2010

25 YEARS renta4

ANNUAL REPORT

renta4

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LETTER FROM THE CHAIRMAN

Dear shareholders:

Here we are again, another year later. It is with great pleasure that I present to you Renta 4 Servicios de Inversión's financial statements and management report for 2010.

2010 was an important year regarding the global financial crisis and it looks like 2011 will be too. We have seen how some economies, unfortunately not Spain, have begun to exit the crisis and are now enjoying economic growth. The root causes of the crisis are now being tackled, i.e. capitalisation and shoring up the banking sector worldwide while public accounts are also looking healthier.

Against this backdrop, the financial markets have begun to stabilise, helped by the expansive monetary policies being implemented by the central banks. That said, uncertainty still lingers, mainly the problems of European peripheral debt, high public debt levels in the US and inflation fears due to rising commodity prices, particularly oil and basic foodstuffs. And on top of all this, 2011 has brought political uncertainty in North Africa and the Near East, a region which is particularly sensitive.

2011 begins with the positive factors outweighing the negative ones, with companies and households beginning to rein in their spending and output adapting to the new economic scenario with no credit bubble. That is not to say there will not be further financial upheaval, probably short-lived, but intense.

Renta 4 has weathered the financial crisis well and is ready to grow. We boast a sound market position and successful business model which are firmly built on a solid shareholder base and management team.

Our business performance in 2010 confirms these facts:

- Total revenue increased 9.4% in 2010 to €61.6 million.
- Net income rose 12.7% to over €41 million.
- Gross and net fee and commission income advanced 5.9% and 2.5%, respectively.
- Net interest income soared 151.9%, driven by higher interest rates on placements, while net financial operations presented a gain of €3.2 million, much higher than in 2009.
- Net operating income (net income less total costs, including depreciation and amortization) rose 24.2%, from €8.9 million in 2009 to €11.1 million in 2010. Free cash flow (operating income less depreciation and amortization) amounted to €13.4 million in 2010, compared to €11.2 million in 2009.
- Income from ordinary activities (net fee and commission income less operating expenses, including depreciation and amortization charges) amounted to €5.6 million, compared to €7.2 million in 2009. This decline was partly offset by increased activity in fixed income brokerage, reflected in the aforementioned growth in income from net financial operations, which is not booked as commissions, but rather as price spreads.
- Operating expenses including depreciation and amortization charges amounted to €29.9 million, in line with the target announced by the company for the year of around €30 million.

- Net profit for the full year was €6 million, 3.7% less than in 2009, due to an extraordinary allowance of €1.1 million included in "Other income and expenses" which had been recognised in the balance sheet but was recycled to profit and loss at the end of the year.

- As for the main operating data, Renta 4 ended 2010 with €5.2 billion of assets under management and custody and 156,183 accounts, both new all-time highs for the Company.

- The net money inflow was €278 million.

In January, the Banco de España granted Renta 4 authorisation to acquire a Spanish bank. The rationale behind this move is our desire to offer our customers the best possible service and to be able to expand our business model further and more efficiently. Our purpose is not to offer ordinary commercial banking activities, but to offer our clients specialised investment and asset management services within the framework of a bank and offer them a bank account for their investments.

We are certain that this new venture will prove positive for our clients, our shareholders and our company.

In 2010, our share price corrected 6.7%, notably better than the 17.4% and 18.3% correction suffered by the IBEX 35 and the IBEX Small Caps, respectively. In addition, we paid a dividend of €0.10 per share in November (equivalent to a cash dividend yield of 2%). During 2010, Renta 4 extended its ongoing efforts to keep the investment community

abreast of the virtues of its business model and its encouraging performance and outlook. We can say that today, between institutional and retail investors, Renta 4 has over 7,000 shareholders and that a good number of prestigious national and international investors follow our company systematically.

As happened last year, 2011 has brought mixed news. On the one hand, the global economic recovery, which is more noticeable in some countries, drove the stock markets up in January and February. However, these rises were hampered by the risk factors I have mentioned above, as well as the tragic earthquake in Japan, which has triggered huge economic consequences.

The first business indicators available to us for the initial months of the year are promising, reaffirming the validity of our strategy, predicated on making customer service and care the core principal guiding everything that we do. Growth in household savings, growing access on the part of savers to the investment financial markets and the complexity of the markets themselves which necessitates specialised and reliable advice are the factors driving our business, drivers which we believe will remain growth engines in the years to come.

On the corporate citizen front, we have continued to step up the efforts of our Foundation. We have continued to collaborate with the A.G.H. Foundation, the Entreculturas Foundation, the Nuevos Caminos Association and the Ciudad Escuela de los Muchachos Association and in February 2011 we signed a new agreement with the Granadown Association which offers training to people with Down Syndrome.

I would like to close by thanking everyone at Renta 4 for their hard work and dedication and also our shareholders and clients for their confidence and support.

D. Juan Carlos Ureta Domingo
Chairman

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CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

2.1 CONSOLIDATED BALANCE SHEETS

RENTA 4 SERVICIOS DE INVERSIÓN, S.A. AND SUBSIDIARIES

Consolidated balance sheets at December 31

ASSETS	Note	2010	2009
			Thousand of euros
Intangible assets			
Goodwill		8.939	8.939
Other intangible assets		1.014	760
	7	9.953	9.699
Property and equipment	8	29.682	29.604
Investments	9	382	-
Available-for-sale financial assets	10	31.700	33.116
Deferred tax assets	20	1.241	777
Loans and receivables	11	4.370	4.409
NON-CURRENT ASSETS		77.328	77.605
Other assets	14	1.427	2.099
Current tax assets			
Other balances against public bodies		1.006	1.219
	20	1.006	1.219
Loans and receivables			
Due from financial institutions		258.314	306.063
Other receivables		19.446	17.143
	11	277.760	323.206
Financial assets held for trading	12	344	265
Cash and cash equivalents	13	59.248	103.612
CURRENT ASSETS		339.785	430.401
TOTAL ASSETS		417.113	508.006

RENTA 4 SERVICIOS DE INVERSIÓN, S.A. AND SUBSIDIARIES

Consolidated balance sheets at December 31

EQUITY AND LIABILITIES	Note	2010	2009
			Thousand of euros
Minority interests	15	1.108	1.091
Unrealized gains (losses) reserve	16	(2.867)	(1.690)
Equity	17	64.344	64.565
EQUITY		62.585	63.966
Financial liabilities	18	36.058	35.837
Deferred tax liabilities	20	1.182	1.082
NON-CURRENT LIABILITIES		37.240	36.919
Financial liabilities held for trading	12	442	355
Financial liabilities			
Due to financial institutions		122.202	186.808
Due to customers		191.336	215.736
	18	313.538	402.544
Provisions	19	250	995
Current tax liabilities			
Income tax payable		789	921
Other payables to public bodies		2.128	1.894
Accrued expenses and deferred income	20	2.917	2.815
CURRENT LIABILITIES	14	141	412
TOTAL EQUITY AND LIABILITIES		317.288	407.121
TOTAL PATRIMONIO NETO Y PASIVO		417.113	508.006

2.2 CONSOLIDATED INCOME STATEMENTS

RENTA 4 SERVICIOS DE INVERSIÓN, S.A. AND SUBSIDIARIES

Consolidated income statements for the years ended December 31

	Note	2010	2009
			Thousands of euros
Revenue			
Fee and commission income		52.534	48.958
Interest and similar income		4.673	4.776
Return on equity instruments		441	413
Share of profit (loss) of associates	10	115	-
	22	57.763	54.147
Expenses			
Fee and commission expenses		(18.136)	(16.004)
Interest and similar expense		(2.439)	(3.889)
	22	(20.575)	(19.893)
Net trading income			
Financial assets and liabilities held for trading	23	2.924	(200)
Foreign currency translation differences (net)		1.021	1.714
Employee benefits expense	24	(15.592)	(13.891)
Other general administrative expenses	25	(12.027)	(11.312)
Depreciation and amortization	7 y 8	(2.325)	(2.270)
OPERATING PROFIT		11.189	8.295
Gains on sale of available-for-sale financial assets	23	(115)	619
Impairment losses (net)	26	(2.600)	394
Provisions	19	-	(729)
Other losses	27	(61)	(63)
PROFIT BEFORE TAX		8.413	8.516
Income tax expense	28	(2.403)	(2.277)
CONSOLIDATED PROFIT FOR THE YEAR		6.010	6.239
Attributable to minority interests	15	(24)	(52)
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		6.034	6.291
EARNINGS PER SHARE (euros)			
Basic earnings per share	17	0,16	0,16
Diluted earnings per share	17	0,16	0,16

2.3

STATEMENT OF RECOGNIZED INCOME AND EXPENSE

RENTA 4 SERVICIOS DE INVERSIÓN, S.A. AND SUBSIDIARIES

Statement of recognized income and expensefor the year ended December 31

		Note	2010	2009
				Thousands of euros
A)	PROFIT (LOSS) FOR THE YEAR		6.010	6.239
B)	OTHER RECOGNIZED INCOME/EXPENSES			
1.	Available-for-sale financial assets			
	a) Unrealized gains /(losses)		(3.290)	1.510
	b) Amounts transferred to income statements		1.696	(619)
2.	Income tax	28	477	(267)
	TOTAL RECOGNIZED INCOME AND EXPENSE (A+B)		4.893	6.863
	Attributed to the parent company		4.857	6.896
	Attributed to minority interest		36	(33)

2.4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

RENTA 4 SERVICIOS DE INVERSIÓN, S.A. AND SUBSIDIARIES

Consolidated Statements of changes in equity for the year ended December 31, 2010

Thousand of euros

	Issued capital (Note 17)	Share premium (Note 17)	Reserves (Note 17)	Unrealized gains (losses) reserve (Note 16)	Interim dividend (Note 17)	Profit for the year	Treasury shares (Note 17)	Other equity instruments (Note 17)	Total	Minority interest (Note 15)	Total equity
Balance at January 1, 2010	16.277	31.176	32.462	(1.690)	(3.997)	6.291	(18.312)	668	62.875	1.091	63.966
Total income and expenses recognized in equity	-	-	-	(1.177)	-	6.034	-	-	4.857	36	4.893
Other changes in equity											
Appropriation of 2009 results	-	-	2.294	-	3.997	(6.291)	-	-	-	-	-
Distribution of share premium (Note 17)	-	(3.988)	(11)	-	-	-	3.985	-	(14)	-	(14)
Distribution of interim dividend (Note 17)	-	-	-	-	(3.755)	-	-	-	(3.755)	-	(3.755)
Transactions with Treasury shares	-	-	(20)	-	-	-	(1.942)	(668)	(2.630)	-	(2.630)
Share-based payments	-	-	-	-	-	-	-	142	142	-	142
Other movements	-	-	2	-	-	-	-	-	2	(19)	(17)
Total appropriation of results and transactions with shareholders	-	(3.988)	2.265	-	242	(6.291)	2.043	(526)	(6.255)	(19)	(6.274)
Balance at December 31, 2010	16.277	27.188	34.727	(2.867)	(3.755)	6.034	(16.269)	142	61.477	1.108	62.585

RENTA 4 SERVICIOS DE INVERSIÓN, S.A. AND SUBSIDIARIES

Consolidated Statements of changes in equity for the year ended December 31, 2009

Thousand of euros

	Issued capital (Note 17)	Share premium (Note 17)	Reserves (Note 17)	Unrealized gains (losses) reserves (Note 16)	Profit for the year	Treasury shares (Note 17)	Other equity instruments (Note 17)	Total	Minority interest (Note 15)	Total equity	Patrimonio neto total
Balance at January 1, 2009	16.277	35.130	26.560	(2.295)	-	5.575	(5.567)	1.360	77.040	1.126	78.166
Total income recognized in equity	-	-	-	605	-	6.291	-	-	6.896	(33)	6.863
Other changes in equity											
Appropriation of 2008 results	-	-	5.575	-	-	(5.575)	-	-	-	-	-
Distribution of share Premium (Note 17)	-	(3.954)	248	-	-	-	3.694	-	(12)	-	(12)
Distribution of interim dividend (Note 17)	-	-	-	-	(3.997)	-	-	-	(3.997)	-	(3.997)
Transactions with Treasury shares	-	-	84	-	-	-	(16.439)	(668)	(17.023)	-	(17.023)
Share-based payments	-	-	-	-	-	-	-	(23)	(23)	-	(23)
Other movements	-	-	(5)	-	-	-	-	(1)	(6)	(2)	(8)
Total appropriation of results and transactions with shareholders	-	(3.954)	5.902	-	(3.997)	(5.575)	(12.745)	(692)	(21.061)	(2)	(21.063)
Balance at December 31, 2009	16.277	31.176	32.462	(1.690)	(3.997)	6.291	(18.312)	668	62.875	1.091	63.966

2.5 CONSOLIDATED CASH FLOW STATEMENTS

RENTA 4 SERVICIOS DE INVERSIÓN, S.A. AND SUBSIDIARIES
Consolidated cash flow statements for the years ended December 31 (Note 4.r)

	Note	2010	2009
			Thousand of euros
Profit before tax		8.413	8.516
Adjustments to profit			
Depreciation of property and equipment and amortization of intangible assets	7 y 8	2.325	2.270
Loss on sale of available-for-sale financial assets	23	115	(619)
Movements in provisions	19	(745)	729
Impairment of goodwill	7	-	30
Impairment losses on available-for-sale financial assets	10	1.581	-
Dividend income	22	(441)	(413)
Finance costs		1.928	2.714
Employee benefits expenses (share-based payment plans)	24	142	(23)
Working capital adjustments			
Loans and receivables		45.426	(491)
Other assets and liabilities (net)	14	401	(305)
Financial assets and liabilities held for trading (net)	12	8	2.559
Current financial liabilities		(89.102)	(26.340)
Tax assets and liabilities		278	4.008
Other cash flows from operating activities			
Income tax paid	28	(2.209)	(1.356)
NET CASH FLOWS FROM OPERATING ACTIVITIES		(31.880)	(8.721)
Purchase of property and equipment and intangible assets	7 y 8	(2.658)	(882)
Purchase of available-for-sale financial assets	10	(9.403)	(17.915)
Proceeds from sale of property and equipment and intangible assets		-	77
Non-current loans and receivables		39	(1.809)
Proceeds from sale of available-for-sale financial assets	10	7.529	16.877
Dividends received	22	441	413
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(4.052)	(3.239)
Payments to shareholders for capital decrease	17	(14)	(12)
Dividends paid	17	(3.755)	(3.997)
Proceeds from new bank borrowings		31.630	23.478
Repayment of bank borrowings		(29.369)	(23.764)
Payment of finance lease liabilities		(1.941)	(2.034)
Tax liabilities		(364)	272
Interest paid		(1.928)	(2.712)
Proceeds from transactions with treasury shares	17	(2.691)	(8.317)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(8.432)	(17.086)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(44.364)	(29.046)
Reconciliation:			
Cash and cash equivalents at January 1	13	103.612	132.658
Cash and cash equivalents at December 31	13	59.248	103.612
Net increase in cash and cash equivalents		(44.364)	(29.046)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

3.1 CORPORATE INFORMATION

Renta 4 Servicios de Inversión, S.A. (Renta 4 Servicios Financieros, S.L. until July 2000) (hereinafter the Company or parent company) was formed on October 28, 1999 as a result of the total split of Sociedad de Inversiones A.R. Santamaría, S.A. (formerly Renta 4 Inversiones, S.L.) into two newly created companies, Renta 4 Servicios Financieros, S.L. and Renta 4 Inversiones, S.L. As a result of the split, the Company received, primarily, shares in entities whose principal activity was the rendering of financing services. In July 2000, the Company was transformed into a joint-stock company, at which time it received its current name. At December 31, 2010, Renta 4 Servicios de Inversión, S.A. was the parent company of the Renta 4 Group (hereinafter the Group).

The Company engages in providing all types of advisory and other economic, financial or stock market services, as well as acquiring, holding, managing and selling securities. Detailed information on subsidiaries is provided in Appendix I.

On September 29, 2004, the Company moved to its current address at Paseo de la Habana, 74, in Madrid.

The activities carried out by some of the Group companies are regulated by Security Market Law 24/1988, dated July 28, as amended by Law 37/1998, dated November 16, Law 44/2002, dated November 22 and Law 26/2003, dated July 17, Ministry of Economics Order ECO/734/2004, dated March 11 and Royal Decree 867/2001, dated July 20 governing investment services companies. In addition, the management of Collective Investment Schemes (CIS) is regulated by Law 35/2003, dated November 4, and Royal Decree 1309/2005, dated November 4, which approves the regulations of this Law. Pension fund management is regulated by Royal Decree 1/2002, dated November 29, which approves the revised text of the Law on Pension Plans enacted by Royal Decree 304/2004, dated February 20, which approves the regulations of pension plans and pension funds.

On June 30, 2009 CNMV Circular 12/2008, of December 30, governing the capital adequacy ratio of investment companies and their consolidated groups went into effect. At December 31, 2010, the Group met its capital adequacy requirements as required by said law. In addition, Renta 4, Sociedad de Valores, S.A. (subsidiary) must comply with the minimum liquidity requirements, which are determined based on customer balances.

At December 31, 2010, the aforementioned subsidiary had met these requirements.

Shareholders in general meeting held September 29, 2007 agreed to apply for admission to listing of all the shares comprising the Company's share capital on the Madrid, Barcelona, Bilbao and Valencia stock exchanges, as well as their inclusion on the electronic trading platform (Sistema de Interconexión Bursátil Español).

On November 14, 2007, 9,821,918 shares of the Company were admitted to listing on the aforementioned stock exchanges -the greenshoe option was not exercised- and all its outstanding shares (40,693,203 shares) were included on the electronic trading platform.

On January 26, 2011, the Company received Bank of Spain authorization for the acquisition of 100% of Banco Alicantino de Comercio, S.A. The authorization notes that the business plan provided by the Company contemplates the merger between the acquiree and Renta 4 Servicios de Inversión and Renta 4 Sociedad de Valores, S.A., by which the Bank will absorb the latter two entities. To acquire this entity's existing shares and subsequently increase capital by 9 million euros, the Company plans to issue 25 million euros of bonds convertible into the Company's shares (Note 34).

3.2 BASIS OF PRESENTATION OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

a) Basis of presentation of the consolidated financial statements

The accompanying 2010 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS) in conformity with EU Regulation no. 1606/2002 of the European Parliament and of the Council.

The consolidated financial statements have been prepared on a historical cost basis, except for available-for-sale financial liabilities and the trading portfolio, which were recognized at fair value.

The following are the standards and interpretations which took effect in 2010; these standards and interpretations have not had a material effect on the Group's financial position or financial performance.

Standard or interpretation
IFRS 2 Share-based Payments (Amended)
IFRS 3 Business combinations (Revised) and IAS 27 Separate and Consolidated Financial Statements (Amended)
IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items
IFRIC 12 Service Concession Arrangements
IFRIC 15 Agreements for the Construction of Real Estate
IFRIC 16 Hedges of Net Investments in Foreign Operations
IFRIC 17 Distributions of Non-cash Assets to Owners
IFRIC 18 Transfers of Asset from Customers
Amendments to IFRS 5 Non-current Assets Held for Sale included in the Improvements in IFRS issued in May 2008
Improvements to IFRS issued in April 2009

Adoption of these new and amended standards and interpretations did not have any impact on the Group's financial position or performance.

The Group did not early apply any new or amended standards and interpretations published but not yet applicable.

The Group is evaluating the impact that the following standards and interpretations, which have been published by the IASB and approved by the European Union but are not yet applicable, will have on its accounting policies, financial position and performance:

Standard or interpretation
IAS 32 Classification of Rights Issues – Applicable for annual periods beginning on or after February 1, 2010.
IAS 24 Related Party Disclosures – Applicable for annual periods beginning on or after January 1, 2011; these changes also implied the amendment of IFRS 8.
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments - Applicable for annual periods beginning on or after July 1, 2010.
IFRIC 14 Prepayments of a Minimum Funding Requirement - Applicable for annual periods beginning on or after January 1, 2011.

Standard or interpretation
Improvements to IFRSs (May 2010) - Applicable for annual periods beginning on or after January 1, 2011 (except for the amendments to IFRS 3 (2008) regarding the valuation of non-controlling interests and share-based payments, the amendments to IAS 27 (2008) and the amendment to IFRS 3 (2008) regarding contingent payments deriving from business combinations closing on or after the date of effectiveness of the amended standards, all of which are applicable for annual periods beginning on or after July 1, 2010);

At the date of authorizing these consolidated financial statements for issue, the following new and amended standards had been published by the IASB but were not mandatorily applicable and had yet to be endorsed by the EU:

Standard or interpretation
IFRS Financial Instruments - Applicable for annual periods beginning on or after January 1, 2013.
Amendments to IFRS 7 Disclosures – Transfers of Financial Assets - Applicable for annual periods beginning on or after July 1, 2011.
Amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets - Applicable for annual periods beginning on or after January 1, 2012.

The Group is currently analyzing the impact of applying these new and amended standards.

Based on the analysis conducted to date, the Group believes that their application will not have a material impact on the consolidated financial statements in the year of first-time application. Nevertheless, the changes introduced by IFRS 9 will affect financial instruments and any trading in financial instruments taking place on or after January 1, 2013.

In their general meeting held on April 30, 2010, the shareholders approved the 2009 consolidated financial statements of the Renta 4 Group.

The accompanying 2010 consolidated financial statements of the Renta 4 Group were approved for issue by the Board of Directors of the parent company on March 22, 2011, and are pending approval by the shareholders at their general meeting. However, the Directors expect that they will be approved without modification.

b) Fair presentation

The consolidated annual financial statements have been prepared from the auxiliary accounting records of the various companies comprising the consolidated Group to present a true and fair view of consolidated equity, the consolidated financial position, the consolidated results and the consolidated cash flows of the Group. Each Group company prepares its annual financial statements in accordance with accounting principles prevailing in Spain. Accordingly, the necessary adjustments and restatements were made upon consolidation to standardize them with IFRS principles and criteria.

The consolidated annual financial statements, which consist of the consolidated balance sheet, the consolidated income statement, the consolidated statement of recognized income and expense, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes thereto, are presented in thousands of euros. The euro is the Group s functional currency. All amounts are rounded up to the nearest thousand unless indicated otherwise.

c) Comparison of information

To facilitate comparison of the information for the financial year ended December 31, 2010 with that of the prior year, 2009 figures are also presented on the consolidated balance sheet, consolidated income statement, consolidated statement of recognized income and expense, consolidated statement of changes in equity, the consolidated cash flow statement and in the accompanying notes where required under prevailing standards. The 2009 figures included in these consolidated financial statements are presented solely for comparative purposes.

d) Use of judgments and estimates when preparing the consolidated financial statements.

The parent company's directors are responsible for the information included in the consolidated financial statements. When preparing the consolidated annual financial statements, the Directors have made judgments and estimates based on assumptions that affect the application of accounting principles and criteria, as well as the amounts corresponding to recognized assets, liabilities, income, expenses and commitments. The most significant estimates used to prepare these consolidated annual financial statements relate to:

- Impairment losses of financial assets (Notes 4.h and 10).
- Impairment losses on and the useful lives of property and equipment and intangible assets (Notes 4.f, 4.g, 7 and 8).
- The measurement of equity instruments used in share-based payment plans for directors and employees (Note 4.n).
- The measurement of goodwill (Note 4.f and 7).
- The fair value of certain financial assets that are not traded on official OTC markets (Note 10).
- The measurement of financial risks to which the Group is exposed in carrying out its business (Note 31).

The estimates and assumptions used are based on historic experience and other factors which were considered the most reasonable at the time and are reviewed periodically. Any changes to estimates resulting from such reviews or future events would be recognized in the consolidated income statement of the period and subsequent periods, in accordance with IAS 8.

e) Consolidation basis

The companies included in the consolidation scope have been fully consolidated as of the date they were included in the Group, with the exception of the Group's investment in associate Renta Markets, S.A., which is consolidated using the equity method. Companies are eliminated from the consolidation scope when the Group no longer has control. In this circumstance, the consolidated annual financial statements include the results for the portion of the year in which the Group exercised control.

f) Minority interests

The value of the share of minority interests in equity and results for the year of consolidated subsidiaries is shown in "Minority interests" on the consolidated balance sheet and "Profit attributable to minority interests" in the consolidated income statements and the consolidated statement of recognized income and expense, respectively.

In acquisitions of minority interests, the difference between the consideration paid and the carrying amount of the investment is recognized in equity attributable to minority interest.

g) Standardization of measurement criteria

The necessary adjustments have been made to adapt the measurement criteria of the subsidiaries to those of the parent company.

h) Elimination of intercompany transactions

The intercompany balances related to loans, dividends, asset purchases and sales and the provision of services have been eliminated in consolidation.

3.3 SUBSIDIARIES

A list of subsidiaries of Renta 4 Servicios de Inversión, S.A. at December 31, 2010 and 2009 is provided in Appendix I.

The individual annual financial statements of the companies included in the consolidation scope are those corresponding to December 31, 2010 and 2009, respectively.

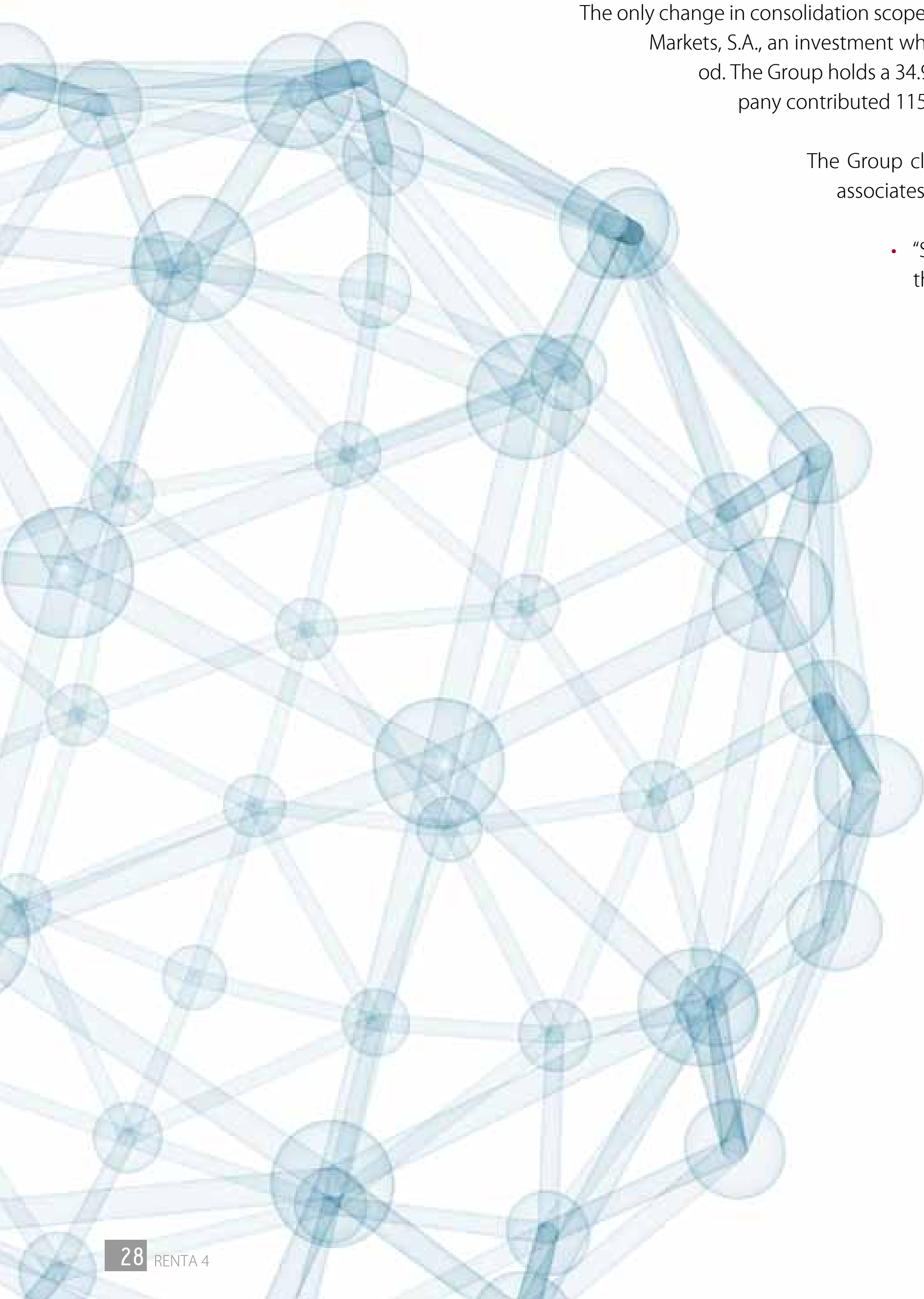
There were no significant changes in the scope of the consolidation in 2009.

The only change in consolidation scope in 2010 was the addition of Group associate Renta Markets, S.A., an investment which has been consolidated using the equity method. The Group holds a 34.99% ownership interest in this company. This company contributed 115 thousand euros to Group profit in 2010.

The Group classifies its equity investments in subsidiaries and associates in keeping with the following criteria:

- "Subsidiaries" or "Group companies" are those which the parent controls. Control is generally assumed to exist when the parent company owns, directly or indirectly through subsidiaries, more than half the voting power of investees. Control also exists when the parent owns less than this if it has power over half of the voting rights by virtue, for example, of an agreement with other investors. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

- Associates are entities in which the parent company has significant influence but not control or joint control. This significant influence is usually evidenced by a direct or indirect interest of 20% or more of the voting power of the investee.



3.4 VALUATION PRINCIPLES AND CRITERIA

The valuation principles and criteria applied in the preparation of the consolidated financial statements were as follows:

a) Principles of going concern and accrual

The information set forth in these consolidated financial statements has been prepared considering that the Group will continue as a going concern in the foreseeable future and, therefore, the directors have not applied the accounting standards used to determine the value of equity for total or partial transfer purposes or a hypothetical liquidation.

Except with respect to the cash flow statement, these consolidated financial statements have been prepared on an accrual basis, that is, transactions have been recorded at the moment the actual goods or services represented by them take place, regardless of when actual payment or collection occurs.

b) Offsetting balances

Debit and credit balances arising as a result of transactions are offset and therefore presented at the corresponding net amount on the balance sheet only when related contracts or applicable legislation allows the possibility of offsetting them and the entity intends to liquidate them at their net amounts or realize the related assets and simultaneously pay the corresponding liabilities.

c) Business combinations

A business combination is the bringing together of two or more separate entities or economic units into one single entity or group of entities. As a result of a business combination, which is accounted for using the acquisition accounting method, the Group obtains control over one or several companies.

The purchase method addresses business combinations from the perspective of the acquirer. The acquirer must recognize the assets acquired and the liabilities and contingent liabilities assumed, including those not previously recognized by the acquirer (net assets) at their acquisition-date fair values. Any difference between the fair value of the net assets acquired and the consideration given is recognized as goodwill.

Minority interests in the acquiree identified at the acquisition date and included in the calculation of goodwill can be measured either at the proportionate share of the acquiree's identifiable net assets or at fair value. The method can be determined on a transaction by transaction basis.

d) Transactions in foreign currency

The euro is considered the functional currency for the purposes of the preparation of these consolidated financial statements. Foreign currency is understood to be any currency other than the euro.

Upon initial recognition, foreign currency receivable and payable balances have been converted to euros using the spot exchange rate. After initial recognition, the following rules are applied when translating foreign currency balances to euros:

- Monetary assets and liabilities denominated in foreign currency are translated at the average spot euro rate published by the European Central Bank at the balance sheet date.
- Income and expenses are translated at the exchange rate on the date of the transactions.

All differences are recognized in the consolidated income statement.

At December 31, 2010 and 2009 the total amount of assets and liabilities denominated in foreign currency was insignificant.

e) Recognition of revenue and expenses

In general, revenue is measured at the fair value of the consideration received or to be received, excluding discounts, credits and rebates. When delays occur with respect to actual receipt of goods or services, fair value is determined based on discounted future cash flows.

The recognition of revenue in the consolidated income statement or in equity depends on whether the following conditions are met:

- The amount can be estimated reliably.
- It is probable that economic benefits will flow to the Group.
- The information can be verified.

When there are uncertainties regarding the collection of an amount previously recognized as revenue, the amount whose collectability is improbable is recognized as an expense and not as a decrease in revenue.
Revenue from dividends is recognized in the consolidated income statement when the shareholders' right to receive the payment is established.

f) Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of the cost of the acquisition of subsidiaries over the fair value of the net assets acquired at the date of acquisition. When the acquisition of new investments entails deferred payment, cost includes the present value of the outstanding balance.

Goodwill is not amortized. It is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment detected is recognized in the consolidated income statement immediately. Impairment losses relating to goodwill cannot be reversed in future periods.

For calculating the impairment loss, goodwill is allocated to the cash generating units and an estimate is made of the recoverable amount of the asset, which is considered to be the higher of fair value less costs to sell and value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets.

On the sale or disposal of an investment in a Group company or associate, any goodwill allocated to the company is included in the gain or loss recognized from the sale or disposal.

Other intangible assets

The Group recognizes under "Other intangible assets" its computer software and the "Customer Relationships" arising from the acquisitions of Gesdinco Gestión, S.G.I.I.C., S.A. and Padinco Patrimonios, S.A.

This heading includes amounts paid to acquire software and software licenses. Software maintenance costs are recorded directly in the year incurred and amortized on a straight-line basis over a three-year period from the date the software is put to use.

The "Customer Relationships" acquired are amortized on a straight-line basis over eight years (useful life), which is the period of time the Group estimates it will maintain these relationships based on available information.

g) Property and equipment

This heading includes buildings, land, furniture, vehicles, computer equipment and other installations owned by the Group or acquired under finance leases.

The cost of these assets includes the amounts initially disbursed for acquisition or production, as well as any amounts paid subsequently for expansion, replacement or improvement of assets, when the Group expects to obtain economic benefits from continuing use of the assets. Plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment in value.

The Group has considered that cost at the IFRS transition date (January 1, 2005) was the carrying amount recognized under the generally accepted accounting principles in Spain at January 1, 2005.

Investment property recognizes the net carrying amount of a building (including the land) which is held for rent.

The acquisition or production cost of plant and equipment, net of the residual value, is depreciated on a straight-line basis over the useful life of the assets, as follows:

	Years of useful life	Depreciation rates
Buildings and other construction	50	2%
Investment property		
Buildings	50	2%
Installations	10 - 12,5	8% - 10%
Machinery, installations and tools	10 - 12,5	8% - 10%
Furniture and fittings	10	10%
Transport equipment	7	14%
Data processing equipment	4 – 7	15% - 25%
Other property and equipment	5	20%

Repairs and maintenance expenses that do not increase the useful lives of assets are taken to the consolidated income statement of the year incurred.

The finance costs incurred in the acquisition of property and equipment assets are not recorded as an increase in the acquisition costs. However, at December 31, 2010, the Group has not financed any acquisition of property and equipment.

The Group periodically assesses whether there are any internal or external indications that the carrying amounts of property and equipment may be impaired at the consolidated balance sheet date. For identifiable assets, it estimates the recoverable amount, which is considered to be the higher of (i) the asset's fair value less costs to sell and (ii) its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount in the consolidated income statement.

Leases

The Group classifies leases based on the economic substance of the arrangement regardless of whether they are set up as finance or operating leases.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Financial charges are charged directly to the consolidated income statement. Assets acquired under finance leases are classified on the consolidated balance sheet based on the nature of the asset.

Operating lease payments are recognized as an operating expense as accrued over the term of the lease contracts.

h) Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Interest, dividends, changes in carrying amounts and gains or losses relating to the repurchase or refinancing of financial liabilities are recorded as a finance cost in the consolidated income statement.

Financial instruments are recognized on the consolidated balance sheet only when the Group is a party to the contractual provisions of the instrument. The Group recognizes debt instruments such as loans and cash deposits as of the effective date on which the legal right to receive and legal obligation to pay arises, and financial derivatives as of related contract dates. Additionally, transactions carried out in foreign currency markets are recorded on the settlement date, and financial assets traded on OTC markets in Spain are recognized on the trade date in the case of equity instruments and on the settlement date in the case of debt securities.

The financial assets and liabilities of the Group generally are:

- Financing granted to and received from other financial institutions and customers regardless of the legal document used to instrument such financing.
- Debt securities (e.g. debentures, bonds, promissory notes) and equity instruments (shares) or units of collective investment schemes (CIS).
- Derivatives: contracts whose value changes in response to the change in any underlying variable (e.g., interest rate, exchange rate or similar), with a minimal or no initial investment and which is settled at a future date. In addition to providing a return (gain or loss), when certain conditions are met derivatives may totally or partially offset the financial risks related to the Group's balances and transactions.

h.1) Financial assets

Financial assets are, inter alia, cash balances, deposits at financial institutions, customer loans, debt securities, equity instruments of another entity except those of subsidiaries, joint ventures or associates and derivatives held for trading.

The Group classifies is financial assets into the following portfolios for valuation purposes:

- Financial assets held for trading: financial assets created or acquired that are held for the purpose of selling in the near term or that are part of a portfolio (trading portfolio) of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking. It also includes derivatives that are not designated as hedging instruments. Financial assets held for trading are shown at fair value, which is calculated based on their listed value at the consolidated balance sheet date. Changes in fair value are recognized in the consolidated income statement.

- Loans and receivables: financial assets with fixed or determinable payments that are not quoted in an active market, that may or may not be designated at fair value and whose total initial investment the Group expects to recover, other than because of credit deterioration. The category primarily includes any type of loan or deposit lent to financial institutions, unlisted debt securities and temporary debit balances (brokerage) of Group customers. Receivables are recognized in the consolidated balance sheet at amortized cost using the effective interest rate method. The Group makes provisions for bad debts to cover balances of a certain age or if circumstances exist that raise doubts about the solvency of the debtor. Impairment losses on accounts receivable for intermediation are determined taking into consideration the value of securities uses as guarantees.

- Available-for-sale financial assets: those financial assets not classified in any of the preceding categories. Available-for-sale financial assets are measured at fair value, which is determined by reference to the listing price, net of tax, at the close of business on the balance sheet date. Fair value changes in available-for-sale assets, net of tax, are recognized with a charge or credit, as appropriate, in equity until these assets are disposed of, at which time the cumulative gain or loss is recognized in the consolidated income statement.

Financial assets which are equity instruments with no reliable fair value measurement and derivatives indexed to such equity instruments, which are settled against each other, are measured at cost.

The fair value of a financial instrument is the price which would be paid for it on a high-volume, transparent organized market ("quoted price" or "market price"). The fair value of a financial instrument for which there is no market price is estimated using the fair value in recent arm's length transactions, or other valuation techniques used by the international financial community bearing in mind the specific features of the instrument and, especially, related factors inherent to the financial instrument. The fair value of standard financial derivatives included in trading portfolios is considered the daily quoted price which, if unavailable on a given date due to exceptional circumstances, is to be measured using methods similar to those applied when valuing derivatives traded on OTC markets. The fair value of derivatives traded on OTC markets is considered to be the sum of the future cash flows deriving from the instrument discounted at the valuation date ("present value" or "marked-to-market value") by applying valuation techniques recognized by financial markets: "net present value" (NPV), option price valuation methods, etc.

Financial assets are derecognized from the Group's consolidated balance sheet when the contractual rights to receive cash flows from the assets have expired or the Group has transferred these rights and either has transferred substantially all the risks and rewards of the assets, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. In the last case, when control of the assets has not been transferred, the asset is recognized to the extent of the Group's continuing involvement in the asset; i.e. at an amount equal to the Group's exposure to changes in the value of the transferred financial asset.

Where there is objective evidence that an impairment loss on a financial asset has been incurred, the carrying amount of the asset is written down with a charge to the consolidated income statement. The amount of the loss is measured as the difference between the asset's carrying amount and the amount expected to be recovered, determined individually for significant assets bearing in mind credit guarantees and applying percentages of loss based on the age of the liability obtained from industry data issued by the CNMV. Given the nature of the Group's credits, historical experience and the positions of customers deposited at the Group, no collective impairment losses have been identified.

h.2) Financial liabilities

Deposits from financial institutions, customer deposits and other liabilities are initially measured at fair value less directly attributable transaction costs. After initial measurement, these liabilities are subsequently measured at amortized cost using the effective interest method. Interest is recognized as an expense in the period in which it is accrued in accordance with financial criteria.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and demand balances at financial intermediaries.

j) Treasury shares

Parent company shares held by the Group are deducted from equity. No gain or loss is recognized on transactions with treasury shares in the income statement, but directly in equity.

k) Provisions

Liabilities present at the consolidated balance sheet date, arising as a result of past events regarding which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, but are uncertain in terms of amount and cancellation date, are recognized in the consolidated balance sheet under provisions at the present value of the amount that the Group deems most likely will have to be paid to settle the obligation. Provisions are quantified taking into consideration the best available evidence on implications of obligating events and are re-estimated at every balance sheet close.

At December 31, 2010 and 2009 provisions recognized in the consolidated balance sheets correspond to Renta 4, Sociedad de Valores, S.A. and to the parent company and primarily cover certain risks of third-party claims arising from the performance of its activities.

l) Income tax

The income tax expense is calculated as tax payable with respect to the tax result for the year, after considering changes during the year relating to temporary differences, tax credits for deductions and rebates, and loss carryforwards.

The tax expense is recognized in the income statement except when the transaction is recognized directly in equity and in business combinations in which the deferred tax liability is recognized as another equity component of the business combination.

For deductions, rebates and tax credits for loss carryforwards to be effective, they must meet the requirements stipulated in prevailing legislation provided that related recovery is probable given that there are sufficient available deferred taxes or specific events have occurred due to which said recovery is no longer considered likely.

The tax effect of temporary differences is included in the corresponding deferred tax asset or liability headings under "Tax assets" or "Tax liabilities" on the accompanying consolidated balance sheet.

The Group reviews the carrying amounts of deferred tax assets and liabilities recognized, at least at each balance sheet date, and records the corresponding adjustments for deferred taxes which have lapsed or are considered recoverable.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

m) Fee and commission income

This heading includes fees and commissions for brokerage, asset management and custodian services and other income related to the Group's activities (e.g. underwriting, placement). Fee and commission income is recognized in the consolidated income statement as the service is rendered or, in the case of services executed via a single act, upon execution of the act.

n) Employee benefits expense

Short-term employee benefits

These benefits are measured (and not updated) at the amount which has been paid for services received and are recognized in general as "Employee benefits expense" for the year. The difference between the total expense and the amount already paid is shown under "Accrued expenses and deferred income."

Share-based payments

The Group has a share-based payment plan for its management and employees which grants them the option of acquiring shares of Renta 4 Servicios de Inversión S.A. (the Group's parent company). This stock option plan is known as the 2009 Plan.

This stock option plan was approved on December 23, 2009 and its main terms are as follows:

- No. of shares to be granted: 1,627,728 shares representing 4% of the parent company's share capital.

- Term: five years, the first grant taking place on January 15, 2011, with the remaining shares being granted on that same date during the next four years.

- Beneficiaries: the 2009 Plan is available to all Group directors, managers, and employees; each year the Appointments and Remuneration Committee of the parent company's Board of Directors proposes the beneficiaries on a case-by-case basis. Entitlement is not contingent upon minimum seniority.

  The Appointments and Remuneration Committee met at the end of 2010 to decide on the beneficiaries of the first grant of shares under the plan. Likewise, it will meet at each year-end to determine the beneficiaries of the subsequent grants.

- Economic terms and conditions: the exercise price for beneficiaries has been set at 6 euros per share.

In 2009, when the plan was approved, the stock options granted to employees were measured using a generally accepted valuation methodology at 661 thousand euros.

The Group recognizes in the consolidated income statement the cost of the plan during the accrual period, deemed the period elapsing between the date the plan was approved (December 22, 2009) and each grant date. Cost was determined as the difference between the amount to be paid by eligible employees and the estimated fair value of the shares to be delivered, i.e., at the intrinsic value of the option granted to employees. The estimates include an estimate of the percentage take-up for the plan, which was assumed to be 74.77%; management's experience with the share-based plan which was in effect until 2009 was that not all beneficiaries exercised their call options.

At each stock option grant date, the Remuneration Committee determines the number of shares to be granted and to whom on the basis of personal job performance evaluations and delivery of the Group's overall targets.

Under the former stock option plan in force until 2009, the Group's management and employees received a total of 967,109 shares out of the maximum of 1,299,848 shares contemplated for 2005-2009. In 2005 and 2006, employees paid 25% of market value for the shares received, while in 2007 and beyond, they paid market value less 3.75 euros per share, subject to a minimum price of 1.25 euros. Cost for this plan was determined as the difference between the amount to be paid by employees and the estimated fair value of the shares to be delivered, i.e., at the intrinsic value of the option granted to the employee. This estimate included an estimate of the percentage take-up for the plan, based on management's experience that not all beneficiaries tend to exercise their call options. As the shares were not listed in 2005 and 2006, the Group estimated the fair value of the shares to be delivered in those two years at five (5) euros per share. This value was the benchmark for other transactions carried out between independent parties (employees and customers). For 2007, 2008 and 2009, it took the listed share price, taking into account the 3.75 euros per share limit specified in the terms of the plan.

The cost recognized in the consolidated income statement each year calculated in accordance with the criteria indicated above is debited to "Other equity instruments" in equity for the year, since the settlement of the plans require physical delivery of the shares. The cost incurred or, where applicable, income earned for shares delivered in 2010 and 2009 was 142 and 23 thousand euros in income and costs, respectively, recognized in "Employee benefits expense" of the consolidated income statement of each year (see Note 24).

The cost incurred in 2010 amounted to 142 thousand euros (2009: income of 23 thousand euros) and was recognized in "Employee benefits expense" in the respective consolidated income statements (Note 24).

Other employee benefits

At December 31, 2010, the Group had granted loans to several employees to purchase a total of 289,130 shares of Renta 4 Servicios de Inversión S.A. (2009: 289,130 shares). The acquisitions were funded with interest-free loans due 15 years from the transaction date in accordance with the repayment schedule agreed in the contracts. The difference between the present value of the amounts payable by the employee and the sale price is recognized in the consolidated income statement as an employee benefit expense.

The expense recognized for this item in the 2010 and 2009 consolidated income statements was 27 and 549 thousand euros, respectively (see Note 24). In 2009, the early repayment of some of these loans was credited to the consolidated income statement. The amortized cost of these loans at December 31, 2010 amounted to 790 thousand euros (2009: 863 thousand euros) and is recognized in "Loans and receivables" in current and non-current assets on the accompanying consolidated balance sheet.

In addition, at December 23, 2009, the Group had granted loans to employees to purchase 762,452 shares of Renta 4 Servicios de Inversión S.A. The acquisition was financed with loans earning interest at Euribor + 1.5%. These loans are repayable annually and mature within five years of the grant date. The principal of these loans at December 31, 2010 and 2009 totals 3,446 thousand euros. This amount is shown in "Loans and receivables" under non-current assets of the accompanying consolidated balance sheet.

Pension commitments

The Group classifies its pension commitments as defined contribution, whereby it is only required to make defined contributions to a third party, or as defined benefit, where it agrees to pay an amount based on variables such as age, years of service and salary when the contingency arises. The Group's obligations are as follows:

Renta 4, Sociedad de Valores, S.A.

In accordance with the collective labor agreement applicable to Renta 4, Sociedad de Valores, S.A., this company must pay certain long service bonuses to personnel formerly employed by brokerage firms and agencies after 25, 35 or 45 years of service. The Group has not recorded any provision for this concept, as it estimates that the amount accrued at December 31, 2009 and 2010 is not significant.

Also according to this collective labor agreement, this company must provide coverage of early retirement, death and disability contingencies to employees covered by the collective labor agreement applicable to brokerage companies and broker dealers in the Autonomous Community of Madrid. This company is meeting these obligations by setting up a defined benefit pension plan.

In addition, for employees not covered under this agreement, the Group covers the retirement, disability, death, severe or major dependency contingencies through a defined contribution plan since 2006 with an annual contribution of 600 euros per employee.

Renta 4 Servicios de Inversión, S.A., Renta 4 Corporate, S.A., Renta 4 Gestora, S.G.I.I.C., S.A. and Renta 4 Pensiones, S.G.F.P., S.A.

Since 2007, the Group provides employees of these companies' coverage of retirement, disability, death, severe or major dependency contingencies through two defined contribution plans with an annual contribution of 600 euros per employee.

Defined contribution plan

Defined contributions are measured at fair value unless they are to be paid prior to the twelve months following the date of the consolidated financial statements in which the corresponding employee services were received, in which case the related amount is not updated. Contributions accrued for this concept during the year are recognized under "Employee benefits expense" in the income statement. The contributions recognized as an expense in the income statement amounted to 140 thousand euros in 2010 and 138 thousand euros in 2009 (see Note 24).

Defined benefit plan

The Group measures the present value of the implicit legal obligations for its defined benefit plan at the consolidated balance sheet date after deducting the cost of past services pending recognition and the fair value of the assets assigned to the plan as stipulated in prevailing legislation. The figure thus obtained is recognized as a provision for defined benefit pension funds.

The Group considers plan assets to be those that meet the following requirements:

- The assets are owned by a legally separate third party that is not a related party.
- The assets are exclusively available to pay or finance commitments with employees.
- The assets may not be returned to the Group unless the commitments with employee have been settled or used to reimburse the Group for benefits previously paid.
- The assets may not be instruments that the Group is entitled to transfer.

The Group recognizes the total net amount of the current service cost, interest cost on benefit obligation, the expected return on plan assets, past service costs and the effect of any reduction or settlement of the plan in the consolidated income statement of the year.

The Group immediately recognizes past service cost as an expense in the income statement unless changes to the plan are contingent on the employee remaining at the Group over a specific period of time, in which case the past service cost is recognized on a straight-line basis over said period.

"Actuarial gains and losses" are gains or losses arising from differences between previous actuarial assumptions and what has actually occurred, and from changes in the actuarial assumptions used. They are recorded entirely on the consolidated income statement for the year in which they occurred.

Expenses incurred by the Group in 2010 and 2009 related to its defined benefit obligations amounted to 22 and 19 thousand euros, respectively.

The main assumptions used to measure these commitments were:

	2010	2009
Mortality tables	PEMF-2000P	PEMF-2000P
Interest rate	4%	4%
Long-term inflation rate	1,5%	1,5%
Retirement age	65	65
Rotation	No	No

The table below presents the results of the actuarial valuation made and details on the value of the pension commitments, the fair value of the assets used to cover said commitments, and amounts recognized in assets, liabilities and the consolidated income statement.

The valuation of previous commitments based on the above assumptions was:

	2010	2009
		Thousands of euros
Pension commitments with retired employees	-	-
Pension liabilities for active employees	604	587
Accrued	248	228
Unaccrued	356	359
Total commitments	248	228
Fair value of plan assets (Plan position account)	250	230
Asset (Liability) to be recognized on the balance sheet	2	2

Termination benefits

Termination benefits are recognized as a provision and an employee benefit expense only when the Group has a proven commitment to terminate the employment of an employee or group of employees before the normal retirement date, or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

o) Off-balance-sheet customer funds

Funds deposited by third parties for investment in mutual funds and companies, pension funds, savings insurance contracts and discretional portfolio management contracts are recognized at fair value in memorandum accounts (auxiliary off-book accounting records) (See Note 30.1).

Additionally, assets acquired on behalf of third parties, equity instruments, debt instruments, derivatives and other financial instruments that are held on deposit for which the Group is liable to third parties are recognized in memorandum accounts at fair value or, when fair value cannot be estimated reliably, at cost (See Note 21). When in accordance with the contracts entered into with customers and when (international) market operating procedures dictate, the Group uses global custody accounts (omnibus), where it appears as owner of the positions. It must keep separate internal records with a breakdown by customer.

The fair value of these positions is determined by reference to quoted prices in the various markets, or those supplied by global custodians in the case of units of mutual funds (net asset value).

The positions for customer balances with international derivatives markets and contracted CFDs through global custody accounts (omnibus) are recorded at their reasonable value in the trading portfolio (see Note 12) as positions held by the Group in relation to the (intermediary) market and opposite sign in relation to customers.

p) Investment guarantee fund

In accordance with the stipulations of Royal Decree 948/2001, dated August 3, on methods for indemnifying investors, amended by Law 53/2002, dated December 30, on tax, administrative and corporate measures, brokerage companies must make annual contributions to the Investment Guarantee Fund. In 2010, Renta 4, Sociedad de Valores, S.A. contributed 570 thousand euros to this fund (2009: 548 thousand euros), recognized under "Other general administrative expenses" (see Note 25) in the accompanying consolidated income statement.

q) Related parties

The Renta 4 Group regards as related parties the directors of the Group companies, key management personnel, related persons and companies owned by the abovementioned related parties. Transactions with related parties are carried out on an arm's length basis.

r) Consolidated cash flow statement

The following terms are used in the cash flow statement with the meanings indicated below:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to insignificant risk of changes in value.
- Operating activities: the main activities of Group companies.
- Investing activities: the acquisition, sale and other disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that alter the equity capital and borrowing structure of the Group and are not included in operating activities.

3.5 APPROPRIATION OF RESULTS

The appropriation of 2010 and 2009 results was made based on the proposed appropriation of results included in the respective financial statements of the Group companies prepared in accordance with generally accepted accounting principles in Spain.

The appropriation of parent company profit of 2010 result (determined on the basis of generally accepted accounting principles and criteria in Spain) proposed by the directors and pending approval by shareholders in general meeting is as follows:

	Thousands of euros
Voluntary reserves	2.701
Interim dividend	3.755
Dividend	1.877
	8.333

3.6 SEGMENT INFORMATION

The business segments described below reflect the Group's organizational structure at year end 2010 and 2009 based on the nature of the services rendered and the customer segments to which they are rendered.

The Group's main business lines, which constitute its primary reporting segments, are as follows:

- Brokerage (Spanish and international capital markets and the sale of managed and third-party mutual funds).
- Asset Management.
- Corporate Services: includes primarily support services for the rest of the segments, as well as security depositary and custodial services.

The Group carries out its entire activity in Spain. Its customers and the products it offers to them are similar throughout the country.

The Group's financial business focuses mainly on brokerage, asset management, corporate and other services. These activities are carried out through a network of branches, agents and subsidiaries and are offered to individuals and financial intermediaries, and small- and medium-sized enterprises (SMEs). Corporate services are provided by various Group subsidiaries.

Inter-segment sales relate mainly to commissions on the sale of the managed investment funds paid by the Asset Management segment to the Brokerage segment for marketing them through the network. These fees and commissions are paid in accordance with the agreed terms (75% of the management fee), which the directors deem to be in line with market practices.

The following table presents segment information for 2010 and 2009:

	12.31.10					12. 31.09				
INCOME STATEMENT	Brokerage	Asset Management	Corporate Services	Adjustments	Total	Brokerage	Asset Management	Corporate Services	Adjustments	Total
										Thousands of euros
Revenue										
Fees and commissions received										
Internal	6.411	-	-	(6.411)	-	6.385	-	-	(6.385)	-
External	32.040	15.112	5.382	-	52.534	32.624	13.130	3.204	-	48.958
Interest and similar income										
Internal	-	11	1	(12)	-	-	15	6	(21)	-
External	4.660	-	13	-	4.673	4.675	9	92	-	4.776
Return on equity instruments	-	-	441	-	441	-	-	413	-	413
Share of profit (loss) of associates	115	-	-	-	115	-	-	-	-	-
Expenses										
Commissions paid										
Internal	-	(6.411)	-	6.411	-	-	(6.385)	-	6.385	-
External	(15.241)	(2.895)	-	-	(18.136)	(14.325)	(1.679)	-	-	(16.004)
Interest and similar expense										
Internal	(12)	-	-	12	-	(21)	-	-	21	-
External	(1.393)	-	(1.046)	-	(2.439)	(2.561)	(1)	(1.327)	-	(3.889)
Trading income – financial assets and liabilities held for trading	-	-	2.924	-	2.924	-	-	(200)	-	(200)
Foreign currency translation differences (net)	1.021	-	-	-	1.021	1.714	-	-	-	1.714
SEGMENT NET REVENUE	27.601	5.817	7.715	-	41.133	28.491	5.089	2.188	-	35.768
Employee benefits expense	(11.382)	(2.339)	(1.871)	-	(15.592)	(11.391)	(1.945)	(555)	-	(13.891)
Other general expenses	(8.780)	(1.804)	(1.443)	-	(12.027)	(9.276)	(1.584)	(452)	-	(11.312)
Depreciation and amortization	(1.149)	-	(1.176)	-	(2.325)	(1.128)	(2)	(1.140)	-	(2.270)
SEGMENT GROSS PROFIT	6.290	1.674	3.225	-	11.189	6.696	1.558	41	-	8.295
Gains on sale of available-for-sale financial assets (net)	-	-	(115)	-	(115)	-	-	619	-	619
Impairment of goodwill	-	-	-	-	-	-	(30)	-	-	(30)
Impairment of financial assets	(405)	-	(2.195)	.-	(2.600)	424	-	-	-	424
Provisions and other profit and loss	(61)	-	-		(61)	(542)	-	(250)	-	(792)
PROFIT BEFORE TAX	5.824	1.674	915	-	8.413	6.578	1.528	410	-	8.516
BALANCE SHEET										
Total assets	349.457	9.052	88.231	(29.469)	417.271	426.225	4.306	107.412	(29.997)	508.006
Total liabilities	321.569	2.192	36.617	(5.692)	354.686	409.525	2.808	38.199	(6.492)	444.040
Other information										
Acquisitions of property and equipment	1.593	-	469	-	2.062	685	-	192	-	877

3.7 INTANGIBLE ASSETS

Goodwill

The breakdown of the movement in this consolidated balance sheet heading in 2010 and 2009 is as follows:

	Cost	Unrealized gains (losses) reserve for impairment of assets	Total
			Thousands of euros
Balances at 12/31/08	11.150	(2.181)	8.969
Others	-	(30)	(30)
Balances at 12/31/09	11.150	(2.211)	8.939
Others	-	-	-
Balances at 12/31/10	11.150	(2.211)	8.939

Additions in 2006 related to the acquisitions of Gesdinco Gestión, S.G.I.I.C., S.A. and Padinco Patrimonios, S.A. The differences between the acquisition costs and the fair values of the net assets acquired have been provisionally allocated as goodwill, in the amounts of 5,476 thousand euros and 192 thousand euros, respectively.

Since Gesdinco Gestión, S.G.I.I.C., S.A. merged with Renta 4, Gestora S.G.I.I.C, S.A. in 2007 in 2007 and Padinco Patrimonios, S.A. ceased its activity as an investment management company, transferring its managed portfolios to Renta 4, Sociedad de Valores, S.A. To perform an impairment test at December 31, 2010 and 2009, the Group analyzed the level of permanence of the assets invested by the various investors and shareholders in the collective investment schemes managed by Gesdinco Gestión, S.G.I.I.C., S.A., as well as the assets held by customers managed by Padinco Patrimonios, S.A. As a result of this analysis, in 2009 30 thousand euros were provisioned, for impairment of goodwill originally allocated to Padinco Patrimonios, S.A. as a result of loss of business.

The impairment tests performed in 2010 did not uncover the need to recognize any additional goodwill impairment loss.

The breakdown of the rest of goodwill by cash generating unit at December 31, 2010 and 2009, as well as the results of the impairment tests performed, are as follows:

Cash-generating unit	Goodwill	Net asset	Value of investment	Discount cash flows (enterprise value)	Impairment
					Thousands of euros
2010					
Renta 4 Burgos, S.A.	596	46	643	2.247	-
Renta 4 Aragón, S.A.	2.231	72	2.302	2.303	-
Renta 4 Huesca, S.A.	586	2	588	1.202	-
	3.413	120	3.533	5.752	-
2009					
Renta 4 Burgos, S.A.	596	47	643	1.028	-
Renta 4 Aragón, S.A.	2.231	71	2.302	2.351	-
Renta 4 Huesca, S.A.	586	2	588	1.238	-
	3.413	120	3.533	4.617	-

The main assumptions used in determining value in use were as follows:

	2010	2009
Period projected (years)	3 years	3 years
Discount rate (period projected)	11%	11 - 13%
Discount rate less expected growth rate (final value)	12%	12%

The discount rate and projected cash flows for each cash-generating unit are the assumptions upon which the calculations are most sensitive. Therefore, for a conservative assessment, the directors have applied higher risk premiums the farther out the cash flows from the valuation after initial years of strong expected business growth.

Taking into consideration the historic earnings performance of each CGU, at December 31, 2010, the Group estimated annual profit growth through 2013 of 5% for each CGU.

Other intangible assets

The breakdown of the movement in this consolidated balance sheet heading in 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Computer software		
Cost	2.256	1.661
Accumulated amortization	(1.690)	(1.480)
Net carrying amount	566	181
Other intangible assets		
Cost	949	949
Accumulated amortization	(501)	(370)
Net carrying amount	448	579
Total	1.014	760

At December 31, 2010 and 2009, the value of intangible assets (computer software) does not include any internal development costs.

The movement in this consolidated balance sheet heading in 2010 and 2009 is as follows:

	Balance at 1/1/10	Additions	Disposals	Transfers	Balance at 12/31/10
					Thousands of euros
Cost					
Computer software	1.661	596	-	(1)	2.256
Other intangible assets	949	-	-	-	949
	2.610	596	-	(1)	3.205
Accumulated amortization	(1.850)	(341)	-	-	(2.191)
Net carrying amount	760	255	-	(1)	1.014

	Balance at 1/1/09	Additions	Disposals	Transfers	Balance at 12/31/09
					Thousands of euros
Cost					
Computer software	1.656	5	-	-	1.661
Other intangible assets	949	-	-	-	949
	2.605	5	-	-	2.610
Accumulated amortization	(1.580)	(270)	-	-	(1.850)
Net carrying amount	1.025	(265)	-	-	760

At December 31, 2010 and 2009, no impairment losses had been recognized for this item in the accompanying consolidated balance sheets.

3.8 PROPERTY AND EQUIPMENT

The balance of this consolidated balance sheet heading at December 31, 2009 and 2008 relates to assets for own use. The Group does not recognize any items of property or equipment as investment properties.

The breakdown of the movement in this consolidated balance sheet heading at December 31, 2010 and 2009 is as follows:

	Balance at 01/01/10	Additions	Disposals	Transfers	Balance at 12/31/10
					Thousands of euros
Cost					
Buildings and other construction	25.119	-	-	(4.125)	20.994
Investment property	-	-	-	5.523	5.523
Machinery, installations and tools	6.073	1.427	-	-	7.500
Furniture and fixtures	3.739	442	(4)	-	4.177
Transport equipment	136	-	-	-	136
Data processing equipment	4.222	119	(4)	-	4.337
Property and equipment under construction	1.324	74	-	(1.398)	-
Other assets	239	-	-	-	239
	40.852	2.062	(8)	-	42.906
Accumulated depreciation	(11.248)	(1.984)	8	-	(13.224)
Net carrying amount	29.604	78	-	-	29.682

	Balance at 01/01/09	Additions	Disposals	Transfers	Balance at 31/12/09
					Thousands of euros
Cost					
Buildings and other construction	25.044	75	-	-	25.119
Machinery, installations and tools	5.784	289	-	-	6.073
Furniture and fixtures	3.840	18	(119)	-	3.739
Transport equipment	136	-	-	-	136
Data processing equipment	4.282	100	(160)	-	4.222
Property and equipment under construction	929	395	-	-	1.324
Other assets	239	-	-	-	239
	40.254	877	(279)	-	40.852
Accumulated depreciation	(9.450)	(2.000)	202	-	(11.248)
Net carrying amount	30.804	(1.123)	(77)	-	29.604

The transfer of "Property and equipment under construction" in 2010 reflects the completion of the building work on the former head office. The corresponding balance has been transferred along with the carrying amount of the land and building structure, which had been recognized in "Buildings and other construction", to "Investment property". At the end of 2010, a lease agreement was signed on this property.

At December 31, 2010 and 2009 the net carrying amount of property and equipment acquired under finance leases was 15,694 and 16,011 thousand euros, respectively.

On February 8, 2007, Renta 4 Servicios de Inversión, S.A. entered into a finance lease arrangement with a credit entity on a building located in Valencia for office use. The total amount of the lease was 1,673 thousand euros. This price includes a purchase option for 11 thousand euros and financial charges of 261 thousand euros, payable in 120 monthly installments. The lease currently has a nominal interest rate of 4.5% and matures on January 8, 2017.

On July 5, 2001, the Company entered into a finance lease arrangement with a financial institution for the building located at Paseo de la Habana no. 74 in Madrid amounting to 18,170 thousand euros, recognized under "Buildings and other construction" in the accompanying consolidated balance sheet. On November 17, 2004, the Company signed the renewal of the lease agreement, which included remodeling work and other improvements made to the building, plus an extension of the term of the lease up to December 5, 2014. The total amount of the lease following the renewal was 18,018 thousand euros. This amount included the 150 thousand euro purchase option and 1,430 thousand euros in financial charges, payable in 120 monthly installments. The interest rate was established as one-year Euribor plus a differential of 0.60%, which is adjusted annually. The renewal was deemed effective as of December 5, 2004.

The breakdown of finance lease commitments is as follows:

	2010		2009	
				Thousands of euros
	Current	Non-current	Current	Non-current
Value of the commitment –future minimum payments -	1.936	6.097	1.946	8.072
Interest charges	(150)	(228)	(207)	(413)
Finance lease commitments - Present value (see Note 17)	1.786	5.869	1.739	7.659

The breakdown of outstanding payments and present value of these leases at December 31, 2010 and 2009 is as follows:

Future minimum payments	Within 1 year	After one year but not more than five years	More than five years	Total
				Thousands of euros
2010	1.936	5.941	156	8.033
2009	1.946	7.771	301	10.018
Present value				
2010	1.786	5.717	152	7.655
2009	1.739	7.372	287	9.398

At December 31, 2010 and 2009 the Group had not recognized any impairment losses on its property and equipment.

At December 31, 2010 and 2009, the Group had no firm commitments to acquire or sell property and equipment for significant amounts.

3.9 INVESTMENTS

The breakdown of investments and the most significant related information at December 31, 2010 and 2009 is provided in Appendix I.

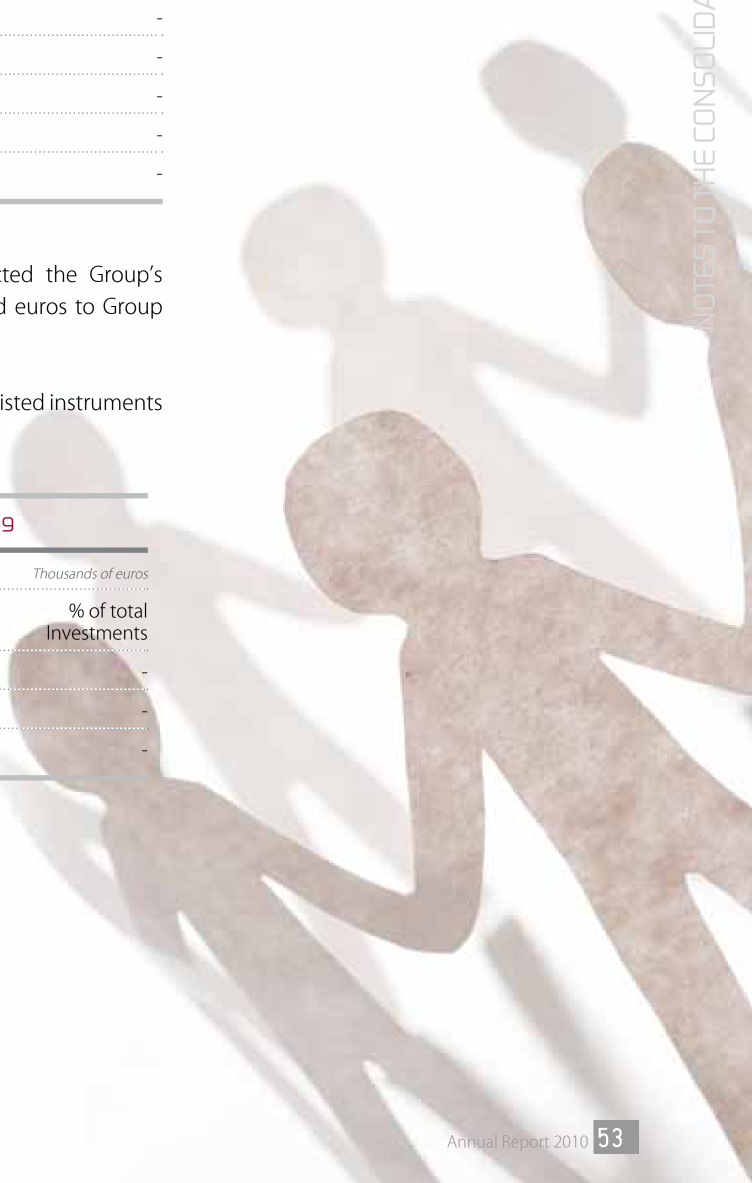
The breakdown of "Investments" by financial instrument and counterparty is as follows:

	2010	2009
		Thousands of euros
Associates	382	-
Securities owned by the Group	382	-
Valuation adjustments	-	-
Impairment losses on assets	-	-
Micro-hedges	-	-
Jointly controlled entities	-	-
Total	382	-

At December 31, 2010, this consolidated balance sheet heading reflected the Group's investment in Renta Markets, S.A. This company contributed 115 thousand euros to Group profit in 2010.

At year-end 2010 and 2009, the breakdown of "Investments" by listed and unlisted instruments is follows:

	2010		2009	
				Thousands of euros
	Thousands of euros	% of total Investments	Thousands of euros	% of total Investments
Listed	-	-	-	-
Unlisted	382	100%	-	-
	382	100%	-	-



The movement in "Investments" on the consolidated balance sheet for 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Opening balance	-	-
Additions	382	-
Transfers	-	-
Decreases	-	-
Closing balance	382	-

3.10 AVAILABLE-FOR-SALE FINANCIAL ASSETS

The breakdown of this asset heading in the accompanying consolidated balance sheet is as follows:

Non-current	2010	2009
		Thousands of euros
Debt securities	11.164	11.450
Investments in UCITS	13.747	13.980
Shares and other equity investments	6.789	7.686
Total	31.700	33.116

"Shares and other equity investments" in the table above is presented net of impairment losses recognized in the consolidated income statement. Accumulated impairment losses on these investments stood at 3,209 thousand at December 31, 2010 (1,628 thousand euros at year-end 2009). In 2010, applying the valuation criteria outlined in Note 4 h.1, the Group recognized an impairment loss on its investment in BBVA totaling 1,581 thousand euros (Note 26).

In 2010 and 2009, none of the financial instruments included in this portfolio was transferred or reclassified.

The movement in this balance sheet heading in 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Balance at January 1	33.116	30.570
Additions	9.403	17.915
Disposals	(7.644)	(16.260)
Impairment	(3.175)	891
Balance at December 31	31.700	33.116

"Debt securities" in the table above relate primarily to private fixed-income bonds amounting to 10,244 thousand euros; the securities' carrying amount is deemed their fair value in light of the fact that any impairment on this investment has been secured by the Group's main shareholder. At December 31, 2010, the Group's biggest shareholder owned 344,431 shares in Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. and 165,457 units of R4 CTA Trading, Fondo de Inversión (Notes 21 and 29) which have been pledged to secure the above-mentioned bonds. The issuers of the bonds in question have filed for bankruptcy and are in the process negotiating a grace period on debt service with their creditors. The Group is monitoring the progress of these negotiations so that the relevant decisions can be made with respect to calling in the related guarantee once the process has been resolved.

The breakdown of "Investments in UCITS" at December 31, 2010 and 2009 is as follows:

	12.31.10	12.31.09
		Thousands of euros
Renta 4 CTA Trading F.I.	4.997	5.000
Renta 4 Renta Fija Euro F.I. (fomerly Renta 4 Eurocash, F.I.)	5.170	5.415
Renta 4 Minerva IICIICIL	993	1.020
Other	2.587	2.545
	13.747	13.980

The breakdown of "Shares and other equity interests" at December 31, 2010 and 2009 is as follows:

	12.31.10	12.31.09
		Thousands of euros
Quoted		
Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.	3.209	4.050
BBVA	1.715	2.587
Other	786	-
Unquoted		
ICN	496	496
Other equity interests	583	553
	6.789	7.686

The following is a breakdown of the fair value of available-for-sale financial assets classified on the basis of the valuation method applied. The three-level fair value hierarchy is as follows:

- **Level 1**: Financial instruments whose market value has been obtained from quoted prices on active markets.
- **Level 2**: Financial instruments whose fair value has been calculated using valuation techniques which reference quotations of similar instruments or inputs based on observable market data.
- **Level 3**: Financial instruments whose fair value has been calculated using valuation techniques in which one of the inputs is not based on observable market data.

In addition, the breakdown of financial instruments measured at cost is as follows:

	12.31.10			
	Cost	Level 1	Level 2	Level 3
Debt securities	10.244	-	920	-
Investments in UCITS	252	13.495	-	-
Shares and other participation units	1.080	5.709	-	-
	11.576	19.204	920	-

	12.31.09			
	Cost	Level 1	Level 2	Level 3
Debt securities	10.244	-	1.206	-
Investments in UCITS	626	13.354	-	-
Shares and other participation units	1.049	8.265	-	-
	11.919	21.619	1.206	-

(*) Private fixed-income bonds, unimpaired due to the guarantee given on this investment by the main shareholder of the parent company (Note 29).

(**) Participations acquired in the forth quarter of 2010 whose net asset value is not published daily

In 2009 the Group acquired 186,473 shares of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. and it also sold 184,399 shares recognizing a gross gain of 1,018 thousand euros (net of the tax effect) under "Gains on sale of available-for-sale financial assets" in the accompanying consolidated income statement (see Note 23).

In addition, in 2009 other available-for-sale securities, primarily investments in UCITS, were sold which led to a loss of 399 thousand euros. This loss was recognized in "Loss on sale of available-for-sale financial assets" in the accompanying consolidated income statement" (Note 23).

At December 31, 2010, the Group recognized investments (shares and participation units) under "Available-for-sale financial assets" that were pledged to financial institutions in guarantee of loans which the latter had granted to the Group (Note 18). The following table shows the value of these pledged investments, the balance of the loans they guarantee, and their date of maturity:

	2010	2009
		Thousands of euros
Fair value of shares pledged	10.408	9.520
Pledged treasury shares	5.982	4.273
Outstanding loan balance (Note 18.1)	15.626	13.643
Final maturity of the loan (Note 18.1)	January 2015	January 2015

In 2010 the Group received dividends from Bolsas y Mercados Españoles Sociedad Holding de Mercados y Sistemas Financieros, S.A. for an amount of 355 thousand euros (2009: 355 thousand euros).

3.11 LOANS AND RECEIVABLES

The breakdown of this asset heading in the accompanying consolidated balance sheet is as follows:

	2010	2009
		Thousands of euros
Non-current		
Other receivables	4.370	4.409
	4.370	4.409
Current		
Due from financial intermediaries	258.314	306.063
Other receivables	19.446	17.143
	277.760	323.206

No financial instruments classified in this category were transferred or reclassified in 2010 and 2009.

Due from financial institutions

The breakdown of this asset heading in accompanying consolidated balance sheet by type of instrument is as follows:

Current	2010	2009
		Thousands of euros
Balances for sale of securities on own account pending settlement	1.117	19
Term deposits	130.941	86.691
Reverse repos	117.048	211.766
Guarantees of transactions with international derivatives (global accounts)	5.746	5.110
Other accounts	2.469	2.156
Accrued interest pending maturity	993	321
	258.314	306.063

The breakdown of "Time deposits" in 2010 and 2009 is as follows:

12. 31.10

Entity	Type	Date of maturity	Total
			Thousands of euros
Banco Gallego	2,98%	16/01/2011	5.800
Banco Popular	3,27%	24/01/2011	4.800
Banco de Valencia	3,25%	02/02/2011	3.000
BANKPIME	2,75%	08/01/2011	2.500
BBVA	3,40%	26/01/2011	13.000
Banco Pastor	3,10%	12/03/2011	15.000
Banco Pastor	3,10%	12/03/2011	2.000
Caixa Laietana	3,75%	16/03/2011	5.200
Caixanova	3,85%	07/04/2011	7.000
Caja Baleares	3,81%	15/04/2011	8.000
Caja Canarias	3,91%	07/04/2011	8.500
Caja Granada	3,50%	17/03/2011	3.500
Caja Madrid	2,00%	03/01/2011	25.000
Caja Segovia	3,47%	01/04/2011	3.000
Cajamar	2,38%	22/03/2011	3.800
Cajamar	3,52%	22/03/2011	3.000
CAM	3,94%	12/02/2011	4.000
CAM	1,53%	12/02/2011	3.000
CAM	3,94%	16/01/2011	4.000
CAM	1,53%	22/02/2011	1.600
UNNIM	3,93%	14/01/2011	5.000
Banco Caixa Geral	0,65%	31/10/2011	241
Total			130.941

12. 31.09

Entity	Type	Date of maturity	Total
			Thousands of euros
Banco Pastor	1,53%	15/03/2010	12.000
Caixa Laietana	2,45%	16/03/2010	4.150
Cajamar	1,53%	18/03/2010	4.000
Cajamar	2,03%	18/03/2010	1.000
Cajastur	1,20%	04/04/2010	10.000
Caixanova	2,80%	04/04/2010	7.000
Caja Canarias	2,40%	04/04/2010	4.000
Caja Canarias	2,55%	04/04/2010	4.000
Caja Madrid	1,21%	06/04/2010	10.000
Caja Baleares	2,02%	15/04/2010	8.000
Banco Popular	1,99%	15/04/2010	4.800
CAM	1,49%	10/05/2010	4.000
CAM	2,50%	11/02/2010	2.000
Barclays	1,52%	11/02/2010	3.500
Caja Círculo	2,24%	26/05/2010	5.000
Bancaja	2,00%	10/01/2010	3.000
Banco Caixa Geral	0,65%	31/05/2010	241
Total			86.691

The breakdown of assets acquired under resale agreements ('reverse repos') in 2010 and 2009 is as follows:

		Interest rates		
Public debt securities	Final maturity	Minimum	Maximum	Thousands of euros
December 31, 2010	January 2010	1.10%	1.50%	117,048
December 31, 2009	January 2009	0.27%	0.50%	211,766

At December 31, 2010 and 2009, part of these assets has been sold under repurchase agreements as follows:

		Interest rate		
12/31/10	Final maturity	Minimum	Maximum	Thousands of euros
To financial institutions (Note 18)	January 2011	1.00%	1.42%	98,420
To customers (Note 18)	January 2011	0.25%	1.42%	16,252
12/31/09				
To financial institutions (Note 18)	January 2010	0.10%	0.45%	164,265
To customers (Note 18)	January 2010	0.25%	0.40%	33,876

Other receivables

The breakdown of this heading in the accompanying consolidated balance sheet at December 31, 2010 and 2009 is as follows:

Non-current	2010	2009
		Thousands of euros
Other non-current loans and advances	4.154	4.211
Other assets	216	198
	4.370	4.409

Current	2010	2009
		Thousands of euros
Loans and advances to customers for transactions with securities	11.178	10.332
Other current loans and advances	3.645	3.969
Impairment of receivables (doubtful debts)	7.208	5.294
Impairment allowances	(2.585)	(2.518)
Accrued interest	-	66
	19.446	17.143

"Loans and advances to customers for transactions with securities" corresponds to temporary customer balances for transactions on securities markets.

"Other current loans and advances" and "Other non-current loans and advances" include the following:

	2010	2009
		Thousands of euros
Amortized cost of loans to employees to acquire shares of the parent company (Note 4.n)	4.236	4.309
Other loans and advances to Group employees	14	8
CIS and pension fund management fees and commissions receivable	1.798	2.793
Other	1.972	1.070
	8.020	8.180

The movement in impaired losses on loans and advances to customers at December 31, 2010 and 2009 is as follows:

	Impaired loans and advances	Unrealized gains (losses) reserves for impairment of assets	Net carrying amount
			Thousands of euros
Balance at December 31, 2008	7.902	(2.710)	5.192
Increases	5.286	(1.403)	3.883
Decreases	(8.159)	1.827	(6.332)
Transfers to assets written off (memorandum accounts)	214	(170)	44
Other	51	(62)	(11)
Balance at December 31, 2009	5.294	(2.518)	2.776
Increases	5.618	(1.624)	3.994
Decreases	(3.264)	605	(2.659)
Transfers to assets written off (memorandum accounts)	(404)	953	549
Other	(36)	(1)	(37)
Balance at December 31, 2010	7.208	(2.585)	4.623

The balance of "Impaired loans and advances" relates to amounts pending collection from customers which are 3 to 60 months past due.

As explained in Note 4.h), the Group had included securities deposited with the Group in its customers' name as of guarantee these receivable balances, real estate guarantees, as well as the amounts seized from the sale of securities which are on deposit with the courts as the related lawsuits have not been definitively resolved. At December 31, 2010, the value of the guarantee was 3,996 thousand euros (2009: 2,714 thousand euros).

The breakdown of this heading by residual maturity is shown below:

2010

CURRENT	Upon demand	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Expired	Total
							Thousands of euros
Financial institutions	8.063	180.297	44.423	26.731	-	-	258.314
Other loans and advances	-	14.726	49	-	48	4.623	19.446

NON-CURRENT	Between 1 and 5 years	More than 5 years	Total
			Thousands of euros
Other loans and advances	3.848	522	4.370

2009

CURRENT	Upon demand	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Expired	Total
							Thousands of euros
Financial institutions	5.129	213.990	29.749	57.195	-	-	306.063
Other loans and advances	2.863	11.048	406	50	-	2.776	17.143

NON-CURRENT	Between 1 and 5 years	More than 5 years	Total
			Thousands of euros
Other loans and advances	3.838	571	4.409

3.12

ASSETS AND LIABILITIES HELD FOR TRADING (TRADING PORTFOLIO)

The breakdown of these asset and liability headings of the consolidated balance sheets at December 31, 2010 and 2009 is as follows:

	Assets		Liabilities	
	2010	2009	2010	2009
				Thousands of euros
Debt securities	14	-	-	-
Shares	27	33	-	-
Derivatives (customer positions in global accounts) (Note 4.o)	303	232	303	232
Derivatives held for trading (Note 18.1)	-	-	139	123
	344	265	442	355

Shares

This heading mainly includes listed shares of Spanish and international issuers. Changes in fair value are recognized in full in the consolidated income statement.

Derivatives held for trading

This heading includes index options and futures and equities traded on organized markets expiring in the first quarter after the end of each financial year. Gains or losses related to changes in the price of futures contracts are settled daily with the corresponding market and taken to the consolidated income statement. In addition, at each balance sheet date the Group recognizes positions in international derivatives markets recorded in global accounts at fair value in accordance with the fair value of positions held with the clearing member and its clients.

3.13 CASH AND CASH EQUIVALENTS

The breakdown of "Cash and cash equivalents" in the accompanying consolidated balance sheet at December 31, 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Cash	75	69
Bank of Spain	348	97
Demand deposits	58.825	103.446
	59.248	103.612

In accordance with Ministry of Economy and Finance order 848/2005, brokerage firms and broker-dealers must invest temporary credit balances on behalf of customers in the following assets:

- Demand deposits at financial institutions: The name of these deposits must expressly state "Customer balances of the Entity." At December 31, 2010 and 2009, the amounts of these deposits were 42,933 and 82,734 thousand euros, respectively. In addition, Renta 4 S.A. Sociedad de Valores (Group company) has time deposits which may be canceled at any time under the current contractual terms amounting to 130,700 thousand euros at December 31, 2010. In the event of early cancellation, the maximum amount payable on these deposits would be the interest accrued at the cancellation date.

- Acquisitions of assets under resale agreement ('reverse repos') maturing in two days or less with no credit risk weighting. The amounts of these assets are shown in Note 11. The cash equivalent of these transactions stood at 8,080 thousand euros at December 31, 2009. At December 31, 2010, no customer balances were temporarily invested in reverse repos.

There are no restrictions on the use of cash and cash equivalent balances. All balances included under this heading are available on demand.

3.14 OTHER ASSETS AND OTHER LIABILITIES

The breakdown of these headings in the accompanying consolidated balance sheet at December 31, 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Assets:		
Prepayments and accrued income	1.338	2.012
Other assets	89	87
	1.427	2.099
Liabilities:		
Accrued expenses and deferred income	140	163
Remuneration payable to personnel	1	249
	141	412

The breakdown of "Prepayments and accrued income" and "Accrued expenses and deferred income" is as follows:

	2010	2009
		Thousands of euros
Assets:		
Prepaid expenses	720	775
Expenses pending collection	98	171
Custody and marketing fees and commissions pending collection	398	508
Other	122	558
	1.338	2.012
Liabilities:		
MEFF membership fee and levy	119	111
Other	21	52
	141	163

"Remuneration payable to personnel" corresponds primarily to the estimate of performance-based pay for 2009, recognized in the accompanying 2009 consolidated income statement under "Employee benefits expense" (Note 24) at 245 thousand euros. No such provision was recognized in 2010 because the Group does not expect to pay any bonuses from 2010 earnings.

The breakdown of this heading by residual maturity is shown below:

2010	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Total
					Thousands of euros
Other assets	492	110	165	660	1.427
2009					
Other assets	1.679	76	114	230	2.099

3.15 MINORITY INTERESTS

The following table presents the breakdown of the movement in this consolidated balance sheet heading in 2010 and 2009 and the profit or loss attributable to minority interests.

2010

	% share at 12/31/10	Balance at 12/31/09	Profit (loss) for the year	Other	Balance at 12/31/10
					Thousands of euros
Carterix, S.A. (antes Renta 4 Marruecos, S.A.)	0,09	1	-	-	1
Renta 4 Guipúzcoa, S.A.	85,00	1.041	(27)	43	1.057
Renta 4 Inversiones de Valladolid, S.A.	1,01	8	-	-	8
Renta 4 Lérida, S.A.	18,34	16	-	-	16
Renta 4, Sociedad de Valores, S.A.	0,01	4	1	(1)	4
Rentsegur Correduría de Seguros, S.A.	27,50	21	1	(1)	21
Renta 4 Equities, S.A.	0,11	-	1	-	1
		1.091	(24)	41	1.108

2009

	% share at 12/31/09	Balance at 12/31/08	Profit (loss) for the year	Other	Balance at 12/31/09
					Thousands of euros
Carterix, S.A. (antes Renta 4 Marruecos, S.A.)	0,09	1	-	-	1
Renta 4 Guipúzcoa, S.A.	85,00	1.074	(54)	21	1.041
Renta 4 Inversiones de Valladolid, S.A.	1,01	8	-	-	8
Renta 4 Lérida, S.A.	18,34	17	-	(1)	16
Renta 4, Sociedad de Valores, S.A.	0,01	8	1	(5)	4
Rentsegur Correduría de Seguros, S.A.	27,50	18	1	2	21
		1.126	(52)	17	1.091

3.16 UNREALIZED GAINS (LOSSES) RESERVE

The breakdown of the movement in this heading of the accompanying consolidated balance sheet at 2010 and 2009 is as follows:

Breakdown	2010	2009
		Thousands of euros
Investments in UCITS	(807)	(887)
Shares	(2.060)	(803)
	(2.867)	(1.690)

3.17 EQUITY AND EARNINGS PER SHARE

Issued capital

At December 31, 2010, the Company's share capital comprised 40,693,203 shares with a nominal value of 0.40 euros each, fully subscribed and paid up. All shares bear the same voting and dividend rights.

The Company's shareholder structure in 2010 and 2009 was as follows:

	2010		2009	
	Number of shares	Percentage stake	Number of shares	Percentage stake
Juan Carlos Ureta Domingo	14.421.753	35,440%	14.135.819	34,738%
Cartera de Directivos 2003, S.A.	-	-	1.686.872	4,145%
Vasco Madrileña de Inversiones, S.L.	917.626	2,255%	987.014	2,426%
Sociedad A.R. Santamaría, S.L.	515.100	1,266%	663.000	1,629%
Matilde Estades Seco	880.431	2,164%	835.793	2,054%
Surikomi, S.A.	1.956.042	4,807%	1.917.689	4,713%
Recarsa, S.A.	230.179	0,566%	225.666	0,55%
Asecosa, S.A.	1.746.735	4,292%	94.037	0,23%
Other (including treasury shares - Note 17.g)	20.025.337	49,211%	20.147.313	49,510%
	40.693.203	100,00%	40.693.203	100,00%

At December 31, 2010, in addition to the direct holding shown in the preceding table, the Company's main shareholder owns 15.35% indirectly (2009: 15.75%), giving him a total ownership interest in the Company of 50.79% (2009: 50.49%).

In 2010 and 2009, no shareholders resolutions were passed in connection with the Company's share capital.

The Company's shares are quoted on the Madrid, Barcelona, Bilbao and Valencia stock exchanges since November 14, 2007 under ISIN code ES0173358039 given by the National Numbering Agency. The listed price of the shares at December 31, 2010 was 4.9 euros (2009: 5.25 euros).

Share premium

The share premium account has the same restrictions and may only be used for the same purposes as the voluntary reserves of the parent company.

In an extraordinary general meeting held on December 22, 2009, the parent company's shareholders approved a shareholder distribution amounting to 3,988 thousand euros against the share premium account in the form of Renta 4, Servicios de Inversión, S.A. shares held as treasury shares. The payment ratio was set at 1 Renta 4 share for every 50 shares outstanding. As a result, on January 6, 2010, the Group paid 14 thousand euros in cash (fractions) and delivered 756,957 treasury shares of the parent company. These shares were derecognized from "Treasury shares" in January 2010, the date on which the shares were delivered. This distribution of treasury shares generated a gain of 11 thousand euros (the difference between the listed share price on January 6, 2010 and the carrying amount of these shares in the Group's financial statements). This gain was recognized in "Reserves" within equity in the accompanying consolidated balance sheet.

Reserves

The breakdown of this heading at December 31, 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Legal reserve	3.415	3.415
Other reserves	31.312	29.047
	34.727	32.462

The breakdown of "Other reserves" by Group company is as follows:

Sociedad	2010	2009
		Thousands of euros
Renta 4 Servicios de Inversión, S.A.	27.095	22.785
Renta 4, Sociedad de Valores, S.A.	10.015	10.091
Renta 4 Burgos, S.A.	(2.474)	(2.473)
Renta 4 Aragón, S.A.	(1.047)	(1.047)
Renta 4 Vizcaya, S.A.	(362)	(361)
Renta 4 Gestora, SGIIC, S.A.	(1.581)	192
Other	(334)	(140)
	31.312	29.047

Legal reserve

Companies are obliged to transfer 10% of the profit for the year to a legal reserve until such reserve reaches an amount equal to 20% of the share capital. This reserve is not distributable to shareholders and may only be used to offset a debit balance in the income statement provided no other reserves are available. Under certain conditions, this reserve may be used to increase share capital.

Voluntary reserves

The Company's voluntary reserves at December 31, 2010 and 2009 and freely distributable as there were no unused tax losses from prior years.

Other equity instruments: share-based payments

The Group has a share-based payment plan for management and employees by virtue of which, upon achieving certain objectives, they receive shares of Renta 4, Servicios de Inversión, S.A. (the Group's parent company) in 2005 and the next four financial years based on the achievement of certain objectives.

Management and employees will receive the related shares from the Group's parent company, which will distribute the related cost to each Group company. Based on this plan, Group management and employees in service both years will receive up to 259,972 (post-split) shares each year, for which they will have to pay the listed price less 3.75 euros per shares, with a minimum price of 1.25 euros per share. In 2005 and 2006 the cost borne by the employee before the Company's shares were listed was 25% of their value. The beneficiaries of these plans are decided each year by the Group's Remuneration Committee.

The estimated cost of the plan is the difference (intrinsic value) between the price (listed price less 3.75 euros per share in 2009, 2008 and 2007 and the estimated fair value of the shares to be granted (listed price). This cost is recognized under "Employee benefits expense" with a balancing entry in equity as the Group delivers treasury shares to settle the plan. The cost or, where applicable, income for 2009 was 23 thousand euros (Note 24).

In 2010, Group employees exercised their rights to acquire 194,375 shares of the 259,972 allocated to the plan (2009: 178,176 of the 259,972 allocated). The delivery and issue of these shares decreased equity in 2010 by 1 thousand euros (2009: increased 78 thousand euros), mainly related to the difference between the market price of the shares and the cost of acquiring the treasury shares, recognized in "Treasury shares" under "Equity".

In their extraordinary general meeting held December 22, 2009, the parent company approved the new share-based payment plan, as outlined in Note 4.n.

At December 31, 2010, the cost accrued for this new plan amounted to 142 thousand euros (See Note 24) (2009: 9 thousand euros).

Treasury shares

The movement in this heading in 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Balance at January 1	(18.312)	(5.567)
Shares given to employees (2005-2009 plan)	1.020	836
Shares delivered from share premium distribution	3.985	3.694
Shares awarded from the new plan (2010-2014 plan)	-	(8.952)
Purchases	(3.456)	(8.574)
Sales	494	251
Balance at December 31	(16.269)	(18.312)

In 2010, the Group sold treasury shares, recognizing a gain of 19 thousand euros in "Reserves" (2009: a gain of 6 thousand euros).

This heading includes the following shares at December 31:

	Number of shares	
	2010	2009
Shares pending delivery (2005-2009 plan)	-	259.968
Shares pending delivery (2010-2014 plan)	1.627.728	1.627.728
Other	1.478.114	1.591.105
	3.105.842	3.478.801

In 2004, the Group sold shares of Renta 4 Servicios de Inversión, S.A. to Cartera de Directivos 2003, S.A., a company that did not belong to the Renta 4 Group (but was related to its shareholders) at a price of 5 euros per subsequently sold the shares to Banco Madrid, S.A.

The Company signed an agreement linked to a five-year share-based payment plan with this financial institution (see Note 17.f) as remuneration to Renta 4 Group employees. This agreement, which was ratified by public deed, grants the Company the option to purchase one fifth of the shares at 5 euros per share on January 15 in each of the next five years. The first option expired on January 15, 2006. The counterparty likewise received a put option under the same terms, amounts and maturities as those stipulated for the Company's call option. The outstanding options at December 31, 2009 entailed 259,968 of the total 1,299,844 shares included in the agreement. At December 31, 2010, there were no shares pending delivery under this agreement.

On December 22, 2009, the parent company signed an agreement with Banco Madrid, S.A. linked to the new five-year share-based payment plan (Note 17) that will be offered to Renta 4 Group directors, managers and em-

ployees. By virtue of this agreement, Banco de Madrid agrees to acquire 1,627,728 shares of Renta 4 Servicios de Inversión, S.A. In addition, this agreement grants the parent company a call option on one fifth of the shares at 6 euros per share over the next five years. The first option expires on January 15, 2011. The counterparty likewise receives a put option under the same terms, amounts and maturities as those stipulated for the Company's purchase option.

The purchase and selling price of the shares on any of the options granted is 5.50 euros per share; thus, the total sale price of the shares is 8,952,504 euros.

As a cross option exists for the same price, either the Company will exercise its call option or the counterparty its put option and accordingly, the value of the shares are shown as a reduction of the Group's capital and reserves and the corresponding financial liability with Banco de Madrid is recognized (Note 18).

To meet its obligations with Banco de Madrid, the parent company has pledged:

- 813,864 shares of Renta 4 Servicios de Inversión, S.A.
- 429,176.62 participation units in Renta 4 Fija Euro, F.I. (investment fund)

Dividendo a cuenta

On November 5, 2009, the Board of Directors of the parent company decided to pay an interim dividend of 0.10 euros per share, for a total amount of 3,755 thousand euros, charged against 2010 profit. Payment was made on December 7, 2010.

The following statement prepared by the directors substantiates that there is sufficient liquidity to distribute the interim dividend and that the amount does not exceed the profit earned from the end of the previous year, less the amounts to be allocated to mandatory reserves and the related estimated tax payable.

Projected distributable parent company profits for the year

	Thousands of euros
Profit after tax at October 31, 2010	3.845
Less: minimum legal reserve requirement	-
Projected distributable profit for the year	3.845
Projected cash for one year from the date of the agreement	
Cash at the date of the agreement	5.380
Projected cash a year after the date of the agreement	7.380

Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to equity holders of the parent by the average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net profit attributable to equity holders of the parent by the average number of ordinary shares outstanding during the year plus the average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The Group has issued equity instruments that may be converted into ordinary shares in the future, but the shares included in the employee share-based payment plan (see Note 17.d) and the shares distributed as dividends (see Note 16.a) are not dilutive as the estimated fair value of the shares is the same as the exercise price in the first case and the amount of the issue is the same as the acquisition price in the second. As a result, diluted and basic earnings per share are the same. The following reflects the data used in the basic and diluted earnings per share computations:

	2010	2009
Net profit attributable to equity holders of the parent (in thousands of euros)	6.034	6.291
Weighted average number of ordinary shares for basic and diluted earnings per share	37.579.900	39.708.750
Basic earnings per share (euros)	0,16	0,16
Diluted earnings per share (euros)	0,16	0,16

3.18

FINANCIAL LIABILITIES

The breakdown of these liability headings of the accompanying consolidated balance sheet at December 31, 2010 and 2009 is as follows:

Non-current liabilities	2010	2009
		Thousands of euros
Financial institutions		
Loans (Note 18.1)	22.955	19.184
Implicit interest-liabilities (Note 18.1)	7.162	8.952
Finance lease agreements (Note 8)	5.869	7.659
	35.986	35.795
Other financial liabilities		
Guarantees	72	42
	36.058	35.837

Current liabilities	2010	2009
		Thousands of euros
Financial institutions		
Loans (Note 18.1)	17.648	17.858
Implicit interest-liabilities (Note 18.1)	1.790	1.300
Finance lease agreements (Note 8)	1.786	1.739
Purchases pending settlement (Note 18.1)	2.165	1.000
Repos (Note 11)	98.420	164.265
Other balances	383	632
Unmatured accrued interest	10	14
	122.202	186.808
Other deposits		
Repos (Note 11)	16.252	33.876
Temporary balances relating to transactions with securities (Note 18.2)	154.547	160.721
Guarantees of transactions with international derivatives (in cash) (Note 18.2)	18.727	17.912
Bills of exchange payable (Note 18.2)	-	1.330
Other balances	1.803	1.893
Unmatured accrued interest	7	4
	191.336	215.736
	313.538	402.544

Financial institutions

Purchases pending settlement at December 31, 2010 and 2009 were canceled, principally during the first few days of January 2011 and 2010, respectively.

The breakdown of loans and credit facilities signed by Group companies at December 31, 2010 is as follows:

			12.31.10	
		Final maturity	Limit	Amount drawn down
				Thousands of euros
BBVA	3-month Euribor +1.5%	12/31/2012	3.000	2.025
Barclays	1-month Euribor +2.00%	10/09/2012	3.000	1.833
Caixa Cataluña (2)	1-year Euribor +0.32%	02/28/2014	3.000	1.282
Caja Astur	6-month Euribor +0.60%	06/09/2011	2.500	227
Caixa Nostra	1-year Euribor +1.60%	05/31/2011	3.000	272
CAM	3-month Euribor 3m +1.50 %	09/11/2012	2.000	1.294
Caja Cataluña	1-year Euribor + 0.50%	03/31/2013	3.000	933
B. Pastor	Fixed rate 3.285%	07/31/2012	3.500	1.622
Caixa Galicia	1-year Euribor +0.5%	08/01/2011	2.000	290
Cajamar	1-year Euribor +0.5%	05/09/2011	1.000	90
CajAstur	Euribor 6m+0.75%	03/27/2012	3.000	804
Cajamar	1-year Euribor +0.75%	06/16/2012	1.500	455
Bancaja	Euribor 3m+0.7%	04/10/2012	2.000	567
Barclays	1-year Euribor +0.8%	03/27/2012	3.000	798
Banca March	3-month Euribor +1.15%	01/01/2014	3.000	1.906
Caja Canarias	1-year Euribor +1.75%	05/01/2014	2.000	1.365
Banco Popular	1-year Euribor +1.8%	04/03/2014	3.000	2.072
Bankpyme (4)	1-year Euribor +2%	02/09/2015	3.000	2.533
Caixanova	1-year Euribor +2.25%	02/01/2013	1.500	737
Caja Madrid	1-year Euribor +1.5%	01/01/2013	4.000	2.778
Banco de Valencia	1-year Euribor +2.35%	02/01/2013	1.500	1.059
Caixa Galicia	1-year Euribor +2.25%	04/01/2013	1.500	1.180
EBN (5)	3-month Euribor +2.5%	02/01/2011	2.116	2.116
Bancaja	1-year Euribor +3%	04/01/2015	2.000	1.757
Cajamar	1-year Euribor +1.5%	04/20/2015	2.000	1.752
Caja Canarias	1-year Euribor +1.5%	07/02/2015	2.000	1.844
BBVA (1)	3-month Euribor +1.9%	09/17/2013	3.500	3.219
Banco Gallego	1-year Euribor +1.5%	07/16/2015	2.000	1.846
Caixa Galicia	1-year Euribor +2.25%	11/01/2013	1.000	974
CAM	1-year Euribor +1.5%	11/18/2013	1.000	973
Subtotal			70.116	40.603
Implicit financial liabilities (3)	3-month Euribor +1.50%	01/15/2015	8.952	8.952
				49.555

(1) Loans secured with 180 thousand BME shares (see Note 10).

(2) At the time of arranging the loans, the Company entered into a swap, a cap and a floor to hedge the related interest-rate risk. The characteristics of these instruments are as follows:

Contract	Nominal amount	Beginning date	Expiry
			Thousands of euros
Swap	1.433	03/01/07	03/01/2014
Purchase of cap	1.433	03/01/07	03/01/2014
Sale of floor	1.433	03/01/07	03/01/2014

The fair value of these financial contracts of 76 thousand euros is recognized in "Derivatives held for trading" under "Financial liabilities held for trading" on the liability side of the consolidated balance sheet at December 31, 2010 (85 thousand euros at December 31, 2009) (see Note 12).

(3) Amount corresponding to implicit financial liability pending payment for the repurchase of shares of the parent, acquired through a financial intermediary (Note 17.g), guaranteed by 813,864 parent company shares and 429,176.63 participation units of Renta 4 Renta Fija Euro, FI.

(4) Loans secured by a deposit of Caja de España debentures Bankpyme (par value 1 million euros).

(5) Loan secured by 406,932 parent company shares

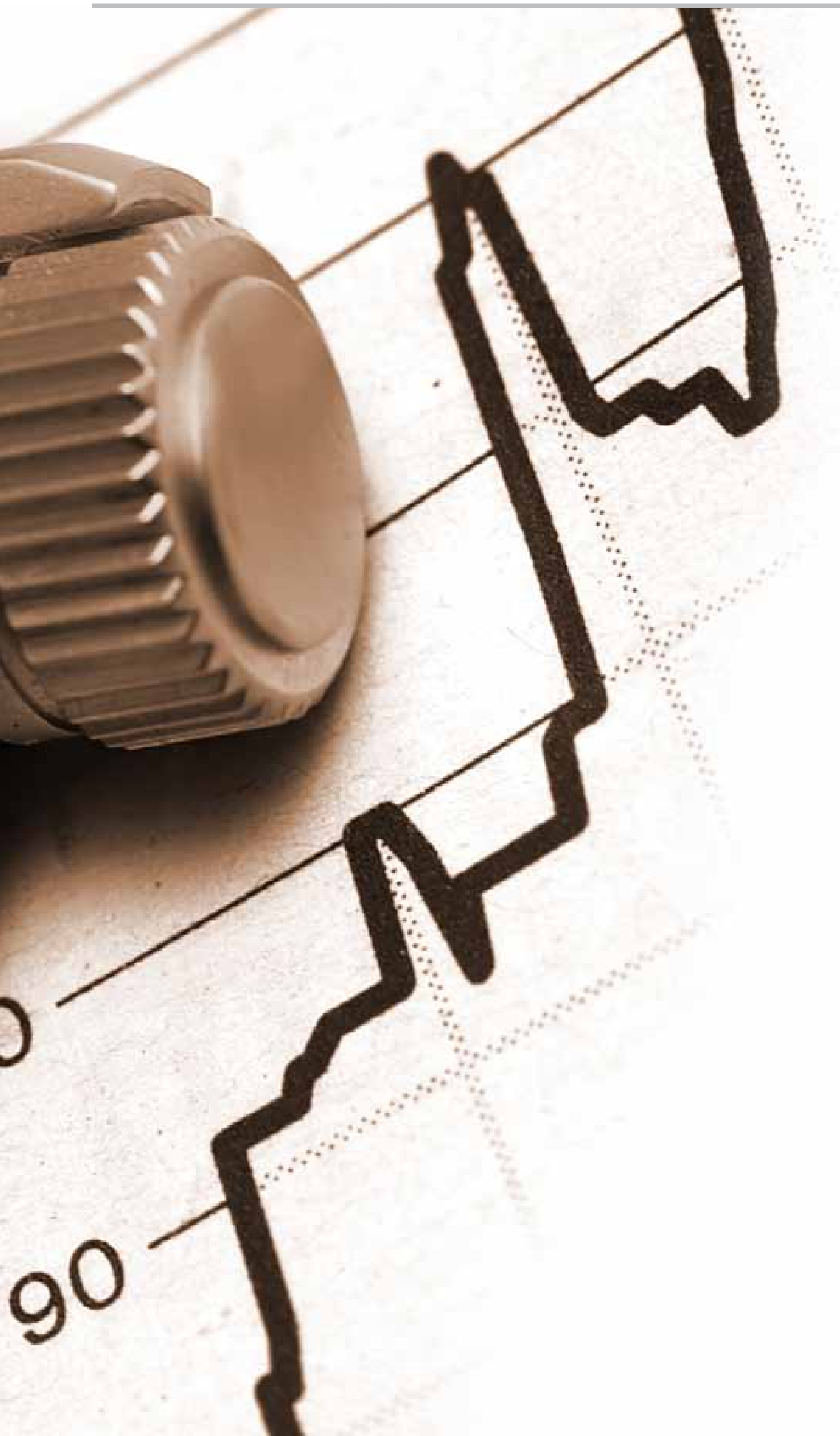
The breakdown of loans and credit facilities signed by Group companies at December 31, 2009 is as follows:

			12.31.09	
		Final maturity	Limit	Amount drawn down
				Thousands of euros
BBVA	Euribor 3m + 0.60%	06/30/2010	3,000	328
BBVA	Euribor 6m +1.5%	12/31/2012	3,000	3,000
Barclays	Euribor 1 m +2.00%	10/09/2012	3,000	2,833
B. Sabadell	Euribor 1 A +0.75%	07/31/2010	3,000	384
Caixa Cataluña (2)	Euribor 1 A +0.32%	02/28/2014	3,000	1,673
Caja Astur	Euribor 6 M +0.60%	06/09/2011	2,500	765
Caixa Nostra	Euribor 1 A+1.60%	05/31/2011	3,000	917
CAM	Euribor 3m +1.50 %	09/11/2012	2,000	1,946
Caja Cantabria	Euribor 1A+0.75%	02/22/2010	1,000	38
Caja Cataluña	Euribor 1A+ 0.50%	03/31/2013	3,000	1,333
BBVA	Euribor 3m+0.60%	06/30/2010	3,000	328
B. Sabadell	Euribor 3m+0.75%	07/01/2010	3,000	450
B. Pastor	Fixed rate 3.285%	07/31/2012	3,500	2,602
Banco Gallego	Euribor 1A+0.75%	10/18/2010	1,000	183
Bancaja	Euribor 3m+0.65%	11/10/2010	2,000	397
Caixa Galicia	Euribor 1A+0.5%	08/01/2011	2,000	712
Cajamar	Euribor 1A+0.5%	05/09/2011	1,000	304
CajAstur	Euribor 6m+0.75%	03/27/2012	3,000	1,434
Cajamar	Euribor 1A+0.75%	06/16/2012	1,500	768
Banesto	Euribor 3m+0.65%	03/07/2010	2,000	177
Bancaja	Euribor 3m+0.7%	04/10/2012	2,000	986
Barclays	Euribor 1m+0.8%	03/27/2012	3,000	1,426
BBVA (1)	Euribor 1A + 1.20%	07/31/2010	3,500	3,500
Banca March	Euribor 3m+1.15%	01/01/2014	3,000	2,498
Caja Canarias	Euribor 1A +1.75%	05/01/2014	2,000	1,752
Banco Popular	5% until 2010/Euribor+1.8% thereafter	04/03/2014	3,000	2,642
Bankpyme (5)	Euribor 1año+1.75%	02/12/2014	2,000	1,691
Línea de crédito Caja Madrid	4.752	02/01/2010	2,000	1,975
Subtotal			69,000	37,042
Implicit financial liabilities (3)	3-month Euribor +0.75%	01/14/2010	6,499	2,175
Implicit financial liabilities (4)	3-month Euribor +1.50%	01/15/2015	8,952	8,952
				47.294

(1) Loans secured with BME shares (see Note 9).

(2) At the time of arranging the loans, the Company entered into a swap, a cap and a floor to hedge the related interest-rate risk. The characteristics of these instruments are as follows:

Contract	Nominal amount	Beginning date	Expiry
			Thousands of euros
Swap	1,806	03/01/07	03/01/2014
Purchase of Cap	1,806	03/01/07	03/01/2014
Sale of Floor	1,806	03/01/07	03/01/2014



The fair value of these financial contracts of 85 thousand euros is recognized in "Derivatives held for trading" under "Financial liabilities held for trading" on the liability side of the consolidated balance sheet at December 31, 2009 (25 thousand euros at December 31, 2008) (see Note 12)

(3) Corresponds to the implicit financial liability payable for the commitment with a financial intermediary to repurchase shares of the parent company.

(4) Amount corresponding to implicit financial liability pending payment for the repurchase of shares of the parent, acquired through a financial intermediary (Note 17.g), guaranteed by 813,864 parent company shares and 429,176.63 participation units of Renta 4 Renta Fija Euro, FI.

(5) Loans secured by a deposit of Caja de España debentures Bankpyme (par value 1 million euros).

Other deposits

The balance of "Bills of exchange payable" corresponded to the amount pending payment at December 31, 2009 for the acquisitions of Gesdinco Gestión, S.G.I.I.C., S.A. and Padinco Patrimonios, S.A.; this balance was settled in 2010.

"Temporary balances relating to transactions with securities" includes demand balances of customers' liquidity accounts at Renta 4, Sociedad de Valores, S.A. In addition, "Guarantees of transactions with international derivatives" include the cash guarantees received from customers to trade on their behalf in international derivatives markets.

Residual Maturity

The breakdown by residual maturity of the main items under this heading in the accompanying consolidated balance sheet at December 31, 2010 and 2009 (in thousands of euros) is as follows:

2010	Current						Non-current		
	Upon demand	Up to 1 month	Between 1 and 3 months	Between 3and 6 months	Between 6 months and 1 year	Total	Between 1 and 5 years	More than 5 years	Total
Liabilities									
Due to financial institutions	2,165	101,936	5,071	4,690	8,340	122,202	35,834	152	35,986
Due to customers	173,274	18,062	-	-	-	191,336	-	-	-

2009	Current						Non-current		
	Upon demand	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Total	Between 1 and 5 years	More than 5 years	Total
Liabilities									
Due to financial institutions	1,000	167,442	4,455	3,997	9,914	186,808	33,727	2,068	35,795
Due to customers	178,633	35,773	-	-	1,330	215,736	-	-	-

3.19 PROVISIONS

The breakdown of the movement in this heading in 2010 and 2009 is as follows:

	Thousands of euros
Balance at December 31, 2008	266
Net allowances	729
Balance at December 31, 2009	995
Net allowances	(745)
Balance at December 31, 2010	250

At December 31, 2010, Group provisions include a 250 thousand euro provision with respect to VAT receivable which has been claimed by the parent company.

Provisions applied in 2010 correspond to amounts paid by Renta 4, S.A., S.V. as a result of rulings in favor of third party claimants.

3.20 TAX ASSETS AND LIABILITIES

The breakdown of these headings of the accompanying consolidated balance sheet at December 31, 2010 and 2009 is as follows:

Tax assets	2010	2009
		Thousands of euros
Deferred tax assets		
Deferred tax assets (Note 28)	1.241	777
Current tax assets		
VAT receivable from the Treasury	1.006	1.219

Tax liabilities	2010	2009
		Thousands of euros
Deferred tax liabilities		
Deferred tax (Note 28)	1.182	1.082
	1.182	1.082
Current income tax liabilities		
Income tax payable (Note 28)	789	921
Other tax liabilities (other payables to public bodies)		
Withholdings from managed fund unit holders for redemption of investments in managed funds	288	395
Personal income tax withholdings (IRPF)	667	403
Business tax (IAE)	40	42
Personal income tax withheld from rental income	13	11
Personal income tax withheld from dividends	873	817
Social security costs	247	226
Otros	-	-
	2.128	1.894

The breakdown by residual maturity of this heading is as follows:

Tax assets	Up to 6 months	Between 6 months and 1 year	Between 1 and 5 years	Total
				Thousands of euros
2010				
Current	930	76	-	1.006
Non-current	-	-	1.241	1.241
2009				
Current	932	287	-	1.219
Non-current	-	-	777	777

Tax liabilities	Up to 1 month	Between 1 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	More than 5 years	Total
						Thousands of euros
2010						
Current	2.128	-	789	-	-	2.917
Non-current	-	-	-	14	1.168	1.182
2009						
Current	1.894	-	921	-	-	2.815
Non-current	-	-	-	14	1.068	1.082

3.21 COMMITMENTS AND CONTINGENT LIABILITIES

The Group provides securities administration and custody services to its customers. Third-party commitments assumed by the Group related to this service at December 31, 2010 and 2009 are as follows:

	2010	2009
		Thousands of euros
Securities administration and custody		
Deposited securities (third-party securities)	4.886.197	4.611.802
Of which:		
Recorded in the name of customers	4.248.098	3.905.016
Recorded in global custody accounts	638.099	706.786
Customer investments in mutual funds (global accounts)	281.469	169.740
Guarantees deposited by third parties in other entities in connection with short selling	68	158
	5.167.734	4.781.700
Contingent liabilities		
Guarantees and deposits given	12.408	11.437
Forward security purchase-sale commitments	-	2.078
Derivatives	6.431	9.073
Other risk and commitment accounts	10.244	10.244
	29.083	32.832

The Group breaks down the fair value of its customers' positions (securities and investments in managed funds) in global custody accounts under "Commitments and contingent liabilities." The Group's directors and legal advisors consider the securities recorded in these accounts as restricted assets for Group customers, as they are recorded in specific accounts under the customers' names and customers have been informed of their use, and not part of the assets the Group has to meet its liabilities or commitments. Nonetheless, these assets are exposed to counterparty risk of the global custodian (see Note 30), although the entity has confirmed with non-EU resident global custodians that according to the legislation of the countries where they are domiciled, the assets in custody are restricted for customers, similar to legislation in Spain.

The Group determines the market value of third party securities as follows:

	Method
Foreign fixed-income and equity securities	At the price provided by the subcustodian (BNP, Goldman)
Spanish fixed-income securities	At par value
Spanish equity securities	As quoted on the Madrid Stock Market

The breakdown of the (third-party) securities recorded in the global custody accounts at December 31, 2010 and 2009 by domicile of the global custody account is as follows:

	2010	2009
		Thousands of euros
United Kingdom	372.080	295.931
Spain	266.019	410.855
	638.099	706.786

The breakdown of "Securities deposited" by type of instruments at December 31, 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Third-party own instruments		
Equity instruments	4.516.438	3.982.061
Debt instruments	369.759	629.741
	4.886.197	4.611.802

"Guarantees and deposits given" includes the following:

	2010	2009
		Thousands of euros
Contribution to collective deposits to the market		
MEFF	3.000	3.000
SCLV (Iberclear)	9.000	6.000
Other	408	359
Surety for deferred purchase of Gesdinco and Padinco	-	778
Surety for buyback of Banco Madrid shares	-	1.300
	12.408	11.437

"Other risk and commitment accounts" relate to the surety received from the Group's main shareholder that secures the potential loss derived from private fixed income bonds held by the Group (see Note 10).

3.22 FEES AND COMMISSIONS, INTEREST AND RETURNS ON EQUITY INSTRUMENTS

The breakdown of the balances of these headings in the accompanying income statement for the years ended December 31, 2010 and 2009 is as follows:

INCOME	2010	2009
		Thousands of euros
Fee and commission income		
Brokerage and order execution fees and commissions	32.040	32.624
UCITs and pension fund management, subscription and redemption fees and commissions	14.408	12.234
Portfolio management fees	704	896
Securities underwriting and placement fees	2.157	2.062
Other fees and commissions received	3.225	1.142
	52.534	48.958
Interest and similar income		
Other interest income on public debt	836	2.170
Other	3.837	2.606
	4.673	4.776
Returns on equity instruments		
Dividends	441	413
Share of profit (loss) of associates	115	-
TOTAL	57.763	54.147

EXPENSES	2010	2009
		Thousands of euros
Fees and commissions paid		
Brokerage and other commissions paid	18.136	16.004
Interest and similar expense		
Interest on liabilities with financial intermediaries	1.928	2.200
Interest on public debt securities (repos)	445	1.592
Other	66	97
	2.439	3.889
TOTAL	20.575	19.893

3.23

TRADING INCOME

The breakdown of this heading in the accompanying consolidated income statement for the years ended December 31, 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Financial assets and liabilities held for trading (net)	2.924	(200)
Available-for-sale financial assets	(115)	619

The gain on financial assets and liabilities held for trading in 2010 was primarily generated by trading in derivatives in secondary markets.

In 2009, the 1,018 thousand euro gain from available-for-sale financial assets arising primarily from the disposal of BME 184,339 shares and from the disposal of other securities, mainly, investments in UCITS, generated a net loss of 399 thousand euros (Note 9).

3.24 EMPLOYEE BENEFITS EXPENSE

The breakdown of the balance of this heading in the accompanying consolidated income statement for the years ended December 31, 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Wages and bonuses paid to current personnel	12.018	10.974
Employer social security contributions	2.484	2.334
Allocations to defined benefit plans (Note 4.n)	22	19
Allocations to defined contribution plans (Note 4.n)	140	138
Severance benefits	53	325
Expense of share-based payments (Notes 4.n and 17.f)	142	(23)
Other employee benefits expense	733	124
	15.592	13.891

"Wages and bonuses paid to current personnel" includes the estimate of the expense of variable remuneration in 2009, 245 thousand of which was pending payment at December 31, 2009 (see Note 14).

"Other employee benefits expense" includes the income or expense related to the financial effect of loans extended to employees to purchase shares of the parent company, which amounted to 27 thousand euros (income) and 549 thousand euros (expense) in 2010 and 2009, respectively. (see Note 4.n).

The total number of Group employees, by professional category, was as follows:

	2010		2009	
	Men	Women	Men	Women
				Thousands of euros
Management personnel	14	-	14	-
Technicians	96	51	89	46
Administrative staff	90	39	90	38
	200	90	193	84

3.25

OTHER GENERAL ADMINISTRATIVE EXPENSES

The breakdown of the balance of this heading in the accompanying consolidated income statement for the years ended December 31, 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Marketing and advertising	1.205	1.016
Rent paid for commercial premises	1.574	1.488
Data processing, technology and telecommunications expenses	3.184	3.001
Other expenses	6.064	5.807
	12.027	11.312

"Other expenses" primarily includes expenses related to professional services, travel and entertainment expenses, office material, mail and other. This heading also includes the expense incurred for contributions to the Investment Guarantee Fund in 2010 and 2009 by Renta 4, Sociedad de Valores, S.A. (subsidiary) of 570 and 548 thousand euros as stipulated in Royal Decree 948/2001, dated August 3, on methods for indemnifying investors, amended by Law 53/2002, dated December 30, on tax, administrative and corporate measures.

3.26 IMPAIRMENT LOSSES ON ASSETS

The breakdown of the balance of this heading in the accompanying consolidated income statement for the years ended December 31, 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Loans and advances to customers (Note 11.2)		
Allowances	(1.624)	(1.403)
Recoveries	605	1.827
	(1.019)	424
Available-for-sale financial assets (Note 10)	(1.581)	-
Goodwill (Note 7)	-	(30)
	(2.600)	394

3.27

OTHER GAINS AND LOSSES

The breakdown of the balance of this heading in the accompanying consolidated income statement for the years ended December 31, 2010 and 2009 is as follows:

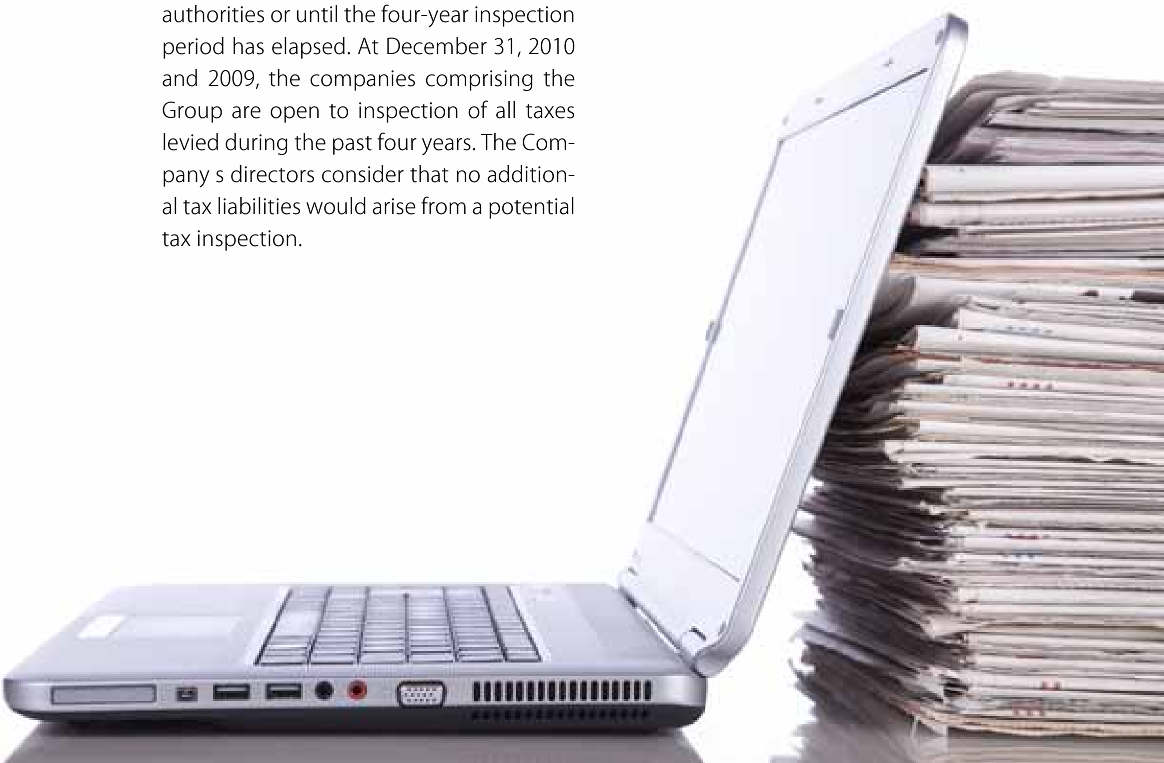
	2010	2009
		Thousands of euros
Other losses		
Other	(61)	(63)
	(61)	(63)

3.28 TAX MATTERS

The Company files a consolidated income tax return with the following companies comprising the tax group:

Sociedad	Head office
Renta 4 Aragón, S.A.	Madrid
Sistemas de Inversiones Renta 4 Benidorm, S.A.	Benidorm
Renta 4 Burgos, S.A.	Madrid
Renta 4 Gestora, S.G.I.I.C., S.A.	Madrid
Renta 4 Huesca, S.A.	Madrid
Carterix (fomerly Renta 4 Marruecos, S.A.)	Madrid
Renta 4 On-Line, S.A.	Madrid
Renta 4 Pensiones, E.G.F.P., S.A.	Madrid
Renta 4 Sociedad de Valores, S.A.	Madrid
Renta 4 Equities, S.A. (formerly Renta 4 Tarragona, S.A.)	Madrid
Renta 4 Inversiones de Valladolid, S.A.	Madrid
Renta 4 Lérida, S.A.	Madrid
Padinco Patrimonios, S.A.	Madrid
Renta 4 Corporate, S.A.	Madrid

In accordance with current Spanish legislation, taxes cannot be considered definitive until they have been inspected by the tax authorities or until the four-year inspection period has elapsed. At December 31, 2010 and 2009, the companies comprising the Group are open to inspection of all taxes levied during the past four years. The Company s directors consider that no additional tax liabilities would arise from a potential tax inspection.



The breakdown of the income tax expense for 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Consolidated profit before taxes	8.413	8.516
30% tax rate	2.524	2.555
Adjustments to prior year income tax expense	(219)	(199)
Deductions	(75)	(64)
Adjustment of deferred taxes arising from change in tax rates	(44)	(2)
Effect of non-deductible/taxable items	217	(13)
Income tax expense	2.403	2.277
Adjustments to prior year income tax expense	(41)	24
Effect of deferred taxes	(127)	(24)
Other adjustments	(158)	-
Current tax payable	2.077	2.277
Withholdings and prepayments	(1.288)	(1.356)
Tax payable (Note 20)	789	921

In addition, taxes have been recognized with a charge/(credit) to equity, related to the valuation of available-for-sale financial assets of 477 and (267) thousand euros in 2010 and 2009, respectively.

Based on the tax returns filed by the Group and the estimates of tax payable for 2010 and 2009, the Group has the following loss carryforwards that it may apply against future tax profits:

Year generated	2010	2009	Last year to apply
			Thousands of euros
2009	85	-	2021
2005	1	1	2020
2004	409	413	2019
2003	10	10	2018
2002	1	1	2017
2001	30	139	2016
2000	34	66	2015
1999	4	4	2014
	574	634	

These loss carryforwards include those generated by individual companies prior to their inclusion in the tax Group, as well as those generated by companies not belonging to the tax group.

The breakdown of deferred tax assets and liabilities corresponding to temporary differences arising between the carrying amount of certain assets and liabilities and their value for tax purposes is as follows:

Deferred tax assets	Temporary differences	Temporary differences
		Thousands of euros
2010		
Unrealized gains (losses) reserve for available-for-sale financial assets	4.017	1.204
Other	125	37
	4.142	1.241
2009		
Unrealized gains (losses) reserve for available-for-sale financial assets	2.396	719
Other	193	58
	2.589	777

Deferred tax liabilities	Diferencias temporarias	Efecto impositivo
		Thousands of euros
2010		
Valuation for tax purposes of assets held under finance leases	3.877	1.163
Other	63	19
	3.940	1.182
2009		
Valuation for tax purposes of assets held under finance leases	3.606	1.082
	3.606	1.082

The movement in deferred tax assets and liabilities is as follows:

	2010		2009	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
				Thousands of euros
Balance at January 1	777	1.082	987	1.021
Increases	522	114	58	95
Decreases	(58)	(14)	(268)	(34)
Balance at December 31	1.241	1.182	777	1.082

3.29 RELATED PARTIES

The Group considers as related parties key management personnel; i.e. members of the Board of Directors of the parent company, and members of senior management, which comprises 3 general managers and two members of the Board of Directors of Renta 4 Sociedad de Valores, S.A., and the companies owned by the Directors of the parent company. The Group does not hold any investments in associates or joint ventures.

Balances and transactions with related parties

Balances with related parties in 2010 and 2009 were as follows:

	December 31, 2010				
Income and expenses	Significant shareholders (*)	Directors and executives	Related parties or Group companies	Other related parties	Total
Leases	-	19	-	-	19
Services received	-	-	-	48	48
Expenses	-	19	-	48	67
Finance income	107	1	-	-	108
Services rendered	-	107	-	-	107
Income	107	108	-	-	215

(*) Main shareholders who are also directors or executives are included in the "Directors and executives" column.

Other transactions	Significant shareholders (*)	Directors and executives	Related parties or Group companies	Other related parties	Total
		December 31, 2010			
					Thousands of euros
Financing, loans and capital contribution agreements (borrower)	-	3.084	-	-	3.084
Amortization or cancelation of loans and borrowing facilities	-	12	-	-	12
Other transactions	38	80	-	4	122
Dividends paid	1.142	3.263	-	-	4.405
Guarantees and sureties (see Notes 10 and 21)	-	10.244	-	-	10.244

Income and expenses	Significant shareholders (*)	Directors and executives	Related parties or Group companies	Other related parties	Total
		December 31, 2009			
					Thousands of euros
Leases	-	18	-	-	18
Services received	-	-	-	48	48
Expenses	-	18	-	48	66
Services rendered	6	119	-	-	125
Income	6	119	-	-	125

Other transactions	Significant shareholders (*)	Directors and executives	Related parties or Group companies	Other related parties	Total
		December 31, 2009			
					Thousands of euros
Financing, loans and capital contribution agreements (borrower)	-	3.126	-	-	3.126
Amortization or cancelation of loans and borrowing facilities	-	124	-	-	124
Other transactions	352	133	-	-	485
Dividends paid	1.433	3.117	-	-	4.550
Guarantees and sureties (see Notes 10 and 21)	-	10.244	-	-	10.244

(*) Main shareholders who are also directors or executives are included in the "Directors and executives" column.

In addition, at December 31, 2010 securities belonging to related parties amounting to 77,227 thousand euros (December 31, 2009: 89,396 thousand euros) are deposited with the Group company Renta 4, S.A., S.V.

Compensation of key management personnel

Compensation paid to key management personnel includes the directors of the parent company and the senior managers, which comprise 3 general managers who are not members of the Board of Directors of the parent company, as well as contributions to pension plans, are as follows:

Concept	Directors	Senior managers
		Thousands of euros
2010		
Wages and salaries (includes pension plan contributions)	950	546
Share-based payments (includes withholdings (IRPF) paid on account)	138	36
Total	1.088	582
2009		
Wages and salaries (includes pension plan contributions)	839	474
Share-based payments (includes withholdings (IRPF) paid on account)	104	36
Total	943	510

From left to right; Luis Muñoz (General manager of IT and System), Juan Luís López (General Manager), Juan Carlos Ureta (Chairman and Managing Director), José Ignacio García Junceda (Genral Manager Renta 4 S.V) and Jesús Sanchez-Quiñones (General Manager)

In addition, the Group has an insurance policy to cover its liabilities with members of the Board of Directors and senior management for potential claims in the discharge of their duties. The premium paid by the Group in 2010 was 64 thousand euros (2009: 62 thousand euros).

The Group has a keyman insurance policy to cover its obligations in the event of death and disability of its senior managers. The premiums paid by the Group in both 2010 and 2009 amounted to 0.3 and 1 thousand euros, respectively.

Other information on directors

In compliance with articles 229 and 230 of the Spanish Corporate Enterprises Act, below is a list of conflicts of interest notified to the parent company by its directors.

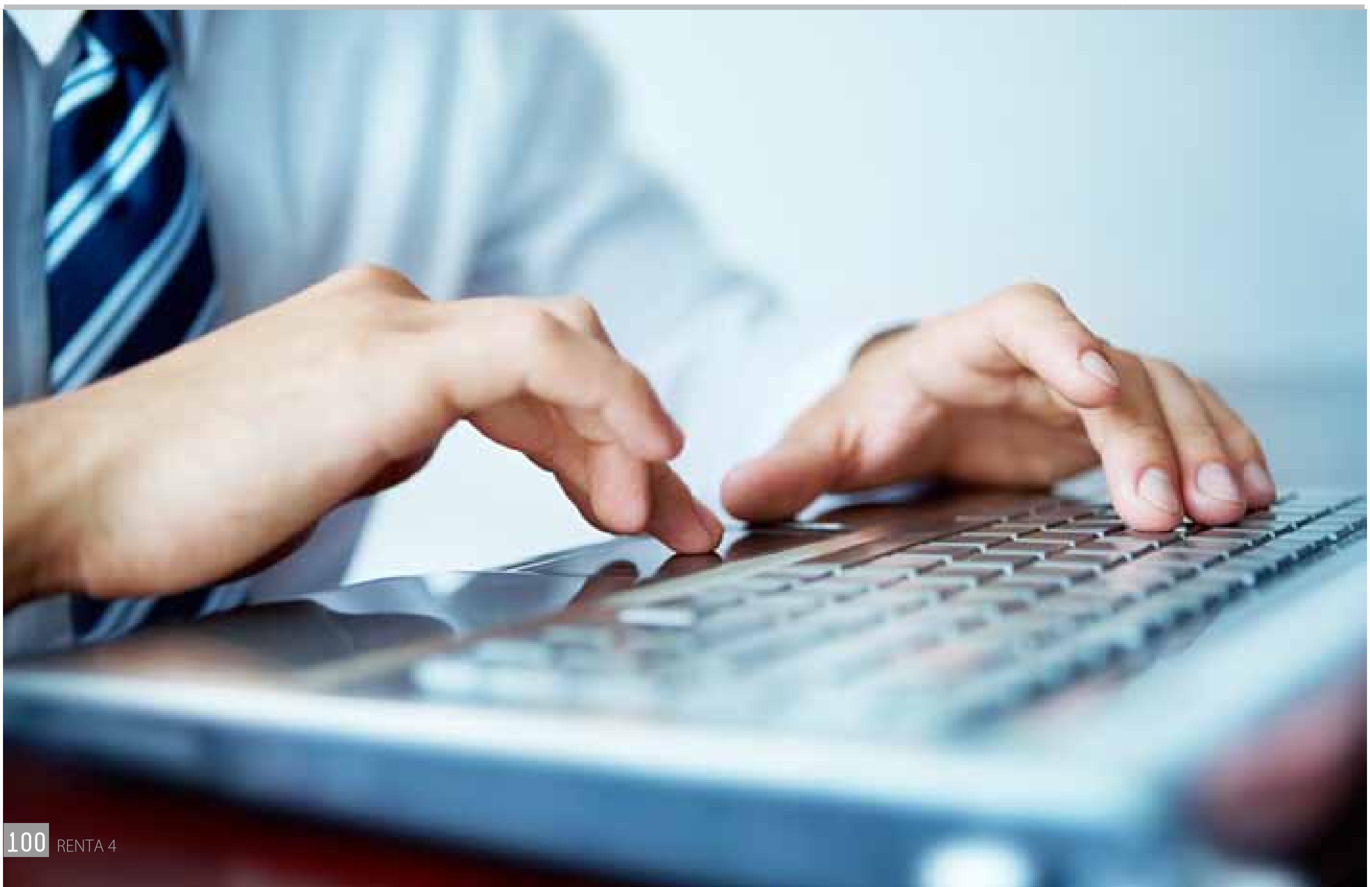
The following table lists the direct and indirect ownership interests held by directors in companies whose business is identical, similar or complementary to that of the parent company, in keeping with article 231 of the Spanish Corporate Enterprises Act, along with the positions or duties they discharge at these companies:

Director	Company	% shareholding	Position
Juan Carlos Ureta Domingo	Sociedad Rectora de la Bolsa de Valores de Madrid, S.A.	-	Director
Jesús Sánchez – Quiñones González	Amer 2000 SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Arbitrage Capital SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Avilugam SICAV, S.A.	Less than 0.01%	Chairman
	Bacesa SICAV, S.A.	Less than 0.01%	-
	Basil Capital SICAV, S.A.	Less than 0.01%	-
	Blue Note SICAV, S.A.	-	Board member
	Calainvest – 98 SICAV, S.A.	Less than 0.01%	-
	Cortigoso Inversiones SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Didime Inversiones SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Edumone SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Euro 21 de Inversiones SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Eurofinatel SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Evelsa – JP Inversiones SICAV, S.A.	Less than 0.01%	-
	Global Sistematic Investment SICAV, S.A.	Less than 0.01%	Board member
	Guaten de Inversiones SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Help Inversiones SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Holdilan SICAV, S.A.	Less than 0.01%	Board member
	Horizon Retorno SICAV, S.A.	Less than 0.01%	-
	Inversiones Financieras Islas Occidentales SICAV, S.A.	Less than 0.01%	-
	Inversiones Financieras Galois SICAV, S.A.	-	Secretary
	Invervalor SICAV, S.A.	Less than 0.01%	-
	Mercor Global Plus SICAV, .S.A.	Less than 0.01%	Secretary – Board Member
	Kursaal 2000 SICAV, S.A.	-	Chairman
	Lenda de Inversiones SICAV, S.A.	Less than 0.01%	Chairman
	Lora de Inversiones SICAV, S.A.	Less than 0.01%	-
	Mercor Global SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Mercor Global-Plus SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Mopani Inversiones SICAV, S.A.	-	Secretary – Board Member
	Numide Inversiones SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Obis Inversiones Financieras SICAV, S.A.	Less than 0.01%	-
	Otago Inversiones SICAV, S.A.	Less than 0.01%	-
	Pixel SICAV, S.A.	Less than 0.01%	-
	Privalia SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Qualified Investor SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Ravistar SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Stellaria SICAV, S.A.	Less than 0.01%	-
	Taupo Inversiones SICAV, S.A.	-	Chairman
	Temple Finance SICAV, S.A.	Less than 0.01%	-
	Terton Inversiones SICAV, S.A.	Less than 0.01%	Secretary – Board Member
	Valor Absoluto SICAV, S.A.	Less than 0.01%	-
	Valor XXI SICAV ,S.A.	Less than 0.01%	Secretary – Board Member
	Yelo Inversiones SICAV, S.A.	Less than 0.01%	Chairman
	19.40 Inversions SICAV, S.A.	Less than 0.01%	-
	Zanzibar SICAV, S.A.	-	Secretary – Board Member
Miguel Primo de Rivera y Urquijo	Blue Note SICAV, S.A.	21.35%	Secretary
	SCH Gestión de Carteras SGIIC, S.A.	-	Secretary

In addition, at December 31, 2010, the spouse and heirs of one of the Company's directors held the following investments in companies whose business is identical, similar or complementary to that of the parent company:

Director	Company	% shareholding	Position
Spouse of Jesús Sánchez-Quiñones González	Arbitrage Capital SICAV, S.A.	Less than 0.01%	-
	Avilugam SICAV, S.A.	Less than 0.01%	-
	Bacesa Inversiones SICAV, S.A.	Less than 0.01%	-
	Cortigoso Inversiones SICAV, S.A.	Less than 0.01%	-
	Didime Inversiones SICAV, S.A.	Less than 0.01%	-
	Edumone SICAV, S.A.	Less than 0.01%	-
	Euro 21 de Inversiones SICAV, S.A.	Less than 0.01%	-
	Eurofinatel SICAV, S.A.	Less than 0.01%	-
	Guaten de Inversiones SICAV, S.A.	Less than 0.01%	-
	Help Inversiones SICAV, S.A.	Less than 0.01%	-
	Invervalor SICAV, S.A.	Less than 0.01%	-
	Kursaal 2000 SICAV, S.A.	Less than 0.01%	-
	Lenda de Inversiones SICAV, S.A.	Less than 0.01%	-
	Mercor Global-Plus SICAV, S.A.	Less than 0.01%	-
	Numide Inversiones SICAV, S.A.	Less than 0.01%	-
	Obis Inversiones Financieras SICAV, S.A.	Less than 0.01%	-
	Otago Inversiones SICAV, S.A.	Less than 0.01%	-
	Pixel SICAV, S.A.	Less than 0.01%	-
	Privalia SICAV, S.A.	Less than 0.01%	-
	Stellaria SICAV, S.A.	Less than 0.01%	-
	Taupo Inversiones SICAV, S.A.	Less than 0.01%	-
	Terton Inversiones SICAV, S.A.	Less than 0.01%	-
	Valor Absoluto SICAV, S.A.	Less than 0.01%	-
	Valor XXI SICAV ,S.A.	Less than 0.01%	-
	Yelo Inversiones SICAV, S.A.	Less than 0.01%	-
	Zanzibar SICAV, S.A.	Less than 0.01%	-
	19.40 Inversions SICAV, S.A.	Less than 0.01%	-
Heirs of Jesús Sánchez-Quiñones González	Amer 2000 SICAV, S.A.	Less than 0.01%	-
	Arbitrage Capital SICAV, S.A.	Less than 0.01%	-
	Avilugam SICAV, S.A.	Less than 0.01%	-
	Bacesa SICAV, S.A.	Less than 0.01%	-
	Ballymore SICAV, S.A.	Less than 0.01%	-
	Basil Capital SICAV, S.A.	Less than 0.01%	-
	Calainvest – 98 SICAV, S.A.	Less than 0.01%	-
	Caro de Inversiones SICAV, S.A.	Less than 0.01%	-
	Cortigoso Inversiones SICAV, S.A.	Less than 0.01%	-
	Delzapeg SICAV, S.A.	Less than 0.01%	-
	Didime Inversiones SICAV, S.A.	Less than 0.01%	-
	Edumone SICAV, S.A.	Less than 0.01%	-
	Euro 21 de Inversiones SICAV, S.A.	Less than 0.01%	-
	Eurofinatel SICAV, S.A.	Less than 0.01%	-
	Evelsa – JP Inversiones SICAV, S.A.	Less than 0.01%	-
	Garadasa SICAV, S.A.	Less than 0.01%	-

Director	Company	% shareholding	Position
	Global Sistematic Investment SICAV, S.A.	Less than 0.01%	-
	Guaten de Inversiones SICAV, S.A.	Less than 0.01%	-
	Help Inversiones SICAV, S.A.	Less than 0.01%	-
	Holdilan SICAV, S.A.	Less than 0.01%	-
	Horizon Retorno SICAV, S.A.	Less than 0.01%	-
	Inversiones Financieras Islas Occidentales SICAV, S.A.	Less than 0.01%	-
	Invervalor SICAV, S.A.	Less than 0.01%	-
	Kursaal 2000 SICAV, S.A.	Less than 0.01%	-
	Lenda de Inversiones SICAV, S.A.	Less than 0.01%	-
	Lora de Inversiones SICAV, S.A.	Less than 0.01%	-
	Mercor Global SICAV, S.A.	Less than 0.01%	-
	Mercor Global-Plus SICAV, S.A.	Less than 0.01%	-
	Numide Inversiones SICAV, S.A.	Less than 0.01%	-
Ancestors of Jesús Sánchez-Quiñones González	Obis Inversiones Financieras SICAV, S.A.	Less than 0.01%	-
	Onegin SICAV, S.A.	Less than 0.01%	-
	Otago Inversiones SICAV, S.A.	Less than 0.01%	-
	Pixel SICAV, S.A.	Less than 0.01%	-
	Privalia SICAV, S.A.	Less than 0.01%	-
	Qualified Investor SICAV, S.A.	Less than 0.01%	-
	Ravistar SICAV, S.A.	Less than 0.01%	-
	Stellaria SICAV, S.A.	Less than 0.01%	-
	Temple Finance SICAV, S.A.	Less than 0.01%	-
	Terton Inversiones SICAV, S.A.	Less than 0.01%	-
	Valor Absoluto SICAV, S.A.	Less than 0.01%	-
	Valor XXI SICAV ,S.A.	Less than 0.01%	-
	Yelo Inversiones SICAV, S.A.	Less than 0.01%	-
	19.40 Inversions SICAV, S.A.	Less than 0.01%	-



ADDITIONAL INFORMATION

3.30

Fiduciary activities and investment services

All of the off-balance-sheet customer funds are marketed and managed by the Group of which the Company is the parent. The breakdown at December 31, 2010 and 2009 is as follows:

	2010	2009
		Thousands of euros
Managed portfolios	221.324	225.120
UCITs	1.052.531	1.229.694
Pension funds	252.347	189.008
Total	1.526.202	1.643.822

Fee and commission income and expenses related to the activities referred to above in 2010 and 2009 are broken down in Note 22.

At December 31, 2010 the Group managed 1,613 individual customer portfolios (December 31, 2009: 1,773 portfolios managed).

Customer service

In 2010 and 2009, the Group adopted the appropriate measures to comply with the requirements and duties of Ministry of Economics Order ECO/734/2004 dated March 11 on customer services departments, customer services and the ombudsman of financial institutions.

Article 17 of this order stipulates that customer departments and services, and financial ombudsmen of financial institutions, if any, must present an annual report to the Board of Directors explaining the actions carried out during the preceding year.

The Group received 21 complaints and claims in 2010 and 23 in 2009, all of which were accepted and processed. Of these, 67% and 78%, respectively, were ruled in favor of the Group.

Information of Circular 5/1990

- The number of employees at year end, by job category and department:

	2010	2009
		Thousands of euros
Management personnel	14	12
Technicians	155	135
Administrative personnel	125	127
	294	276

- A list of the Company's branches in 2010 and 2009 is provided in Appendix II.

- A list of the Company's agents at December 31, 2010 and 2009 is provided in Appendix III.

Environmental impact

The Directors of the Group companies consider that the environmental risks that could arise as a result of its activity are minimal and, in any case, adequately covered and that no additional liabilities will arise with respect to environmental risk. During the years ended December 31, 2010 and 2009, the Group has not incurred environmental-related expenses nor has it received environmental-related subsidies.

Audit fees

The fees paid to the main auditor for the review of the 2010 consolidated annual financial statements amounted to 125 thousand euros (2009: 125 thousand euros).

These external auditors were paid 111 thousand euros in additional fees for performing other types of services (2009: 150 thousand euros).

Information on payment deferments to suppliers in business transactions

In keeping with Law 15/2010, of July 15, 2010, wich modifies Law 3/2004, of December, 29, 2004, regarding measures to prevent delinquency in commercial transactions, as of December 31, 2010 there are no pending amounts to be paid to suppliers exceeding legal deadlines.

FINANCIAL RISK MANAGEMENT

3.31

Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring. This process is critical to the continuity of the Group's activities.

The Group is exposed to credit risk, liquidity risk, market rise and operational risk. Business risks such as changes in the environment, technology and industry are monitored through the strategic planning process.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks; however, there are other delegated bodies or units responsible for managing and monitoring these risks.

Internal Audit

The Group has an Internal Audit Department with three employees. This department reports to the Board of Directors as per the organizational chart. Its duties include supervision of the Group's representatives and branches, among others.

In addition, in keeping with CNMV Circular 6/2009, of December 9, 2009, regarding internal control of investment fund managers, in 2010, Renta 4 Gestora, S.G.I.I.C., S.A. proceeded to delegate the internal audit function in parent company Renta 4 Servicios de Inversión, S.A. and create a new regulatory compliance and risk management unit.

The Internal Audit Department taxes transactions of customers, representatives and/or agents and transactions with employees, ensures that the Group meets all its legal requirements and oversees relations with supervisory bodies. It also is in charge of internal control at Renta 4 Gestora, Sociedad Gestora de Instituciones de Inversión Colectiva, S.A.

The reports written by the Internal Audit Department on subsidiaries, representatives and/or issuing agents relate to revisions of transactions with customers and compliance with prevailing legislation. They include an examination of compliance with the Group's internal regulations, which are included in the Group's procedures manual and Internal Rules of Conduct and that of the rest of the Group. There is no established frequency for these reviews; rather, they are conducted based on a schedule of visits drawn up by the

Control Unit. The Audit Committee, which is composed of four members of the Board of Directors of Renta 4, Sociedad de Valores, S.A. and Renta 4 Servicios de Inversión, S.A., reviews the performance of the Internal Audit Department at least once a year.

In 2010, the Internal Audit Department carried out a total of 47 actions (2009: 53), with on-site checks that that commercial network's activity is in strict compliance with the Group's established operating procedures and prevailing legislation.

The Group also has a Custodian Control Unit, which is independent of the Group's Control Unit and reports to the Board of Directors of the organization. This unit supervises the activity of Renta 4, S.A., Sociedad de Valores as custodian.

The Custodian Control has a staff of one and one external supervisor. The Custodian Control Unit prepares monthly reports on the collective investment schemes of which Renta 4, Sociedad de Valores, S.A. is custodian and sends them to the National Securities Market Commission (CNMV) and included them in the internal financial statements that the Group's lawyers sends to that body. These reports include an examination of the degree of compliance of the existing information and the Group's internal regulations, which are included in the custodian's procedures manual.

At Renta 4 Gestora S.G.I.I.C., S.A. there is an internal body charged with oversight of compliance with the duties attributed to it under Law 35/2003 and RD 1309/2005 with respect to the degree of compliance with the rules of separation between the management company and the custodian in the CIS which Renta 4 Gestora, S.G.I.I.C., S.A. operated in 2009 as management company and Renta 4, S.V., S.A. as custodian.

In addition, the Group has a risk management department which primarily monitors the Renta 4 Group's credit and market risk.

Risk exposure

Fair value of financial instruments

Except for assets designated as "Loans and receivables," the rest of the financial assets are measured at fair value by reference to quoted securities or the use of valuation techniques based on observable date in the market (OTC derivatives). The financial liabilities are measured at amortized cost. However, given the characteristics of the financial assets and liabilities that are not measured at fair value, have short-term maturities or floating interest rates with long-term maturities, the Directors consider that the difference between the carrying amounts and the fair values of the instruments would not be significant.

Credit risk

The Renta 4 Group has exposure to credit risk; i.e. the risk of loss because its counterparties fail to discharge their obligations. In this respect, it distinguishes between two types of counterparty: customers in general and financial institutions.

The risk control system for credit risk of customers is backed by the development of new individual and collective debtor assessment and classification systems, from which it determines the provisions recorded to cover potential losses.

With respect to the acceptance, monitoring and control of risks with customers in general, the Group's Internal Audit Department ensures that the current system of discretional management of operating limits, provided based on the guarantee (securities) deposited at the Group, is enforced. Under the terms of the contracts signed with its customers, the Group has access to the securities and units of customers' mutual funds to make up for customer debtor balances if they were not to pay (not replace the funds).

The Group's maximum exposure to credit risk is as follows:

	Note	2010	2009
			Thousands of euros
Loans and receivables	11	282.130	327.615
Cash and cash equivalents	13	59.173	103.543
		341.303	431.158

With respect to counterparty risk with financial institutions, the Group chooses them based on their prestige and experience and bears in mind solvency ratings assigned by leading ratings agencies (e.g. Standard & Poor's and Moody's). The Control Unit verifies that the counterparty's credit rating is investment grade level, between good and high creditworthiness.

Cash and cash equivalents: the counterparties are mostly Spanish financial institutions with ratings between BBB and AA. The maximum exposure to any counterparty is 11 million euros (at 31 December, 2009: 29 million euros). The foreign institutions with which the Group conducts business in international markets are Goldman Sachs, Merrill Lynch, BNP Paribas, HSBC, JP Morgan and Commerzbank with A, A, AA, AA-, AA- and A, respectively.

In addition, the Group uses global custody accounts for trading in international markets (see Note 21), with exposure to counterparty risk or the delivery of positions taken on behalf of its customers, but booked under its name in these accounts. The counterparties are all leading international financial groups (Goldman Sachs, Merrill Lynch and BNP Paribas).

Loans and receivables: the main item of this portfolio are repos with Spanish financial intermediaries with at least an A+ rating and long-term deposits with financial intermediaries with at least a BBB rating. The rest are basically receivables from individuals related to trading in securities. There are guarantees for the customer positions deposited with the Group. When the Group classifies these balances as impaired, the impairment losses are determined based on the value of the positions used as guarantees.

The Group's largest counterparty, with which it maintains time deposits, cash or cash equivalents and assets acquired under resale agreements at December 31, 2010 totaling 25 million euros, is a credit institution with an A rating.

Interest rate risk

The Directors consider that the Group's exposure to interest rate risk is insignificant. Therefore, they do no evaluate or monitor this risk and have not established either exposure limits or procedures for monitoring interest rate risk. As seen in the information provided in the various notes to the consolidated financial statements, the Group's policy is not to assume interest rate risk. Therefore, the Group's financial assets and liabilities are at floating rates with short-term maturities, except long-term loans and borrowings with financial institutions (see Note 17) and some non-current loans and advances to employees of small amounts.

The future impact on the consolidated income statement of a 100 basis point increase or decrease in interest rates at December 31, 2010 and 2009 would be:

- An increase or decrease in the financial charge and, therefore, on Group profit before taxes for the finance cost of long-term borrowings (470 and 460 thousand euros on average borrowings of 47,000 and 46,000 thousand euros for 2010 and 2009 respectively) and;

- An increase or decrease in net interest income for the rest of its positions, as part of its liability balances with customers do not bear interest, whereas the realization of these in highly liquid assets does earn interest.

Market risk

The Group has well identified positions. Aside from its position in Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A., which the Group considers to be a long-term investment, these are limited to small units in mutual funds. Nonetheless, the Group applies VaR (Value at risk) methodology to asset the market risk of the positions held. This gives the maximum expected loss over a specified time horizon based on the historical performance of a security or portfolio. The VaR of these portfolios (at 1 day and with a confidence level of 98.75%) at December 31, 2010 and 2009 was as follows:

	2010	2009
		Thousands of euros
Trading portfolio (maximum potential loss)	25	1
Available-for-sale investments (maximum potential loss)	460	551
VaR (% of the portfolio)	0,35% (*)	0,28% (*)

(*) Includes own securities and excludes private fixed-income bonds guaranteed by the shareholder (see Note 10), as well as investments in hedge funds.

Operational risk

Operational risk is the risk of loss arising from inappropriate business processes or failures, human error on the part of employees and internal systems failures, or external events. It also includes technological risk.

The Group's operational risk detection systems are based on creating an operational risk scorecard that identifies factors and analyzes scenarios that reflect the business environment in the internal control systems. For this the Group has a system of regular reporting to the heads of the business lines, senior managers and the Board of Directors.

Liquidity risk

Control over the liquidity position is carried out through a structured model designed in accordance with prevailing legislation (standard 60, CNMV Circular 7/2008), which allows for classification of both debtors and creditors.

The Group's following a policy of protecting itself from liquidity risk, keeping enough cash and other liquid financial instruments available to meet computable liabilities with residual maturity of less than one year.

Renta 4, Sociedad de Valores, S.A. (subsidiary) has to meet a cash adequacy ratio. Therefore, assets that can easily be liquidated and are low risk must amount to least 10% of its computable liabilities with a residual maturity of less than one year. This does not include temporary and instrumental payables (brokerage customer).

This company had met the abovementioned capital adequacy ratio at December 31, 2010 and 2009.

Notes 11, 13 and 18 provide a breakdown of the maturities of the Group's financial assets and liabilities. A significant portion of these positions pertain to brokerage services provided to clients in connection with repos for which the maturities of asset and liability transactions are matched. In addition, the Group maintains liquid asset positions amounting to 58,825 thousand euros (Note 13) (2009: 103,446 thousand), time deposits amounting to 130,941 thousand euros (2009: 86,691 thousand), trade portfolio financial asset positions amounting to 27 thousand euros (2009: 33 thousand), and the liquid listed available-for-sale portfolio amounting to 19,204 thousand euros (trade portfolio financial assets and available-for-sale financial assets amounting to 21,619 thousand euros in 2009).

Riesgo de concentración

As shown in statement RP61 sent to the CNMV at December 31, 2010, the Group had two counterparty risks which exceeded 10% of the Group's consolidated equity.

3.32 CAPITAL MANAGEMENT

The Group actively manages its capital structure by hedging its main business risks. It monitors its capital adequacy in accordance with the regulations set forth in Royal Decree 1343/1992, dated November 6, which develops Law 13/1992, dated June 1, on equity and supervision of consolidated financial entities, and CNMV Circular 6/1992 on minimum equity requirements for brokerage companies and broker-dealers and their consolidated groups.

On February 17, Royal Decree 216/2008 on the capital of financial institutions was issued, which enacts Laws 36/2007 and 47/2007, incorporating the Basel II Capital Accord on access to lending activities and capital adequacy of investment firms and credit institutions into Spanish regulations. In addition, on June 30, 2009, Circular 12/2008, of December 30, on the solvency of investment service companies and their consolidated groups will go into effect, annulling Circular 6/1992. In addition, Circular 1/2011, on the solvency of investment service companies and their consolidated groups, took effect on January 26, 2011, thereby amending Circular 12/2008.

Capital management

The primary objectives of the Group's capital management are to ensure that the Group complies with its externally imposed capital requirements and that the Group maintains healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, its own equity securities, distribute reserves, etc. Law 13/1992, dated June 1, and subsequent amendments regulate the minimum capital requirements that individual and consolidated investment services companies must maintain, as well as the calculation method for such minimum capital.

At December 31, 2010 and 2009 the breakdown of consolidated equity suitable for meeting solvency requirements and the minimum equity required is as follows:

	2010(*)	2009(*)
		Thousands of euros
Eligible capital		
Paid-in capital	16.277	16.277
Treasury shares	(16.269)	(18.312)
Treasury shares (financing granted to third parties for the acquisition of treasury shares)	(9.343)	-
Premiums	27.188	31.176
Others instruments eligible as capital	142	668
Eligible reserves		
Reserves (including unrealized gains/losses reserve)	27.250	26.162
Reserves to be filtered through unrealized gains and losses reserve	2.867	1.690
Minority interest	1.047	1.072
Unrealized gains (losses) reserve eligible for meeting basic capital requirements	(2.806)	(1.672)
Deductions from basic capital		
Intangible assets	(5.344)	(5.089)
Basic capital	41.009	51.972
Tier 2 basic capital	-	-
Deductions from tier 2 basic capital	-	(5.818)
Total eligible basic capital	41.009	46.154
Capital requirements		
Credit, counterparty, dilution and settlement risk (standard method)	11.172	11.246
Price and foreign currency risk	148	266
Operational risk	5.917	6.490
Temporary capital and other requirements	182	-
Total required capital	17.419	18.002
Surplus capital	23.590	28.152

(*) Information presented as per CNMV Circular 12/2008 which may not always agree with information presented as required under IFRS (Note 33)

As evidenced in the table above, at December 31, 2010 and 2009, the Group's eligible equity exceeds the legally stipulated minimum capital buffers.

3.33 RECONCILIATION OF CONSOLIDATED EQUITY AND PROFIT CALCULATED UNDER CNMV CIRCULAR 5/1990 TO IFRS

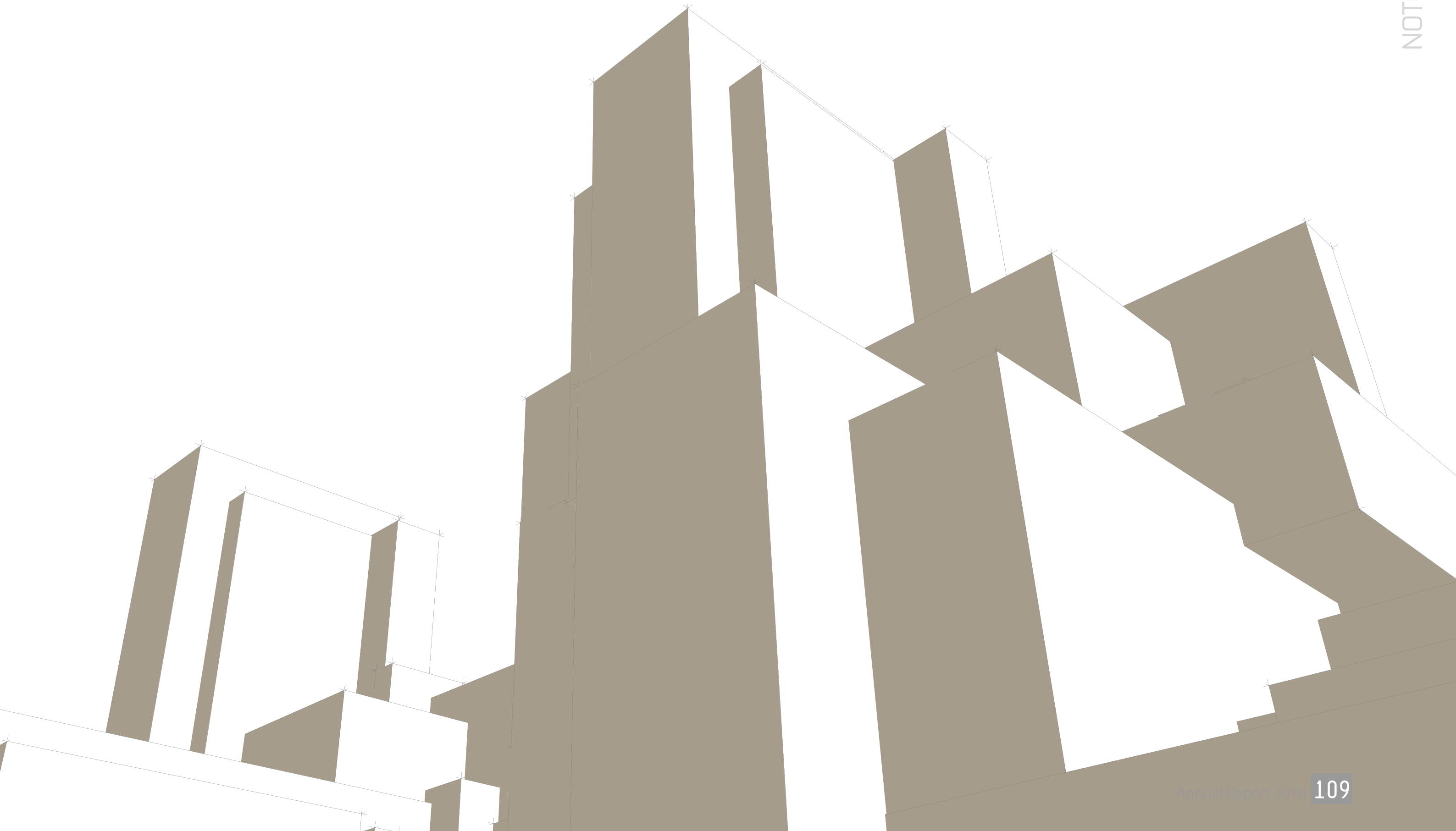
On November 26, 2008, the C.N.M.V. issued Circular 7/2008, which annulled Circular 5/1990. This circular modifies the accounting regime established for investment services companies to adapt it to the new accounting framework applicable in Spain as of 2008, established by new Spanish GAAP, enacted by Royal Decree 1514/2007, of November 16, which aims to bring Spanish accounting principles in line with IFRS. Circular 7/2008 establishes January 1, 2008 as the effective date for first-time application of the new Spanish GAAP. These consolidated financial statements have been prepared in conformity with IFRS. The Group took January 1, 2005 to be the first-time adoption date for applying IFRS.

The adoption of different transition dates gives rise to the following differences in the Group's consolidated equity; however, this does to lead to differences in consolidated profit (loss) at December 31, 2010:

	Notes	31/12/10
		Thousands of euros
Consolidated equity in accordance with Circular 7/2008		57.974
Goodwill amortized from 2005 to 2007 in accordance with Circular 5/1990	(a)	6.678
Impairment losses recognized in previous years under IFRS (2005-2008)	(a)	(2.067)
Consolidated equity under IFRS		62.585

(a) Under the former accounting principles (Circular 5/1990), the Group amortized goodwill from the acquisition of Renta 4 Burgos, S.A., Renta 4 Aragón, S.A., and Renta 4 Huesca, S.A. over five years. This goodwill was fully amortized at December 31, 2007 (5,484 thousand euros were amortized under the former circular from 2005 to 2007). Given that the Group began to apply IFRS as of January 1, 2005, in the financial statements prepared in accordance with IFRS, the Group maintained goodwill amounting to 3,413 thousand euros (Note 7); under IFRS, goodwill amounting to 2,067 euros was impaired from financial year 2005 to 2008.

In addition, under the former circular, in 2007 the Group amortized goodwill from the acquisition of Gesdinco Gestión, S.G.I.I.C. and Padinco Patrimonios, S.A. amounting to 1,194 thousand euros.



3.34 EVENTS AFTER THE BALANCE SHEET DATE

As indicated in Note 1, on January 26, 2011, the Group received Bank of Spain authorization for the acquisition of Banco Alicantino de Comercio, S.A. On February 7, 2011, the Board of Directors of the Company agreed to make the Banesto Group a binding offer for 100% of the shares of Banco Alicantino de Comercio, S.A.

The purchase price was set at the equivalent of Banco Alicantino's equity plus 6 million euros. Management estimates that Banco Alicantino's equity will stand at 9 million euros when the share purchase agreement closes. At the acquisition date, Renta 4 will subscribe in cash for shares issued by Banco Alicantino with a view to bolstering Banco Alicantino's capital by approximately 9 million euros.

The acquisition and subscription to the share issue will be financed by the issuance of convertible bonds in the amount of 25 million euros. At the same Board meeting, the Company's directors approved the issuance of bonds convertible and/or exchangeable into Company shares, providing for incomplete subscription, represented by book entries and acknowledging pre-emptive subscription rights; consequently, the Board approved the issuance of new shares to service the conversion into Company shares of any convertible bonds issued, as may be warranted.

On February 24, 2011, the Spanish securities market regulator (CNMV) acknowledged that the prospectus related to this transaction had been duly filed in its official registers. The CNMV assigned the prospectus reference number ES0373358003.

The key terms of the issue:

Proceeds:	25,000,000 euros.
Face value per bond:	1,000 euros.
Interest rate:	Nominal annual interest of 5%, payable in cash semi-annually
Maturity date:	28 March 2014, barring any of the events triggering early redemption
Conversion price:	6 euros per share

While the convertible bonds are outstanding, the bond holders may exercise their conversion rights during three ordinary conversion periods. Given the terms of the issue, the issue will not be dilutive with respect to 2010 earnings per share. Notwithstanding the foregoing, the impact of the issue on earnings per share will have to be assessed in 2011 once the issue has closed.

Except for the above, no other significant event warranting disclosure has taken place between December 31, 2010 and the date the Company's directors authorized these consolidated financial statements for issue that could have an effect on the consolidated financial statements.


renta4

I appendix

Breakdown of equity investments in Group companies at December 31, 2010 and 2009

This appendix forms an integral part of Note 3 of the Notes to the consolidated financial statements, with which it should be read

	Company	Head office	Line of business	Direct
12/31/2010	Carterix, S.A.	Madrid	Computer and IT services	5,00
	Renta 4 Aragón, S.A.	Madrid	Financial services	99,96
	Sociedad de Estudios e Inversiones, S.A.	Benidorm	Financial services	-
	Renta 4 Burgos, S.A.	Madrid	Financial services	99,97
	Renta 4 Gestora, S.G.I.I.C., S.A.	Madrid	CIS management company	99,99
	Renta 4 Guipúzcoa, S.A. (*)	San Sebastián	Financial services	-
	Renta 4 Huesca, S.A.	Madrid	Financial services	99,94
	Renta 4 Inversiones de Valladolid, S.A.	Madrid	Advisory and consulting	85,00
	Renta 4 Lérida, S.A.	Madrid	Advisory and consulting	81,66
	Renta 4 On Line, S.A.	Madrid	Financial services	99,00
	Renta 4 Pensiones, E.G.F.P., S.A.	Madrid	Pension fund management	99,99
	Renta 4, Sociedad de Valores, S.A.	Madrid	Stockbroking	99,99
	Renta 4 Equities (antes Renta 4 Tarragona, S.A.)	Madrid	Financial services	-
	Renta 4 Corporate, S.A.	Madrid	Advisory and consulting	100,00
	Renta 4 Vizcaya, S.A.	Bilbao	Financial services	-
	Rentsegur, Correduría de Seguros, S.A.	Madrid	Insurance brokerage	-
	Padinco Patrimonios, S.A.	Madrid	Dormant	100,00
	Sociedad asociada			
	Renta Markets, S.A.	Madrid	Financial Services	34,99
12/31/2009	Carterix, S.A.	Madrid	Computer and IT services	5,00
	Renta 4 Aragón, S.A.	Madrid	Financial services	99,96
	Sociedad de Estudios e Inversiones, S.A.	Benidorm	Financial services	-
	Renta 4 Burgos, S.A. (***)	Madrid	Financial services	99,97
	Renta 4 Gestora, S.G.I.I.C., S.A.	Madrid	CIS management company	99,99
	Renta 4 Guipúzcoa, S.A. (*)	San Sebastián	Financial services	-
	Renta 4 Huesca, S.A.	Madrid	Financial services	99,94
	Renta 4 Inversiones de Valladolid, S.A.	Madrid	Financial services	85,00
	Renta 4 Lérida, S.A.	Madrid	Advisory and consulting	81,66
	Renta 4 On Line, S.A. (****)	Madrid	Financial services	99,00
	Renta 4 Pensiones, E.G.F.P., S.A.	Madrid	Pension fund management	99,99
	Renta 4, Sociedad de Valores, S.A.	Madrid	Stockbroking	99,99
	Renta 4 Equities (antes Renta 4 Tarragona, S.A.)	Madrid	Financial services	-
	Renta 4 Corporate, S.A.	Madrid	Advisory and consulting	100,00
	Renta 4 Vizcaya, S.A.	Bilbao	Financial services	-
	Rentsegur, Correduría de Seguros, S.A.	Madrid	Insurance brokerage	-
	Padinco Patrimonios, S.A.	Madrid	Dormant	100,00

(*) Although the Renta 4 Group's percentage of ownership interest in this company would not grant it the majority of voting rights, Renta 4 Guipúzcoa, S.A. performs commercial representation activities for the Renta 4 Group as part of its own line of business. Consequently, all of Renta 4 Guipúzcoa's revenue is generated from commissions paid to it by Renta 4 for the business Renta 4 Guipúzcoa procures for the Group. Therefore, Renta 4 considers that its relationship with Renta 4 Guipúzcoa, S.A. enables it to control its financial and operating policies (IAS 27.13) and thus it is accounted for using the equity method.

% shareholding		Thousands of euros (*)			
Indirect	Total	Capital	Reserves	Unrealized gains (losses) reserve	Profit/(loss)
94,92	99,92	782	(22)	-	(14)
-	99,96	62	10	-	-
99,99	99,99	42	(19)	-	-
-	99,97	35	11	-	-
-	99,99	2.374	1.351	(76)	31
15,00	15,00	60	1.143	72	(31)
-	99,94	3	(1)	-	-
14,00	99,00	60	707	-	(2)
-	81,66	90	(2)	-	(2)
-	99,00	(15)	(15)	-	-
-	99,99	2.476	628	(2)	57
-	99,99	6.105	20.965	(351)	1.081
99,89	99,89	15	(97)	-	482
-	100,00	92	5	-	58
99,99	99,99	391	(364)	-	-
72,49	72,49	75	(46)	-	4
-	100,00	105	69	-	(1)
-	34,99	60	(21)	-	1.053
94,92	99,92	782	(10)	-	(12)
-	99,96	62	10	-	-
99,99	99,98	42	(19)	-	-
-	99,97	69	11	-	-
-	99,99	2.374	2.700	(120)	941
15,00	15,00	60	1.179	21	(64)
-	99,94	3	(1)	-	-
14,00	99,00	60	709	-	(2)
-	81,66	90	(3)	-	-
-	99,00	60	(15)	-	-
-	99,99	2.416	89	1	250
-	99,99	6.105	20.862	-	1.525
99,89	99,89	15	-	-	(98)
-	100,00	92	107	-	(102)
99,99	99,99	391	(363)	-	-
72,49	72,49	75	(50)	-	4
-	100,00	105	72	-	(3)

(**) This item was recognized as an interim dividend.

(***) There is uncalled share capital amounting to 34 thousand euros which has not been deducted from capital

(****) There is uncalled share capital amounting to 45 thousand euros which has not been deducted from capital.

II appendix

List of the branches of Renta 4, Sociedad de Valores, S.A. at December 31, 2010 and 2009

This appendix is an integral part of Note 30 of the notes to the accompanying consolidated financial statements, with which it should be read

12/31/2010

C/ TERESA HERRERA, 8 BAJO 15004 A CORUÑA (A CORUÑA)
PLAZA DE GABRIEL LODARES Nº 4 BAJO 2002 ALBACETE (ALBACETE)
AVDA. FEDERICO SOTO 22 ENTLO. DERECHA 3001 ALICANTE (ALICANTE)
Pº DE ALMERÍA, 81 1º IZDA 4001 ALMERÍA (ALMERÍA)
PZA. DE SANTA TERESA, 14, 2º PUERTAS 1 Y 2 5001 ÁVILA (ÁVILA)
C/ RONDA DEL PILAR, Nº 2, BAJO IZQUIERDA 6002 BADAJOZ (BADAJOZ)
Pº DE GRACIA, 77, PL. PRINCIPAL 8008 BARCELONA (BARCELONA)
C/ MARQUÉS DEL PUERTO, 6 - 1º 48009 BILBAO (BILBAO)
AVENIDA DE LA PAZ 3, BAJO 9004 BURGOS (BURGOS)
C/ SAN PEDRO DE ALCÁNTARA 2, PLTA 1ª, OF. 2 10001 CÁCERES (CÁCERES)
AVDA. CAYETANO DEL TORO, Nº 27 11010 CÁDIZ (CÁDIZ)
C/ JUAN DE HERRERA 2 ENTLO 39002 SANTANDER (CANTABRIA)
PLAZA DE LA PAZ, Nº 5 - ENTRESUELO 12001 CASTELLÓN (CASTELLÓN)
C/ RAMÓN Y CAJAL, 5 1ºA 13001 CIUDAD REAL (CIUDAD REAL)
RONDA DE TEJARES, 6, OF. 6 14001 CÓRDOBA (CÓRDOBA)
C/ CERVANTES, 2, 1º 16004 CUENCA (CUENCA)
C/ COLÓN, 45 PISO 1º PTA 1ª EDIF..JOEN 46400 CULLERA (CULLERA)
C/ HOSPITAL, 5 3203 ELCHE (ELCHE)
C/ MIGDIA, 37 17002 GIRONA (GIRONA)
AVDA. RAFAEL CABRERA, 1, 1ª PL. OFIC.8 35002 LAS PALMAS DE GRAN CANARIA (GRAN CANARIA)
PZA. ISABEL LA CATÓLICA, 1, PLTA.4, OFIC.4 18009 GRANADA (GRANADA)
PZA. DE SANTO DOMINGO, 1 - 1ºD 19001 GUADALAJARA (GUADALAJARA)
Pº SANTA FE, 1 ENTREPLANTA 21003 HUELVA (HUELVA)
C/ CAVIA, 8 BAJO 22005 HUESCA (HUESCA)
AVDA. DE MADRID, 56 B, 1ºA 23008 JAÉN (JAÉN)
AVDA. RAFAEL GONZÁLEZ NEGRÍN, 17 1º B 35500 ARRECIFE (LANZAROTE)
C/ ORDOÑO II, 11 - 1º 24001 LEÓN (LEÓN)
RAMBLA FERRÁN, 45 25007 LLEIDA (LLEIDA)
C/ VARA DE REY, 24 26002 LOGROÑO (LOGROÑO)
RÚA MONTEVIDEO, 7 - BAJO 27001 LUGO (LUGO)
Pº DE LA HABANA 74, 28036 MADRID (MADRID)
C/ VALENCIA, 6 -LOCAL 4 28945 FUENLABRADA, MADRID (MADRID SUR)
PZA. CONSTITUCIÓN, 2 – 4º 29005 MÁLAGA (MÁLAGA)
Pº DE MALLORCA, 32 ENTLO 7012 PALMA (MALLORCA)
PZA. DE LA AURORA, 5 30001 MURCIA (MURCIA)
C/ PROGRESO, 127 32003 OURENSE (ORENSE)
C/ PELAYO, 4 - 2ºB, EDF. JIRAFA 33003 OVIEDO (OVIEDO)
C/ IGNACIO MARTÍNEZ DE AZCOITIA 5 34001 PALENCIA (PALENCIA)
PASEO DE SARASATE, 16 31001 PAMPLONA (PAMPLONA)
CALLE VILARRUBIAS, Nº 9 8208 SABADELL, BARCELONA (SABADELL)
C/ TORO, 76 – 1º 37002 SALAMANCA (SALAMANCA)
AVDA. FERNÁNDEZ LADREDA, 11, 1ºA 40001 SEGOVIA (SEGOVIA)
C/ CAMPANA, 6, 3ºIZQ 41002 SEVILLA (SEVILLA)
C/ COLLADO, 15-1ºA Y B 42002 SORIA (SORIA)
RAMBLA NOVA, 90 ENTLO A 43001 TARRAGONA (TARRAGONA)
C/ SAN CLEMENTE, 24, 1º A 38002 SANTA CRUZ DE TENERIFE (TENERIFE)
C/ MAYOR, 40 8221 BARCELONA (TERRASSA)
C/ RAMÓN Y CAJAL, 12 BAJO 44001 TERUEL (TERUEL)
C/ ROMA, Nº 3, BAJO 45003 TOLEDO (TOLEDO)
C/ COLÓN, 31 - 1º PTA. 3ª 46004 VALENCIA (VALENCIA)
PZA. DE SANTA ANA 2 – 2º B Y C 47001 VALLADOLID (VALLADOLID)
C/ PROGRESO, 38 36202 VIGO (VIGO)
C/ FLORIDA, Nº 18, BAJO 1005 VITORIA (VITORIA)
C/ FLORES DE SAN TORCUATO, Nº 14 49014 ZAMORA (ZAMORA)

Pº DE LA INDEPENDENCIA 4, PRAL. A DCHA. 50004 ZARAGOZA (ZARAGOZA)
Pº DE GRACIA, 77, PRINCIPAL - 08008 BARCELONA (BARCELONA)
C/PROGRESO, 38 - 36202 VIGO (PONTEVEDRA)
PZA. DE LA AURORA, 5 - 30001 MURCIA (MURCIA)
C/ TERESA HERRERA, Nº 8, BAJO - 15004 A CORUÑA (A CORUÑA)
CL. TESIFONTE GALLEGO Nº 16, ENTREPLANTA - 02002 ALBACETE (ALBACETE)
AVDA. FEDERICO SOTO, 22, ENTLO. - 03001 ALICANTE (ALICANTE)
PASEO DE ALMERÍA, Nº 81, 1º IZQDA - 04001 ALMERÍA (ALMERÍA)
PASEO MARQUÉS DEL PUERTO, 6 - 48009 BILBAO (BILBAO)
PLAZA DE ESPAÑA, 5 - 11004 CÁDIZ (CÁDIZ)
C/ JUAN HERRERA 2, ENTRESUELO 5 - 39002 SANTANDER (CANTABRIA)
PLAZA DE LA PAZ, Nº 5. ENTRESUELO - 12001 CASTELLÓN (CASTELLÓN)
CRTA. BARCELONA, 2 EDIF. VERTEX 3º, 1º - 17001 GIRONA (GIRONA)
PLAZA ISABEL DE CATÓLICA, 1 - 18009 GRANADA (GRANADA)
AVDA. RAFAEL CABRERA, 1, 1ª PTA. OF 8 - 35002 LAS PALMAS DE GRAN CANARIA (GRAN CANARIA)
RAMBLA FERRA, 45 - 25007 LLEIDA (LLEIDA)
CALLE ORDOÑO II, Nº 11, 1º - 24001 LEÓN (LEÓN)
VARA DEL REY, 24 - 26002 LOGROÑO (LA RIOJA)
PLAZA DE SANTO DOMINGO, 5, 3ª PTA. - 27001 LUGO (LUGO)
PLZA. CONSTITUCIÓN, 2, 4º - 29005 MÁLAGA (MÁLAGA)
PASEO DE MALLORCA, 32 - 07012 PALMA DE MALLORCA (BALEARES)
CL. TORO, 76 - 37002 SALAMANCA (SALAMANCA)
C./ COLLADO, Nº15, 1º A - 42002 SORIA (SORIA)
C./ SAN CLEMENTE, 24 - 38003 SANTA CRUZ DE TENERIFE (TENERIFE)
C./ MAS DEL RIVERO, 17 - 45005 TOLEDO (TOLEDO)
C./ COLÓN, Nº 31, 1º, PTA 3 - 46004 VALENCIA (VALENCIA)
PLAZA SANTA ANA, 2, 2º B - 47001 VALLADOLID (VALLADOLID)
C/ SAN PEDRO ALCÁNTARA Nº2, 1º, 2 - 10002 CÁCERES (CÁCERES)
RAMBLA NOVA, 90 - 43001 TARRAGONA (TARRAGONA)
C/ CAMPANA, 6 3º IZQ - 41002 SEVILLA (SEVILLA)
RONDA DEL PILAR, 2 BJO IZQUIERDA – 06002 BADAJOZ (BADAJOZ)
PASEO DE LA INDEPENDENCIA Nº4, PRINCIPAL A DCHA – 50004 ZARAGOZA (ZARAGOZA)
AVDA. DEL CID, 1, 1º A-B – 09005 BURGOS (BURGOS)
C/ CAVIA, 8, BAJO – 22005 HUESCA (HUESCA)
PASEO SARASATE, 16, ENTREPLANTA – 31001 PAMPLONA (NAVARRA)
C/ COLÓN, EDIFICIO JOEN, Nº45, 1º, 1 46400 – 46400 CULLERA (VALENCIA)
RONDA DE TEJARES Nº6, OFICINA 6 – 14001 CÓRDOBA (CÓRDOBA)
C/ SAN PRUDENCIO Nº8ª, PISO 3º - 01005 VITORIA (ÁLAVA)
AVDA. RAFAEL GONZÁLEZ NEGRÍN Nº 17, 1º - 35500 ARRECIFE (LAS PALMAS)
C/ RUA DO PROGRESO, Nº127, LOCAL 2ª PB – 32003 OURENSE (OURENSE)
CALLE VALENCIA, 6 – 28945 FUENLABRADA (MADRID)
C/RAMÓN Y CAJAL Nº5, 1ºA – 13001 CIUDAD REAL (CIUDAD REAL)
PLAZA DE SANTA TERESA, Nº 14, 2º IZQUIERDA Y DEREC – 05001 ÁVILA (ÁVILA)
AVENIDA FERNÁNDEZ LADREDA, Nº 11, 1º A – 40001 SEGOVIA (SEGOVIA)
AVENIDA DE MADRID, 56 B – 1º A – 23008 JAÉN (JAÉN)
PLAZA DE SANTO DOMINGO, Nº1,1ªPTA,APT.D – 19001 GUADALAJARA (GUADALAJARA)
C/IGNACIO MARTÍNEZ DE AZCOITIA, Nº 5 – 34001 PALENCIA (PALENCIA)
C/ PELAYO, 4, 2º - 33003 OVIEDO (ASTURIAS)
PASEO DE SANTA FE, Nº 1, BAJO – 21003 HUELVA (HUELVA)
C/ FLORES DE SAN TORCUATO Nº14 – 49014 ZAMORA (ZAMORA)
C/HOSPITAL, Nº 5 – 03203 ELCHE (ALICANTE)
C/ RAMÓN Y CAJAL, Nº 10. BAJO – 44001 TERUEL (TERUEL)
CALLE MAYOR, 40 – 08221 TERRASSA (BARCELONA)
C/ CERVANTES, Nº 2. 1º - 16004 CUENCA (CUENCA)

III appendix

List of Agents for Renta 4, Sociedad de Valores, S.A. at December 31, 2010 and 2009

This appendix is an integral part of Note 30 of the notes to the accompanying consolidated financial statements, with which it should be read.

12/31/2010

ACCURATE ADVISORS, S.L.
AES GESTIO DE PATRIMONIS, S.L
AGUIRRE BASSET, ALFONSO
ALBAJAR GIMÉNEZ, MANUEL
ARBITRAGE FINANZAS, S.L.
ARCOS BARAZAL SA
ARENILLAS LORENTE, JAIME
BABALITA, S.L.
BAUCISA SISTEMAS, S.L.
BIGSPIN INTERNATIONAL TRADE, S.L.
BORRAS-VÁZQUEZ-CAMESELLE-ARTAI CORREDURÍA DE SEGUROS, S.A.
BOSS ESTUDIO EMPRESARIAL, S.L.
CENTENNIAL SERVICIOS COMERCIALES Y ASESORAMIENTO SL
DARWIN SYSTEMS, S.L.
DE LA FUENTE ARTEAGA, JORGE
DRACMA FINANZAS, S.L.
ECHEVARRÍA BARBERENA, MERCEDES
FORET USSÍA, JOSÉ LUIS
GALLEGO HEREDERO, PEDRO
GALLO LÓPEZ, FÉLIX ALFONSO
HORIZON CAPITAL, S.L.
INFORMADSA FINANCIEROS, S.L.
JOFRE TEJADA, DAVID
KRATSCHMER, IVO
LAJAC SA
LÉRIDA TURABIAN, JOSÉ ANTONIO
LÓPEZ LÓPEZ, ANTONIO CEFERINO
LÓPEZ MÍNGUEZ, ANTONIO
MISUIN GESTIÓN, S.L.
MORENO PÉREZ, VÍCTOR
NUEVA PRIDERA, S.L.
PASCUAL BALLESTEROS, JULIO MANUEL
PRIMO DE RIVERA ORIOL, FERNANDO
RENPROA SL
RENTA 4 EQUITIES, S.A.
RENTA 4 GUIPÚZCOA SA
RENTA MARKETS, S.A.
RIVERA CASTILLEJO, MIGUEL
SANFELIU CARRASCO, MARÍA DEL MAR
SOFABOYCO, S.L.
SOLO 747, S.L.
VARGAS ESCOBAR, RAFAEL
VEGA-HAZAS PORRÚA, JUAN MARÍA
VINDEL BERENGUEL, LUIS MIGUEL

(1) No longer a representative as of 09/30/09 - Pending registration with the Mercantile Register and the CNMV
(2) No longer a representative as of 12/01/09 – CNMV notified as of 01/26/2010
(3) No longer a representative as of 12/31/2009 - Pending registration with the Mercantile Register and the CNMV
(4) Representative as of 10/01/2009 - Pending registration with the Mercantile Register and the CNMV
(5) Representative as of 12/01/2009 – CNMV notified as of 01/26/2010
(6) Representative as of 12/31/2009 - Pending registration with the Mercantile Register and the CNMV
(7) Representative as of 10/23/2009 Pending registration with the Mercantile Register and the CNMV

12/31/2009

YIDOSA, S.A.
AGUIRRE BASSET ALFONSO
ARCOS BARAZAL, S.A.
BOSS ESTUDIO EMPRESARIAL, S.L.
CENTENNIAL SERVICIOS COMERCIALES
DE LA FUENTE ARTEAGA JORGE
DÍAZ PÉREZ GONZALO (1)
DRACMA FINANZAS, S.L.
GALLO LÓPEZ FÉLIX ALFONSO
LAJAC S.A.
LÉRIDA TURBIARAN JOSÉ ANTONIO
MORENO PÉREZ VÍCTOR
PRIMO DE RIVERA ORIOL FERNANDO
RENPROA S.L.
RENTA 4 GUIPÚZCOA S.A.
VARGAS ESCOBAR, RAFAEL
VEGA-HAZAS JUAN MARÍA
YELSEN ASESORES, S.L.
ALBAJAR GIMÉNEZ, MANUEL
BORRAS-VÁZQUEZ-CAMESELLE-ARTAI CORREDURÍA DE SEGUROS, S.A.
FORET USSÍA, JOSÉ LUIS
LÓPEZ MÍNGUEZ, ANTONIO
BABALITA, S.A.
MISUIN GESTIÓN, S.L.
PERIGOT CAMPOS, RICARDO
AREITIO CAÑADA, SUSANA (2)
LÓPEZ LÓPEZ, ANTONIO CEFERINO
HORIZON CAPITAL S.L.
ECHEVARRÍA BARBERENA, MERCEDES
YIDOSA, S.A.
ESPINOSA PARTNERS ASESORES, S.L.
VINDEL BERENGUEL, LUIS MIGUEL
NUEVA PRIDERA S.L.
DARWIN SYSTEMS, S.L.
GALOBASAN, S.L. (3)
INFORMADSA FINANCIEROS, S.L.
AES GESTIÓ DE PATRIMONIS, S.L.
RIVERA CASTILLEJO, MIGUEL
SANFELIU CARRASCO, MARÍA DEL MAR
KRATSCHMER , IVO
SOFABOYCO, S.L. (4)
BAUCISA SISTEMAS, S.L. (5)
PEDRO GALLEGO HEREDERO (6)
DAVID JOFRE TEJADA (7)

APPROVAL OF THE 2010 CONSOLIDATED FINANCIAL STATEMENTS

The members of the Board of Directors of Renta 4 Servicios de Inversión, S.A. state that to the best of their knowledge the 2010 consolidated annual financial statements approved at the meeting held March 22, 2011 and prepared in accordance with the accounting principles applied, give a true and fair view of the consolidated equity, financial position and results of Renta 4 Servicios de Inversión, S.A. and subsidiaries, and that the management report includes a fair analysis of the business results and position of Renta 4 Servicios de Inversión, S.A. and subsidiaries, as well as a description of the main risks and uncertainties facing the Group.

D. Juan Carlos Ureta Domingo
Chairman

D. Jesús Sánchez-Quiñones
Board member

D. Santiago González Enciso
Board member

D. Miguel Primo de Rivera y Urquijo
Board member

D. Pedro Ángel Navarro Martínez
Deputy chairman

D. Francisco García Molina
Board member

D. Pedro Ramón y Cajal
Non Director Secretary

D. Pedro Ferreras Díez
Board member

D. Eduardo Trueba Cortés
Board member

Dª. Sofía Rodríguez-Sahagún Martínez
Board member

4

MANAGEMENT REPORT

4.1 ECONOMIC ENVIRONMENT AND FINANCIAL MARKETS

As witnessed throughout 2010, with the problems afflicting the financial markets far from resolved, it remains as vital as ever for institutions and the public sector to intervene actively with stabilization mechanisms in an attempt to ensure that the financial circuits act as a positive force rather than a source of mistrust, as at present.

Big picture risk factors, primarily those associated with the extreme vulnerability which the global financial sector continues to display, despite the vast sums of money mobilized to prevent its collapse, continued to weigh persistently on the equities business. The past year was ultimately shaped by successive and moderate upward revisions to growth estimates across the advanced economies, a healthy performance by developing nations and the growing perception on the part of analysts that downside risks outweigh upside with respect to the medium term outlook for economic output due to the successive setbacks in recovering financial stability. The conduits in place to channel capital and credit continue to fall short of the mark, hindering the effective allocation of liquidity across the various investment alternatives, with the effect of significantly curtailing opportunities for wealth creation, fostering trade and product origination worldwide.

Naturally, International Monetary Fund forecasts are not homogenous across the globe, but the general panorama is more optimistic than one year ago. The blended forecast for gross domestic product (GDP) across advanced economies is for growth of 2.2% in 2011; within this, growth in the US and Germany is expected to top 2%, while others, such as Spain, will fall short of 1%.

The main challenge facing the world's economies, and not only in 2011, but for several years to come, is to bring down the precariously high debt levels resulting from the growth model pursued for the last decade. Over the coming months, the advanced economies and the private sector will be forced to issue vast sums of debt; to the extent that this issuance triggers hiccups in the banking system, there is scope for rapid contagion in the sovereign debt markets, as we saw last year with Greece and Ireland, potentially damaging recovery prospects.

According to the IMF, "Financial and macroeconomic conditions are likely to remain unsettled for as long as fundamental economic weaknesses persist and the required reforms remain a work in progress". Refinancing requirements in 2011 will be substantial, especially in the more vulnerable eurozone nations, which will be forced to compete for capital with other advanced economies with similarly hefty funding requirements..

In Spain the outlook is a little more promising than one year ago, although not sufficiently so to alter the markets' perception that Spain's growth model is not dynamic enough to generate jobs or productive output at the pace originally foreseen. As a result, sovereign risk, bank financing, pending regulatory reform, the property market, the rollback of fiscal stimulus measures and the high unemployment rate continue to concern investors, as evidenced by the high volatility in the risk premium.

The pace of economic recovery was very weak in Spain in 2010 and highly dependent on transitory stimuli deriving from public spending support mechanisms and proactive purchase and/or investment decisions by households and businesses ahead of the hike in indirect taxation brought in on July 1. Turning to 2011, the various institutions' growth forecasts call for GDP growth of around 0.8%.

Of late there have been indications in Spain of a decline in the savings rate, albeit remaining above the trendline etched out over the past two decades, together with some improvement in competitiveness in terms of costs and prices; nevertheless it is vital that the economy make further tangible progress on raising productivity.

In sum, Spain's economic performance in 2010 was somewhat better than initially forecast; however things have not changed sufficiently to shake the market s perception that the gradual nature of the economic recovery is not dynamic enough create jobs or boost economic output.

4.2 SECTOR TRENDS

The persistent uncertainty associated with growth in the advanced economies and the ability to digest all the debt taken on by the public and private sectors made its presence felt throughout all of 2010. Framed by this uncertainty, the path to renewed financial stability suffered significant setbacks, forcing the financial authorities to take extraordinary measures to prop up the bank sector and try to reactive economic growth.

The world's stock markets posted an uneven performance against this backdrop. German and US equities posted double-digit gains, while others, such as Greek and Italian equities, corrected by more than 10%, penalized by country risk.

In Spain, the benchmark index, the IBEX-35, having topped the gains registered by the global stock markets in 2009, was hit by country risk and European financial sector weakness in 2010, correcting 17.4% for the year. This performance was further marked by high volatility, with the highs and lows for the year falling 35% apart.

Spanish equity trading volumes surpassed the €1 billion mark in 2010, marking higher liquidity levels with respect to prior years, notably in specific stocks such as Santander, Telefónica and BBVA, which are among the five most liquid stocks in the eurozone. The number of listed stocks across all submarkets of the Spanish stock exchange narrowed slightly year-on-year to 3,354, due to the disappearance during the year of a number of SICAVs listed on the alternative investment market (MAB for its initials in Spanish).

The results published by the listed companies confirmed the turning point marked the year before. Earnings were trending 12.6% higher year-on-year in the first nine months of the year. Spain's listed companies went to lengths to preserve their shareholder remuneration policies (dividends and bonus shares), although in-kind payments (treasury shares and new issue shares) came to the fore in 2010.

The IPO market came back to life in 2010, with 10 new listings across the various markets, mainly the MAB, including primary and secondary offerings. The biggest IPOs were Amadeus and Enel Green Power, whose stocks are traded on the main board.

Equity once again constituted a crucial source of corporate financing, and not only for the eight companies listing on the MAB, but for all those companies deciding to issue shares. Last year, proceeds from new share issues came to almost €11 billion, a 10-year high.

The fixed-income markets, meanwhile, evidenced once again lingering tensions in the global financial markets. Corporate bond issues were concentrated in nations facing the gravest fiscal issues coupled with weak economic growth. Within the eurozone, Greece had to be bailed out during the first half of the year, with Ireland facing a similar fate during the second half. These coordinated rescues have secured financing for these nations for a long period of time which will prevent them from having to tap the capital markets. The contagion from this situation, far from being resolved, continues to hover over other eurozone nations such as Portugal, Spain and Italy, driving yields and the spread over Germany's sovereign bonds wider.

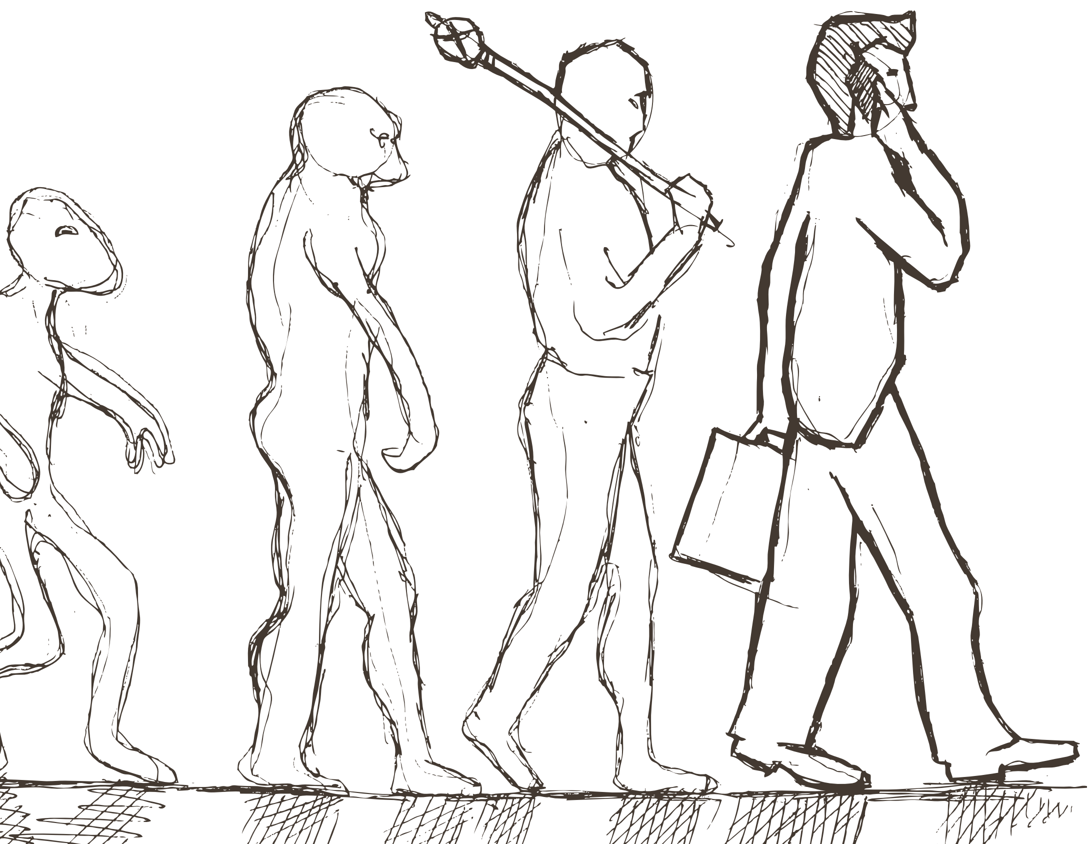
Bond issuance remained healthy, albeit slightly lower than in 2009, due to problems facing some issuers in placing their securities in the market.

The futures market remained very buoyant, underpinned by an uptick in average volatility levels to registers not seen since 2008,

while the warrants market also grew in 2010, with almost 4,000 issues outstanding at year-end on 121 underlyings.

The same can be said of ETFs, which registered record volumes in 2010, driven by regulatory novelties introduced in June, among other factors. At year-end, over €35 billion was invested in these listed funds in Spain, in contrast to the continued trend of redemptions sustained by conventional funds throughout the year.

Lastly, it is worth highlighting the regulatory reforms undertaken in 2010 in a bid to mitigate the challenging economic situation and to reinforce confidence in the Spanish financial system. Two stand out in light of their impact: firstly, labor market reform and secondly, the public spending austerity programs, although other important reforms, including pension reform and savings bank restructuring measures, are also in progress.



4.3 PERFORMANCE OF RENTA 4 S.I., S.A. – HIGHLIGHTS

- In 2010, total revenue rose 9.4% year-on-year to 61.6 million euros.
- Net operating income was 12.7% higher year-on-year, at 41 million euros.
- Fee and commission income rose 5.9% on 2009 while net fee and commission income was 2.5% higher.
- Net interest income surged 151.9% on 2009, thanks to higher interest rates on placements, while net trading income was 3.2 million euros, marking sharp growth year-on-year.
- Operating profit (net operating income less total costs, including depreciation and amortization charges) rose 24.2% to 11.1 million euros in 2010 (from 8.9 million euros in 2009). As a result, the free cash flow generated by the Group (net operating income plus depreciation and amortization) rose to 13.4 million euros (from 11.2 million in 2009).
- Ordinary income, namely net fee and commission income less operating expenses, including depreciation and amortization, was 5.6 million euros, compared to 7.2 million euros in 2009. The decline was partially offset by higher income from fixed-income brokerage activities which is evident in the growth in net trading income, as this margin is recognized at the price spread rather than as fee and commission income.
- Operating expenses, including depreciation and amortization, totaled 29.9 million euros, in line with the guidance issued by the Company at the start of the year with respect to keeping costs in the vicinity of 30 million euros.
- Net profit for the year amounted to 6 million euros, down 3.7% on 2009, due to a non-recurring impairment after-tax provision in the amount of 1.1 million euros, recognized within "Other gains and losses" in the tables below. This impairment had been deferred within equity in the Company's balance sheet and was taken to the income statement at year-end.
- Lastly, in terms of operating metrics, the Renta 4 Group ended 2010 with 5,205 million euros of assets under custody and 156,183 customer accounts, both of which marked all-time highs for the Company.
- The net money inflow during the year totaled 278 million euros.

	2010	2009	%
			Thousands of euros
Operating Data			
Customers	156.183	140.655	11,0%
Renta 4 network	46.365	44.652	3,8%
Third party	109.818	96.003	14,4%
Executed orders	2.831.792	2.782.060	1,8%
Total assets under custody (€ mill.)	5.205	4.852	7,3%
Stocks	3.410	3.050	11,8%
Mutual funds	790	842	-6,1%
Pension funds	254	190	33,7%
SICAVs	495	501	-1,2%
Others	256	269	-4,8%
Online Channel (retail)			
% Revenue	72,5%	73,2%	- 0,7 p.p
% Orders	83,4%	83,5%	- 0,1 p.p
% International markets	45,2%	44,7%	+0.5 p.p
Earnings Data (€ thousand)			
Fee and commission income	53.670	50.672	5,9%
Net interest income	2.234	887	151,9%
Net trading income	3.250	832	290,6%
Operating expenses	29.944	27.473	9,0%
Operating profit	11.074	8.914	24,2%
Ordinary income	5.590	7.195	-22,3%
Net profit	6.010	6.239	-3,7%
EPS (€ cents)	0,16	0,16	-3,7%
Financial ratios			
Fee and commission income / total revenue	87,1%	90,0%	-2.9 p.p
Net trading income / total revenue	5,3%	1,5%	4.8 p.p
Net profit / total revenue	9,8%	11,1%	-1.3 p.p
Cost-to-income ratio	67,3	69,3	-2.0 p.p

	2010	2009	%
Employees			
Average number employees at year-end	290	277	4,7%
Commercial network	157	153	2,6%
Headquarters	133	124	7,3%
Number of branches	58	57	1,8%
Share			
RIC (Reuters/Bloomberg)	RTA4.MA	R4.SM	RSVXY
Price at year-end (euros)(*)	4,90	5,25	-6,7%
Market Capitalization at year-end (euros)(*)	199.396.695	213.639.316	-6,7%
Number of shares outstanding	40.693.203	40.693.203	

	2010	2009	%
			Thousands of euros
Total revenue	61.593	56.280	9,4%
Fee and commission income	53.670	50.672	5,9%
Fee and commission expenses	-18.136	-16.004	13,3%
Net fee and commission income	35.534	34.668	2,5%
Interest and similar income	4.673	4.776	-2,2%
Interest and similar expenses	-2.439	-3.889	-37,3%
Net interest income	2.234	887	151,9%
Net trading income	3.250	832	290,6%
Net operating income	41.018	36.387	12,7%
Operating expenses	-29.944	-27.473	9,0%
Employee benefits expense	-15.592	-13.891	12,2%
Other general administrative expenses	-12.027	-11.312	6,3%
Depreciation and amortization	-2.325	-2.270	2,4%
OPERATING PROFIT (1)	11.074	8.914	24,2%
ORDINARY INCOME (2)	5.590	7.195	-22,3%
Other gains and losses	-2.661	-398	568,6%
Profit before tax	8.413	8.516	-1,2%
Income tax expense	-2.403	-2.277	5,5%
NET PROFIT	6.010	6.239	-3,7%

(1) Net operating income – operating expenses (including depreciation and amortization)

(2) Net fee and commission income – operating expenses (including depreciation and amortization)

Operating indicators

The sustained pace of business activity maintained by the Renta 4 Group was evident once again last year in growth in the Company's key operating metrics, notably the customer base and assets under management in the various asset classes.

Total customer assets under management and custody stood at 5,205 million euros at year-end 2010, growth of 7.3% year-on-year. The net money intake was 278 million euros; this was boosted by favorable market trends which added another 75 million euros to the total value of assets under management.

Mutual fund assets under management stood at 790 million euros at December 31, 2010, of which 542 million euros was in funds managed by Renta 4 and 248 million euros in funds managed by other fund managers. The growth in funds managed by other fund managers in 2010, mainly international fund managers, partially offset the decline in assets in funds managed by Renta 4, so that aggregate mutual fund assets under management narrowed 6.1% year-on-year, compared to a decline in the Spanish mutual fund sector of 15.4%, according to data published by Inverco.

Meanwhile, Renta 4 had 495 million euros under management in SICAVs at year-end, a shade less than a year earlier, enabling it to defend its market share of 1.95%.

Pension funds under management jumped 33.7% to 254 million euros (year-end 2009: 190 million euros).

The pace of new customer additions remained satisfactory. The total customer base at year-end stood at 156,183, annual growth of 11%. Of these, 46,365 (+3.8%) belonged to the Renta 4 network and 109,818 (+14.4%) to the third party network.

The total number of trades executed in all markets rose 1.8% year-on-year to over 2.8 million, with noteworthy growth of 31.4% in derivative trading volumes.

Elsewhere, the use of the online channel by retail investors was broadly flat year-on-year. Specifically, income generated by this channel accounted for 72.5% of the total (-0.7 percentage points), while online trades accounted for 83.4% of total trading volumes, broadly flat year-on-year.

Revenue

Revenue totaled 61.6 million euros in 2010, growth of 9.4% on 2009.

"Fee and commission income" rose 5.9% year-on-year to 53.7 million euros. Net of fees and commissions paid, fee and commission income was 2.5% higher, at 35.5 million euros. Here it is worth highlighting the growth of 13.3% in commissions paid, driven primarily by higher trading volumes among our customers in international markets within the brokerage business.
By business line, the fees generated by the "Corporate services" business constituted the best-performing component: these fees rose 68% in 2010 to 5.4 million euros (compared to 3.2 million euros in 2009).This business line, which made only a marginal contribution to earnings in prior years, accounted for 10% of total fee and commission income in 2010.

"Brokerage fees and commissions" totaled 34.6 million euros, a decline of 0.6% on 2009, driven by lower trading volumes during the second half of the year.

By product, income from derivatives and equities narrowed by 2.6%, due to lower trading volumes during the second half of the year, while income from fixed-income brokerage jumped 35.3%.

Fees and commissions from "Asset management" amounted to 13.7 million euros (2009: 12.7 million euros), growth of 8.1%, in line with average assets under management/custody during the year at Renta 4.

"Net interest income" meanwhile virtually tripled to 2.2 million euros, due to the gentle upturn in benchmark market interest rates during the year and better interest rates on placements.

Lastly, "Net trading income" totaled 3.2 million euros (0.8 million euros in 2009). This growth of almost 300% was partly driven by higher volumes in fixed-income brokerage, which was reflected in trading income, as the margin on these trades is recognized at the price spread rather than as fee and commission income.

Costs

Operating expenses were 9.0% higher year-on-year at 29.9 million euros (2009: 27.5 million euros), in line with the guidance issued by the Company at the start of the year for total costs, including depreciation and amortization, in the order of 30 million euros. Growth in operating expenses primarily reflected the start-up of new business lines.

By sub-heading, "Employee benefits expense" was 12.2% higher in 2010 at 15.6 million euros, driven by higher bonus payments and new hires to handle business volume growth and to bolster new business lines: the average headcount increased from 277 in 2009 to 290.

"General administrative expenses" rose 6.3% to 12 million euros (11.3 million euros in 2009), due to new business developments in the technology sphere and new investments in several offices which have changed location, a process requiring refurbishment work, the costs of which are recognized under this heading.

Lastly, "Depreciation and amortization" was virtually flat year-on-year, rising 2.4% to 2.3 million euros.

Other gains and other losses

During the fourth quarter of 2010, the Group recognized a non-recurring impairment loss to reflect the permanent decline in the value of the equity portfolio, recognized in the balance sheet within available-for-sale financial assets. The impairment loss, which had been recognized in equity in the Group's consolidated balance sheet, was taken to the consolidated income statement at year-end.

Operating profit and Ordinary income

Operating profit, defined as net operating income less total costs, including depreciation and amortization, rose 24.2% to 11.1 million euros (8.9 million euros in 2009).

Ordinary income, namely net fee and commission income less operating expenses, including depreciation and amortization, declined by 22.3% in 2010 to 5.6 million euros (7.2 million euros in 2009). The decline was partially offset by the growth in net trading income, which includes income from fixed-income brokerage activities, as the margin on these trades is recognized at the price spread rather than as fee and commission income.

ASSETS	2010	2009
		Thousands of euros
Activos intangibles	9.953	9.699
Activo material	29.682	29.604
AFDV	31.700	33.116
Participaciones	382	0
Activos fiscales diferidos	1.241	777
Créditos y cuentas a cobrar	4.370	4.409
Otros activos	0	0
ACTIVOS NO CORRIENTES	77.328	77.605
Otros activos	1.427	2.099
Activos fiscales corrientes	1.006	1.219
Créditos y cuentas a cobrar	277.760	323.206
Cartera de negociación	344	265
Efectivo y equivalentes en efectivo	59.248	103.612
ACTIVOS CORRIENTES	339.785	430.401
TOTAL ACTIVO	417.113	508.006

EQUITY AND LIABILITIES	2010	2009
		Thousands of euros
Minority interest	1.108	1.091
Unrealized gains (losses) reserve	-2.867	-1.690
Equity	64.344	64.565
EQUITY	62.585	63.966
Financial liabilities	36.058	35.837
Deferred tax liabilities	1.182	1.082
NON-CURRENT LIABILITIES	37.240	36.919
Financial liabilities held for trading	442	355
Financial liabilities	313.538	402.544
Provisions	250	995
Current tax liabilities	2.917	2.815
Accrued expenses and deferred income	141	412
CURRENT LIABILITIES	317.288	407.121
TOTAL EQUITY AND LIABILITIES	417.113	508.006

The equity balance recognized on the consolidated balance sheet is stated net of the treasury shares held to service the stock option plan approved at the parent company's Extraordinary General Meeting on December 22, 2009 (1.6 million shares representing 4.0% of the total issued).

4.4 MARKET SITUATION AND OUTLOOK

We think the markets will remain highly demanding in 2011.

Against the backdrop of the significant transformation underway in the Spanish financial system, Renta 4's business model, based on specialization, customer proximity and independence, has proven highly resistant in recent years and, in our opinion, will provide for significant growth over the coming years.

The growth in 2010 in assets under management and custody, coupled with the increase in the number of Renta 4 network and third-party accounts leaves us well-positioned at the outset of 2011 for continued generation of high and growing free cash flow from operations and further improvement in the cost-to-income ratio.

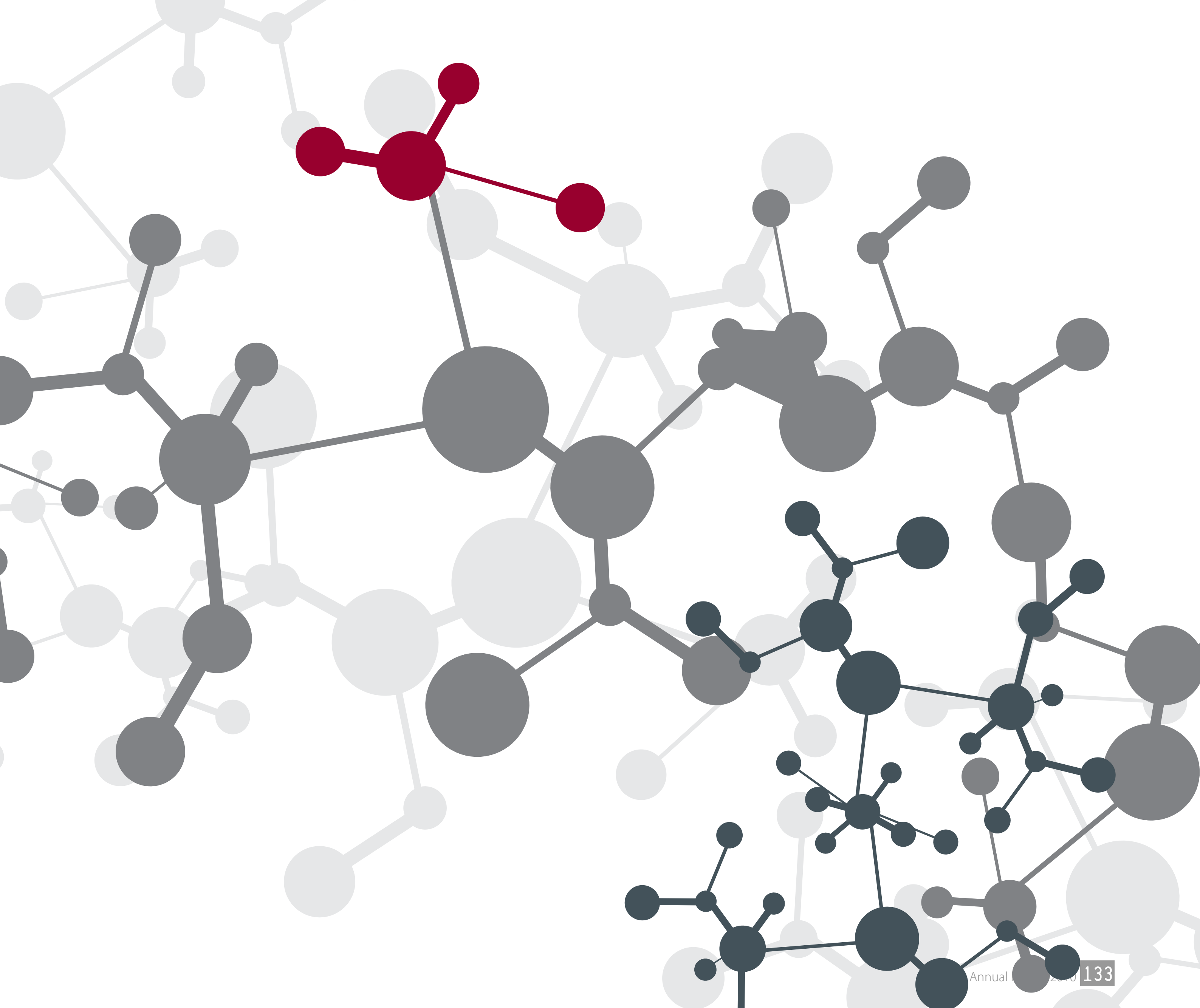
In addition, we expect the new business lines begun in 2010 to make a more meaningful contribution to growth in fees and commissions, margins and profits in 2011.

Our target for 2011 is to continue achieving at least double-digit growth in net income while keeping operating expenses, including depreciation and amortization, under control.

4.5 R&D ACTIVITIES

As in previous years, R&D efforts in 2010 focused on technological advances in trade routing, with special emphasis on trading with other brokers, automated decision-making systems and CIS portfolio management applications.

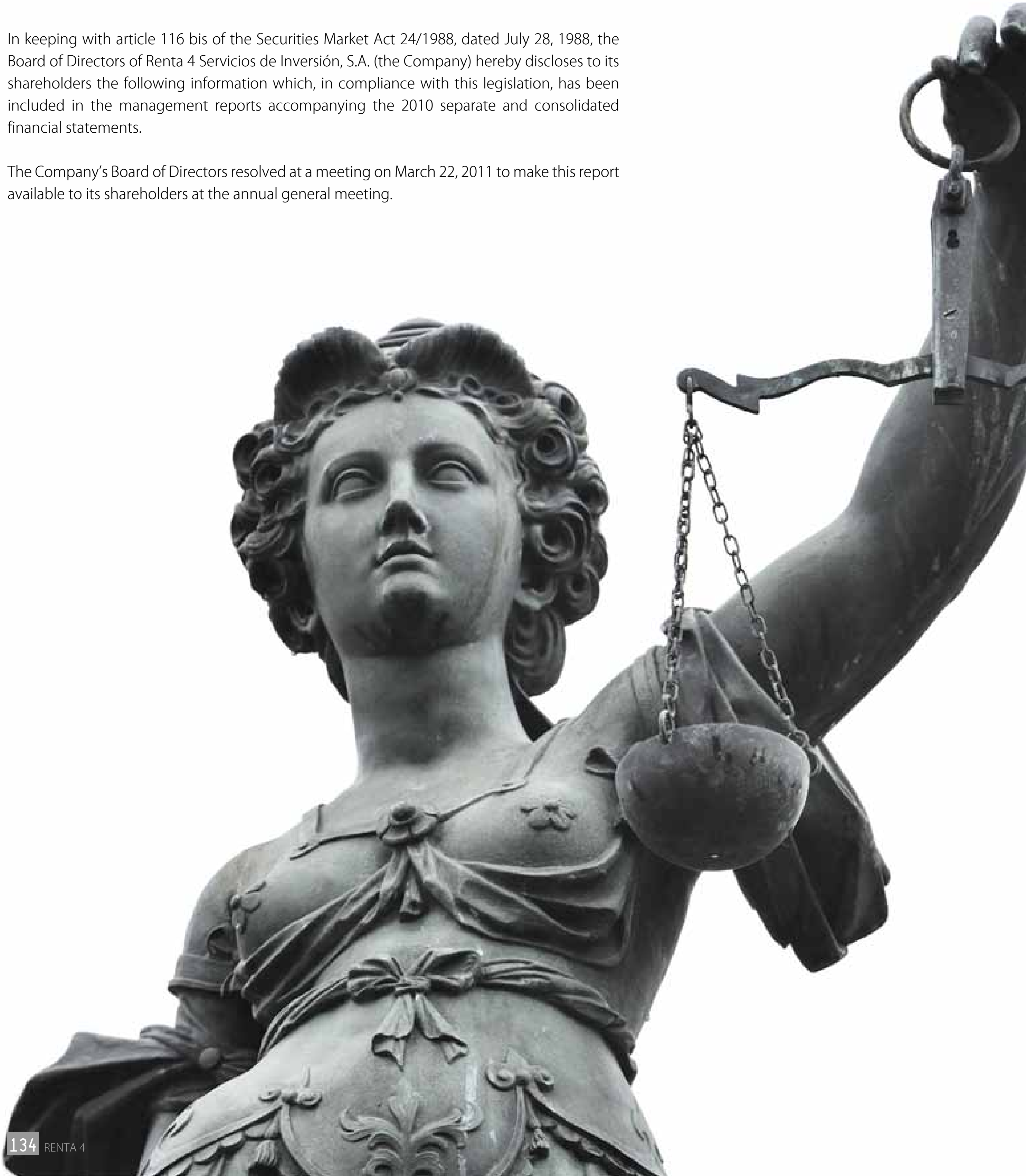
These efforts have enabled Renta 4 to increase its capacities by developing new applications to monitor and control operations.



4.6 CAPITAL AND OWN INSTRUMENTS

In keeping with article 116 bis of the Securities Market Act 24/1988, dated July 28, 1988, the Board of Directors of Renta 4 Servicios de Inversión, S.A. (the Company) hereby discloses to its shareholders the following information which, in compliance with this legislation, has been included in the management reports accompanying the 2010 separate and consolidated financial statements.

The Company's Board of Directors resolved at a meeting on March 22, 2011 to make this report available to its shareholders at the annual general meeting.



A. Capital structure, including securities which are not admitted to trading on a regulated EC market, where appropriate with an indication of the different classes of shares and, for each class of shares, the attaching rights and obligations and the percentage of total share capital represented

At December 31, 2010, the Company's share capital amounted to 16,277,281.20 euros and consisted of 40,693,203 shares with a nominal value of 0.40 euros each, fully subscribed and paid up. These shares are represented by book entries and carry the same voting and dividend rights. There are no shares that do not represent share capital.

The Company's shares are traded on the electronic trading platform of Spain's stock exchanges. The Company has not issued any bonds convertible and/or exchangeable into shares of Renta 4 Servicios de Inversión S.A.

In the extraordinary general meeting held on July 24, 2007, the Company's shareholders agreed to decrease share capital by 3,249,609 euros by reducing the nominal value of the shares by 0.20 euros, from 1 euro to 0.80 euros.

At the extraordinary general meeting held on September 29, 2007, the Company's shareholders approved a further reduction in the nominal value of the shares, from 0.80 to 0.40 euros per share, and a split in the number of shares outstanding, from 16,248,045 to 32,496,090 shares.

In addition, at the extraordinary general meeting held on September 29, 2007 shareholders agreed to increase capital for the initial public offering (IPO) by a nominal amount of 3,278,845,20 euros via the issue of 8,197,113 new shares with a nominal value of 0.40 euros each, with a share premium, paid in through monetary contributions. The equity issue approved envisaged the possibility that the shares would be undersubscribed and provided for the disapplication of preemptive rights, giving rise to the capital structure outlined in the first paragraph of this section.

B. Any restrictions on the transfer of securities

There are no legal or bylaw restrictions on the transfer of the Company's shares.

C. Significant direct and indirect shareholdings

Chairman and CEO Juan Carlos Ureta Domingo directly owns 14,421,753 shares and indirectly 6,246,113 shares, giving him a total shareholding of 50.789%.

Mr. Ureta Domingo owns 6,246,113 shares, representing an indirect ownership interest in the Company of 15.349%, through the following entities and individuals:

- Sociedad Vasco Madrileña de Inversiones, S.A, holder of 917,626 shares, representing 2.25% of share capital.
- A.R. Santamaría, S.L., holder of 515,100 shares, representing 1.27% of share capital.
- Recarsa, S.A, holder of 230,179 shares, representing 0.57% of share capital.
- Asecosa, S.A, holder of 1,746,735 shares, representing 4.29% of share capital.
- Surikomi, S.A, holder of 1,956,042 shares, representing 4.81% of share capital.
- Matilde Estades Seco, holder of 880,431 shares, representing 2.16% of share capital.

D. Any restrictions on voting rights

In accordance with article 29.1 of the Company's Bylaws, each share entitles its holder to one voting right, with no exceptions to this right or limitation to the maximum number of votes a shareholder may cast in the general meeting.

E. Shareholder agreements

The Company has not been formally notified of the existence of any shareholder agreements nor is it aware of any such agreements by means of any other channel.

F. Rules governing the appointment and replacement of board members and bylaw amendments

Chapter II, Title II, article 33 of the Bylaws, and Title IV, articles 10 to 12 of the Board Regulations, regulate the processes for the appointment and replacement of the members of the Company's Board of Directors, while the modification of the Bylaws is dealt with in Chapter I of Title II, article 21, of the Bylaws.

Appointment and re-election of Directors

The proposal for the appointment, re-election or ratification of directors which the Board of Directors submits to the General Meeting, as well as provisional appointments by the method of co-option, should fall on individuals known for their honesty, solvency, technical competence and experience, subject to a proposal from the Appointments and Remuneration Committee in the case of independent directors and a prior report from this Committee for all other directors falling within the various categories of directorship set forth in article 9 of Board Regulations.

Should the Board deviate from the proposal of this Committee, its must explain this decision and include its reasons in the minutes.

The Director proposed for reappointment, if present, should withdraw from the meeting while the Board deliberates and votes.

It is up to the Company's shareholders in general meeting to freely nominate, re-elect, and remove the members of the Board of Directors, as well as ratify or revoke the provisional appointment of certain of its members carried out by the Board through exercise of the powers of co-option legally attributed to it, all of which in conformity with article 33 of the Bylaws and article 10.1 of Board Regulations.

Once the General Meeting during which director appointments, ratifications, or reelections are to take place has been officially called, the Board of Directors must publish the following information regarding the proposed candidates on its website: (i) professional background and biography;

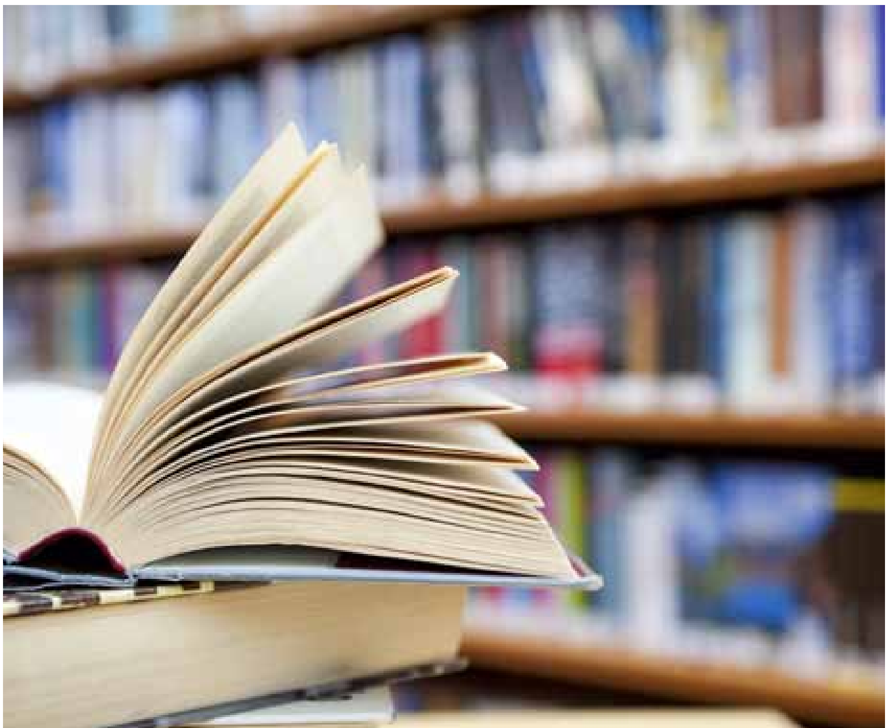
(ii) other Boards of Directors to which he/she belongs, and whether or not they are listed companies; (iii) the category of director and in the case of proprietary directors, the shareholder who has appointed, re-elected, or ratified them or with whom they have ties; (iv) the date of first appointment as Board members; (v) Company shares and derivative financial instruments written on the Company's shares owned by either the member to be ratified or re-elected or by a candidate for first-time Board membership.

In addition, individuals who sit on the boards of competing companies or represent or discharge management duties at such companies or own a significant amount of these companies' shares cannot be appointed members of the Company's Board of Directors without the prior express authorization of the Board of Directors.

Removal of Directors

As stipulated in article 34 of the Bylaws and article 11 of the Board Regulations, directors will hold the post for a five year term provided they do not resign during the period and are not made to step down by virtue of a shareholder resolution, with possibility of re-election for one or more five-year periods, notwithstanding the provision that independent directors remaining in office for an uninterrupted twelve-year period may no longer be considered independent.

Directors must resign upon termination of the term for which they were elected and when so determined by the Company's shareholders in general meeting, by virtue of their legally-mandated and Bylaw-stipulated powers, in accordance with article 12 of the Board Regulations.



In addition, directors shall tender their resignation to the Board of Directors and the Board shall accept their resignation if deemed appropriate in the following situations:

a. When they reach the age of 70.

b. When they leave the executive posts related to their appointment as director.

c. In the case of proprietary directors, when the nominating shareholder sells all of its investment in the Company, or reduces it to a level warranting reduction of the number of proprietary directors to which it is entitled.

d. When they are in breach of any of the legally-mandated or Board Regulation stipulated conflicts of duty or interest.

e. When so requested by at least two thirds of the members of the Board of Directors on the grounds of having infringed their duties as director, subject to a proposal from the Appointments and Remuneration Committee, or when their continuity as directors jeopardizes the Company's interests or adversely affects its prestige and reputation.

Regarding independent directors, the Board may not propose their resignation before the end of the statutory term of office, except in the event of just cause, to be determined by the Board subject to a report from the Appointments and Remuneration Committee. Just cause is deemed to exist if a board member does not comply with the duties inherent to the position, or in any of the circumstances described in article 9.2 a) of the Board Regulations preventing the director from qualifying as an independent director of the Company.

Finally, in the event that a board member should step down before the end of his/her mandate, due to resignation or any other reason, he/she must state the reasons in a letter addressed to all members of the board, notwithstanding the obligation to notify the resignation in a significant event filing and to disclose the reasons given in the Annual Corporate Governance Report. Further, if a Director's resignation is prompted by the Board making significant

or reiterated decisions about which the Director has serious reservations, the resignation letter addressed to the rest of the Board members must specifically state this fact, as established in article 12.5 of Board Regulations.

Changes in the Bylaws

Article 21 of the Bylaws refers to the adoption and ratification of resolutions by the shareholders in general meeting, which stipulate compliance with legal parameters for Bylaw amendments set forth in article 144 of Spanish Companies Act, in keeping with the quorums and majorities set down in article 103 thereof.

G. The powers of board members, and in particular the power to issue or buy back shares

Article 31 of the Company's Bylaws and article 6 of the Board Regulations empower the Board of Directors to approve resolutions regarding all manner of matters which are not reserved to the shareholders in general meeting by law or the Company s Bylaws, vesting it with the broadest powers to manage, administer and represent the Company, in or out of court, notwithstanding its duty to generally focus its activities on the supervision and control of the ordinary management of the Company, delegated in its executive directors and senior management, as well as the consideration of any matter of special significance to the Company.

Without prejudice to the above, these provisions establish that the Chairman of the Board will individually represent the Company.

Beyond this, the powers and competencies vested in the Board of Directors are those stated in article 5 of the Board Regulations, as follows:

1. The Board of Directors has the power to approve resolutions regarding all manner of matters which are not reserved to the shareholders in general meeting by law or the Company's Bylaws, vesting it with the broadest powers to manage, administer and represent the Company, in or out of court, notwithstanding its duty to primarily focus its activities on the supervision and control of the ordinary management of the Company, delegated in its executive directors and senior management, as well as the consideration of any matter of special significance to the Company or deemed necessary for due performance of the aforementioned supervisory function.

2. The following matters are reserved for the Board in full and may not be delegated:

   a. Approval of the Company's general policies and strategies, and in particular, the strategic or business plan, management targets and annual budgets, the policies and limits applying to treasury stock, corporate governance and social responsibility policy, risk control and management, identifying the main risk factors facing the Company, and the implementation and periodic monitoring of internal information and control systems.

   b. Formulation of dividend policy for submission to the shareholders in general meeting, deciding on the distribution of interim dividends, if applicable.

   c. Setting of shareholder and market disclosure and communication policy, approving the financial information listed companies must periodically disclose

   d. Approval of director remuneration to the extent stipulated by the

Bylaws and of policy on senior officer remuneration and evaluation, and, on the proposal of the company's chief executive, the appointment and removal of senior officers, and their indemnity clauses.

e. The definition in the Annual Corporate Governance Report of the Company's corporate purpose, and where applicable, business relationships with other Group companies, as well as mechanisms for resolving potential conflicts of interest which might arise..

f. Investment and financing policy, in particular, the approval of investments, disposals, lines of credit, loans, bank guarantees, deposits, and any other credit facilities within parameters established by the Board itself, as well as all types of investments and transactions which might be considered strategic in nature..

g. The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group.

h. Authorization, following a favorable report of the Audit and Compliance Committee, of related-party transactions which the Company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto. This authorization will not be necessary when the following conditions are met simultaneously: i) they are governed by standard form agreements applied on an across the-board basis to a large number of clients; ii) they go through at market rates, generally set by the person supplying the goods or services; iii) their amount is no more than 1% of the Company's annual revenues.

3. The duties listed regarding appointment and removal of senior officers and their indemnity clauses, periodic public financial disclosures, strategic investments or transactions and those listed under g) and h) above, may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

4. The Board of Directors must perform its duties with unity of purpose and independent judgment, according all shareholders the same treatment, upholding the corporate interest, understood to mean the common interests of all shareholders, notwithstanding the need to consider other legitimate public or private stakeholder interests arising in the pursuit of any corporate endeavor, particularly employee interests. Against this backdrop, maximization, on a sustainable basis, of the Company's value must be deemed the interest common to all shareholders, and therefore this criteria should guide the Board of Directors and its steering committees' actions at all times."

In accordance with the provisions of article 75 of the revised Spanish Companies Act, at their extraordinary general meeting on December 22, 2009, the Company's shareholders resolved to authorize the Board of Directors, or its members in its place, to acquire shares of RENTA 4, SERVICIOS DE INVERSIÓN, S.A. at any time, provided the nominal value of the shares acquired, added to that of the shares already held by the Company and/or its subsidiaries, does not exceed 10% of share capital. This authorization was granted for a five-year term, namely, until December 21, 2014.

The text of the shareholder resolution is set forth below:

"1.1.- To annul the unused portion of the authorization granted at the Ordinary General Shareholders Meeting of April 30, 2009 for the derivative acquisition of own shares directly by the Company through the Group's investees.

To authorize the Board of Directors, or the Company's CEO in its place, - although it could constitute self-dealing or could give rise to a conflict of interest - to acquire, under the provisions of article 75 of the Spanish Companies Act, shares of RENTA 4 SERVICIOS DE INVERSIÓN, S.A. at any time, provided that the nominal value of the shares acquired, added to the shares already held by the Company and/or its subsidiaries, does not exceed 10% of RENTA 4 SERVICIOS DE INVERSIÓN, S.A.'s share capital.

To likewise authorize the subsidiaries and remaining Group companies to acquire, under the provisions of article 75 of the Spanish Companies Act, shares of RENTA 4 SERVICIOS DE INVERSIÓN, S.A. at any time, provided that the nominal value of the shares acquired, added to the shares already held by the Company and/or its subsidiaries, does not exceed 10% of RENTA 4 SERVICIOS DE INVERSIÓN, S.A.'s share capital.

These shares can be acquired through purchase, swap, donation, award or dation in payment or any other form of acquisition for valuable consideration. The shares to be acquired must be in circulation and fully paid up.

Accordingly, the Board of Directors is authorized to acquire directly or indirectly a maximum of 1,627,728 treasury shares and deliver them, in exchange for specific consideration, to its employees, officers or directors and to the employees, officers or directors of the Renta 4 Group's investees.

To this end, the Board of Directors of RENTA 4 SERVICIOS DE INVERSIÓN, S.A., or the duly empowered individual, and the management bodies of the subsidiaries or investees of the Renta 4 Group may resolve to acquire shares on one or more occasions. In this event, the minimum acquisition price or consideration shall be equal to the nominal value of the acquired treasury shares and the maximum acquisition price or consideration shall be the listed share price, subject to an upper limit of 5 euros and fifty cents (€5.50). Acquisitions of treasury shares shall be governed by standard securities market rules and practices.

In addition, the Board of Directors of RENTA 4 SERVICIOS DE INVERSIÓN, S.A., or the duly empowered inidividual, and the management bodies of the subsidiaries or investees of the Renta 4 Group are authorized to acquire treasury shares on one or more occasions for any other purpose.

In the latter case, the minimum acquisition price or consideration shall be equal to the nominal value of the acquired treasury shares; likewise, the maximum acquisition price or consideration shall be equal to the list price of the shares acquired on the acquisition date. Acquisitions of treasury *shares shall be governed by standard securities market rules and practices.*

Specifically, as established in article 75.2 of the Spanish Companies Act, the acquisition of treasury shares will be limited to 10% of issued capital.

Both authorizations are granted for a five-year period beginning December 22, 2009, namely, until December 22, 2014.

The shares acquired by virtue of these authorizations will not carry voting rights; pursuant to article 79 of the Spanish Companies Act, dividend rights will be attributed proportionately to the other shares outstanding.

Once the aforementioned authorizations have been used, the Board of Directors shall be obligated to fulfill the reporting requirement stipulated in paragraph 4 of article 79 of the Spanish Companies Act.

1.2- A restricted reserve shall be created in equity on the acquiring company's balance sheet equal to the value of treasury shares held or shares of the parent company that are included in assets, as stipulated in paragraph 3 of Article 79 of the Spanish Companies Act.
1.3.- The Chairman, Juan Carlos Ureta Domingo, and the Secretary, Pedro Ramón y Cajal Agüeras, of the Company's Board of Directors are authorized, with express powers of substitution, as joint or sole signatories, to grant as many public or private deeds as may be necessary to execute the aforementioned resolutions, including their notarization and full or partial inscription in the Companies Register, including any deeds needed to ratify, rectify, clarify or correct those previously filed".

H. Any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company. This exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements.

The Company has not entered into any agreement which takes effect, alters or terminates upon a change of control of the Company following a takeover bid.

I. Any agreements between the company and its board members or employees providing for compensation if they resign, are wrongfully dismissed, or if their contracts are terminated due to a takeover bid.

The Company's Directors' employment contracts do not include any clauses entitling them to any termination benefits whatsoever if they resign or are laid off.

Likewise, the management team's contracts do not provide for any termination benefits in the event of resignation, wrongful dismissal or termination as a result of a takeover bid other than those stipulated by law.

4.9 REPORT ON CUSTOMER SERVICE

Scope of the Report

Since 2004, the Renta 4 Group's Customer Service Department (CSD) presents an annual report, as provided for in article 20 of the Customer Service Rules of Renta 4, S.V., S.A., Renta 4, S.G.I.I.C., S.A. and Renta 4 Pensiones, S.G.F.P., S.A., to give an account of the activities performed by the Renta 4 Group's Customer Service Department during the year.

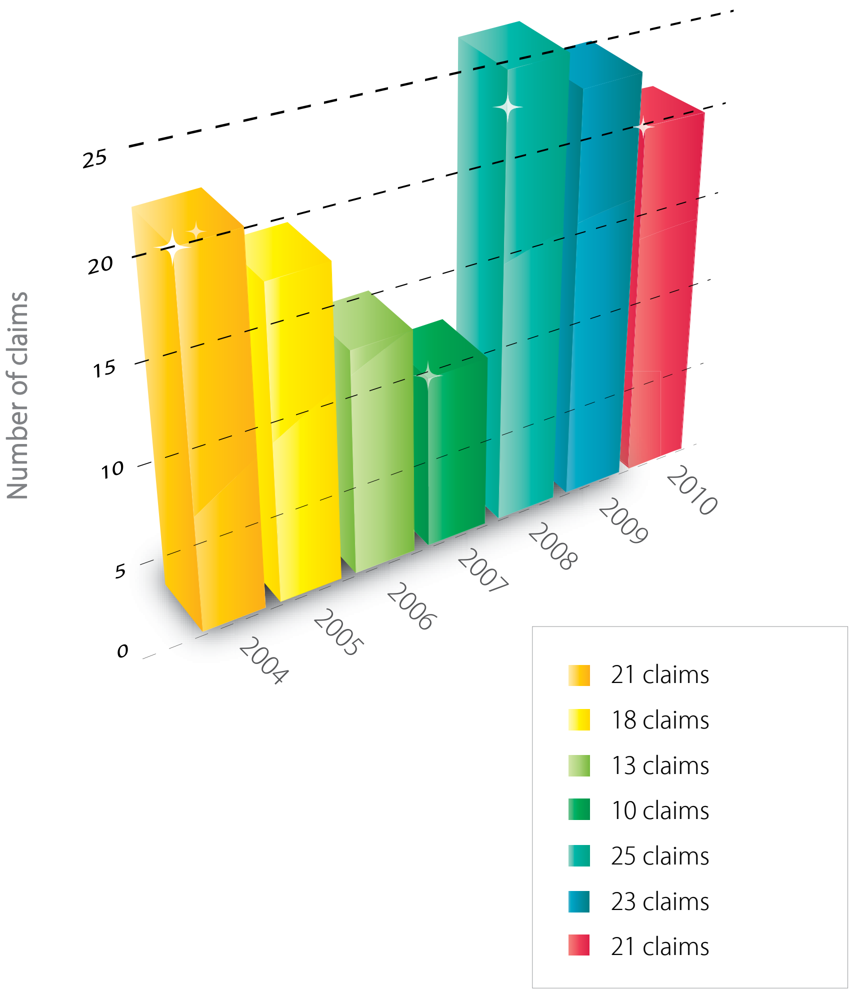
As stipulated in article 6 of the above-mentioned Rules, the Customer Service Department is tasked with studying and resolving complaints and claims filed against the entities covered by the service, directly or through third parties, by Spanish or foreign individuals considered users of the financial services provided by these companies, as long as these complaints or claims refer to their legally recognized interests and rights and regardless of whether they stem from contracts, rules of transparency and customer protection or from good financial practice and standards, in particular the principle of equality.

Annual report on the customer service department for 2010

Outcome of claims

In 2010, Renta 4's Customer Service Department handled a total of 21 customer complaints. It studied and analyzed each matter in detail before issuing a ruling or report or stipulating agreement be reached between the parties to the claim. All claims were accepted for processing. In addition, in 2010 the Customer Service Department received one enquiry regarding the process for cancelling orders in a particular market and the corresponding information was provided.

Between 2004, when the Customer Service Department was set up, and 2007, the number of claims filed trended downwards, from 21 in 2004 to just 10 in 2007. In 2008, the figure rose to 25. Since then, the number of claims handled by the Renta 4 Group's Customer Service Department has once again been trending downward (23 in 2009 and 21 in 2010).



The Customer Service Department considers that the number of claims processed in 2010 was not significant in relation to Renta 4's total customer base, which stood at 46,365 at December 31, 2010 (excluding the third-party network).

Claims by type of ruling

As can be seen in Table 1 below, of the 21 claims accepted for processing in 2010, the Customer Service Department (CSD) ruled in favor of the customer 14 cases (67% of all claims received and resolved), while in the remaining 7 cases (33%), the Customer Service Department urged the entity and the client to reach an agreement or issued a report in favor of the client with agreement reached subsequently.

TABLE 1

	Claims 2010		Claims 2009		Claims 2008		Claims 2007		Claims 2006		Claims 2005		Claims 2004	
Classification by ruling	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Against the customer	14	67%	18	78%	21	84%	6	60%	10	77%	17	94%	19	90%
In favor of the customer	4	19%	0	0%	3	12%	3	30%	3	23%	0	0%	2	10%
CSD agreement proposal	3	14%	5	22%	1	4%	0	0%	0	0%	1	6%	0	0%
Filed	0	0%		0%		0%	1	10%	0	0%		0%		0%
TOTAL	21	100%	23	100%	25	100%	10	100%	13	100%	18	100%	21	100%

The claims giving rise to a settlement between Renta 4 and the claimants, either because the Customer Service Department issued a report finding in favor of the customer or urged the parties to come to mutually agreeable terms, implied a cost for Renta 4 of 747.72 euros in 2010, significantly less than in prior years (60,815.02 euros in 2009; 37,592.80 euros in 2008 and 4,280.00 euros in 2007).

In addition, as in prior years, the Customer Service Department has estimated the contingency implied by customer claims presented in 2010 at approximately 50,000 euros, lower than the estimate made in prior years.

Claims classified by content

Table 2 and Chart 2 show the claims handled by the Customer Service Department by content:

TABLE 2

	Claims 2010		Claims 2009		Claims 2008		Claims 2007		Claims 2006		Claims 2005		Claims 2004	
Classification by content	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1.-Trading and order execution	10	48%	10	44%	6	24%	6	60%	4	31%	2	11%	2	10%
2.- Commissions - Rates	7	33%	5	22%	2	8%	0	0%	6	46%	4	22%	12	57%
3.- Investment funds/pension plans	2	10%	4	17%	9	36%	1	10%	2	15%	5	28%	2	10%
4.- Broker actions	0	0%	1	4%	0	0%	0	0%	0	0%	3	17%	3	14%
5.- Other	2	10%	3	13%	8	32%	3	30%	1	8%	4	22%	2	10%
TOTAL	21	100%	23	100%	25	100%	10	100%	13	100%	18	100%	21	100%

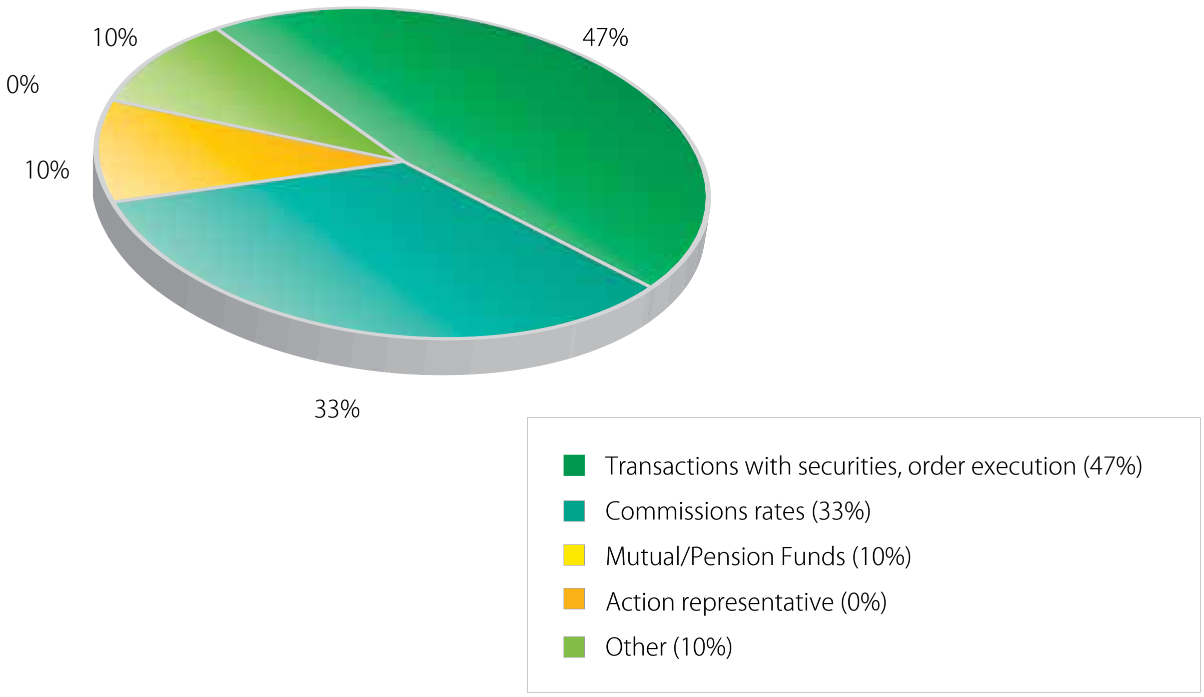
In the content classification, claims related to "Trading and order execution" accounted for the largest number in 2010, representing 48% of total claims (44% in 2009, also the most common grounds for complaint that year). This category includes claims relating to any discrepancy in connection with customer order processing and execution.

"Investment funds/Pension plans" include claims relating to investment fund and pension plan subscription, redemption, transfer and marketing procedures, as well as asset management and investment policies. Two claims were filed on these grounds in 2010, 10% of the total, less than in 2009 and 2008 (4 and 9, respectively).

"Commissions – Rates" relates to claims in connection with commissions and fees charged to customer accounts for services rendered. In 2010, there were seven claims of this type, accounting for 33% of total claims, making this category the second most common cause for complaint, as in 2009.

Lastly, "Other" includes two claims, representing 10% of total claims. This category includes claims that cannot be classified into any of the other categories.

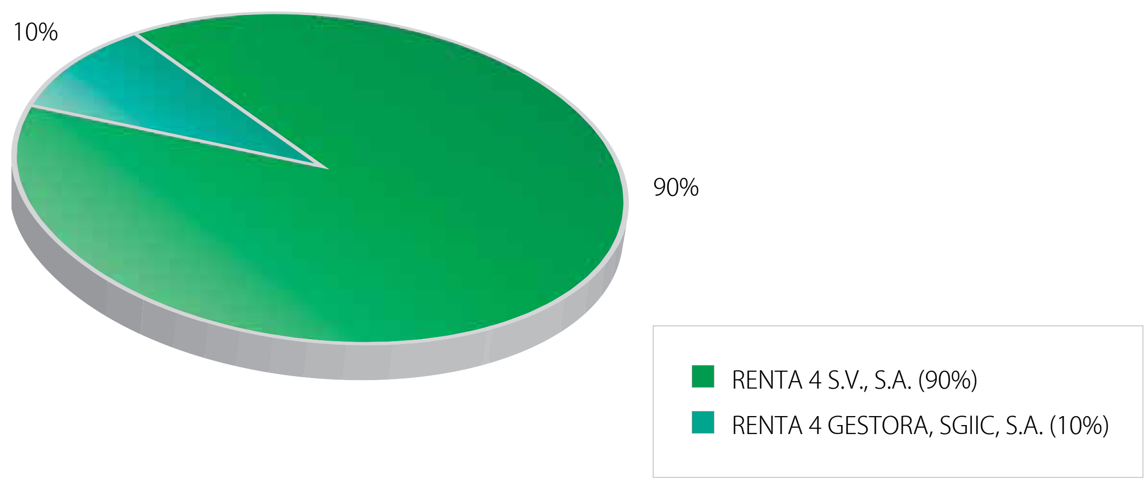
GRAPH 2 claims 2010 by content



Breakdown of claims by Group company

The following chart depicts the breakdown of claims by Renta 4 Group company. Renta 4 Sociedad de Valores, S.A. received the highest number of claims (19), followed by Renta 2 Gestora SGIIC, S.A. (2). It is worth noting that no claims were brought to the unitholder ombudsman for Renta 4 Pensiones, S.A. in 2010.

GRAPH 2 claims 2010 by entities



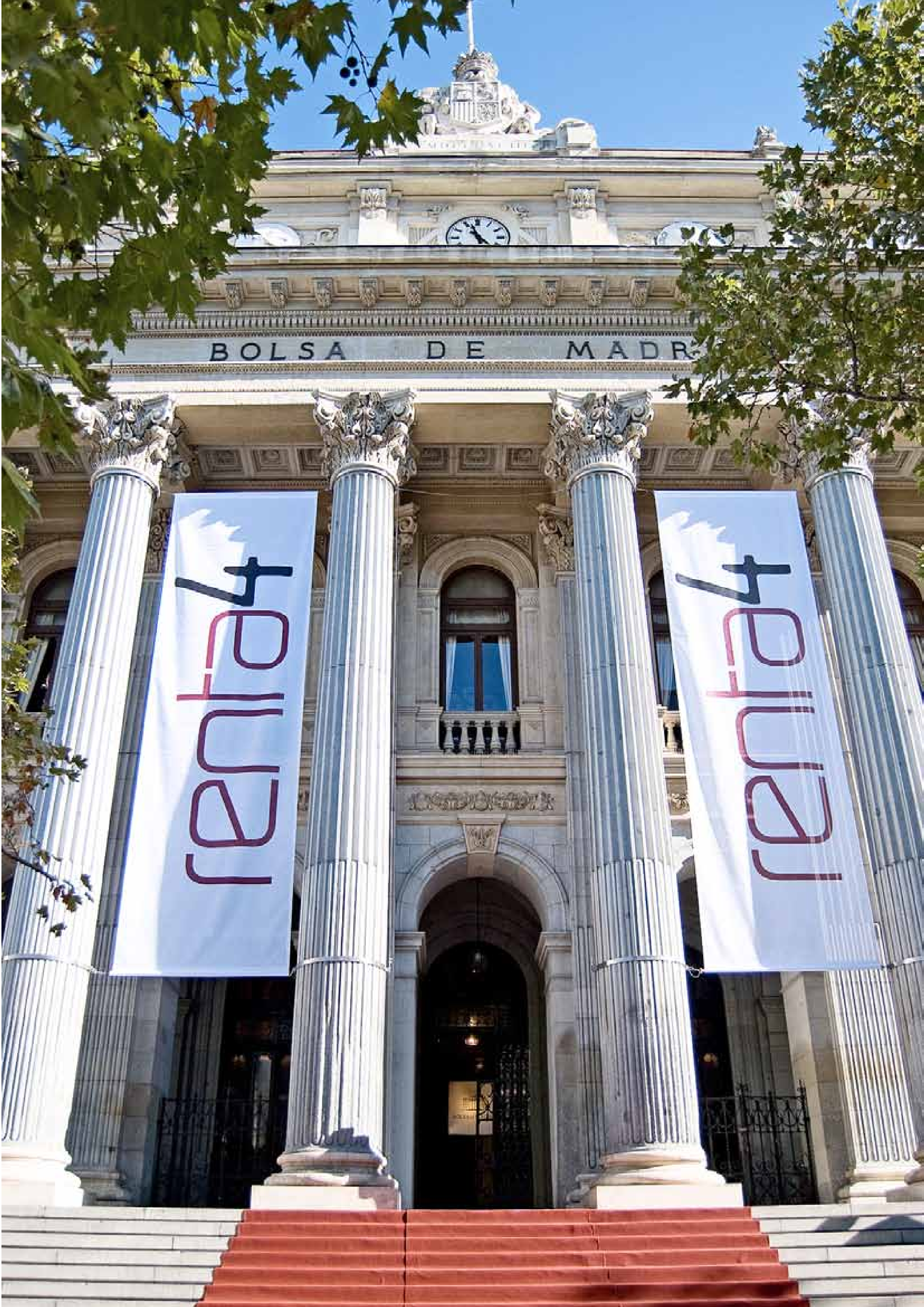
CONCLUSIONS

In conclusion, the Customer Service Department considers that the total number of complaints received in 2010 (21) is not material in terms of the total number of customers and the business volumes of the Renta 4 Group companies. Moreover, the absolute number of claims fell with respect to prior years.

Elsewhere, as it has been doing on an ongoing basis since being set up, the Customer Service Department contacted the heads of the various departments and offices to inform them of the complaints and claims received. In this manner, the Customer Service Department attempts to go beyond its strict duties to serve as a communication channel between customers and the various Renta 4 Group companies with a view to enhancing the Renta 4 Group's procedures and to offer all customers a higher standard of service and care.

4.8 EVENTS AFTER THE BALANCE SHEET DATE

On March 23, 2011, the Board of Directors of the parent company resolved to distribute to shareholders a portion of the share premium account in kind, via the delivery of one share of the parent company for every 50 shares. Except for the above, as of December 31, 2010 up to the approval by the Board of Directors of the consolidated financial statements of the parent company for their submission to the General Shareholders' Meeting, no other significant event has taken place that could have an effect on these consolidated financial statements.


BOLSA DE MADR
renta4
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5

ANNUAL CORPORATE GOVERNANCE REPORT

LISTED COMPANIES

FINANCIAL YEAR 2010

PARTICULARS OF ISSUER

TAX I.D. CODE (CIF): A- 82473018

Company name:

RENTA 4 SERVICIOS DE INVERSIÓN, S.A.

Paseo de la Habana, 74

28036 Madrid

For a better understanding of this form and the subsequent drafting of the same, please read the instructions for its completion provided at the end of the form. The CIF, NIF or other similar tax code, which shall not be made public, should be furnished whenever necessary to complete the information on natural or legal persons.

NIF, CIF or similar	Other data
A-82473018	RENTA 4 SERVICIOS DE INVERSION, S.A.

A OWNERSHIP STRUCTURE

A.1 Complete the following table regarding the company's share capital:

Date last modified	Share capital (€)	Number of shares	Number of voting rights
29-09-2007	16.277.281,20	40.693.203	40.693.203

State whether there are different classes of shares associated with different voting rights:

Yes No ✓

Class	Number of shares	Nominal unit value	Number of units of voting rights	Other rights
0	0	0	0	0

A.2 List the direct and indirect holders of significant stakes in the organisation at the financial year end, excluding members of the board:

Name or company name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights

(*) Through:

Name or company name of direct shareholder	Number of direct voting rights	% of total voting rights

State the most significant movements in the shareholding structure during the financial year:

Name or company name of shareholder	Date of transaction	Description of transaction

A.3 Complete the following tables regarding members of the Board of Directors of the company who hold voting rights on company shares:

Name or company name of Company Director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
Mr. Juan Carlos Ureta Domingo (1)	14.421.753	6.246.113	50,789
Mr. Pedro Ángel Navarro Martínez(2)	96.695	60.766	0,387
Mr. Pedro Ferreras Diez	36.091	0	0,089
Ms. Sofía Rodríguez Sahagún	15.548	0	0,038
Mr. Eduardo Trueba Cortes	13.180	0	0,032
Mr. Jesús Sánchez Quiñones González(3)	320.828	0	0,788
Mr. Miguel Primo de Rivera y Urquijo(4)	25.370	0	0.062

Name or company name of Company Director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
Mr. Francisco de Asís García Molina(5)	17.207	35.700	0,130
Mr. Santiago González Enciso(6)	511.435	708.747	2.998

(*) Through:

Name or company name of direct shareholder	Number of direct voting rights	% of total voting rights
(1)Sociedad Vasco Madrileña de Inversiones, S.L	917.626	2,255%
(1)Surikomi S.A	1.956.042	4,807%
(1)Sociedad de Inversiones Santamaría S.L	515.100	1,266%
(1)Recarsa, S.A	230.179	0,566%
(1)Asecosa S.A	1.746.735	4,292%
(1)Matilde Estades Seco	880.431	2,164%
(2)Kursaal 2000 SICAV, S.A	60.766	0,149%
(3)Help Inversiones SICAV, S.A	35.700	0,088%
(4)I.G.E, S.L	237.991	0,585%
(4)Matilde Fernández de Miguel	330.306	0,812%
(4)Cristina Gonzalez Fernández	28.090	0,069%
(4)Ignacio Gonzalez Fernández	28.090	0,069%
(4)María Gonzalez Fernández	28.090	0,069%
(4)Santiago Gonzalez Fernández	28.090	0,069%
(4)Matilde Gonzalez Fernández	28.090	0,069%

% of total voting rights held by The Board of Directors	55,315%

Complete the following tables regarding members of the Board of Directors holding company share options:

Name or company name of company director	Number of direct option rights	Number of indirect option rights	Number of equivalent shares	% of total voting rights

A.4 Where applicable, state any family, commercial, contractual or corporate relationships between holders of significant shareholdings which the Company is aware of, except those of little relevance or those derived from ordinary trading or exchange:

Name or company name of related party	Type of relationship	Brief description

A.5 Where applicable, state any commercial, contractual or corporate relationships between holders of significant shareholdings and the company and/or its group, except those of little relevance or those derived from ordinary trading or exchange:

Name or company name of related party	Type of relationship	Brief description

A.6 Indicate any paracorporate agreements reported to the company subject to Article 112 of the Securities Market Act. Where applicable, provide a brief description of the agreement and list the shareholders involved:

Yes No ✓

Parties to paracorporate agreement	% of share capital affected	Brief description of the agreement

State whether the company is aware of any concerted actions among company shareholders; if so, provide a brief description:

Yes No ✓

Partied to concerted actions	% of share capital affected	Brief description of the concerted action

In the event of any change in or break-up of the concerted actions or agreements during the financial year, provide details:

A.7 State whether there is any natural or legal person exercising, or that may exercise, control over the company pursuant to Article 4 of the Securities Market Act. If so, please specify:

Yes ✓ No

Name or Company name
MR. JUAN CARLOS URETA DOMINGO.

Comments
TOTAL OF DIRECT AND INDIRECT SHARES AS % OF SHARE CAPITAL IS 50,789%

A.8 Complete the following tables regarding the company's treasury stock:

At financial year end:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
1.070.820	2.034.660	7,63%

(*)Through:

Name or company name of direct shareholder	Number of direct shares
Banco de Madrid, S.A.	1.627.728
EBN Bancos de Negocios, S.A.	406.932
Total:	2.034.660

List any significant variations which have occurred during the financial year, in accordance with Royal Decree 1362/2007:

Date of notification	Total number of direct shares acquired	Total number of indirect shares acquired	Total % of share capital
09-feb-10	33.719	407.034	1.08%

Gain/Losses from sale of treasury stock during the financial year	€-705.748,02

A.9 Provide details of the conditions and term of authorisation(s) granted by the Company in the General Meeting to the Board of Directors for the acquisition and/or transfer of treasury stock.

At the General Meeting held on 22 December 2009 the following resolution was passed in the terms transcribed below:

1.1.- "To avoid partially, as far as it has not been used, the authorisation conferred by the Ordinary General Meeting held on 30 April 2009 for the acquisition of own shares directly by the Company or through participated companies of the Renta 4 Group.

To authorise the Board of Directors, with express power to substitute the same for the Managing Director of the Company – even if by doing so the latter could fall within self-dealing or in a situation of conflict of interests – in order that, pursuant to Article 146 of the consolidated text of the Corporate Enterprises Act, the Company may, at any time, acquire the shares of RENTA 4 SERVICIOS DE INVERSIÓN, S.A., provided that the par value of the shares acquired, when added to those already held by the Company and/or its Subsidiaries, does not exceed 10% of the share capital of RENTA 4 SERVICIOS DE INVERSIÓN, S.A.

Furthermore, to authorise the Subsidiaries and the other companies of the Group so that, in accordance with Article 146of the consolidated text of the Corporate Enterprises Act, such companies may at any time acquire, shares of RENTA 4 SERVICIOS DE INVERSIÓN, S.A., provided that the par value of the shares acquired, when added to those already held by the Company and/or its Subsidiaries, does not exceed 10% of the share capital of RENTA 4 SERVICIOS DE INVERSIÓN, S.A.

Such acquisitions may be carried out by way of purchase, exchange, donation, allocation, or payment in kind, and in general, by any other form of acquisition for valuable consideration. The shares to be acquired must be outstanding and fully paid up.

Firstly, the Board of Directors may acquire directly or indirectly a maximum of 1.627.728 shares of Renta 4 to exchange, for specific consideration, to its employees, directors or managers of the participated companies of the Renta 4 Group.

To this effect, the Board of Directors of RENTA 4 SERVICIOS DE INVERSIÓN, S.A. or the person authorised for such purpose, the executive body of the Subsidiaries, or the Participated Companies of the Renta 4 Group, may permit the acquisition of the shares once or various times. In such case, the minimum price shall be equal to the face value of the own shares acquired and the maximum price shall be the trading price of the treasury stock acquired on the Stock Exchange in the moment of acquisition, provided that it is not higher than Euro 5.5.

Aditionally, the Board of Directors of RENTA 4 SERVICIOS DE INVERSIÓN, S.A. or the person authorised for such purpose, the executive body of the Subsidiaries, or the Participated Companies of the Renta 4 Group, may acquire own shares for any other purpose once or various times.

In the latter case, the minimum price or consideration of acquisition shall be the equivalent of the par value of the treasury stock acquired, and the maximum acquisition price or consideration shall be the equivalent of the trading price of the treasury stock acquired on the Stock Exchange in the moment of acquisition. The transactions of acquisition of treasury stock shall be carried out pursuant to the regulations and practice of the securities market and, specifically, in accordance with Article 75.2 of the Spanish Companies Act, the limit of treasury stock acquisition shall be 10% of the share capital.

This authorisation is granted for a term of five years commencing 22 December 2009, that is, until 21 December 2014.

The shares acquired under these authorisations shall neither bear any non-economic rights, nor voting rights and the corresponding economic rights shall be proportionately allocated to the rest of the shares pursuant to Article 148 of the consolidated text of the Corporate Enterprises Act.

Once the Board of Directors has made use of the authorisation it must comply with the information requirements of Article 148 of the consolidated text of the Corporate Enterprises Act.

1.2- To authorise the Board of Directors to establish a restricted reserve in the liabilities side of the Balance Sheet of the acquiring Company equivalent to the amount of the treasury stock of the controlling Company calculated in the assets, in accordance with Regulation 3, Article 148 of the consolidated text of the Corporate Enterprises Act..

1.3.- To authorise the Chairman Mr Juan Carlos Ureta Domingo ,Secretary Mr Pedro Ramón y Cajal Agüeras and Mr. Jaime Guerra Calvo so that either party, jointly and indistinctly, may grant the necessary public and private deeds required for executing the above agreements, including notarial records and filing, even partially at the Mercantile Registry, with all necessary Deeds of ratification, rectification, clarification or amendment to the extent of accepting the Mercantile Registrar's oral or written statement of validity and consent regarding the event of partial filing of the deed.

A.10 State whether there are any restrictions under law or company Bylaws regarding the exercise of voting rights and any legal restrictions on the acquisition and/or transfer of company shares.

Yes No ✔

Maximum percentage of voting rights a shareholder may exercise pursuant to legal restrictions

State whether there are any restrictions in the Company Bylaws regarding the exercise of voting rights:

Yes No ✔

Maximum percentage of voting rights a shareholder may exercise in accordance with Company Bylaws

Description of legal and Company Bylaw restrictions on the exercise of voting rights

State whether there are any legal restrictions regarding the acquisition or transfer of company shares:

Yes No ✔

Description of legal restrictions on the acquisition or transfer of company shares

A.11 State whether the General Meeting has agreed to adopt measures to neutralise a takeover bid pursuant to Law 6/2007.

Yes No ✔

If so, explain the measures approved and the terms in which the inefficiency of the restrictions would occur:

B STRUCTURE OF COMPANY MANAGEMENT

B.1 Board of Directors

B.1.1 State the maximum and minimum number of directors established in the Bylaws:

Maximum number of directors	15
Minimum number of directors	5

B.1.2 Complete the following table of the Board members:

Name or company name of director	Represented by	Position on the Board	Date of first appointment	Date of last appointment	Election Procedure
Mr Juan Carlos Ureta Domingo		Chairman and Managing Director	20/08/1999	29/09/2007	General Meeting
Mr Pedro Ángel Navarro Martínez		Vice Chairman	20/08/2000	29/09/2007	General Meeting
Mr Miguel Primo de Rivera y Urquijo		Member	20/08/2000	29/09/2007	General Meeting

Name or company name of director	Represented by	Position on the Board	Date of first appointment	Date of last appointment	Election Procedure
Mr Pedro Ferreras Diez		Member	18/07/2005	29/09/2007	General Meeting
Mr Eduardo Trueba Cortés		Member	29/09/2007	29/09/2007	General Meeting
Ms Sofía Rodríguez Sahagún		Member	29/09/2007	29/09/2007	General Meeting
Mr Jesús Sánchez-Quiñones González		Member	26/05/2000	29/09/2007	General Meeting
Mr Santiago González Enciso		Member	20/08/1999	29/09/2007	General Meeting
Mr Francisco García Molina		Member	04/12/2008	04/12/2008	General Meeting

Total number of Directors	9

Indicate any Board Members who ceased to act in this capacity during the period:

Name or company name of director	Type of directorship at time of leaving	Date of leaving office

B.1.3 Complete the following tables on the different types of Board members:

EXECUTIVE DIRECTORS

Name or company name of director	Committee proposing appointment	Position within the company organisation
Mr Juan Carlos Ureta Domingo	None	Chairman and Managing Director
Mr Jesús Sánchez-Quiñones González	None	General Manager
Mr Santiago González Enciso	None	Regional Manager

Total number of executive directors	3
% of total number of Board Members	33,3

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of director	Committee proposing appointment	Name or company name of significant shareholder represented or who proposed the appointment

Total number of proprietary directors	0
% of total number of Board Members	0

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of director	Profile
MR PEDRO ANGEL NAVARRO MARTINEZ	Industrial Engineer, the Politécnica University of Barcelona and has two Masters degrees in Business Administration (MBA), one from ESADE in Barcelona and the other in Finance from Texas Tech University (USA). After working for Texas Instruments, first in Dallas and then in and in France for two and a half years as an engineer, he spent another year in Honeywell Information Systems, also as an engineer. In 1972 he joined Arthur Andersen in Barcelona with the mission of setting up the Consultancy division. In 1978 he was appointed Partner of Arthur Andersen, beginning a stage of projects in financial entities such as La Caixa. In 1980 he took over the leadership of the Arthur Andersen office in Barcelona commencing a period of expansion by opening offices under his responsibility in Valencia, Zaragoza and Palma de Mallorca. In 1990 Andersen Consulting was set up and he was appointed Chairman for Spain, later, in 1993 he became responsible for Southern Europe. When Andersen Consulting abandoned its country model in 1996 and was re-organised by industrial sector, he was appointed head of the Sector of Banking and Insurance in Europe, Latin America and Africa, this being considered the largest Business Unit in the world. From 1990 to 2000 he was member of the worldwide Board of Directors and during these years was Chairman of the Committee of Expansion and Acquisitions.
MR PEDRO FERRERAS DIEZ	Graduate in Law, Universidad of Oviedo (with Award of Outstanding Merit). In 1984 he passed the entrance exam to be admitted as a State Lawyer. He was Professor of Administrative Law at the Universidad of León from 1978 to 1982. In 1996 he was appointed Undersecretary of the Ministry of Industry and Energy, with the mission of de-regulating the energy sectors and modernising the public sector business of the State. Positions held include Chairman of the Spanish Office of Patents and Trademarks (Oficina Española de Patentes y Marcas), Chairman of the Centre for Development of Industrial Technology (Centro para el Desarrollo Tecnológico Industrial - CDTI) and of the Consortium for the Harmonisation of the Domestic Market (Consorcio para la Oficina de Armonización del Mercado Interior - OAMI), amongst others. From 1996 to 2001 he served as Chairman of the Sociedad Estatal de Participaciones industriales - SEPI), a holding which groups together the State's participations in industrial companies, and he was in charge of the mission to develop a a Modernisation Programme of Public Sector Business. He has been Director of Repsol, Argentaria, Telefónica, Sociedad Estatal de Participaciones Patrimoniales (SEPPA), Consorcio de la Zona Franca de Barcelona, and European Aeronautic Defence and Space Company (EADS). He has been Chairman of Uniland, S.A., Uniland Cementera, S.A. and Aluminios de Catalunya, S.A.
MR EDUARDO TRUEBA CORTES	Graduate in Law and Business Management, ICADE. He worked as Financial Advisor at Merrill Lynch in 1986 and 1987. Following his stay at Merrill Lynch he became Director of Inversión, S.A. for two years before spending 3 years at Urquijo Gestión in the post of Investment Manager, managing Collective Investment Entities. From 1992 he has managed the Family Office of the Pino Family. He is in charge of Asset Allocation and the decision-making process for Simcav Chart, Allocation and Beeper.
MR FRANCISCO GARCÍA MOLINA	Graduate in Economics and Business Studies, Universidad Autónoma de Madrid. After nearly nine years working for Unilever/Elida Gibbs in Spain and London in the Marketing Department, from 1985 to 1989 he worked as Director of the Marketing Department of Grupo Koipe. In 1990 and 1991 he was General Manager of Neisa,, S.A. Afterwards, he became Director of the Marketing and Strategic Department of IDV in Spain and later in Europe. From 1995 he worked for Diageo España as General Manager, becoming non-executive Chairman of the Board of Directors from 2003 to 2005. From 2005 he serves as non-executive director of the Board of Directors of several companies, among those that stand out Bodegas LAN y VIESA, entity belonging to VARMA Group. Furthermore, he is currently member of the Discipline Commission of the publicity association called AUTOCONTROL.
MS SOFÍA RODRÍGUEZ SAHAGÚN	Graduate in Law and Business Management, ICADE. She began her professional career in the Spanish Commercial Office in New York (ICEX). In 1988, she joined Renta 4 as Senior Manager of the Business Division and later she worked as consultant in McKinsey & Company. Afterwards, she also worked for Openbank in different positions. In 1998 she joined ING DIRECT Spain as Assistant General Manager, responsible for the areas of Strategy and Marketing. In 2000, she moved to the United States for personal reasons, where she took part in the creation of AOL Spain. From 2002 to 2006 she was Senior Manager of IKEA, responsible of the division of Strategy and Marketing of such company in Spain and Portugal. In May 2006, she returns to ING DIRECT Spain as General Manager of the "Cuenta Naranja". Likewise, she was member of the ING Group companies platform in representation of ING DIRECT in Spain. From October 2008, she is Senior Manager of Vodafone in charge of the Brand and Client area and has become member of its Executive Committee.

Total number of independent directors	5
% of total number of Board members	55,122

OTHER EXTERNAL DIRECTORS

Name or company name of director	Committee proposing appointment
MR MIGUEL PRIMO DE RIVERA Y URQUIJO	NOMINATION AND REMUNERATION COMMITTEE

Total number of other external directors	1

% of total number of Board members	11.11

Provide details of why they cannot be considered proprietary or independent and their relationship with the company, Board members or shareholders:	Reasons	Company, director or shareholder with whom the director has a relationship.
MR MIGUEL PRIMO DE RIVERA Y URQUIJO	He cannot be classed as a proprietary director as he has not been appointed as a result of being a shareholder, or on the proposal of other shareholders of the company. Neither can he be considered independent director, as during the last year he has been a shareholder in the company Nueva Pridera, S.L., commercial agent of Renta 4 S.V., S.A.	Currently, he has no other relationship with the Company, director or shareholder, other than being a Board member and his position as company shareholder pursuant to section A.3 of this report.

State any variations which have taken place during the period in the type of directorship of each director:

Name or company name of director	Date of change	Previous type	Present type

B.1.4 Where applicable, explain the reasons why proprietary directors have been appointed at the request of shareholders whose stake is inferior to 5% of the share capital:

Name or company name of shareholder	Reason

Indicate, and where applicable, provide details of the dismissal of any formal requests to sit on the Board from other shareholders having a stake of the same amount or superior to the others at whose requests proprietary directors have been appointed. If so, explain the reasons for dismissing such requests:

Yes No ✔

Name or company name of shareholder	Reason

B.1.5 State whether any director left their position on the Board prior to the end of the mandate, whether such director explained their reasons to the Board and the means of doing so, and if such explanation was given in writing to all the Board, explain below the reasons given by the director:

Name of director	Reason for leaving

B.1.6 State, where applicable, any powers delegated to the Managing Director (s):

Name or company name of director	Brief description
MR JUAN CARLOS URETA DOMINGO.	All those pertaining to the Board, except the non-delegable ones

B.1.7 Indicate below any Board Members having senior management or directive positions in other companies which form part of the listed company group:

Name or company name of the director	Company name of the group entity	Position
MR. JUAN CARLOS URETA DOMINGO	RENTA 4, SV, S.A.	Chairman and Managing Director
MR. JUAN CARLOS URETA DOMINGO.	RENTA 4 CORPORATE, S.A.	Chairman and Managing Director
MR. JESÚS SÁNCHEZ.-QUIÑÓNEZ GONZÁLEZ	RENTA 4, S.V, S.A..	Director
MS. SOFIA RODIGUEZ SAHAGUN	RENTA 4 GESTORA, SGIIC, S.A.	Director
MS. SOFIA RODRÍGUEZ SAHAGUN	RENTA4 PENSIONES, S.A.	Director
MR. EDUARDO TRUEBA CORTES	RENTA 4 GESTORA, SGIIC, S.A.	Director
MR. EDUARDO TRUEBA CORTES	RENTA 4 PENSIONES, S.A.	Director
MR. MIGUEL PRIMO DE RIVERA Y URQUIJO	RENTA 4, S.V, S.A.	Director
MR. PEDRO ANGEL NAVARRO MARTINEZ	RENTA 4, S,V, S.A	Director
MR. PEDRO FERRERAS DIEZ	RENTA, S.V, S.A.	Director
MR. FRANCISCO GARCÍA MOLINA	RENTA 4, SV, S.A.	Director

B.1.8 Where applicable, and as far as the company is aware of such information, list any Board members who are also members of the board(s) in other companies listed on official securities markets in Spain, other than the group itself:

Name or company name of director	Company name of listed company	Position

B.1.9 State whether the company has established rules regarding the number of Boards its directors may belong to. If so, explain the rules:

Yes ✓ No

Explanation of rules
The Directors may not form part of more than five Boards of Directors, without including for these purposes, the companies of the RENTA 4 Group (Art. 21.2 a) of the Board Regulations)

B.1.10 In relation with Recommendation 8 of the Unified Code, state the general policies and strategies of the company which must be approved by the Board in full:

	Yes	No
The investment and financing policy	X	
The definition of the structure of the group of companies	X	
The corporate governance policy	X	
The corporate social responsibility policy	X	
The strategic or business Plan, as well as management objectives and annual budgets	X	
The remuneration policy and performance evaluation of senior management	X	
The policy of risk management and control, as well as the periodic monitoring of systems of internal information and control	X	
The policy of dividends, as well as that of treasury stock and in particular, any applicable limits	X	

B.1.11 Complete the following tables regarding the accrued aggregate remuneration of Directors during the financial year:

a) In the company subject of this report:

Remuneration item	Data in thousand euro
Fixed remuneration	652
Variable remuneration	0
Allowances	12
Allocations pursuant to the Bylaws	0
Share options and/or other financial instruments	114
Other	0
TOTAL:	778

Other benefits	Data in thousand euro
Advances	0
Loans granted	0
Pension Plans and Funds: Contributions	1
Pension Plans and Funds: Commitments	0
Life assurance premiums	0
Guarantees constituted by the company in favour of the directors	0

b) For serving as directors on other Boards and/or senior management of companies in the group:

Remuneration item	Data in thousand euro
Fixed remuneration	277
Variable remuneration	0
Allowances	8
Allocations pursuant to the Bylaws	0
Share options and/or other financial instruments	24
Other	0
TOTAL:	309

Other benefits	Data in thousand euro
Advances	0
Loans granted	0
Pension Plans and Funds: Contributions	1
Pension Plans and Funds: Commitments	0
Life assurance premiums	0
Guarantees constituted by the company in favour of the directors	0

c) Total remuneration by type of directorship:

Type of director	By company	By group
Executives	376	309
External Proprietary		
External Independent	326	
Other External	77	
Total	779	309

d) With regard to the profit attributed to the controlling company:

Total director remuneration (in thousand euro)	1.088

Total director remuneration/benefits attributed to the controlling company (as a %)	18,10%

B.1.12 List the members of senior management who are not also executive directors and indicate total remuneration accruing to them during the period:

Name or company name	Position
MR JUAN LUIS LOPEZ GARCIA	GENERAL MANAGER
MR JOSÉ IGNACIO GARCIA-JUNCEDA FERNÁNDEZ	GENERAL MANAGER RENTA 4 S.V.
MR LUIS MUÑOZ SECO	GENERAL MANAGER OF IT AND SYSTEMS

Total remuneration of senior management (thousand euro)	582

B.1.13 State in aggregate terms whether there are any guarantee or golden parachute clauses in the event of dismissal or changes in control benefiting senior management, including executive directors of the company or its group. Indicate whether these contracts have to be reported to, and/or approved by the governing bodies of the company or its group:

Number of beneficiaries	0

	Board of Directors	General Meeting
Body authorising the clauses		

	YES	NO
Is the General Meeting informed of these clauses?		

B.1.14 Describe the process of establishing the remuneration of members of the Board of Directors and the relevant clauses in the Bylaws for such purpose:

Process for establishing remuneration of members of the Board of Directors and the relevant clauses in the Bylaws
Pursuant to Article 35 of the Bylaws, the General Shareholders' Meeting shall set an annual fixed amount each year for the Board of Directors, an amount which shall be maintained in successive years except by agreement to the contrary in the General Meeting. In turn, the Board shall distribute amongst its members the fixed annual amount agreed by the General Meeting, taking into account the duties and responsibilities performed by each of the directors within the Board itself or its Committees, on the proposal of the Nomination and Remuneration Committee in accordance with Article 32.3, e), of the Board Regulations. Likewise, pursuant to Article 35 of the Bylaws, the General Meeting may establish an amount for attendance allowances at Board and/or Committee meetings, for civil liability insurance and social security, as well as the granting of shares or option rights over the same or a remuneration which has as its reference the value of the Company shares.

State whether the Board in full has reserved the right to approve the following:

	Yes	No
At the proposal of the Chief Executive of the company, the appointment and possible termination of senior managers, as well as their compensation clauses	X	
The remuneration of directors, and, in the case of executives, the additional remuneration for their executive duties and other contractual conditions which must be respected	X	

B.1.15 Indicate whether the Board of Directors approves a detailed remuneration policy and specify the matters on which it issues an opinion:

Yes ✔ No

	Yes	No
Amount of fixed remuneration items, with a breakdown, where applicable, of allowances for serving as members of the Board and its Committees and an estimate of the resulting fixed annual remuneration	X	
Variable remuneration items	X	
Main characteristics of the benefits system, with an estimate of their amount or equivalent annual cost	X	
Conditions that must be respected in contracts of those exercising senior management functions as executive directors	X	

B.1.16 Indicate whether the Board submits a report on the directors' remuneration policy for approval at the General Meeting, as a separate point on the agenda, and for consultation purposes. If applicable, explain the aspects of the report regarding the remuneration policy approved by the Board for future years, the most significant changes of such policies in relation to the policy applied during this financial year, and a global summary of the application of the remuneration policy during the financial year. Provide details of the role performed by the Remuneration Committee and whether the external advice was sought, and if so, the identity of the external consultants providing such advice:

Yes No ✓

Matters covered in the report regarding remuneration policy

Role played by the Remuneration Committee

	Yes	No
Was external advice sought?		
Identity of external consultants		

B.1.17 State the identity of any Board Members sitting on Board (s) or holding senior management positions in companies with significant shareholdings in the listed company and/or its group companies:

Name or company name of director	Company name of significant shareholder	Position

Where applicable, provide details of any relevant relationships, other than those set forth in the above paragraph, of members of the Board of Directors related to significant shareholders and/or companies of the group:

Name or company name of director with relationship	Name or company name of significant shareholder with relationship	Description of relationship

B.1.18 State whether there have been any modifications to the Board regulations during the financial year:

Yes No ✓

Description of modifications

B.1.19 State any procedures for appointment, re-election, evaluation and removal of directors. Set out the competent bodies, the steps to be followed and the criteria to be applied in each of the procedures.

1. APPOINTMENT AND RE-ELECTION OF DIRECTORS

The proposals for appointment, ratification or re-election of Directors submitted by the Board of Directors to the General Meeting and the decisions of appointment adopted by said body by cooptation must be taken by persons of recognised honour, good standing and technical competence and experience, and such decisions shall be approved by the Board following the proposal of the Nomination and Remuneration Committee, in the case of independent Directors, and after a report of the Nomination and Remuneration Committee in the case of other Directors. The proposal or report of the Nomination and Remuneration Committee must appoint the new Director within one of the classes of Director set forth in Article 9 of the Board Regulations.

In this respect, when the Board does not take part in the proposals of the Nomination and Remuneration Committee, the motives for such must be explained and set forth in the Minutes.

In turn, the General Meeting has the power to appoint and freely dismiss the members of the Board of Directors, as well as to ratify or revoke the provisional appointment of one of the members by the Board of Directors by virtue of the powers of cooptation attributed by law, all of which in accordance with Article 33 of the Bylaws and 10.1 of the Board Regulations.

From the moment of the notice of the calling of the General Meeting in which the appointment, ratification or re-election of Directors is to take place, the Board of Directors shall disclose, through its web-site, the following information regarding the proposed persons: (i) the professional profile and background; (ii) other Boards of Directors to which the person belongs, whether or not these are listed companies iii) indication of the director type of the person, stating in the case of proprietary directors, the shareholder at whose request the appointment, re-election or ratification took place, or the shareholder with whom the person has a relationship; (iv) date of first appointment as Company director, as well as the later ones; (v) Company shares and financial derivatives instruments based on the Company shares, of which the holder is either the director whose position is to be re-elected, or ratified, or the candidate who is to occupy the position as director for the first time

Those persons holding positions or duties of representation or management in companies which are competitors, or those holding a significant stake in their share capital, may not be appointed Company Directors, except with the prior express authorisation of the Board of Directors.

2. EVALUATION OF THE DIRECTORS

Pursuant to Article 28 of the Board Regulations, said Board, under the direction of the Chairman in co-ordination with the Chairmen of the Committees, must evaluate on an annual basis: (i) the performance and quality of the work, (ii) the performance of the duties by the Chairman of the Board and, where applicable by the Managing Director of the Company, taking as point of origin the report submitted by the Nomination and Remuneration Committee and (iii) the performance of its Committees, taking as the point of origin the report submitted by the Committees.

With regard to the matter at hand, that is, the issue of the Directors, the Nomination and Remuneration Committee is responsible for issuing and submitting the corresponding Report to the Board on the quality and efficiency of the performance of the Board of Directors.

Thus, once the different Reports of the Committees have been submitted to the Board of Directors, the latter is in charge of evaluating the quality and efficiency of the performance of the Board of Directors itself, as well as its Committees, the Chairman of the Board and the Managing Director.

3. REMOVAL OF DIRECTORS

In accordance with Article 34 of the Bylaws and 11 of the Board Regulations, the Directors shall hold their position for a term of five years, provided that in the General Meeting there is no resolution to dismiss them or no resignation from the Directors. The Directors may be re-elected one or various times for terms of five years, without taking into account the fact that those Directors holding the position for an uninterrupted period of twelve years may not be classed as independent.

Therefore, the Directors shall vacate their position when the term of their appointment has run out, and when the General Meeting so decides, pursuant to the attributions legally conferred and those provided in the Bylaws, in accordance with Article 12 of the Board Regulations.

In relation to independent Directors, the Board may not propose the removal of any Director of said category prior to the end of the term of appointment as set forth in the Bylaws, except where there is a justifiable reason, accepted by the Board following the report of the Nomination and Remuneration Committee. In particular, it will be understood that there exists a justifiable reason when the director has not complied with the duties inherent to the position or when the director falls within one of the circumstances set out in Article 9.2 a) of the Board Regulations which make it impossible to fulfil the requirements of the condition of independent Director of the Company.

Finally, in the event that a Director leaves office prior to the end of his mandate, whether by resignation or for other reasons, the Director shall explain the reasons for leaving office in a letter to be sent to all Board members, regardless of the fact that the event is communicated as a relevant event and must therefore appear in the Annual Corporate Governance Report. Furthermore, in the event that the resignation of the Director is due to the Board adopting significant or reiterated decisions about which the Director has expressly made serious reservations, and as a consequence of such, the Director decides to resign, the latter shall expressly state this circumstance in the letter of resignation addressed to the Board members, pursuant to Article 12.5 of the Board Regulations.

B.1.20 Indicate the cases in which directors are obliged to tender their resignation.

The cases in which directors are obliged to tender their resignation to the Board of Directors and formalize, if deemed appropriate, the corresponding resignation pursuant to Article 12 of the Board Regulations are the following::

a) When they reach the age of 70.

b) When they leave their positions, posts or duties to which their appointment as executive directors was associated.

c) In the case of proprietary directors, when the shareholder, on whose proposal the former were appointed, transfers the entirety of the shares they had in the Company or the shares are reduced to a level requiring a reduction in the number of proprietary directors.

d) When they fall within one of the cases of incompatibility or prohibition provided by Law, Bylaws or in the Board Regulations.

e) When the Board so requests by a majority of at least two thirds of its members, in the event the director is considered to have acted in breach of his/her obligations as director, following the proposal or report of the Nomination and Remuneration Committee, or when remaining on the Board could put at risk the standing and reputation of the Company.

Likewise in the event that a natural person representing the legal person of a Director falls within one of the above circumstances, the natural person must be immediately replaced by the legal person of the Director, pursuant to Article 12.3 of the Board Regulations.

B.1.21 Explain whether the duties of the Chief Executive fall upon the Chairman of the Board. If so, state the measures adopted to limit the risk of accumulation of powers in a single person:

Yes ✓ No

Measures to limit risks

An alternative mechanism of counter-balance has been provided for the figure of the Chief Executive Officer such as that of the Vice-President or, in the case of various, one of the Vice-Presidents, who must be independent directors and may, together with an additional two directors, request that the Chairman call the Board meeting or include new items on the agenda. In addition the evaluation of the Chairman is carried out by the Board (Art. 25.4 of the Board Regulations).

State, and if applicable, explain, whether regulations have been established to empower one of the independent directors to request the convening of a Board meeting or to request the inclusion of new items on the agenda in order to co-ordinate and reflect the concerns of external directors and direct the evaluation by the Board of Directors

Yes ✓ No

Explanation of the rules

The Vice-President or, in the case of various, one of the Vice-Presidents, who must be independent directors and may, together with an additional two directors, request that the Chairman convene the Board meeting or include new items on the agenda. (Art. 25.4 of the Board Regulations).

B.1.22 Are reinforced majorities required, other than those established by law, for certain types of decisions?

Yes No ✓

Explain how the Board of Directors adopts resolutions, including at least the minimum quorum of attendees and the types of majorities required to pass resolutions:

Adoption of resolutions

Description of resolution	Quorum	Type of Majority

B.1.23 State whether there are any specific requirements, for being appointed Chairman other than those relating to the Directors.

Yes No ✓

Description of requirements

B.1.24 State whether the Chairman has the casting vote:

Yes ✓ No

Matters on which there is a casting vote

The Chairman has the casting vote within the Board of Directors and the Management Committee.

B.1.25 Indicate whether the Company Bylaws or the Board Regulations provide an age limit for Directors:

Yes ✓ No

Age limit for Chairman 70 years
Age limit for Managing Director 70 years
Age limit for director 70 years

B.1.26 State whether the Company Bylaws or the Board Regulations establish a limit on the mandate of independent directors:

Yes ✓ No

Maximum term of mandate	12 years

B.1.27 If the number of female directors is low or zero, explain the reasons and the measures taken to correct the situation.

Explanation of reasons and measures

The Board of Directors has put the Nomination and Remuneration Committee in charge of ensuring that when new vacancies arise or when appointing new Directors, the selection process is not implicitly biased against the selection of female directors in any manner whatsoever, in accordance with Article 32.3, f), of the Board Regulations.

In particular, indicate whether the Nomination and Remuneration Committee has established a procedure to ensure that selection processes are not implicitly biased against the selection of female directors and, that they deliberately seek female candidates meeting the required profile:

Yes ✓ No

Señale los principales procedimientos

In accordance with Article 32 of the Board Regulations, the Nomination and Remuneration Committee has the duty to carry out the following actions so that the selection processes are not implicitly biased against the selection of female Directors:- To evaluate the competences, knowledge and experience necessary for the Board, defining the necessary functions and aptitudes in the candidates to cover the position vacant and evaluating the necessary time and dedication for carrying out the duties adequately.
- To communicate the proposals of appointment, removal and re-election of directors submitted to the General Meeting, as well as the proposals of appointment by cooptation.
- To ensure that selection procedures for directors are not gender-biased.

B.1.28 Indicate whether there are formal processes for proxy voting in the Board of Directors. If so, provide a brief description.

Paragraph 2, Article 38 of the Company Bylaws states:

“All Directors may be represented through another director. The representation is granted specifically for the Board of Directors meeting and may be communicated through any means provided in paragraph 2 of the preceding Article.”

B.1.29 Indicate the number of meetings held by the Board of Directors during the financial year. Likewise, specify the number of times, if any, that the Board has met in the absence of the Chairman:

Number of Board meetings	11
Number of Board meetings held in the absence of its Chairman	0

Indicate the number of meetings held by the different Board Committees during the financial year:

Number of Executive Committee meetings	11
Number of Audit and Control Committee meetings	6
Number of Nomination and Remuneration Committee meetings	4
Number of Nomination Committee meetings	
Number of Remuneration Committee meetings	

B.1.30 State number of Board meetings held during the financial year without full attendance. Representatives without specific instructions are to be included in the calculation:

Number of absences of Board members during the financial year	0
% of absences in relation to the total number of votes during the financial year	0

B.1.31 State whether the individual and consolidated accounts are certified prior to their presentation to the Board of Directors for approval:

Yes No ✓

Identify, where applicable, the person(s) certifying the Company's individual and consolidated annual accounts for presentation to the Board:

Name	Position

B.1.32 Explain any mechanisms established by the Board to avoid presenting to the General Meeting the individual and consolidated accounts with qualified opinion in the auditor's report.

The Audit and Control Committee analyzes quarterly, biannual and annual financial statements and holds periodic meetings with the External Auditor, revising if appropriate, any change in accounting criteria which will affect the financial statements and ensuring that this does not give rise to qualified opinion by the Auditor and that the financial the Board of Directors presents the accounts with no qualified opinion whatsoever.

B.1.33 Is the Secretary of the Board a director?

Yes No ✓

B.1.34 Explain the appointment and removal procedures of the Secretary of the Board, stating whether their appointment and removal have been reported to the NominationCommittee and approved by the Board in full.

Procedure of appointment and removal
Article 27, paragraph 1 of the Regulations of the Board of Directors provides:"The Board of Directors, at the proposal of the Chairman, and subsequent to a prior report of the Nomination and Remuneration Committee, shall appoint a Secretary and, where appropriate, a Vice-Secretary. These do not have to be Directors. The same procedure shall be followed to agree on the removal of the Secretary and if applicable, the Vice-Secretary."

	Yes	No
Does the Nomination Committee provide notification of the appointment?	X	
Does the Nomination Committee provide notification of the removal?	X	
Does the Board in full approve the appointment?	X	
Does the Board in full approve the removal?	X	

Is the Secretary of the Board responsible for ensuring compliance with the recommendations of good governance?

Yes ✓ No

Comments

B.1.35 Specify the mechanisms, if any, established by the Company to maintain the independence of the auditor, financial analysts, investment banks and rating agencies.

The independence of the External Auditors is protected under Article 31, 3 b) of the Regulations of the Board of Directors and is the competence of the Audit and Control Committee.

B.1.36 State whether the Company has changed the external auditor during the financial year. If so, indicate the incoming and outgoing auditors:

Yes No ✓

Outgoing Auditor	Incoming Auditor

In the event there were discrepancies with the outgoing auditor, explain their content

Yes No

Explanation of the discrepancies

B.1.37 Indicate whether the auditing firm carries out other non-audit work for the company and/or its group. If so, state the fees the auditing firm receives for such work and the percentage these fees represent of the total fees invoiced by the company and/or its group:

Sí No ✓

	Company	Group	Total
Amount from non-audit work (thousand euro)	85	26	111
Amount from non-audit work / total amount invoiced by the auditing firm (as a %)	178%	34%	83%

B.1.38 State whether the Annual Accounts audit report of the previous financial year is qualified or with reservations. If so, set out the reasons given by the Chairman of the Audit. Committee to explain the content and scope of such qualified opinion or reservations.

Yes No ✓

Explanation of reasons

B.1.39 Specify the number of consecutive years the current auditing firm has been auditing the Company's annual accounts and/or those of its group. In addition, indicate the number of years the current audit firm has been auditing the Company's annual accounts as a percentage of the total number of years over which the annual accounts have been audited:

	Company	Group
Number of consecutive years	6	6
Number of years audited by current auditing firm / number of years the company accounts have been audited (as a %)	6 / 10 (60%)	6/ 10 (60%)

B.1.40 List the shareholdings of the members of the Board in other companies having the same, similar or complementary types of activities as the Company and/or those of its group, which have been reported to the company. In addition, specify the positions or duties they hold in such companies:

Name or company name of Director	Corporate name of the company	% share	Position or Duties
Mr. Jesús Sánchez-Quiñones González	AMER 2000 SICAV, S.A.		Secretary-Director
Mr. Jesús Sánchez-Quiñones González	AVILUGAM SICAV, S.A.	Less than 0.01%	Chief Executive Officer
Mr. Jesús Sánchez-Quiñones González	BLUE NOTE SICAV, S.A.		Director

Name or company name of Director	Corporate name of the company	% share	Position or Duties
Mr. Jesús Sánchez-Quiñones González	ARBITRAGE CAPITAL SICAV, S.A.		Secretary-Director
Mr. Jesús Sánchez-Quiñones González	MERCOR GLOBAL PLUS SICAV, S.A.	Less than 0.01%	Secretary-Director
Mr. Jesús Sánchez-Quiñones González	CORTIGOSO INVERSIONES SICAV S.A.	Less than 0.01%	Secretary-Director
Mr. Jesús Sánchez-Quiñones González	DIDIME INVERSIONES SICAV, S.A.	Less than 0.01%	Secretary-Director
Mr. Jesús Sánchez-Quiñones González	EDUMONE SICAV, S.A.	Less than 0.01%	Secretary-Director
Mr. Jesús Sánchez-Quiñones González	EURO 21 DE INVERSIONES SICAV, S.A.	Less than 0.01%	Secretary-Director
Mr. Jesús Sánchez-Quiñones González	EUROFINATEL SICAV, S.A.	Less than 0.01%	Secretary-Director
Mr. Jesús Sánchez-Quiñones González	GLOBAL SYSTEMATIC INVESTMENT SICAV, S.A.	Less than 0.01%	Director
Mr. Jesús Sánchez-Quiñones González	GUATEN DE INVERSIONES SICAV, S.A.	Less than 0.01%	Secretary-Director
Mr. Jesús Sánchez-Quiñones González	HELP INVERSIONES SICAV, S.A.	Less than 0.01%	Secretary-Director
Mr. Jesús Sánchez-Quiñones González	HOLDILAN SICAV, S.A.	Less than 0.01%	Director
Mr. Jesús Sánchez-Quiñones González	INVERSIONES FINANCIERAS GALOIS SICAV, S.A.	Less than 0.01%	Secretary non member of the Board
Mr. Jesús Sánchez-Quiñones González	KURSAAL 2000 SICAV, S.A.		Chief Executive Officer
Mr. Jesús Sánchez-Quiñones González	LENDA DE INVERSIONES SICAV, S.A.	Less than 0.01%	Chief Executive Officer
Mr. Jesús Sánchez-Quiñones González	MERCOR GLOBAL SICAV, S.A.		Secretary-Director
Mr. Jesús Sánchez-Quiñones González	MOPANI INVERSIONES SICAV, S.A.		Secretary-Director
Mr. Jesús Sánchez-Quiñones González	MULTIPLO GESTIÓN GLOBAL DE INVERSIONES, SICAV, S.A.		Sole representative
Mr. Jesús Sánchez-Quiñones González	NUMIDE INVERSIONES SICAV, S.A.	Less than 0.01%	Secretary-Director
Mr. Jesús Sánchez-Quiñones González	PRIVALIA SICAV, S.A.	Less than 0.01%	Secretary-Director
Mr. Jesús Sánchez-Quiñones González	QUALIFIED INVESTOR SICAV, S.A.	Less than 0.01%	Secretary-Director
Mr. Jesús Sánchez-Quiñones González	RAVISTAR SICAV, S.A.	Less than 0.01%	Secretary-Director
Mr. Jesús Sánchez-Quiñones González	RENTA 4 GESTION DE CARTERAS SICAV, S.A.	Less than 0.01%	Chief Executive Officer
Mr. Jesús Sánchez-Quiñones González	STELLARIA, SICAV		Director
Mr. Jesús Sánchez-Quiñones González	TAUPO IN. SICAV		Secretary-Director
Mr. Jesús Sánchez-Quiñones González	TERTON INV. SICAV		Secretary-Director
Mr. Jesús Sánchez-Quiñones González	ULEA GLOBAL, SICAV		Secretary-Director
Mr. Jesús Sánchez-Quiñones González	YELO INV. FIN. SICAV		Secretary-Director
Mr. Jesús Sánchez-Quiñones González	ZANZIBAR INV. SICAV		Secretary-Director
Mr. Miguel Primo de Rivera y Urquijo	NUEVA PRIDERA, S.L.		Sole Adminstrator
Mr. Miguel Primo de Rivera y Urquijo	SCH GESTIÓN DE CARTERAS SGIIC, S.A.		Director
Mr. Juan Carlos Ureta Domingo	SOCIEDAD RECTORA DE LA BOLSA DE VALORES DE MADRID, S.A.		Director

B.1.41 State whether a procedure exists to enable Directors to receive external advice. If so, provide an explanation of such procedure:

Yes ✓ No

Detalle el procedimiento

These are provided in Article 23 of the Board Regulations as set forth below:

"1. For the purposes of being aided in the performance of their duties, the external directors are entitled to obtain the necessary advice for carrying out their duties, and the fees for legal, accounting, financial or other experts shall be borne by the Company, provided that the matters in question present problems of certain importance and complexity arising within the course of carrying out the duties corresponding to their position.

2. The request to engage external consultants or experts must be made to the Board Chairman and shall be authorised by the Board in full if, in its opinion:
a) it is necessary for the proper performance of the directors' duties;
b) the cost is reasonable, taking into account the magnitude of the problem and the assets and revenues of the Company;
c) the technical assistance received cannot be properly provided by Company experts and technicians; and
d) Confidential information which must be provided to the expert is not put at risk.

3. In the event that the request for expert assistance is made by any of the Committees of the Board, it may not be refused, except when the Board decides by majority that the circumstances set forth in Paragraph 2 do not exist".

B.1.42 Indicate, and where appropriate explain, whether a procedure exists, to ensure directors receive the necessary information in sufficient time to prepare for the meetings of the governing bodies:

Yes ✓ No

Details of procedure

EThe procedure is set forth in Article 22 of the Board Regulations, which provides: "

1. In the fulfilment of their duties, any director may inform themselves about any matters of the Company and its participated companies. For these purposes they are entitled to examine books, registers, documents and other records of company transactions, being able to inspect its installations and communicate with Company senior management.

2. In order not to disturb the ordinary management of the Company, the exercise of the right to information shall be channelled through the Board Chairman who shall attend the director's requests by providing the information directly, or by way of the relevant person at the appropriate level of the organisation".

In turn, Article 28.4 of the Board Regulations adds that the calling of the Board meeting shall be accompanied by the necessary information for the same..

B.1.43 State, and where applicable, give details of whether the company has established regulations obliging directors to report, and if appropriate, resign, in cases which may harm the good standing and reputation of the company:

Yes ✓ No

Explain the rules

Article 21.2, c), of the Board Regulations establishes that:

"The director must also notify the Company:
(…)

c) Of legal, administrative or other proceedings of any nature which are brought against the director and which, due to their importance or characteristics, could seriously damage the reputation of the Company. In particular, all directors must notify, through the Board Chairman, when a case is brought against them, or when they are committed for trial for any of the offences set forth in Article 124 of the Listed Companies Act. In this case the Board shall examine the case as soon as possible and shall adopt the decisions considered most appropriate for the interests of the Company".

In turn, Article 21.2, e), of the Board Regulations provides:" Directors must tender their resignation to the Board of Directors in the following cases:
(…)

e) When the Board calls for the resignation by a majority of two thirds of the members due to the Director having breached their obligations as Director, following the report of the Nomination and Remuneration Committee, or when their remaining on the Board may put at risk the standing and reputation of the Company".

B.1.44 State whether any member of the Board has notified the company that they have been prosecuted or committed for trial for any of the offences set forth in Article 213 of the consolidated text of the Corporate Enterprises Act:

Yes No ✓

Name of Director	Criminal Proceedings	Comments

State whether the Board has analysed the case. If the answer is affirmative, provide an explanation of the decision made regarding the continuance or removal of the director from their position.

Yes No

Decision taken	Explanation
Able to continue / Not able to continue	

B.2 Board of Directors Committees

B.2.1 List the Board Committees and their members:

EXECUTIVE OR MANAGEMENT COMMITTEE

Name	Position	Type
JUAN CARLOS URETA DOMINGO	CHAIRMAN	EXECUTIVE
PEDRO ANGEL NAVARRO MARTÍNEZ	MEMBER	INDEPENDENT DIRECTOR
PEDRO FERRERAS DIEZ	MEMBER	INDEPENDENT DIRECTOR
EDUARDO TRUEBA CORTES	MEMBER	INDEPENDENT DIRECTOR
SOFIA RODRÍGUEZ SAHAGÚN	MEMBER	INDEPENDENT DIRECTOR

AUDIT COMMITTEE

Name	Position	Type
PEDRO FERRERAS DIEZ	CHAIRMAN	INDEPENDENT DIRECTOR
FRANCISCO GARCÍA MOLINA	MEMBER	INDEPENDENT DIRECTOR
EDUARDO TRUEBA CORTES	MEMBER	INDEPENDENT DIRECTOR

NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Type
PEDRO ANGEL NAVARRO MARTÍNEZ	CHAIRMAN	INDEPENDENT DIRECTOR
PEDRO FERRERAS DIEZ	MEMBER	INDEPENDENT DIRECTOR
SOFÍA RODRIGUEZ SAHAGÚN	MEMBER	INDEPENDENT DIRECTOR

B.2.2 State whether any of the following duties are the responsibility of the Audit Committee:

	Yes	No
To supervise the process of preparation and the integrity of the financial information concerning the company and, if applicable, the group, checking compliance with regulatory requisites, the proper delimitation of the scope of consolidation and the correct application of the accounting criteria	X	
To check the internal control and risk management systems periodically so that the main risks are duly identified, managed and notified	X	

To ensure the independence and efficiency of the internal auditing function; to propose the selection, appointment, re-election and removal of the head of internal auditing; to propose the budget for that service; to receive periodic information regarding its activities; and to verify that senior management takes into account the conclusions and recommendations of its reports	X
To establish and supervise a mechanism permitting the employees to notify, in a confidential manner, and anonymously if appropriate, any potentially significant irregularities, particularly those of a financial or accounting nature, detected in the company	X
To submit to the Board the proposals of selection, appointment, re-election and replacement of the external auditor, as well as the conditions of the corresponding engagement	X
To receive information from the external auditor on a regular basis regarding the auditing plan and results of its execution, and to verify that senior management takes its recommendations into account	X
To ensure the independence of the external auditor	X
In the case of groups, to encourage the auditor of the group to assume the responsibility for the audits of the companies of the group	X

B.2.3 Describe the organisational and operational rules and responsibilities attributed to each of the Board Committees.

Articles 40 and 41 of the Company Bylaws and Article 29 of the Board Regulations provide that the Board must set up and permanently maintain an Audit and Control Committee and a Nomination and Remuneration Committee, further being authorised to set up an Executive Committee and as many other Committees as deemed appropriate.

1. EXECUTIVE COMMITTEE

Pursuant to Article 40 of the Bylaws and Article 30 of the Board Regulations, the Executive Committee shall consist of a minimum of three and a maximum number of eight members.

The Board of Directors shall appoint the directors who are to form the Executive Committee, ensuring that the qualitative composition based on the different types of Directors is similar to that of the Board itself, the Chairman of the Board acting as Chairman of the Executive Committee and its Secretary shall be the Secretary of the Board, the latter may be assisted by the Vice Secretary. In the absence of the Chairman of the Executive Committee, the duties shall be carried out by the member chosen for such purpose by the other members.

The members of the Executive Committee shall vacate their position when they do so in their capacity as Directors, or when it is so agreed by the Board.

The Executive Committee shall hold its meetings at least once a month, with the possibility of calling an extraordinary meeting when company interests so dictate. In addition to the calling of each meeting, the Executive Committee members shall receive the relevant documentation in order to form an opinion and vote on the matter.

The Executive Committee shall be duly constituted when there are at least half of the members plus one, taking into account members present and represented. The Board of Directors, through the Chairman, shall be notified of the matters dealt with and the resolutions of the Committee, a copy of the minutes shall be sent to all Directors.

This Committee performs the duties of day-to-day Company management delegated by the Board, in addition to the preparation of the proposal or report regarding strategic decisions and those of investments and disinvestments which may be of relevance to the Company or to the Renta 4 Group.

The Executive Committee shall be governed by the Bylaws and the Board Regulations of the Company, provided that this is not incompatible with its nature.

2. AUDIT AND CONTROL COMMITTEE

In accordance with Articles 42 of the Bylaws and 31 of the Board Regulations, the Audit and Control Committee shall be constituted by a minimum of three Directors, who shall be appointed by the Board on the basis of their knowledge and experience in accounting, auditing or risk management, all the members being external directors and the Board shall appoint the Chairman from amongst these. The Chairman must be an independent director and shall remain in the position for no longer than four years, not taking into account re-election or continuity as member of the Committee. A Vice-president may also be appointed.

The mandate of the Committee members may not exceed that of their mandate as Directors, not taking into account that they may be re-elected indefinitely as long as they are Directors.

Members who have held the position of Committee Chairman may not resume the position unless at least one year has passed since leaving office.

The Board shall appoint a Secretary, and if applicable, a Vice Secretary, who may not be a member of the Board. The Vice Secretary shall assist the Chairman and must try to ensure the good performance of the Committee, being responsible for duly preparing the minutes, the development of the meetings, the content of the items discussed and the resolutions adopted, drawing up the minutes for such purposes.

This Committee is duly constituted when there are at least half of the members plus one, taking into account members present and represented. Resolutions shall be adopted by a majority of members present or represented, the Chairman having the casting vote in the event of a tie.

The Committee shall meet as many times as the Chairman deems necessary for the proper performance of its duties and, as a minimum, once per quarter.

The Audit and Control Committee shall have the primary mission of assisting the Board of Directors in carrying out its supervisory duties through periodic revision of the process of preparing economic-financial information, internal controls and the independence of the external auditor.

The Audit and Control Committee shall prepare an Action Plan for the financial year and inform the Board of Directors of the same.

Finally, with regard to the Committee, where there is no express provision and the nature and duties make it possible, the provisions relating to the functioning of the Board in the Bylaws and Board Regulations shall be of supplementary application.

3. NOMINATIONAND REMUNERATION COMMITTEE

Pursuant to Articles 42 of the Bylaws and Article 32 of the Board Regulations, the Nomination and Remuneration Committee shall be constituted by a minimum of three members appointed by the Board from amongst its non-executive members, the majority of its members being independent directors and the Chairman of the Board being chosen from the latter.

Likewise, the Board of Directors shall appoint a Secretary, who may not be a member of the same, and who shall assist the Chairman and must try to ensure the good performance of the Committee, being responsible for duly preparing the minutes, the development of the meetings, the content of the items discussed and the resolutions adopted, drawing up the minutes for such purposes.

The mandate of the Nomination and Remuneration Committee members may not exceed that of their mandate as Directors, without prejudice to their being re-elected indefinitely as long as they are Directors.

This Committee shall be duly constituted when there are at least half of the members plus one, taking into account members present and represented. Resolutions shall be adopted by a majority of members present or represented, the Chairman having the casting vote in the event of a tie.

The Committee shall meet as many times as the Chairman deems necessary for the proper performance of its duties and, as a minimum, once per quarter.

The Nomination and Remuneration Committee shall focus its activities on the support and assistance of the Board of Directors, particularly in relation to the proposals of appointment, reelection, ratification and removal of Company Directors and Senior Management, the control of directors' compliance with duties, especially in relation to situations of conflicts of interest and related transactions, and the supervision of compliance with Internal Codes of Conduct and the Rules of Corporate Governance.

As with the Audit and Control Committee, the Nomination and Remuneration Committee shall prepare an Action Plan for the financial year and shall inform the Board of Directors of the same.

Finally, with regard to the Committee, where there is no express provision and the nature and duties make it possible, the provisions relating to the functioning of the Board in the Bylaws and Board Regulations shall be of supplementary application.

B.2.4 State any advisory and consulting powers and, where applicable, the powers delegated to each of the committees:

Committee Name	Brief description
EXECUTIVE COMMITTEE	The Executive Committee has all the powers of the Board of Directors delegated to it, except those which may not be delegated by law or by the Bylaws.
AUDIT AND CONTROL COMMITTEE	The Audit and Control Committee has the following advisory and consulting powers: a) It informs the General shareholders' meeting about matter proposed by shareholders which are of its competence. b) With regard to the external auditor: (i) submitting to the Board of Directors the proposals of selection, appointment, re-election and replacement of the external auditor, as well as the conditions of engagement; (ii) regularly receiving information from the external auditor regarding the auditing plan and the results of its execution, and verifying that senior management takes the recommendations into account; (iii) ensuring the independence of the external auditor and, for such purpose the Company shall notify the CNMV about the change of auditor as a relevant event and shall accompany this with a declaration regarding the possible existence of disagreements with the outgoing auditor and if so, the content of such disagreement, and in the event of the resignation of the external auditor, it shall examine the circumstances leading to such; (iv) encouraging the auditor of the Company to assume responsibility for the auditing of the companies which, if applicable, form part of the group. c) The supervision of the management of Company internal auditing services to ensure the proper performance of internal information and control systems, particularly in relation processes affecting the integrity of financial information regarding the Company, and where applicable, its group, the head of internal auditing being obliged to present its annual work plan to the Committee, and to directly report to the same any incidents which may arise in carrying out the plan, as well as submitting a report on its activities at the end of each financial year. d) Knowledge of the financial information procedures and the control and management of internal risks systems associated with the relevant risks of the Company, so that these may be identified, managed and properly reported, ensuring the independence and efficiency of the internal auditing function, proposing the selection, appointment, re-election and removal of the head of internal auditing, as well as the budget for said service, receiving periodic information on its activities and verifying that senior management take into account the conclusions and recommendations of its reports. e) Informing the Board of Directors previously about: (i) financial information which, due to its status as a listed company, the Company is periodically obliged to disclose, ensuring that interim accounts are prepared with the same accounting criteria as annual accounts, and for this purpose, if shall consider the appropriateness of a limited revision of the external company auditor; (ii) the creation or acquisition of shares in special purpose vehicles or those domiciled in countries or territories considered tax havens, as well as any transactions or operations of similar nature which, due to their complexity, may impair the transparency of the group to which the Company belongs; (iii) and related operations f) Receiving written communications from employees confidentially, but not anonymously, regarding possible irregularities of potential importance, especially those of finance and accounting, detected within the Company or in the group companies. g) Ensuring compliance with the Internal Codes of Conduct and the Rules of Corporate Governance, as well as the regulations of the financial instruments markets. h) Supervising the performance of functions attributed to the area responsible for the prevention of money laundering, and being aware of the reports and proposals presented in this respect. i) Issuing the reports and proposals set forth in the Bylaws and in the Board Regulations and any others requested by the Chairman of the Board..
NOMINATION AND REMUNERATION COMMITTEE	The Nomination and Remuneration Committee has the following advisory and consulting powers: a) Evaluating the competences, knowledge and experience necessary in the Board, defining the functions and aptitudes necessary in candidates for each vacancy, and evaluating the time and dedication needed to perform the charge well b) Examining or organising in the manner deemed proper, the succession of the Chairman and of the managing director and, when applicable, making proposals to the Board, so that the succession make proceed in an orderly or well-planned manner. c) Reporting the proposals of appointment, removal and re-election of directors submitted to the General Meeting, as well as the proposals for appointment by cooption d) Reporting the appointments and removals of senior managers which the Managing Director submits to the Board. e) Ensuring the observance of the remuneration policy established by the Company and, in particular, submitting to the Board the remuneration policy of directors and senior management, the individual remuneration of managing directors and other conditions of their contracts, and the basic conditions of the contracts of senior managers. f) Ensuring that selection processes of directors do not discriminate on the grounds of gender. .

B.2.5 Indicate, if applicable, any regulations governing the Board committees, where these are available for consultation, and any amendments made during the financial year. State whether any annual report has been voluntarily drawn up in relation to the activities of each Committee.

The Bylaws, and specifically, Articles 30, 31 y 32 of the Board Regulations set forth the composition and functions of the Executive Committee, the Audit and Control Committee and the Nomination and Remuneration Committee. Likewise, the Board Regulations provide the Committees regulating their own functioning, provided that this is in accordance with the Bylaws and Board Regulations. In addition, the Board Committees have carried out a process of self-evaluation within the general framework of evaluating the performance of the Board.

B.2.6 State whether the composition of the Executive Committee reflects the participation on the Board of the different directorships based on their type:

Yes ✓ No

If not, describe the composition of the Executive Committee

C RELATED OPERATIONS

C.1 Indicate whether the Board in full has reserved the right to approve, after receiving a favourable report from the Audit Committee, or any other Committee entrusted with doing so, the operations which the company carries out with directors, significant shareholders or shareholders represented on the Board, or with persons related to them:

Yes ✓ No

C.2 List any relevant operations involving a transfer of resources or obligations between the company or group companies and the significant shareholders of the company:

C.3 List any relevant operations involving a transfer of resources or obligations between the company or group companies and the Company's managers or Directors:

Name or company name of the managers or directors	Name or company name of the company or entity of its group	Type of relationship	Type of operation	Amount (thousand euro)
Mr. Francisco de Asís García Molina	Renta 4 S.V., S.A, S.A.	Contractual	Rendering of services	15
Mr. Francisco de Asís García Molina	Renta 4 Servicios de Inversión, S.A.	Corporate	Dividends and other benefits distributed	2
Mr. Pedro Ángel Navarro Martínez	Renta 4 S.V., S.A, S.A.	Contractual	Rendering of services	32
Mr. Pedro Ángel Navarro Martínez	Renta 4 Servicios de Inversión, S.A.	Corporate	Dividends and other benefits distributed	19
Mr. Pedro Ferreras Díez	Renta 4 Servicios de Inversión, S.A.	Corporate	Dividends and other benefits distributed	4
Mr. Eduardo Trueba Cortés	Renta 4 Servicios de Inversión, S.A.	Corporate	Dividends and other benefits distributed	2
Mr. Eduardo Trueba Cortés	Renta 4 S.V., S.A.	Corporate	Financial income	1
Ms. Sofía Rodríguez-Sahagún Martínez	Renta 4 Servicios de Inversión, S.A.	Corporate	Dividends and other benefits distributed	3
Mr. Miguel María Primo de Rivera Urquijo	Renta 4 S.V., S.A., S.A.	Contractual	Rendering of services	30
Mr. Miguel María Primo de Rivera Urquijo	Renta 4 Servicios de Inversión, S.A.	Corporate	Dividends and other benefits distributed	4
Mr. Jesús Sanchez Quiñones	Renta 4 Servicios de Inversión, S.A.	Contractual	Financing Loans	92
Mr. Jesús Sanchez Quiñones	Renta 4 S.V., S.A., S.A.	Contractual	Rendering of services	2
Mr. Jesús Sanchez Quiñones	Renta 4 Servicios de Inversión, S.A.	Contractual	Amortization of Loans	12

Name or company name of the managers or directors	Name or company name of the company or entity of its group	Type of relationship	Type of operation	Amount (thousand euro)
Mr. Jesús Sanchez Quiñones	Renta 4 Servicios de Inversión, S.A.	Corporate	Dividends and other benefits distributed	65
Mr. Santiago Gonzalez Enciso	Renta 4 S.V., S.A., S.A.	Contractual	Rendering of services	25
Mr. Santiago Gonzalez Enciso	Renta 4 S.V., S.A., S.A.	Contractual	Beneficiary of services	19
Mr. Santiago Gonzalez Enciso	Renta 4 Servicios de Inversión, S.A.	Corporate	Dividends and other benefits distributed	103
Mr. Juan Luis López García	Renta 4 S.V., S.A., S.A.	Contractual	Financing Loans	1.364
Mr. Juan Luis López García	Renta 4 S.V., S.A., S.A.	Contractual	Rendering of services	2
Mr. Juan Luis López García	Renta 4 Servicios de Inversión, S.A.	Corporate	Dividends and other benefits distributed	66
Mr. José Ignacio García-Junceda Fernández	Renta 4 S.V., S.A., S.A.	Contractual	Financing Loans	1.003
Mr. José Ignacio García-Junceda Fernández	Renta 4 Servicios de Inversión, S.A.	Corporate	Dividends and other benefits distributed	31
Mr. Luis Muñoz Seco	Renta 4 S.V., S.A., S.A.	Contractual	Financing Loans	624
Mr. Luis Muñoz Seco	Renta 4 Servicios de Inversión, S.A.	Corporate	Dividends and other benefits distributed	37
Mr. Juan Carlos Ureta Domingo	Renta 4 Servicios de Inversión S.A	Contractual	Rendering of services	2
Mr. Juan Carlos Ureta Domingo	Renta 4 Servicios de Inversión S.A	Contractual	Guarantees received	10.244
Mr. Juan Carlos Ureta Domingo	Renta 4 Servicios de Inversión, S.A	Corporate	Dividends and other benefits distributed	2.926

C.4 List any relevant operations between the Company and group other companies which are not eliminated in the process of preparing the consolidated financial statements and which do not form part of the Company's normal trading in relation to their subject and conditions:

Company name of the group company	Brief description of operation	Amount (thousand euro)

C.5 State whether any conflicts of interest involving any members of the Board, pursuant to Article 227 of the consolidated text of the Corporate Enterprises Act, have arisen during the financial year.

Yes No ✔

Name or company name of director	Description of situation of conflict of interest

C.6 List the mechanisms provided for detecting, determining and resolving any possible conflicts of interest between the company and/or its group and its directors, managers or significant shareholders.

The Board Regulations and the Internal Code of Conduct regulate the possible conflicts of interest between the company and/or its group and its directors and senior managers.

Article 17 of the Board Regulations states:

"Article 17. Conflicts of interest

1. A conflict of interest exists in those situations where, directly or indirectly, the interests of the Company or of the group companies collide. A personal interest of the director is deemed to exist when the matter affects the same or a person related to the same.

For the purposes of the Regulations, Persons Related to the director are the following:

a) The director's partner or the persons having a similar relationship of affection.

b) The ascendants, descendents and siblings of the director or of the directors' partner (or person having a similar relationship of affection).

c) The partners of the ascendants, descendents and siblings of the director.

d) The companies in which the director, on his/her own behalf or through a representative, falls within one of the situations set forth in Article 4 of Law 24/1988, 28 July of the Securities Market.

As regards the legal person of the director, a Related Person shall be understood to mean the following:

a) Partners who, as regards the legal person of the director, fall within the situations set forth in Article 4 of Law 24/1988, 28 July of the Securities Market

b) Companies, and their partners, forming part of the same group as defined in Article 4 of Law 24/1988, 28 July of the Securities Market

c) Representatives of the physical person, receivers in fact or in law, liquidators and legal representatives having general powers of the legal person of the director.

d) Persons who, in relation to the representative of the legal person of the director, are considered Related Persons pursuant to the above paragraph for the physical person of the director.

2. The situations of conflict of interest shall be governed by the following:

a) Communication: the director shall notify the Board of Directors, through the Chairman or Secretary, of their involvement in any situation of conflict of interest.

b) Abstention: the director may not carry out, directly or indirectly, professional or commercial operations with the Company, unless he/she previously reports the situation of conflict of interests to the Board for approval of the operation. The director must abstain from attending the meetings and from intervening in the deliberation and voting stages regarding those matters in which a conflict of interest has arisen. In the case of proprietary directors, they must abstain from voting on the mattes which could involve a conflict of interests between shareholders proposing their appointment and the Company.

c) Transparency: any situation of conflict of interests of directors shall be reported by the affected party, or by any other means, in the Company's Annual Corporate Governance Report.

d) The provisions of this Article could be developed through any corresponding rules which the Board may issue".

Paragraph VI of the Internal Code of Conduct provides:

"Definition and general principles.

6.1 It is the policy of the RENTA 4 Group that when performing these duties, employees provide their professional service with the maximum level of confidentiality, honour and efficiency. Therefore, employees are not permitted to be involved in private activities or in external interests which may endanger the integrity or reputation of the Group.

6.2 A conflict may arise when the activity or interest of a director or employee is incoherent with the interests of the RENTA 4 Group and/or its client.

6.3 The companies which make up the RENTA 4 Group are obliged to obtain information regarding its directors and employees in relation to the possible conflicts of interest in which they are involved, due to their family relationships, personal wealth, or for any other reason, as well as maintaining this information up-to-date.

This activity is governed by two general principles:

a) Independence. The directors and employees shall act at all times with freedom of judgement, royalty to the RENTA 4 Group and to its shareholders, independently of their own or outside interests.

b) Abstention. The directors and employees must abstain from intervening or influencing in the adoption of decisions which may affect persons or entities with which a conflict exists, or from gaining access to confidential information affecting said conflict.

Interests, activities and employment outside the Group.

6.4 The executives and employees of RENTA 4 may not be involved in private activities, nor have interests outside the Group which could give rise to conflicts of interest or which may potentially put at risk the reputation of the companies in the Group.

6.5 The directors and employees of the group may not work for another company, except when the Managing Director of the corresponding area and the Committee of Regulatory supervision grant the necessary authorisation.

Financial relationships with clients.

6.6 The directors and employees, in order to avoid possible conflicts of interests, may not maintain financial relationships with clients.

6.7 It is prohibited, as a form of example, but without limitation:

- To make private agreements between the director or employee and the client.

- To borrow or lend money from a client, an exception being made for operations carried out with credit entities on a personal level and unrelated to the professional activity.

Information regarding potential and real conflicts of interest.

6.8 The directors and employees of the RENTA 4 Group shall have an updated and permanent written statement containing:

- Economic or family relationships, or those of other types of clients of the RENTA 4 Group.
- Relationships due to services related to the securities market.

- Relationships with professional investors, such as managers of collective investment funds, pension funds.

- Relationships with significant suppliers, including those providing legal or auditing services.

- Relationships with companies listed on the Stock Exchange or other markets, as well as those entities included within the scope of operation of Royal Decree 629/1993.

6.9 Relationships include the direct or indirect holder of a stake exceeding 5% of the capital in client companies of the RENTA 4 Group, or 1% in companies listed on the Stock Exchange or other markets, as well as those entities included within the scope of Royal Decree 629/1993.

6.10 Relationships include relatives or family members up to the second degree, by blood or affinity (ascendants, descendants, siblings or their partners) with clients or with persons who perform duties of management or direction in the client companies or listed companies. In the event of a reasonable doubt in this respect, the directors or employees are obliged to consult the Committee of Regulatory Supervision.

Likewise, the statement may include relationships other than those set forth hereinabove which in the opinion of an impartial observer could lead to a potential conflict of interest.

C.7 Is more than one of the Group companies listed in Spain?

Yes No ✓

Identify the subsidiary companies listed in Spain:

Subsidiary companies listed

State whether the area of activity and business relationships between them have been clearly and publicly defined, as well as the listed dependent company in relation to the other group companies;

Yes No

Define the possible business relationships between the parent company and the listed subsidiary, and between the latter and other group companies

Identify the mechanisms in place to resolve possible conflicts of interest between the listed subsidiary and the other group companies:

Mechanisms to resolve possible conflicts of interest

D RISK CONTROL SYSTEMS

D.1 Provide a general description of the risk policy in the Company and/or its group, giving details and evaluating the risks covered by the system, as well as an explanation of the extent to which these systems match the profile of each type of risk.

The Renta 4 Group comprises a group of companies which provide specialist savings and investment services and are independent of any financial or industrial group. For this reason, the evolution of the financial sector is of particular importance and may have a significant effect on the results.

In accordance with the above, the basic risks which are likely to affect the Renta 4 Group, as well as the measures adopted for alleviating their impact should they arise, are those set out hereinbelow:

1. Legal risk

This is the risk assumed by the Renta 4 Group by virtue of possible regulatory breaches or infringements. In particular, the legal risk for Renta 4 may derive from improperly documented or formalised contracts which could lead to sanctions for the Company.

For these purposes, all contractual relations with clients must be documented and formalised pursuant to the law in force.

In addition, and in light of the current policy of commercial expansion, special attention is paid to the training and knowledge of the heads of the commercial network to ensure the proper formalisation of the contracts between clients and suppliers.

2. Credit risk

A credit risk is understood as a client, entity or any counterpart not complying with the undertakings entered into with Renta 4.

To reduce this risk, the following specific proceedings are established to avoid unpaid balances or securities. Notwithstanding this, and exceptionally, individual situations which are properly authorised may be tolerated. These situations shall always be subject to the credit guarantee of the client.

The risk evaluation of the counterpart shall be carried out on the basis of credit ratings of the principal agencies providing such information, selecting those of greater standing and experience.

3. Market risk

This refers to the risks pertaining to the sector in which Renta 4 carries out its activity, that is, investment services.

To control this risk, limits shall be established so that at any time, when faced with market price variations, losses are limited to the predefined maximum. The controls established shall be fixed on the basis of the conditions of the different assets and the importance of the risk inherent to each market. Within this type of risk particular relevance is given to the concept of VaR (Value at Risk or maximum potential loss which a portfolio may suffer in current market conditions), which is included in the risk detection systems.

The Group obtains most of its revenues from brokerage services. The securities market is directly affected by domestic and international economic conditions and the fluctuations in price and volume levels of securities transactions, all of which are beyond the control of the Group. The volatile nature of the stock market may generate an increase in the volume of transactions and an increase in revenues, yet it may also cause a significant decrease affecting the Profit and Loss Account. As a consequence, market fluctuations may have a negative effect on the business and the results of its operations.

4. Operational risk

Operational risk refers to human errors, deficiencies in internal control systems or failures in the systems implemented.

On carrying out a large volume of orders, the Group is exposed to risks associated with human errors and omissions, the malfunctioning of internal control procedures and failures in any of the key technologies the trading system uses.

In order to reduce this risk the company has imposed some minimum requisites on the training of employees, in addition to primary controls in the different employment posts, such that the control routines are integrated into every task performed.

Improvements to the computer systems contribute to the establishment of better controls, and the decreasing number of manual processes reduces human errors.

5. Risk of liquidity

As the name itself indicates, the liquidity risk refers to a cash flow problem, normally due to cash timing differences between the credits and debits in the cash balance.

To control this risk, and to comply with the legal requirements regarding coefficients and payment undertakings with third parties, the liquidity coefficient is calculated and revised on a daily basis.

6. Risk of theft, fraud or embezzlement

This risk refers to the risk of theft, fraud or embezzlement by clients, representatives, employees or directors.

To avoid this risk it is vital to count on upright directors and staff with high ethical and professional values. No director or employee shall be permitted to behave in an illegal manner, or in an improper manner regarding the ethical rules of professional conduct.

As regards the representatives, their selection is carried out on the basis of their accredited professionalism and integrity, but this does not impede the implementation of specific rules of internal audit and control.

All employees and representatives of Renta 4 must be submitted to the Internal Rules of Conduct (IRC), by which the ethical rules of action are established.

In addition, with the purpose of minimising this type of risk, the RENTA 4 Group has an insurance policy to cover the risk.

Furthermore, in relation to clients, situations which could potentially lead to fraud shall not be permitted.

7. Risk of dependence on key technology and communication systems

The activity of the RENTA 4 Group depends, to a great extent, on the performance, reliability and integrity of the telecommunication and information technology systems, as well as the electronic systems supporting them. This is especially so since the development of the on-line trading system, as the group receives purchase and sale orders and provides services through electronic means, including Internet.

In this regard, the Central Services and the offices and branches are connected by communication systems for data transfer.

The business may be seriously affected by viruses, security breaches by "Hackers" and other "web delinquents" who attempt to gain access to information, or by other inappropriate uses of the network resources.

For these purposes, the RENTA 4 Group relies on the technology of encryption and authentification to achieve the necessary security to provide safe transfer of confidential information.

8. Reputational risk

This risk is a consequence of the investment activities, recommendations, publications, etc., which could lead to a deterioration of the image and reputation of the RENTA 4 Group.

For this reason, media relations in general fall within the duties of the Group Chairman, who must value the system in order to satisfy the demand for information requested.

D.2 Indicate whether any of the different types of risk affecting the company and/or its group (operational, technological, financial, legal, reputational, fiscal…) have materialised during the financial year:

Yes No ✓

During the year 2010 no important risk materialised which could have affected the normal functioning of the activities of the RENTA 4 Group, the control systems having performed satisfactorily.

If so, please indicate the circumstances which led to the risk and whether the established control mechanisms proved to be effective.

Risk materialised during the financial year	Circumstances that led to the risk	Effectiveness of control systems

D.3 State whether there is a committee or other governing body in charge of establishing and supervising these control systems:

Yes ✔ No

If so, give details of its duties.

The organisational structure of the RENTA 4 Group has various bodies and committees whose duties and responsibilities include the supervision of the risk identification and control systems.

Name of Committee or Body	Description of functions
UNIT OF RISK CONTROL	This body is directly responsible to the Board of Directors. The Unit of Risk Control carries out its duties over all the entities included within the scope of consolidation of the RENTA 4 Group and is responsible for implementing the established control systems and culture, and for revising the internal control procedures and systems, and monitoring their compliance. In addition, the Unit of Control is in charge of reporting all breaches of the control rules.
AUDIT AND CONTROL COMMITTEE	The Audit Committee is attributed with the following duties: - The supervision of the management of the Company's internal auditing services which safeguard the good performance of the internal information and control systems, particularly in relation to the proper preparation of the financial information of the Company and Group. - To understand the process of financial information and systems of control and internal risk management associated with the relevant risks of the Company, such that these are properly identified, managed and reported, to safeguard the independence and effectiveness of the internal auditing function, to propose the selection, appointment, re-election and removal of the head of internal auditing, as well as the budget for such service, receiving periodic information regarding the activities and verifying that senior management take the conclusions and recommendations of the reports into account. - To supervise the performance of the duties attributed to the area responsible for the prevention of money laundering and to be aware of the reports and proposals which are presented in this regard.

D.4 Identify and describe the processes for compliance with the different regulations affecting the company and/or its group.

The Group has the specific areas of Internal Auditing, Legal, Fiscal and Human Resources, which in co-ordination with the Unit of Risk Control and Company Management are responsible for applying the law in force relating to each case.

In addition, and pursuant to Article 31. 3 of the Board Regulations, the Audit and Control Committee shall monitor compliance with the internal codes of conduct, the rules of corporate governance and the regulations on financial instruments applicable to the Company.

E GENERAL MEETING

E.1 Indicate, and where applicable, provide details as to whether there are any differences from the minimum regime set forth in the consolidated text of the Corporate Enterprises Act (LSC in the Spanish acronym) in relation to the quorum established in the Bylaws relating to the General Meeting

Yes No ✔

	% of quorum other than that established in Art. 193 LSC for general cases	% of quorum other than that established in Art. 193 LSA for special cases listed in Art. 194
Quorum required for 1stcall to meeting		
Quorum required for 2nd call to meeting		

Description of the differences

E.2 Indicate, and where applicable, provide details of any differences from the regime provided in the consolidated text of the Corporate Enterprises Act (LSA) in relation to the adoption of corporate resolutions:

Yes No ✔

Describe any differences from the regime set forth in the LSA.

	Reinforced majority other than that established in art. 103.2 LSA for cases listed in art. 103.1	Other cases of reinforced majority
% established by company for the adoption of resolutions		
Describe the differences		

E.3 List shareholders' rights regarding the General Meetings, other than those set forth in the LSA.

The shareholders' rights established in the Bylaws are the same as those set forth in the consolidated text of the Corporate Enterprises Act (LSC) and are also established in the General Meeting Regulations.

E.4 Specify any measures adopted to foster shareholder participation in general meetings.

Notwithstanding the high shareholder participation in General Meetings, either by way of physical presence or by proxy representation, article 25.5 of the General Meeting Regulations provides the possibility for shareholders to exercise their voting rights by mail or electronic communication, in the latter case provided that the Board of Directors so agrees, making it public in the calling of the Shareholders General Meeting.

Furthermore, through its web-site (www.renta4si.com), the Group maintains company shareholders permanently informed.

E.5 Indicate whether the Chairman of the Board chairs the General Meeting. If so, list the measures adopted to ensure the independence and proper development of the General Meeting:

Yes ✔ No

Details of measures
As far as verifying the valid constitution of the meeting, the company has the systems necessary for carrying out the computerised control and calculation of the representations, as well as for preparing the list of attendees, present and represented, at the General Meeting. Such information is incorporated in the minutes of the meeting with the calculation of the quorum of constitution and adoption of resolutions (Article 17 of the Regulations of the General Meeting). The same computer systems are also used in the resolution of doubts, clarifications and complaints which may arise regarding the list of attendees. As regards the activity of the Chairman when giving the floor to the shareholders, in accordance with Article 23 of the General Meeting Regulations, the Chairman: "may extend, when deemed necessary, the time initially allocated to each shareholder and, in addition, may refuse to give the floor when a matter is deemed sufficiently debated. b. may request that the participants clarify matters which have not been understood, or which have not been sufficiently explained during the intervention.; c. may call the intervening shareholders to order so that they limit their intervention to matters of the General Meeting, and that they abstain from making inappropriate declarations, or from exercising their right in an abusive or obtrusive manner; d. may announce to the participants that the time of their intervention is coming to an end so that they may adjust their intervention and give up the floor when the time granted is at an end. e. may consider the intervention capable of altering the agenda and normal development of the meeting, and may demand that they immediately give up the floor, and if necessary taking it from them. .

E.6 Indicate any amendments to the Regulations of the General Meeting during the financial year.

E.7 Indicate the attendance data for the General Meetings held during the financial year of this report:

Attendance data

			% remote voting		
Date of General Meeting	% attending in person	% by proxy	e-voting	Other	Total
29-04-10	45,34	18,84	0	0	64´18%

E.8 List briefly the resolutions adopted in the General Meetings held in the financial year of the report and the percentage by which each resolution was passed.

The Ordinary General Meeting held on 29.04.10 adopted the following resolutions, all of them approved for a majority superior to 99% of the present or represented share capital in the meeting:

1 .- Examination and approval, if the case may be, of the Annual Accounts and Management Report of the Company, as well as the consolidated Annual Accounts and Management Report with its subsidiaries, corresponding to the financial year ended 31 December 2009.

2.- Examination and approval, if the case may be, of the application of the results of the financial year 2009.

3.- Examination and approval, if the case may be, of the management of the Board of Directors during the financial year 2009.

4.- Re-election of the Auditors of the Company and the Consolidated Group.

5.- Authorization, if needed, to the Board of Directors, according to article 153.1 b) of the Listed Companies Act to, if is considered convenient, increase the Company's share capital by half of its amount, through one or several increases ,in the terms and through the means considered adequate,with power to exclude the right refusal.

6.- Delegation to the Board of Directors of the power to issue once or various times, on behalf of the Company, (i) debentures or simple bonds, notes and other fixed-income securities of a like nature, as well as preferred stock, within the limits and terms set out in the management body report; and (ii) debentures and/or convertible bonds into new shares of the Company and/or exchangeable for shares in the Company or in any third entity, as well as warrants on new or existing shares of the Company, within the limits and terms set out in the management body report, with an allocation in the last case of the power to exclude the pre-emptive right of shareholders; and authorization for the Company to guarantee, within the limits set forth above, new issuances of securities by subsidiaries; all the foregoing with the express power of delegation and within a maximum period of five years.

7.- Delegation of powers for the filing of resolutions drawn up in the minutes of the meeting, as well as the required filing of the annual financial statements

E.9 State whether the Company Bylaws establish any restriction on the minimum number of shares required to attend the General Meeting:

Yes No ✓

Number of shares necessary to attend the General Meeting

E.10 Indicate and explain the policies of the company in relation to proxy voting at the

General Meeting.

The proxy voting regime at the General Meeting is set forth in Article 14 of the Regulations of the General Meeting, which provides:

> "1. Shareholders with right of attendance may delegate their representation by proxy to another person, even if such person is not a shareholder.
>
> The proxy must be conferred in accordance with the terms and scope established by Law, in writing and specific to each General Meeting, except in the case of partners, ascendants or descendants of the party represented or legal representative, stipulated in a public deed as empowered to administer all the shareholder's assets in the national territory.
>
> 2. The proxy may also be granted by postal correspondence, remitting a document to the Company expressing the proxy granted and accompanied by the attendance card issued by the Company or entities in charge of keeping the shareholder register. Notwithstanding this, the attendance card may be sufficient when such card provides for proxy through postal correspondence.
>
> The proxy may also be granted by other means or remote communication, provided that such means are expressly permitted by the Board of Directors on the calling of each General Meeting, this being made public in the notice of call and at the Company web-site.
>
> 3. The proxy granted by any of the means of remote communication cited must be received by the Company five (5) hours prior to the date and time established for holding the General Meeting on first call. If this is not the case, the proxy shall be deemed invalid.
>
> 4. The Chairman and the Secretary of the General Meeting or the person appointed by the same shall have unlimited authority for allowing the validity of the document or the means of accreditation of the proxy, being obliged to consider invalid only that which lacks the necessary minimum requirements and provided this cannot be rectified.
>
> 5. In the cases in which the Company directors make a public request to be represented by proxy, the rules of the Listed Companies Act, the Securities Market Act, and the implementing regulations shall be applied. In particular, the document expresing the power must contain or be accompanied by the agenda, as well as the application for instructions for exercising the voting right and the indication of how the proxy representative shall vote in the event that instructions are not given, or are not precise. The delegation may also include those items which, although not on the agenda, may be considered, as they are permitted by Law. The Board may replace the representative director for another member attending the General Meeting when such representative falls within a conflict of interests which may impede the proxy voting.
>
> 6. The proxy may be revoked at any time. The attendance of the shareholder at the General Meeting implies the revocation of any delegation, whatever the date may be."

E.11 State whether the company is aware of the institutional investors' policy on whether or not to participate in making company decisions.

Yes No ✔

Describe the policy

E.12 Indicate the address and mode of access to corporate governance on the web-site.

www.renta4si.com http:///: see section Information for Shareholders and Investors.

F DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

State the degree of compliance with the recommendations of the Unified Code of Good Governance.

If the company fails to comply with any of such recommendations, state the recommendations, rules, practices or criteria the company applies.

1. The Bylaws of listed companies cannot limit the maximum number of votes held by a single shareholder, nor may they contain any other restrictions which impede the company's takeover through share acquisition in the market.

See sections: A.9 , B.1.22 , B.1.23 and E.1 , E.2.

Compliance ✓ Explanation

2. When the parent Company and a subsidiary are listed separately, they must both define with precision:

a) The type of activity they engage in and any possible business deals between them, as well as between the listed subsidiary and other companies in the group;

b) The mechanisms in place to resolve possible conflicts of interest which may arise;

See sections: C.4 y C.7

Compliance ✓ Partial Compliance Explanation Not applicable

3. Even if not expressly required by company law, operations involving changes to the company structure shall be submitted to the General Shareholders' Meeting for approval or ratification, and especially the following:

a) The conversion of listed companies to holding companies through the subsidiarisation or incorporation to dependant entities of core activities previously carried out by the company itself, even though the latter retains full control of such entities;

b) The purchase or disposal of key operating assets which would effectively alter the company's corporate purpose;

c) Those operations whose effect would be equivalent to the company's liquidation;

Compliance Partial Compliance Explanation ✓

It has been decided not to include the present recommendation in order not to reduce the effectiveness of the Board of Directors, as these are operations which may require rapid decision-making processes for reasons of opportunity, and further, because there are sufficient legal mechanisms of protection for the shareholders and the Company, without prejudice to the Board informing the General Meeting about such operations.

4. The detailed proposals of agreements to be adopted at the General Meeting, including the information to which Recommendation 28 refers, shall be made public at the time of publishing the call for the General Meeting.

Compliance ✓ Explanation

5. Separate votes shall be taken at the General Meeting on materially separate items in order for shareholders to be able to express their preference on each item. This rule applies in particular to the following:

a) The appointment or ratification of directors which must be carried out with separate voting on each candidate;

b) In the event of amendments to Bylaws, articles or groups of articles which are materially different.

See sections: E.8

Compliance ✓ Partial Compliance Explanation

6 . Companies should allow the splitting of votes so that financial intermediaries legitimised as shareholders on record, but acting on behalf of different clients, may issue votes on their instructions.

See sections: E.4

Compliance ✓ Explanation

7 . The Board of Directors shall perform its duties with unity of purpose and independence of criteria and grant the same treatment to all shareholders. It shall, at all times, act in the best interests of the company, this to be understood as maximising the company's value over time.

Likewise, the Board shall ensure that the company abides by the laws and regulations in its relations with stakeholders; that it fulfils its obligations and contracts in good faith; that it respects the customs and good practices of the sectors and territories where it carries out its activities; and that it observes any additional principles of corporate responsibility it has voluntarily subscribed to.

Compliance ✓ Partial Compliance Explanation

8 . The core components of the mission of the Board shall consist of approving the company's strategy and the necessary organisation for such, as well as supervising and ensuring that Management fulfils its objectives and respects the company's interests and corporate purpose. To carry out these duties, the Board in full reserves the authority to approve:

a. The general policies and strategies of the company and, more specifically:

i. The strategic or business plan, as well as management targets and annual budgets;
ii. The investment and finance policy;
iii. The definition of the corporate group's structure;
iv. The corporate governance policy;
v. The corporate social responsibility policy;
vi. The policy of remuneration and evaluation of senior management;
vii. The risk control and management policy, as well as the periodic monitoring of internal information and control systems;
viii. The policy on dividends and treasury stock and in particular, the limits to apply.

See sections: B.1.10, B.1.13, B.1.14 and D.3

b. The following decisions :

i. At the proposal of the company's Chief Executive, the appointment and removal of senior managers, as well as their severance clauses.

See sections: B.1.14.

ii. The remuneration of directors, the additional remuneration for their management duties and other contractual conditions.

See sections: B.1.14.

iii. The financial information which listed companies are obliged to disclose periodically.

iv. Investments or operations of any type considered strategic due their large amount or special characteristics, unless their approval corresponds to the General Meeting;

v. The setting up or acquisition of special purpose vehicles or entities with registered addresses in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature which, due to their complexity, could impair the transparency of the group.

c. Transactions the company carries out with directors, significant shareholders or shareholders with Board representation, or other parties related thereto ("related-party transactions").

The authorisation of the Board shall not, however, be required for related-party transactions which fulfil the following three conditions:

1. They are carried out through standard contracts which are applied in mass to a large number of clients;

2. They are performed at prices or rates established on a general basis by the party supplying the goods or services in question;

3. Their amount does not exceed 1% of the company's annual revenues.

It is recommended that the Board approve related-party transactions only after having received a favourable report from the Audit Committee or, if appropriate, any other Committee assigned to carry out this task; and that the directors affected, in addition to not exercising or delegating their voting right, shall be absent from the meeting room while the Board deliberates and votes.

It is recommended that these competences attributed to the Board, may not be delegated, except those mentioned in b) and c), which can be delegated to the Executive Committee for reasons of urgency, subject to posterior ratification by the Board in full.

See sections: C.1 and C.6

Compliance ✓ Partial Compliance Explanation

9. The Board should be of such a size as to ensure efficient and participative operation, it therefore being advisable to have no less then five members and no more than fifteen.

See sections: B.1.1

Compliance ✓ Explanation

10. 10. The external proprietary and independent directors constitute an ample majority on the Board and the number of executive directors should be the minimum necessary, taking into account the complexity of the corporate group and the shareholding percentage of the executive directors.

See sections: A.2 , A.3, B.1.3 and B.1.14.

Compliance Partial Compliance ✓ Explanation

Out of nine directors who currently comprise the Board of Directors, three of them are executives, five independent and one other external director. Thus, the Board is comprised of six external or non-executive directors, which represent a wide majority of the Board members.

Nevertheless, it is not completely complied with the recommendation for the following reasons: on one hand, because among the external directors there is not any proprietary directors, as long as Mr. Juan Carlos Ureta Domingo, significant shareholder of the Company, is considered an executive director due to his condition of Chairman and Managing Director of the Board; and on the other hand, because one of the external directors is considered other external directors for reasons stated in section B.1.3.

11. In the event of an external director who may not be considered either proprietary or independent, the company must provide an explanation of such circumstance and the director's relations with the company, the managers, or shareholders.

See sections: B.1.3

Compliance ✔ Explanation Not applicable

12. 12. Amongst the external directors, the ratio of proprietary directors and independent directors should reflect the composition between the capital represented by proprietary directors on the Board and the remaining company capital.

This criteria of strict proportionality could be relaxed such that the weight of the proprietary directors is greater than would strictly correspond to the total percentage of capital they represent in the following cases:

1. In large cap companies where few or no equity stakes reach the legal threshold for significant shareholdings, yet where there are shareholders with high absolute value shareholdings.

2. In companies with a plurality of shareholders represented on the Board who are otherwise unrelated.

See sections:: B.1.3 , A.2 and A.3

Compliance ✔ Explanation

13. The number of independent directors represents at least one third of the total number of directors.

See sections: B.1.3

Compliance ✔ Explanation

14. The Board shall explain the nature of each director to the General Shareholders' Meeting which must make or ratify the appointment. This determination shall subsequently be confirmed or reviewed each year in the Annual Report on Corporate Governance, after verification by the Nomination Committee. The Annual Report on Corporate Governance shall also explain any appointments of proprietary directors representing shareholders with an equity stake inferior to 5% of the capital; and the reasons should also be given for any refusal of a formal request for a place on the Board from shareholders whose equity stake is equal to or superior to others at whose request proprietary directors have been appointed.

See sections: B.1.3 and B.1.4

Compliance ✔ Partial Compliance Explanation

15. When the number of female directors is few or non-existent, the Board should provide an explanation for this situation and the measures adopted for its correction; and in particular, the Nomination Committee should take steps to ensure that when new vacancies arise:

a) The selection procedures are not implicitly biased against female candidates;

b) The company makes a deliberate effort to include females amongst the potential candidates with the desired professional profile.

See sections: B.1.2, B.1.27 and B.2.3.

Compliance ✔ Partial Compliance Explanation Not applicable

16. As the Chairman is responsible for the proper functioning of the Board, he or she will ensure that directors are in possession of sufficient information prior to the Board meetings. Furthermore, the Chairman must foster a healthy level of debate and active participation of directors during the meetings, and ensure that freedom of expression and opinion is protected. Moreover, the Chairman must organise and co-ordinate regular evaluations of the Board and, where applicable, that of the company's Chief Executive or managing director.

See sections: B.1 42

Compliance ✓ Partial Compliance Explanation

17. When the Chairman of the Board and the Chief Executive are one and the same person, one of the independent directors shall be authorised to request the calling of Board meetings or the inclusion of new matters in the agenda, to co-ordinate and communicate the concerns of external directors and to take charge of the Chairman's evaluation by the Board.

See sections: B.1.21

Compliance Partial Compliance ✓ Explanation Not applicable

An alternative mechanism has been established in the Board Regulations to counter-balance the figure of the Executive Chairman, which is that of the Vice-Chairman or, if there are various, Vice-Chairmen, who must be independent directors and are able, together with other directors, to request that the Chairman call a Board meeting, that new items are included on the agenda and are in charge of the Board's evaluation of the Chairman.

18. The Secretary of the Board shall take steps to ensure that the Board's actions:

a) Abide by the spirit and the letter of the Law and its implementing regulations, including those issued by regulatory bodies;

b) Are in accordance with the company Bylaws and the regulations of the General Shareholders' Meeting, the Board and any others the company may have;

c) Take into account the recommendations of good governance set forth in the Unified Code which the company has adopted.

Furthermore, and with the purpose of ensuring the independence, impartiality and professionalism of the Secretary, his or her appointment and removal shall be proposed by the Nomination Committee and approved by the Board in full. The appointment and removal procedures must be stipulated in the Board regulations.

See sections: B.1.34

Compliance ✓ Partial Compliance Explanation

19. The Board should meet as often as necessary to perform its duties effectively, following the Schedule of dates and matters established at the beginning of the financial year, each Board member being able to propose other items on the agenda which were not initially included.

See sections: B.1.29

Compliance ✓ Partial Compliance Explanation

20. Directors' absences shall be kept to the bare minimum and shall be quantified in the Annual Report on Corporate Governance. In the event that proxy attendance is necessary, they must provide instructions.

See sections: B.1.28 and B.1.30

Compliance ✓ Partial Compliance Explanation

21. When directors or the Secretary express concerns regarding a proposal or, in the case of directors, regarding company performance, and when such concerns are not resolved at the meeting, the member expressing the concerns shall request their inclusion in the minutes.

Compliance ✓ Partial Compliance Explanation Not applicable

22. The Board shall evaluate on an annual basis:

a) The quality and efficiency of the Board's performance;

b) The performance of the Chairman and Chief Executive in carrying out their duties, based on the Nomination Committee's report;

c) The performance of its Committees, based on the reports they provide.

See sections: B.1.19

Compliance ✔ Partial Compliance Explanation

23. All directors are entitled to make use of their right to receive any additional information they deem necessary on matters which fall within the Board's competence. Unless the Bylaws or Board Regulations state the contrary, such requests should be addressed to the Chairman or to the Secretary of the Board.

See sections: B.1.42

Compliance ✔ Explanation

24. All directors are entitled to obtain the necessary advice for carrying out their duties. The company shall decide the suitable channels for exercising such right, and in special circumstances this may extend to external advice at the company's expense.

See sections: B.1.41

Compliance ✔ Explanation

25. Companies shall set up induction courses to rapidly provide sufficient knowledge of the company, as well as about the rules of corporate governance. Directors shall also be offered courses to update their knowledge when circumstances so dictate.

Compliance ✔ Partial Compliance Explanation

26. Companies should demand that directors devote the necessary time and effort for the effective performance of their duties. In consequence:

a) Directors shall inform the Nomination Committee of any other obligations which could interfere with their duty to provide the necessary dedication;

b) Companies should establish rules on the number of directorships the Board members may hold.

See sections: B.1.8, B.1.9 and B.1.17

Compliance ✔ Partial Compliance Explanation

27. The proposal for appointment or re-election of directors submitted by the Board to the General Meeting, as well as the provisional appointments by cooption, are to be approved by the Board :

a) At the proposal of the Nomination Committee, in the case of independent directors.

b) Subject to a report of the Nomination Committee in the case of all other directors.

See sections: B.1.2

Compliance ✔ Partial Compliance Explanation

28. Through their web-site companies should disclose, and maintain up-to-date, the following information about its directors:

a) Professional profile and background;

b) Other Boards of directors to which they belong, whether or not of listed companies;

c) Indication of type of directorship held. In the case of proprietary directors, the shareholder they represent, or are related to.

d) The date of their first appointment as company director, and subsequent ones in the capacity of company director, and;

e) Shares held in the company and options on the same.

Compliance ✔ Partial Compliance Explanation

29. Independent directors should not serve as such for a continuous period exceeding 12 years.

See sections: B.1.2

Compliance ✔ Explanation

30. Proprietary directors shall tender their resignation when the shareholders they represent dispose of all their shares. They shall also do so in the corresponding number when such shareholder reduces the stake to a level requiring an appropriate reduction in the number of proprietary directors.

See sections: A.2 , A.3 and B.1.2

Compliance ✔ Partial Compliance Explanation

31. The Board of Directors may not propose the removal of any independent director prior to the expiry of the term set forth in the Bylaws, except where just cause is found by the Board following a report of the Nomination Committee. Specifically, just cause will be considered to include situations where the director has acted in breach of his/her duties, or when they fall within the scope of the circumstances set forth in paragraph 5, Section III of the definitions of this Code.

The removal of independent directors may also be proposed when a public tender offer, merger or similar corporate operation results in changes to the company's capital structure when such changes occur due to the criteria of proportionality set forth in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Compliance ✔ Explanation

32. 32. Companies should establish rules obliging the directors to report and, if applicable, resign in those cases which could potentially impair the company's good standing and reputation and in particular, they are obliged to inform the Board immediately of any criminal charges brought against them and the progress of any subsequent trial.

In the event that a director is indicted or proceedings are brought against the latter for any of the crimes set forth in Article 124 of the Listed Companies Act, the Board must examine the case as soon as possible and, in light of the particular circumstances, decide whether the director may continue or should be called on to resign. The Board shall also be obliged to disclose and explain all such decisions in the Annual Report on Corporate Governance.

See sections: B.1.43 and B.1.44

Compliance ✔ Partial Compliance Explanation

33. All directors should clearly express their opposition when they consider a proposal submitted to the Board may be contrary to the company's interest. In addition, independent directors and other directors not affected by the potential conflict of interest should strongly challenge any decision which might cause harm to shareholders lacking board representation.

When the Board adopts materially significant or reiterated decisions about which the director has expressed serious reservations, such director shall draw the pertinent conclusions, and their decision is to resign, the reasons for such should be set out in the letter hereinbelow referred to.

This Recommendation is also applicable to the Board Secretary, even if he/she is not a member of the Board.

Compliance ✔ Partial Compliance Explanation Not applicable

34. Those directors resigning or leaving before the end of the term must state their reasons in a letter sent to all Board members. Even though this is declared to the regulatory authorities as a significant event, the reasons for leaving shall appear in the Annual Report on Corporate Governance.

See sections: B.1.5

Compliance ✔ Partial Compliance Explanation Not applicable

35. The company's remuneration policy approved by the Board shall include the following:

a) Amount corresponding to fixed items, with a breakdown where necessary, of attendance allowances of the Board and its Committees, and an estimate of the fixed annual amount such allowances represent;

b) Items of variable remuneration, including, in particular:

i) Types of directors they apply to, with an explanation of the relative weight of variable to fixed items.

ii) Evaluation criteria used in calculating the entitlement to the award of shares or stock options or any variable remuneration;

iii) The main parameters and justification for any system of annual bonuses or other non-cash benefits; and,

iv) An estimate of the total amount of variable remuneration resulting from the proposed remuneration plan, on the basis of the degree of fulfilment of the hypothesis or targets taken as reference.

c) Principal characteristics of the pension schemes (for example, supplementary pensions, life assurance and similar), and an estimate of their amount or equivalent annual cost.

d) Contractual conditions of those carrying out senior management duties such as executive directors, including:

i) Term;

ii) Notice periods; and

iii) Any other clauses relating to engagement premiums, as well as severance payments or "golden parachutes" in the case of early termination of the contract between the company and executive director.

See sections: B.1.15

Compliance ✔ Partial Compliance Explanation

36. Executive directors should receive remuneration comprising company shares or shares of other group companies, share options or other share-based incentives, or variable remuneration linked to company performance or pension schemes.

This recommendation does not apply to the award of shares when such award is conditional on directors maintaining the shares until the end of their term

See sections: A.3 , B.1.3

Compliance ✔ Explanation

37. The remuneration of external directors shall be that necessary to compensate the dedication, qualification and responsibility the position involves, though it shall not be so high as to jeopardise independence.

Compliance ✔ Explanation

38. The remuneration linked to company performance should be modified in the case of qualifications in the Auditor's report.

Compliance ✔ Explanation Not applicable

39. With regard to variable remuneration, policies should incorporate technical measures to ensure remuneration reflects the professional performance of the beneficiaries, and not solely, the general progress of markets, the company sector or similar circumstances. .

Compliance Explanation Not applicable ✔

40. 40. The Board shall submit a consultative report on the policy of director remuneration to the General Shareholders' Meeting, as a separate item on the agenda. This report shall be made available to shareholders, either separately, or in any other way the company considers appropriate.

The report will focus on the remuneration policy approved by the Board for the present year and, where applicable, the policy planned for future years. The report shall address all matters referred to in Recommendation 35, except where doing so may involve the disclosure of commercially sensitive information. Mention shall also be made of the most significant changes in the remuneration policy compared to the previous year. The report will further include a general summary of how the remuneration policy was applied in the previous financial year.

The Board shall also provide information regarding the role played by the Remuneration Committee in designing the remuneration policy and further, whether external advice had been sought, and if so, the identity of the same.

.

See sections: B.1.16

Compliance Partial Compliance ✔ Explanation

Art. 24.3 of the Board Regulations establishes that the Board shall prepare an annual report on the remuneration policy of the current year and the application of the remuneration policy in force in the previous financial year. This report shall be made available to shareholders, in the manner the Board deems appropriate, on the calling of the Ordinary General Meeting. Furthermore, in accordance with legal provisions, the Annual Report must include individual details of directors' remuneration during the financial year with a breakdown of the different items.

In addition, pursuant to Recommendation 41 of the Unified Code, which is incorporated in art. 24.4 of the Board Regulations, the Annual Report relating to future financial years shall specify individual details of directors' remuneration during the financial year with a breakdown of the different items, including those linked to the performance of senior management and, where applicable, the granting of shares or options on the same or any other share-based incentives.

41. The Annual Report shall provide details of directors' individual remuneration during the

financial year and shall include::

a) A breakdown of the remuneration of each director shall be provided and, where appropriate, the breakdown will include:

i) Attendance allowances and other fixed remuneration corresponding to directors;

ii) Additional remuneration corresponding to the position of Chairman or to members of Board Committees;

iii) Any remuneration paid under profit-sharing or bonus schemes, and the reason for their payment;

iv) Contributions in favour of the director to defined-contribution pension plans; or any increase in the vested rights of the director in the case of defined-benefit schemes;

v) Any compensation agreed or paid on the termination of their duties;

vi) Remuneration received as director in other companies of the group;

vii) Remuneration received by executive directors for carrying out senior management duties;

viii) Any other item of remuneration not included in the above, whatever the nature or paying entity within the group, particularly when this may be considered a related-party transaction or when its omission would distort a true and fair reflection of the total remuneration received by the director

b) The individual break-down of the possible award to directors of shares or options on the same or any other share-based incentives, providing details of:

i) Number of shares or options awarded during the year and terms of their execution:

ii) Number of options exercised during the year, indicating number of shares involved and exercise price:

iii) Number of options outstanding at the annual close, indicating their price, date and other terms of exercise;

iv) Any amendments made during the year to the terms of exercise of options already granted..

c) Information about the previous year's relation between the remuneration received by executive directors and company profits or other measures of company performance.

Compliance   Partial Compliance   Explanation ✓

42. When the company has a Management or Executive Committee (hereinafter, the "Executive Committee"), the structure of participation of the types of different directors shall be similar to the Board itself and its Secretary shall be that of the Board.

See sections: B.2.1 and B.2.6

Compliance ✓   Partial Compliance   Explanation   Not applicable

43. The Board shall be maintained fully aware of the matters dealt with and the resolutions adopted by the Executive Committee. All Board members shall receive copies of the minutes of the meetings from the Executive Committee.

Compliance ✓   Explanation   Not applicable

44. In addition to the Audit Committee, which is mandatory pursuant to the Securities Market Act, the Board of Directors will establish an Nomination and Remuneration Committee, or

two separate committees.

The rules governing the composition and operation of the Audit Committee and the Nomination and Remuneration Committee or committees shall be set forth in the Board Regulations, and shall include the following:

a) The Board of Directors shall appoint the members of these committees on the basis of the knowledge, skills and experience of directors, and further taking into account the duties of each committee. The Board is in charge of discussing their proposals and reports. At the first Board meeting following the committee meeting, the committees must report their activity and assume responsibility for the work carried out;

b) These committees shall be composed exclusively of external directors and will have a minimum of three members. This is without prejudice to executive directors or senior managers attending meetings, if expressly agreed by the Committee members.

c) The Committee Chairmen shall be independent directors.

d) External advisors may be engaged by committee members when considered necessary for carrying out their duties.

e) Minutes of the meetings shall be drawn up and copies sent to all Board members.

See sections: B.2.1 and B.2.3

Compliance ✓ Partial Compliance Explanation

45. Supervising the compliance with internal rules of conduct and corporate governance rules shall be attributed to the Audit Committee, the Nomination Committee or, should it be the case, separate Compliance or Corporate Governance Committees.

Compliance ✓ Explanation

46. The members of the Audit Committee, particularly its Chairman, shall be appointed on the basis of knowledge and experience in accounting, auditing or risk management.

Compliance ✓ Explanation

47. Listed companies shall have an internal auditing function, under the supervision of the Audit Committee, in order to ensure the proper operation of internal information and control.

Compliance ✓ Explanation

48. The head of internal auditing shall present an annual work plan to the Audit Committee. Furthermore any incidents arising during the implementation shall be reported to such Committee and an activities report must be submitted at the close of each financial year.

Compliance ✓ Partial Compliance Explanation

49. The company's risk management and control policy shall, as a minimum, specify the following:

a) The different types of risk (operational, technological, financial, legal, reputational…) the company is exposed to, including within the financial or economic risks, contingent liabilities and other off-balance sheet risks;

b) The determination of the risk level the company deems acceptable;

c) The measures in place to mitigate the impact of the significant risks identified, should they materialise;

d) The internal information and control systems employed to control and manage the above-mentioned risk, including contingent liabilities and other off-balance sheet risks;

See sections: D

Compliance ✓ Partial Compliance Explanation

50. The Audit Committee's duties include the following:

1. In relation to the internal information and control systems:

a) Supervising the preparation and integrity of the company's financial information and, where applicable, that of the group, checking compliance with legal provisions, the proper delimitation of the scope of consolidation and the correct application of accounting principles.

b) Reviewing the internal control and risk management systems periodically for the purpose of identifying, managing and disclosing the principal risks.

c) Ensuring the independence and efficiency of the internal auditing function, proposing the selection, appointment, re-election and removal of the head of the internal auditing service, receiving periodic information on its activities, verifying that senior management bear in mind the conclusions and recommendations of its reports.

d) Establishing and supervising a mechanism which permits employees to report any potentially significant irregularities in the company, particularly those relating to finance or accounting. They may do so confidentially, or if deemed appropriate, anonymously.

2º In relation to the external auditor:

a) Making recommendations to the Board regarding the selection, appointment, re-election and substitution of the external auditor, as well as the terms of his/her engagement.

b) Receiving periodic information from the external auditor on the progress and findings of the audit plan and verifying that senior management bears its recommendations in mind.

c) Ensuring the independence of the external auditor and, for this purpose:

i) The company shall notify the Spanish Securities and Exchange Commission (CNMV) of any change of auditor as a "significant event" with a statement regarding the possible existence of disagreements with the outgoing auditor, and if so, the reasons for such.

ii) The Audit Committee shall ensure that the company and the auditor abide by the regulations in force relating to the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements established to ensure auditors' independence;

iii) The Audit Committee shall investigate the circumstances which giving rise to the resignation of an external auditor.

d) With regard to groups, the Audit Committee shall encourage the auditor to assume responsibility for the audits of the group companies.

See sections: B.1.35, B.2.2, B.2.3 and D.3

Compliance ✓ Partial Compliance Explanation

51. The Audit Committee may call a meeting with any Company employee or director, and may request their attendance without the presence of a senior manager.

Compliance ✓ Explanation

52. The Audit Committee shall report to the Board, prior to the latter making the corresponding decision, on the following items set forth in Recommendation 8:

a) The financial information that listed companies must disclose periodically. The Committee shall ensure that interim statements are prepared following the same accounting criteria as that of the annual statements and, for this purpose, may request that the external auditor carry out a limited review.

b) The creation or acquisition of shares in special purpose vehicles, or those domiciled in territories considered tax havens, as well as any other transactions or operations of a similar nature, whose complexity could impair the group's transparency.

c) Related-party transactions, unless the duty of prior reporting has been attributed to another Committee of supervision and control.

See sections: B.2.2 and B.2.3

Compliance ✓ Partial Compliance Explanation

53. The Board of Directors shall present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. In the event such reservations or qualifications exist, the Chairman of the Audit Committee and the auditors shall provide the shareholders with a clear account of their content and scope. .

See sections: B.1.38

Compliance ✓ Partial Compliance Explanation

54. The majority of the Nomination Committee or the Nomination and Remuneration Committee, if a single body, shall be composed of independent directors.

See sections: B.2.1

Compliance ✓ Explanation Not applicable

55. In addition to the duties set forth in previous Recommendations, the Nomination Committee shall:

a) Evaluate the competences, knowledge and experience necessary to sit on the Board, define the functions and abilities required of candidates, and assess the time and dedication required to carry out their duties properly.

b) Examine or organise, in the manner deemed appropriate, the succession of the Chairman and of the Chief Executive and, if applicable, make recommendations to the Board in order that the succession may be proceed in a planned and orderly fashion.

c) Report the appointments and removals of senior managers which the Chief Executive proposes to the Board.

d) Report to the Board on the gender diversity issues set forth in Recommendation 14 of this Code.

See sections: B.2.3

Compliance ✓ Partial Compliance Explanation Not applicable

56. The Nomination Committee shall consult the company Chairman and Chief Executive, particularly in relation to matters regarding executive directors.

Any director may suggest that the Nomination Committee consider potentially suitable candidates to fill director vacancies..

Compliance ✓ Partial Compliance Explanation Not applicable

57. In addition to the duties set forth in previous Recommendations, the Remuneration Committee shall:

a) Make proposals to the Board of Directors regarding:

i) The remuneration policy of directors and senior management;

ii) The individual remuneration of executive directors and the other terms of their contracts;

iii) The basic terms and conditions of the contracts of senior managers.

b) Supervise compliance with the company's remuneration policy.

See sections: B.1.14, B.2.3

Compliance ✔ Partial Compliance Explanation Not applicable

58. The Remuneration Committee shall consult the Chairman or Chief Executive, particularly in relation to matters regarding executive directors or senior managers.

Compliance ✔ Explanation Not applicable

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