

**Address from the President of Renta 4 Banco - Mr. Juan Carlos Ureta - at  
the presentation of the Annual Accounts 2012**

Dear Shareholders:

Once again I am pleased to address all of you at the presentation of the Annual Accounts and the Management Report of Renta 4 Banco for the year 2012, which by the way was also our first year as Bank.

The year 2012 was marked, on the one hand, by the continued uncertainty surrounding the Euro zone situation, uncertainty that peaked in July, and on the other hand decisive action by the Central Banks, which from September onwards, reaffirmed their commitment to monetary stimulus, adopting new unconventional measures expanding liquidity in order to build trust. The European Central Bank announced on September 6<sup>th</sup> a repurchase program for Euro zone sovereign debt, the U.S. Federal Reserve decided in October on a new phase of asset purchases in the markets, known as QE3, and finally, this year the Bank of Japan adopted in April 2013 extraordinary measures with monthly cash injection in the Japanese economy equivalent to 1% of GDP.

All of these extraordinary measures of Central Banks were received with great optimism in the Financial Markets, and in the last months of 2012 and early months of 2013 we saw generalized price increases in almost all asset classes.

We might be tempted to think, and some analysts made remarks in this direction, that the upturn in financial markets is an anticipation of the economic recovery which, always supposing these forecasts are correct, would start early next year.

Whether or not this interpretation is certain, we may not overlook that, at least to some extent, the very expansion of the quantity of money in circulation necessarily causes an increase of asset prices, and so one might be precipitated to interpret the stock market increases as advances of improved economic growth.

This is exactly the reason why we deem of outmost importance to maintain prudence in the beginning of 2013, where again, we see an economic scenario with still high levels of debt remaining in the system, and expected growth in advanced economies at weak levels. This is especially true after 2012 in which the European economy has experienced a fall in GDP of more than half a percentage point, the Japanese economy has continued its deflation and the U.S. economy only managed to grow by 2 %. Still pending or unfinished are major structural reforms in several of the mayor economies, including the Spanish, as well as deep institutional reforms in the design of the Euro zone. The implementation of the before mentioned reforms is mandatory for the return to a healthy and sustained growth of economic activity.

As the banking sector is concerned, the year 2012 has been very important for Spain, as it has addressed the restructuring and capitalization of our banking system after signing the agreement with the European Commission, the "Memorandum of Understanding". Once the restructuring is completed there will be a much smaller number of banks in the system, resulting in a sector scenario radically different from just two years ago.

This is the context in which Renta 4 has started operating as an independent Bank specialized in asset management and capital markets, with very encouraging results.

The data are:

- Renta 4 obtained in 2012 a net profit of 5.49 billion euros, up by 19.6% to the result achieved in 2011
- During the whole year 2012 all operational and business variables have shown a positive trend.
- The gross commission income reached 65.8 million Euros, up 19.2% versus the previous year, and net commissions amounted to 36.4 million Euros, up 1.5% compared to 2011. Remarkable is the good performance of income from asset management.
- Net interest income reached 3.6 million Euros, 0.5% more than the previous year. It is important to stress that by early accounting in 2012 of the interest payments due in 2013 and 2014 arising from the voluntary advanced conversion of convertible bonds into shares this item suffered an extraordinary hit.
- The result of financial operations reached 2.9 million Euros, exceeding by 52.1% the 2011 result.
- Net client asset inflow in the period totalled 954 million Euros, compared to 633 million Euros in 2011.
- Total assets under management, administration and care reached 6.731 billion euros and the proprietary network exceeded 3 billion Euros of assets approaching the figure of 50,500 customers.

The development of the business variables as well as the satisfactory performance of the financial margin and the result of financial operations, allowed for the operative profit to reach 7.6 million Euros at the end of 2012, 16.1% higher than the previous year.

In conclusion, we proudly state that the first year of Renta 4 as Bank has confirmed the high expectations we had when we took the decision to apply for banking license.

But, beyond this short-term positive effect, the decision to transform into Bank is, as I said before, is a structural decision, long reaching, with a value creation far more visible as the time advances.

The same applies to the start of our activities in Latin America. Since last May we are already present in Chile, with positive results from the first year, and hope to start activities in Peru and Colombia before the end of 2013. It is of course a long term decision, but we already have seen encouraging results during the first months.

In addition to expanding the presence of Renta 4 in Latin America, our goal for 2013 is to increase the operational capacity of Renta 4 Banco in Asia. Specifically, we recently signed an agreement with United Overseas Bank Kay Hian (UOB) of Singapore in the area of securities trading, and initiated in cooperation with the Chinese Fund Manager BOSERA the application for a direct access of Renta 4 Banco to the domestic Chinese financial market.

In terms of shareholder remuneration, last year in November Renta 4 paid an interim dividend charged to 2011 results of 3.05 million Euros, or 0.075 euros per share, which is a dividend yield of about 1.6% over the average share price of the year. Additionally, we should remember that by resolution of the General Shareholder Assembly of last year, seventeen million four hundred thousand euros (17,400,000 euros) were delivered to shareholders as refund of share

premium in the way of free shares, or to put it in another way, nearly the equivalent of 10% of our overall capitalization.

It is proposed to the General Shareholder Assembly to confirm the cash dividend paid last year and to approve the allocation of the remaining profit from 2012 to reserves, reinforcing our already high levels of equity. Likewise, we declare our intention to deliver this year a new interim dividend in the coming months, charged to the profit of 2013, thereby maintaining a dividend policy and retribution of Renta 4 Banco as one of the best companies regarding shareholder return amongst the constituents of the continuous market (IGBM).

Regarding the performance of the shares, our share has experienced a revaluation in 2012, including the aforementioned return of premium of 4.3%, whereas the IBEX experienced a decline in year of 4.6% and the General Index of the Madrid Stock Exchange fell by 3.8%.

In the field of Corporate Social Responsibility, Renta 4 Foundation has maintained in 2012 its support for existing programs of cooperation with AGH Foundation, founding Entreculturas with Granadown Association and has also initiated new programs with Recover Foundation and the Foundation Actigenomics. As a novelty, in 2013 a call went out to all people working in Renta 4 to submit project ideas to the Foundation and the two projects finally chosen will be supported the Foundation.

Finally and as always, I want to thank all the people who are part of Renta 4 and who make all this possible for their effort and dedication, and also express our gratitude to all shareholders and customers for their continued trust and support.