



2012 FIRST QUARTER RESULTS

Highlights

- Renta 4 obtained during the first quarter of 2012 a **net profit** of 1.4 million Euros, rising 39% versus the 4th quarter of 2011 and 29.7% below the corresponding period of 2011. During the first quarter some **extraordinary expenses and non-recurrent provisions** still appeared being associated both with the transformation to bank and the inception of activities in Latin America and which were not present in the first quarter of 2011. These extraordinary burdens on the net profit are not expected to prevail in the quarters to come.
- **All operating variables were positive during the quarter**, with special highlight on the rise in assets under management of the pension funds and investment funds.
- **Commission income**, both gross and net grew by 10.5% and a 0.4% respectively versus the numbers on record during the first quarter of 2011. **Gross commissions** earned totalled 15.6 million Euros, including the foreign exchange differences, and the **net commission income** of 9.0 million.
- Gross margin rose by 1.5% during the quarter and reached 10.8 million Euros compared to 10.6 million during the first quarter of 2011.
- Renta 4 ended the first quarter 2012 with assets under management and care of **5,730 million Euros**, compared to 5,677 million Euros during the same period of 2011 and 185,261 accounts, representing an all time high of the company history.
- **Net asset inflow** during the first quarter totalled 151 million Euros.
- During the first quarter Renta 4 concluded the acquisition **in Chile** of a **broker - "corredora de bolsa"** specialized in private banking with the objective to initiate activities in Latin America.
- The **General Shareholder Meeting of 27th of April** approved the offer to the convertible debt holders of a voluntary **early conversion window**, without dilution for the equity holder, aiming at the strengthening of own resources, as well as an **extraordinary return for the stock holders** through the distribution of the reserves through an issue premium of the shares.

Main figures

Operative Numbers	Mar. 12	Mar. 11	%
N° Clients	185,261	159,294	16.3%
Proprietary Network	49,395	47,328	4.4%
Third Party Network	135,866	111,966	21.3%
Total Assets	5,730	5,677	0.9%
Equity	3,682	3,791	-2.9%
Investment Funds	936	821	14.0%
Pension Funds	324	274	18.2%
SICAVs	451	502	-10.2%
Others	337	289	16.6%
Financial Indicators (Euro thousand))			
Commissions earned	15,290	13,746	11.2%
Interest Margin	852	1,001	-14.9%
Results of Financial operations	995	870	14.4%
Operative Cost	8,470	7,930	6.8%
Gross Margin	10,814	10,649	1.6%
Operative Result	1,951	2,869	-32.0%
Net Profit	1,411	2,009	-29.7%
EPS	0,04	0,05	-29.7%
Staff			
Total staff	314	295	6.4%
Branch Network	160	164	-2.4%
Central Services	154	131	17.6%
N° Offices	58	58	0%
The Stock			
Ticker (Reuters/Bloomberg/Adrs)	RTA4.MA	RTA4.MA	RSVXY
Stock price (€)	4.96	5.35	-7.29%
Capitalisation (€)	201,838,287	217,708,636	-7.29%
Free float	40,693,203	40,693,203	

Consolidated Profit and Loss Account

	1Q2012	1Q2011	%
Interest and similar income	1,720	1,616	6.4%
Interest expense and similar charges	-868	-615	41.1%
NET INTEREST INCOME	852	1,001	-14.9%
Return on equity instruments	67		
Share of profit (loss) of entities accounted for using the equity method	-196	31	-732.3%
Fee and commission income	15,290	13,746	11.2%
Fee and commission expenses	-6,513	-5,070	28.5%
Gains or losses on financial assets and liabilities (net)	995	870	14.4%
Exchange differences (net)	355	217	63.6%
Other operating income	117	90	30.0%
Other operating expenses	-153	-236	-35.2%
GROSS MARGIN	10,814	10,649	1.5%
Administrative expenses:	-7,832	-7,357	6.5%
a) Personnel expenses	-4,146	-4,014	3.3%
b) Other administrative expenses	-3,686	-3,343	10.3%
Depreciation and amortisation	-638	-573	11.4%
Provision expenses (net)	44		
Impairment losses on financial assets (net)	-437	150	-391.3%
OPERATING PROFIT	1,951	2,869	-32.0%
PROFIT(LOSS) BEFORE TAX	1,951	2,869	-32.0%
Income tax	-539	-861	-37.3%
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	1,411	2,009	-29.7%
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	1,411	2,009	-29.7%
a) Profit (loss) attributed to the parent	1,393	1,995	-30.2%
b) Profit (loss) attributed to minority interests	18	14	34.1%
EARNINGS PER SHARE			
Basic earnings per share (euros)	0.04	0.05	-29.7%
Diluted earnings per share (euros)	0.04	0.05	-30.2%

Summary of Income and Expenses

	mar-12	mar-11	%
Net commissions	9,053	9,014	0.4%
Commission earned and exchange difference	15,566	14,084	10.5%
Commissions paid	-6,513	-5,070	28.5%
Return on Financial Operations and dividends	1,062	870	22.1%
Interest Margin	852	1,001	-14.9%
Other cost of Operation	-153	-236	-35.2%
Gross Margin	10,814	10,649	1.5%
Operating Expenses	-8,470	-7,930	6.8%
Return on Activity before provisions	2,344	2,719	-13.8%

Operating Data

During the first quarter of 2012 **the main operative variables of the Company developed positively**, with special highlight to the rise in number of clients and assets under management and care.

Client **assets administered and managed** stood at March 2012 to 5,730 million Euros, 0.9% more than at the end of December 2011. The **net asset inflow** during the period ascended to 151 million Euros.

The **assets under management in Investment Funds** totalled, as of 31st of March 2012, 723 million Euros, in 37 fund vehicles. The assets under management in **Renta 4 Gestora** rose at the end of the quarter in comparison to a 12 month rolling period by 25%, compared to a decline of the assets under management of the fund industry in Spain during the same period of 7.1% (data by Inverco). In the first quarter of the year **Renta 4 again succeeded being amongst the first 10 Spanish fund managing entities by net asset inflow**.

In respect of **SICAVs**, Renta 4 managed 451 million Euros as of end March 2012, a decrease of 10.2% year on year and corresponding to a market share of 1.81%. The slump is mainly attributable to the stock market correction.

Pension Fund AUM reached 324 million Euros versus 274 million Euros last year, representing a growth of 18.2% versus end March 2011.

The number of new clients continued at satisfactory levels. Consequently, the **total number of client accounts** at March 2012 reached 185,261 an increase of 16.3%. Of these **49,395 (+4.4%)** are attributable to the proprietary network and 135,866 to third party networks (+21.3 %).

Income

- **Accrued 2012 (January-March)**

The **"Consolidated Result of the quarter"** as of end March 2012 reached 1.4 million Euros compared to 2.0 million Euros obtained in the first quarter of the year before, representing a decline of 29.7%. During the first quarter still some **extraordinary expenses and non-recurrent provisions** appeared being associated both with the transformation to bank and the inception of activities in Latin America which were not present in the first quarter of 2011. The impacting items in the net profit during the first quarter are not expected to prevail in the quarters to come.

The **"Commissions earned"** grew by 10.5% ascending to 15.6 million Euros. Net commissions, excluding the commissions paid to third parties, reported an accumulated growth in 2012 of 0.4% and closed at 9.0 million Euros. The increase of 28.5% of the **commissions paid** was mainly motivated by the increasing number of operations in international markets in the securities trading business line.

The commissions proceeding from the business line **"Asset Management"** totalled 3.31 million Euros contrasting with the 3.27 million Euros the year before; an improvement of this business line of 1.4%.

The **result of financial operations** and the return resulting from capital instruments stood at 1,062 thousand Euros, rising by 22.1% year on year.

The **Gross Margin** rose 1.5% during the quarter and ascended to 10.8 million Euros compared to 10.6 million during the first quarter of 2011.

"Corporate Services and others" generated commissions of 1.090 million Euros in the first quarter of 2012 and rose by 11.0% versus 2011 Q1.

"Interest Margin" reduced during the quarter by 14.9% year on year, and closed at 852 thousand Euros. It is foreseeable that the interest margin in the coming quarters will experience a constant ascent, dependent of the actual tendency of interest rates and our treasury positions.

Cost

- **Accrued 2012 (January-March)**

"Administration Expenses" at March 2012 reached 7.8 million Euros, representing an increase of 6.5% year on year, totalling 7.4 million Euros. This amount is in line with company estimates for the year 2012 as announced at the end of 2011 expecting total cost of operation including amortisation around 33 million Euros. As stated before, a part of the cost of the quarter has a non-recurrent character.

By segment, **"Personnel Expenses"** rose during the quarter by 3.3% reaching 4.1 million Euros. The increase was motivated by rising variable income and the higher number of staff, rising from 295 a 314 and necessary for the rising activity levels and the new business lines.

"General administration expenses" reported an increase of 10.3% totalling 3.7 million Euros, versus the 3.3 million Euros during the same period of last year. One part results from the aforementioned enhancement of technology of the network and the requirement associated with being a bank.

Finally, **"Amortisation"** rose in comparison to the same period of last year by 11.4% and totalled 638 thousand Euros.

Situation on the Markets, facts after close and outlook

The **market environment in 2012 continues to being complicated and difficult**. In particular volume in market trading during the two first months of the year decreased coinciding with new regulations and an increased risk sensitivity of the investors.

In this context Renta 4 succeeded in raising income and net commissions, and **our expectation is that the development of all business lines will improve during the course of the business year**.

In particular **we expect a significant upturn of the Financial Margin** during the coming quarters, thus reaping the positive impact of our conversion into bank which has not yet materialized in the results of the first quarter of the business year.

Likewise, **from the second quarter the results of the broker “corredora de bolsa” (K2) acquired in Chile will be consolidated in the accounts**, given that starting April 2012 Renta 4 holds a majority share in the capital of the company.

Renta 4 Banco maintains a high **Solvency Ratio** exceeding by far the percentage required by European legislation. The ratio will be further strengthened through the early voluntary conversion of convertible debt securities authorised by the General Shareholder Meeting of the 27th of April 2012.

CONSOLIDATED BALANCE SHEET (in thousand Euros)

ASSETS

		31/03/2012	31/03/2011
1. Cash and balances with central banks	1005	1,589	1,899
2. Financial assets held for trading	1010	10,190	1,838
3. Other financial assets at fair value through profit or loss	1015	0	
4. Available-for-sale financial assets	1020	123,849	34,821
5. Debt securities	1025	371,862	427,318
6. Held -to-maturity investments	1030		
7. Ajustes a activos financieros por macro-coberturas	1040		
8. Hedging derivatives	1035		
9. Non-current assets held for sale	1080		
10. Investments	1055	2,161	1,867
a) Associates	1056	2,161	1,867
b) Jointly controlled entities	1057		
11. Insurance contracts linked to pensions	1065		
12. Reinsurance assets	1066		
13. Property and equipment:	1045	30,409	29,740
a) For own use	1046	26,427	25,668
b) Investment properties	1047	3,982	4,072
14. Intangible assets:	1050	16,641	15,979
a) Goodwill	1051	15,291	14,939
b) Otro intangible assets	1052	1,350	1,040
15. Tax assets	1060	2,204	2,269
a) Current	1061	1,194	1,058
b) Deferred	1062	1,010	1,211
16. Other assets	1075	1,807	2,184
TOTAL ASSETS	1100	560,712	517,915

TOTAL EQUITY AND LIABILITIES

		31/03/2012	31/03/2011
TOTAL LIABILITIES	1166	493,401	446,307
1. Financial liabilities held for trading	1110	182	1,109
2. Other financial liabilities at fair value through profit or loss	1115		
3. Financial liabilities at amortized cost	1120	488,794	439,677
4. Changes in the fair value of hedged items in portfolio hedges of interest rate risk	1135		
5. Hedging derivatives	1130		
6. Liabilities associated with non-current assets held for sale	1165		
7. Liabilities under insurance contracts	1149		
8. Provisions	1140	330	440
9. Tax liabilities	1145	3,398	4,402
a) Current	1146	2,026	2,629
b) Deferred	1147	1,372	1,773
10. Fondo de la obra social (sólo Cajas de Ahorro y Cooperativas de crédito)	1150		
11. Other liabilities	1155	697	679
12. Cash	1160		
EQUITY	1195	67,311	71,608
OWN FUNDS	1180	68,248	71,909
1. Capital or endowment fund	1171	18,311	16,277
a) Issued capital	1161	18,312	16,277
b) Less: uncalled capital	1162	-1	
2. Share premium	1172	25,153	27,188
3. Reserves	1173	36,872	40,721
4. Other equity instruments	1177	1,850	1,850
5. Less: Treasury shares	1174	-15,331	-12,367
6. Profit (loss) attributable to the parent	1175	1,393	1,995
7. Less: Dividends and remuneration	1176	0	-3,755
VALUATION ADJUSTMENTS	1188	-2,070	-1,410
1. Available-for-sale financial assets	1181	-2,070	-1,410
2. Cash flow hedges	1182		
3. Hedges in net investments in foreign operations	1183		
4. Exchange differences	1184		
5. Non-current assets held for sale	1185		
6. Companies accounted using the equity method	1186		
7. Other valuation adjustments	1187		
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT	1189	66,178	70,499
MINORITY INTERESTS	1193	1,133	1,109
1. Valuation adjustments	1191	61	50
2. Others	1192	1,072	1,059
TOTAL EQUITY AND LIABILITY	1200	560,712	517,915

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