



FULL YEAR RESULTS 2011

Highlights

- The **net profit** of 2011 reached 4.6 million Euros, representing a decline of 23.7% versus 2010. The decline is mainly attributable to higher extraordinary expenditure associated with the conversion to bank and totals 1.5 million Euros reflected in the cost of administration, personnel and other general costs
- The **interest margin** grew by 61.4% year-on-year, reaching 3.6 million Euros
- **Commission income**, both gross and net rose by 5.6% and 4.3% respectively during 2011. Renta 4 generated 56.3 million Euros of gross commissions received including the exchange differences and 36.7 million Euros of net commissions.
- The **results of financial operations** and the return on financial assets reached 2.3 million Euros, declining by 29.7% year-on-year
- The **gross margin** rose during 2011 by 3.6%
- During the **fourth quarter of 2011** compared to the same period the year before **net interest income** rose by 25.5%, the **commission income** ascended by 8.2%, **gross margin** by 14.5% and net profit by 9.7%
- Renta 4 ended the year 2011 with **client assets under management and care of 5,568 million Euro** compared with 5,205 million Euros at the end of 2010 and 179,311 client accounts representing an all times high of the company.
- **Net asset inflow** during the year 2011 reached 633 million Euros compared to 278 million Euros in 2010.
- During 2011 Renta 4 completed all necessary **corporate procedures** for the banking activity started in January 2012

- Additionally Renta 4 established in Dublin, Ireland an umbrella company "**Renta 4 Investment Funds PLC**" aiming at a mayor international acceptance of its funds and investment products.
- Renta 4 opened an **office in Santiago de Chile** for the purpose of starting activities in Latin America
- *The results are presented in a new format consistent with the way of presentation of the banking sector*

Main Figures

Operational Data	Dec. 11	Dec. 10	%
Number of clients	179,311	156,183	14.8%
<i>Renta 4 Network</i>	48,574	46,365	4.8%
<i>Third Part Network(s)</i>	130,737	109,818	19.0%
Assets under Management, Custody and Care	5,568	5,205	7.2%
<i>Stock market and Equity Instruments</i>	3,609	3,410	5.8%
<i>Investment Fund Assets</i>	817	790	3.4%
<i>Pension Fund Assets</i>	292	254	15.0%
<i>Assets in SICAVs</i>	481	495	-2.8%
<i>Others</i>	369	256	44.1%
Financials (Euros thousand)			
Commissions Income	55,217	52,281	5.6%
Net Interest Income	3,606	2,234	61.4%
Financial Operations Result	1,888	2,809	-32.8%
Operative Cost	32,177	29,374	9.0%
Gross Margin	41,843	40,387	3.6%
Operating Profit	6,600	8,413	-21.6%
Net Profit	4,588	6,010	-23.7%
Earnings Per Share	0.12	0.15	-23.7%
Employees			
Staff 31. December 2011	300	290	3.5%
<i>Branches</i>	163	157	3.8%
<i>Head Office</i>	137	133	3.0%
N° of Branches	58	58	0%
Share			
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	RSVXY
Quote (€)	5.02	4.90	2.45%
Capitalization (€)	204,279,879	199,396,695	2.45%
Market Capitalisation	40,693,203	40,693,203	

Consolidated Income Statement

	4Q 2011	4Q 2010	%	AC C 2011	ACC 2010	%
Interest and similar income	2,269	1,541	47.2%	7,668	4,673	64.1%
Interest expense and similar charges	-1,181	-674	75.2%	-4,062	-2,439	66.5%
NET INTEREST INCOME	1,088	867	25.5%	3,606	2,234	61.4%
Return on equity instruments	128	127	0.8%	396	441	-10.2%
Share of profit (loss) of entities accounted for using the equity method	-404	-73	453.4%	-519	115	-551.3%
Fee and commission income	14,558	13,449	8.2%	55,217	52,281	5.6%
Fee and commission expenses	-5,272	-4,662	13.1%	-19,597	-18,136	8.1%
Gains or losses on financial assets and liabilities (net)	2,262	1,171	93.2%	1,888	2,809	-32.8%
Exchange differences (net)	271	287	-5.6%	1,103	1,021	8.0%
Other operating income	105	57	84.2%	405	253	60.1%
Other operating expenses	-606	-628	3.5%	-656	-631	4.0%
GROSS MARGIN	12,130	10,595	14.5%	41,843	40,387	3.6%
Administrative expenses:	-7,616	-6,430	18.4%	-29,800	-27,049	10.2%
a) Personnel expenses	-4,189	-3,888	7.7%	-16,712	-15,592	7.2%
b) Other administrative expenses	-3,427	-2,542	34.8%	-13,088	-11,457	14.2%
Depreciation and amortisation	-618	-613	0.8%	-2,377	-2,325	2.2%
Provision expenses (net)	0	0	0.0%	-190	0	0.0%
Impairment losses on financial assets (net)	-2,622	-2,090	25.5%	-2,876	-2,600	10.6%
OPERATING PROFIT	1,274	1,462	-12.9%	6,600	8,413	-21.5%
PROFIT (LOSS) BEFORE TAX	1,274	1,462	-12.9%	6,600	8,413	-21.5%
Income tax	-259	-537	-51.8%	-2,012	-2,403	-16.3%
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	1,015	925	9.7%	4,588	6,010	-23.7%
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	1,015	925	9.7%	4,588	6,010	-23.7%
a) Profit (loss) attributed to the parent				4,578	6,034	-24.1%
b) Profit (loss) attributed to minority interests				10	-24	-141.7%

EARNINGS PER SHARE						
Basic earnings per share (euros)				0.12	0.15	-23.7%
Diluted earnings per share (euros)				0.12	0.15	-23.7%

In thousand Euros

Summary of Income and Expenses

	FY 11	FY 10	%
Interest Income	3.606	2.234	61,4
Net commissions	36.723	35.166	4,4
Commissions income and exchange differences	56.320	53.302	5,7
Commissions paid	-19.597	-18.136	8,1
Gains on Financial assets and dividends	2.284	3.250	-29,7
Other operating expenses	-770	-263	192,8
Gross Margin	41.843	40.387	3,6
Operating expenses	-32.177	-29.374	9,5
Operative Result before provisions	9.666	11.013	-12,2
Solvency Ratio	16.61	17.99	in %

Operating Data

The **pace of commercial activity maintained** by Renta 4 was evident yet again in 2011 in the growth shown by the main operating data, particularly the increase in the number of customer accounts and the amount of net money inflow.

Assets under management, custody and care at 31st December 2011 stood at 5,568 million Euros, up 7.2% on year end 2010. The **net asset inflow** reached 633 million Euro after 278 million Euros in 2010.

Assets under management in mutual funds at the end of December of 2011 stood at 654 million Euros in 37 fund vehicles. Special attention merits the development of assets under management in **Renta 4 Gestora**. During the year the AUM rose by 16% compared to a slump of 7.4% in overall AUM in the Spanish investment industry in mutual funds as published by Inverco.

As for **SICAVs**, Renta 4 managed 481 million Euros at the end of December 2011, a level slightly lower than the year before and corresponding to a market share of 1.46%.

The assets under management in **pension funds** reached 292 million Euros, contrasting with 254 million Euros at the end of 2010 posting a growth of 15.0% versus 2010.

The **pace of new clients** continued at satisfactory levels. Thus the **total number of client accounts** was at 179,311, up 14.8% year-on-year. Of these, 48,574 (+4.8%) belong to the Renta 4 network and 130,737 to third party networks (+19.0%).

Revenues

- **Fourth quarter 2011 (October-December)**

Total revenues after tax amounted in the last quarter of 2011 to 1.015 million Euros increasing by 9.7% versus the result of the same period 2010.

Commission income reached 14.6 million Euros compared to 13.4 million Euros the year before, a growth of 8.2%. In net terms, i.e. commissions earned minus commissions paid, during the last quarter net commissions rose to 9.3 million Euros, 5.7% more than in the same period of the last business year.

By business line, **"Brokerage fees"** were 9.8 million Euros, up 15.7% on the 8.5 million Euros recorded in the fourth quarter of 2010. Noteworthy was the good performance of income from derivatives on international markets with a growth in excess of 40%, which were helped by a high volatility environment in the last quarter of the year.

"Asset management fees", weathered the storm well and summed 3.6 million Euros, a decline of only 2.3% year-on-year. The asset managing company Renta 4 Gestora SGIIIC saw a decrease of fee income of 6.4% mainly attributable to less performance fees during the period. The income from pension funds and managed accounts kept a positive track and increased by 13.0% and 6.8% year-on-year respectively.

Comisión income derived from **"Corporate Services"** suffered a retreat to 1.1 million Euros during the last quarter of 2011, a decline of 12.3% versus the same period the last business year.

Ultimately the **"Financial Margin"** during Q4/2011 amounted to 1.1 million Euros; rising by 25.5% year-on year.

- **Accumulated 2011 (January-December)**

Total revenues after tax reached 4.6 million Euros compared to 6.0 million Euros in 2010, thus declining by 23.7%. The decline is mainly due to higher cost triggered by the implementation of procedures and technology needed for the Bank licence and the general improvements in the IT systems of Renta 4.

"Commission Income" grew by 5.6% year-on-year and reached 55.2 million Euros. In net terms, excluding the commissions paid to third parties, the cumulative growth during the year ascended

to 4.3%, in absolute terms 35.6 million Euros. To this figure the exchange differences of 1.1 million Euros in 2011 should be added; versus 1 million Euros in 2010. It is worth mentioning the increment of 8.1% of commissions paid, fundamentally caused by the increasing share of brokerage clients operating in international markets.

Commission income from the business line "**Asset Management**" was reported at 13.0 million Euros contrasting with the 13.7 million Euros of the year before; a decline of 5.4% year-on-year reflecting the high volatility of the financial markets during 2011 and the lesser income of performance fees.

The business line "**Corporate Services and others**" generated commission income of 4.8 million Euros during 2011 staying 10.3% short of the result of 2010.

The "**Financial Margin**" exceeded by more than 61% the amount of the last business year and totalled 3.6 million Euros. This effect is mainly due to better interest on the Company's placements.

Costs

- Fourth quarter 2011 (October-December)

"**Operating expenses**" including depreciation and amortization, rose by 17.0% reaching 8.2 million Euros.

"**Personnel expenses**" summed 4.1 million Euros during the quarter, a growth of 7.7% year-on-year. "**Administrative expenses**" ascended to 7.6 million Euros rising by 18.4% year-on-year.

Finally the line "**Amortisation**" stayed without significant change to 2010 reaching 0.6 million Euros.

- Accumulated 2011 (January-December)

The "**Cost of Operation**" reached 29.8 million Euros in the business year 2011 versus 27.0 Million Euros the year before; an increase of 10.2% year-on-year. This amount is in line with company projections at the end of 2010 pointing to total cost including amortisation and depreciation in the neighbourhood of 33 million Euros. The cost increase is fundamentally linked to the enhancement of IT systems and changes in operative procedures needed for getting a bank as well as new business lines.

Split-up by components, "**Personnel expenses**" rose by 7.2% during the year and summed 16.7 million Euros. It is due to higher variable pay and a rise in the number of employees from 290 to 300, due to the higher activity level and the new business lines.

The other cost component "**General cost of administration**" increased by 14.2% reaching 13.1 million Euros compared to 11.5 million Euros during 2010. Mainly responsible for the increase are adaptation costs in the course of becoming a Bank, new business developments in the IT area, as well as the investments in location changes of several Renta 4 branches including the upgrades of installations and hardware. A part of aforementioned expenses were of extraordinary nature and are not recurrent.

Finally, **depreciation** stayed at 2.4 million Euros almost unchanged with a slight increment of 2.2% year-on-year.

Market situation and outlook

We expect **markets to stay difficult and complicated** during 2012.

In this context we hope to achieve a rise in activity and in our profit both due to the new bank procedures, the new business lines added and the higher assets under management and administration compared to last year.

Renta Banco has a **solvency ratio** of 17% doubling the percentage required by European regulation.

Renta 4 is considering the current business year the year of going **international** with its activity. For that purpose Renta 4 established in Dublin, Ireland an umbrella company "**Renta 4 Investment Funds PLC**" aiming at a mayor international acceptance of its funds facilitating the access for international investors and closed agreements with distributors in France and Germany. Additionally, Renta 4 opened an office in Santiago de Chile and will start activities in Latin America.

Consolidated Balance Sheet

ASSETS		31/12/2011	31/12/2010
1. Cash and balances with central banks	1005	1,361	423
2. Financial assets held for trading	1010	2,139	344
3. Other financial assets at fair value through profit or loss	1015		
4. Available-for-sale financial assets	1020	38,543	31,700
5. Debt securities	1025	396,865	341,452
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	2,044	382
a) Associates	1056	2,044	382
b) Jointly controlled entities	1057		
11. Insurance contracts linked to pensions	1065		
12. Reinsurance assets	1066		
13. Property and equipment:	1045	29,768	29,682
a) For own use	1046	25,754	25,667
b) Investment properties	1047	4,014	4,015
14. Intangible assets:	1050	16,766	9,953
a) Goodwill	1051	15,291	8,939
b) Otro intangible assets	1052	1,475	1,014
15. Tax assets	1060	2,096	2,247
a) Current	1061	1,425	1,006
b) Deferred	1062	671	1,241
16. Other assets	1075	1,207	930
TOTAL ASSETS	1100	490,789	417,113

TOTAL EQUITY AND LIABILITIES		31/12/2011	31/12/2010
TOTAL LIABILITIES	1166	421,707	354,528
1. Financial liabilities held for trading	1110	82	442
2. Other financial liabilities at fair value through profit or loss	1115		
3. Financial liabilities at amortized cost	1120	417,836	349,844
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	440	250
9. Tax liabilities	1145	3,178	3,851
a) Current	1146	1,934	2,669
b) Deferred	1147	1,244	1,182
10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)	1150		
11. Other liabilities	1155	171	141
12. Cash	1160		
EQUITY	1195	69,082	62,585
OWN FUNDS	1180	69,492	64,344
1. Capital or endowment fund	1171	18,312	16,277
a) Issued capital	1161	18,312	16,277
b) Less: uncalled capital	1162		
2. Share premium	1172	25,153	27,188
3. Reserves	1173	34,371	34,727
4. Other equity instruments	1177	1,850	142
5. Less: Treasury shares	1174	-12,860	-16,269
6. Profit (loss) attributable to the parent	1175	4,578	6,034
7. Less: Dividends and remuneration	1176	-1,912	-3,755
VALUATION ADJUSTMENTS	1188	-1,505	-2,867
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT	1189	67,987	61,477
MINORITY INTERSTS	1193	1,095	1,108
1. Valuation adjustments	1191	42	61

This Report is published in Spanish and English. In the event of any discrepancy between the English version and the Spanish original, the Spanish version shall prevail.

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The logo for Renta 4 Banco. The word "renta" is in a red, lowercase, sans-serif font. The number "4" is in a black, lowercase, sans-serif font. The word "banco" is in a black, lowercase, sans-serif font. The entire logo is positioned on the right side of the page.