>Thousand of euros</i>			
Interest and similar income	1,829	1,849	-1.1%
Interest expense and similar charges	-291	-242	-20.2%
NET INTEREST INCOME	1,538	1,607	-4.3%
Return on equity instruments	168	118	42.4%
Profit (loss) of entities accounted for using the equity method	0	-81	-
Fee and commission income	66,386	59,794	11.0%
Fee and commission expenses	-34,823	-31,026	12.2%
Gains or losses on financial assets and liabilities (net)	4,157	2,359	76.2%
Exchange differences (net)	1,317	714	84.5%
Other operating income	290	98	195.9%
Other operating expenses	-1,572	-907	73.3%
GROSS MARGIN	37,461	32,676	14.6%
Administrative expenses:	-24,195	-22,345	8.3%
a) Personnel expenses	-15,124	-12,486	21.1%
b) Other administrative expenses	-9,071	-9,859	-8.0%
Depreciation and amortisation	-2,500	-2,404	4.0%
Provision expenses (net)	0	0	-
Impairment losses on financial assets (net)	-85	-75	13.3%
OPERATING PROFIT	10,681	7,852	36.0%
Loss by deterioration rest of assets (net)	0	0	-
Gains of susp. assets not clasif. for sale	720	0	-
Profit Before tax	11,401	7,852	45.2%
Tax on profit	-4,168	-2,326	79.2%
CONSOLIDATED PROFIT FOR THE YEAR	7,233	5,526	30.09%
	7,345	5,525	32.9%
	-112	1	

First Semester. (January-June) Consolidated Results 2017

Net Profit has reached **7.2 million Euros** during the first semester 2017. This represents an increase of **30.9%** versus the same period last year.

All business lines have experienced significant growth over the period. **Commissions and fees from other products** have increased by **11.3%** to a total of **66.7 million Euros** versus **59.9 million Euros** in the same period last year.

Asset management commissions have increased by **7.4%** to **30.3 million Euros** versus the same period last year.

Broking commissions (gross) have increased by **12.6%** reaching **30.4 million Euros** versus **27 million Euros** achieved in the same period last year. Trading in international fixed income products has increased by **28.5%**

Corporate services commissions have increased by **29.6 %** to **6.0 million Euros** million Euros.

Net commissions plus exchange differences have increased by **11.5%** totaling **32.9 million Euros** versus **29.5 million Euros** achieved in the same period last year.

Results from Financial Operations have increased by **76.2%** to **4.2 million Euros** versus **2.4 million Euros** during the same period last year.

Operating costs (general costs, staff costs, other operational costs and amortizations) have totaled **28.2 million Euros**. This represents an increase of **10.2%** over the same period last year.

Personnel costs have increased by **21.1%** to **15.1 million Euros**. **General administrative costs** have reached **9.1 million Euros** versus **9.9 million Euros** in the same period last year. They have dropped by **8%** due to the cost control measures implemented during 2016.

Profit before tax has reached **11.4 million Euros** versus **7.9 million Euros** in the same period last year. This represents an increase of **45.2%**.

Second Quarter (April-June) Consolidated Results 2017

PROFIT AND LOSS	2Q 2016	2Q 2017	%
<i>Thousand of euros</i>			
Interest and similar income	948	875	8.3%
Interest expense and similar charges	-131	-107	22.4%
NET INTEREST INCOME	817	768	6.4%
Return on equity instruments	167	118	41.5%
Profit (loss) of entities accounted for using the equity method	0	-81	-
Fee and commission income	32,356	27,831	16.3%
Fee and commission expenses	-16,965	-13,894	22.1%
Gains or losses on financial assets and liabilities (net)	2,464	1,408	75.0%
Exchange differences (net)	371	795	-53.3%
Other operating income	186	49	279.6%
Other operating expenses	-371	-553	-32.9%
GROSS MARGIN	19,025	16,441	15.7%
Administrative expenses:	-12,024	-11,035	9.0%
a) Personnel expenses	-7,651	-6,533	17.1%
b) Other administrative expenses	-4,373	-4,502	-2.9%
Depreciation and amortisation	-1,227	-1,229	-0.2%
Provision expenses (net)	0	0	-
Impairment losses on financial assets (net)	-116	-50	132.0%
OPERATING PROFIT	5,658	4,127	37.1%
Loss by deterioration rest of assets (net)	0	0	-
Gains of susp. assets not clasif. for sale	8	0	-
PROFIT BEFORE TAX	5,666	4,127	37.3%
Tax on profit	-2,223	-1,108	100.6%
CONSOLIDATED PROFIT FOR THE YEAR	3,443	3,019	14.0%
a) Profit attributed to the parent	3,503	3,018	16.1%
b) Profit attributed to minority interests	-60	1	

Second Quarter (April-June) Consolidated Results 2017

Renta 4 Banco has achieved in the second quarter 2017 a **Net Profit of 3.4 million Euros** versus 3.0 million Euros in the same period 2016.

Gross commissions during the quarter (commissions received plus company results based on participation method and other products from operations) have increased by 17.1% to a total of **32.5 million Euros** versus the same period last year.

Asset management revenues have been strong again and have increased by **21.9% to 15.2 million Euros**

Gross commissions on the broking activity have increased by **11.2%** reaching a total of **14.4 million Euros** during the second quarter. The trading activity in international fixed income products has increased by 27.1%. Trading in domestic equity products has increased by 23.3%

Corporate Services commissions have increased 23.5% to **2.8 million Euros**.

Net commissions have increased by 10.4% to **15.4 million Euros** during the quarter versus the same period last year.

Financial margin has increased by 6.4% to **0.8 million Euros** reverting during the quarter the results seen in previous ones due to the low level of interest rates.

Results from financial operations during the quarter have increased by 75% to **2.4 million Euros**.

Operating costs (general costs, staff costs, other operating costs plus amortizations) have increased by 6.3% to **13.6 million Euros** versus the same period last year.

Staff costs have increased by 17.1% to **7.6 million Euros**.

Administrative costs have dropped by 2.9% to 4.3 million Euros versus 4.5 million Euros in the same period last year.

The result of Operating activity has reached **5.6 million Euros**, an increase of 37.1% over the same period last year.

Profit before tax during the second quarter has reached 5.6 million Euros, and increase of 37.3% over the same period last year.

Economic and Financial outlook

During the second quarter 2017 Renta 4 Banco after confirming the increase in growth in new clients and assets (especially those from our proprietary network) has reinforced its position as the only listed Spanish bank specialized in capital markets, investment services and asset management.

We maintain a positive growth scenario both for our business and net profit for 2017 as a whole. Operating costs, risks and digital transformation will well monitored.

The Bank pursues as basic objects achieving a high solvency ratio and an adequate return on capital which may allow our shareholders to be paid an increasing dividend.



Consolidated Balance Sheet

ASSETS	30/06/2017	31/12/2016
<i>Thousand of euros</i>		
1. Cash and balances with central banks	9,973	10,972
2. Financial assets held for trading	5,609	7,379
3. Other financial assets at fair value through profit or loss		
4. Available-for-sale financial assets	618,990	565,528
5. Debt securities	462,464	549,205
6. Held -to-maturity investments		
7. Adjustments to financial assets by macro-hedges		
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:	39,994	40,490
a) For own use	36,106	36,538
b) Investment properties	3,888	3,952
14. Intangible assets:	17,277	17,567
a) Goodwill	15,291	15,291
b) Otro intangible assets	1,986	2,276
15. Tax assets	1,219	2,975
a) Current	73	0
b) Deferred	1,146	2,975
16. Other assets	931	716
TOTAL ASSETS	1,156,457	1,195,118

Consolidated Balance Sheet

TOTAL EQUITY AND LIABILITIES 30/06/2017 31/12/2016

Thousand of euros

TOTAL LIABILITIES	1,060,953	1,104,612
1. Financial liabilities held for trading	476	4,205
2. Other financial liabilities at fair value through profit or loss		
3. Financial liabilities at amortized cost	1,050,280	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	7,480	4,533
a) Current	5,122	3,077
b) Deferred	2,358	1,456
10. Other liabilities	2,217	2,291
11. Cash		
EQUITY	95,504	90,506
OWN FUNDS	92,509	89,100
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	563	370
6. Profit (loss) attributable to the parent	7,345	12,045
7. Less: Dividends and remuneration		-4,165

Consolidated Balance Sheet

TOTAL EQUITY AND LIABILITIES 30/06/2017 31/12/2016

Thousand of euros

	30/06/2017	31/12/2016
VALUATION ADJUSTMENTS	2,164	381
1. Available-for-sale financial assets	2,701	377
2. Cash flow hedges		
3. Hedges in net investments in foreign operations		
4. Exchange differences	-537	4
5. Non-current assets held for sale		
6. Companies accounted using the equity method		
7. Other valuation adjustments		
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT	94,673	89,481
MINORITY INTERESTS	831	1,025
1. Valuation adjustments	0	0
2. Others	831	1,025
TOTAL EQUITY AND LIABILITY	1,156,457	1,195,118

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