



## **BSCH**

Small & Mid Caps Seminar

Madrid, 7<sup>th</sup> February 2008

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**Renta 4**

**A Growth Story.....**

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## Growing market of €700 bn in Spain

Size of Spanish investment services market (in € bn)

Mutual funds	259.6
SICAVs	30.2
Pension funds	81.9
Government bonds held by individuals	30.2
Stocks held by individuals	266.8
Life insurance	1.7
Deposits	689.9
Total (excluding deposits)	670.4
Total (including deposits)	1,360.3

Source: Central Bank of Spain, BME

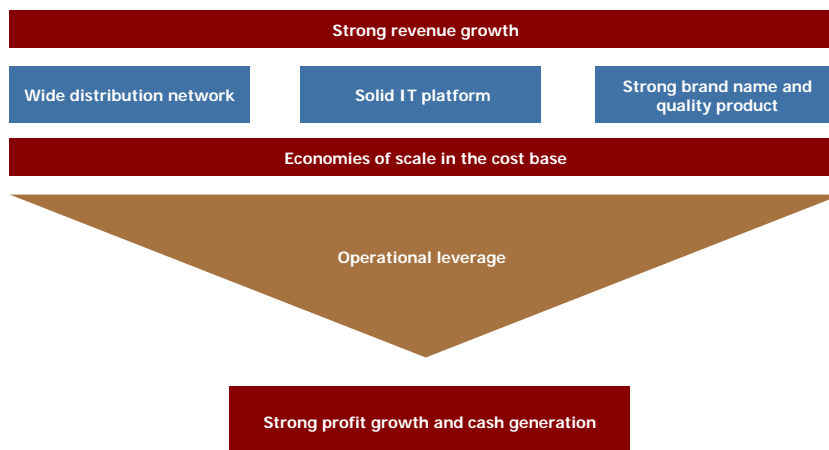
A growing market for investment services:

Part of the €690 bn in deposits should progressive flow into investment products as market matures.



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## A unique business model



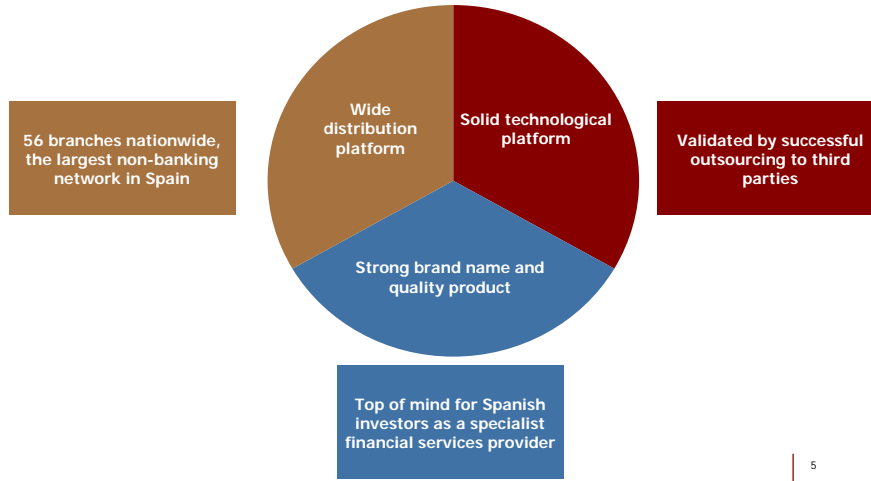
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## Three main pillars

Our tools combined...

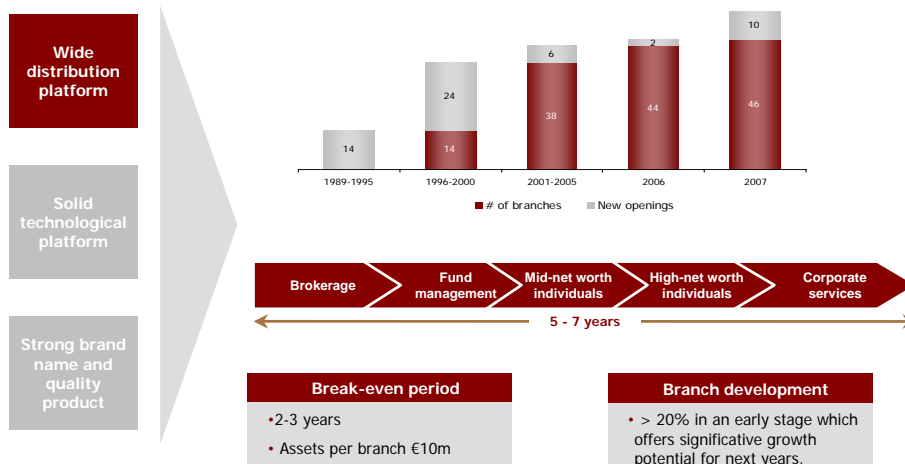
...have lead to...

...strong revenues growth



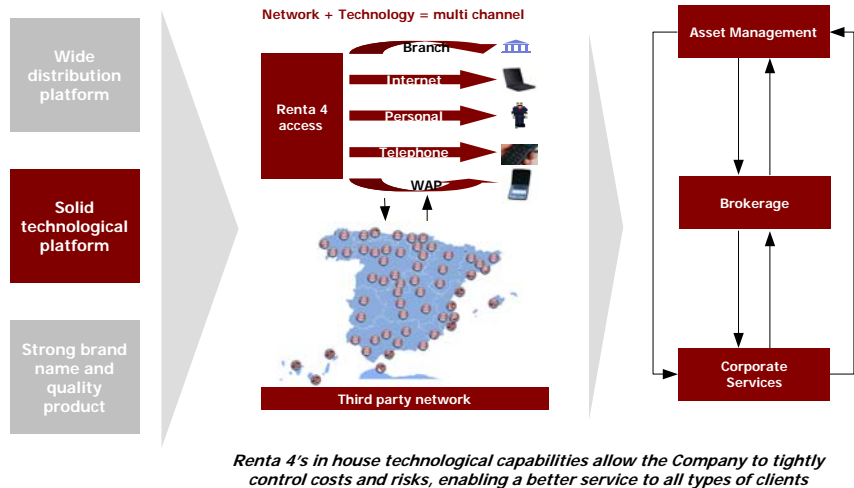
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## Development on branch network



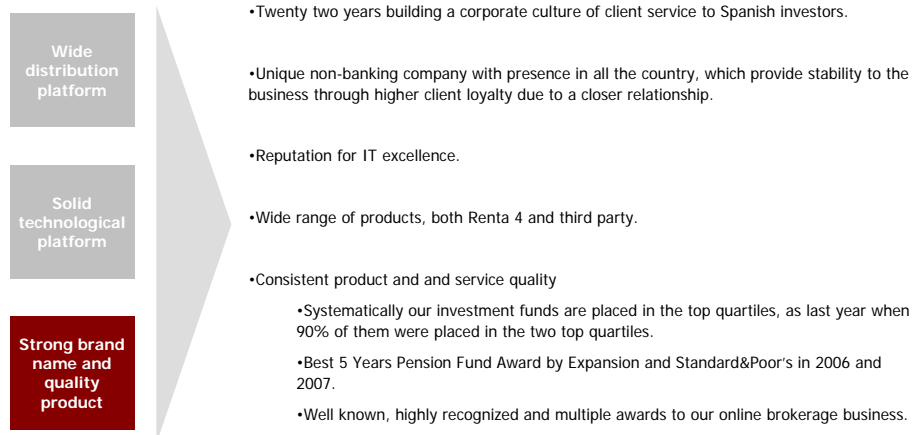
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## IT platform allows flexible offering



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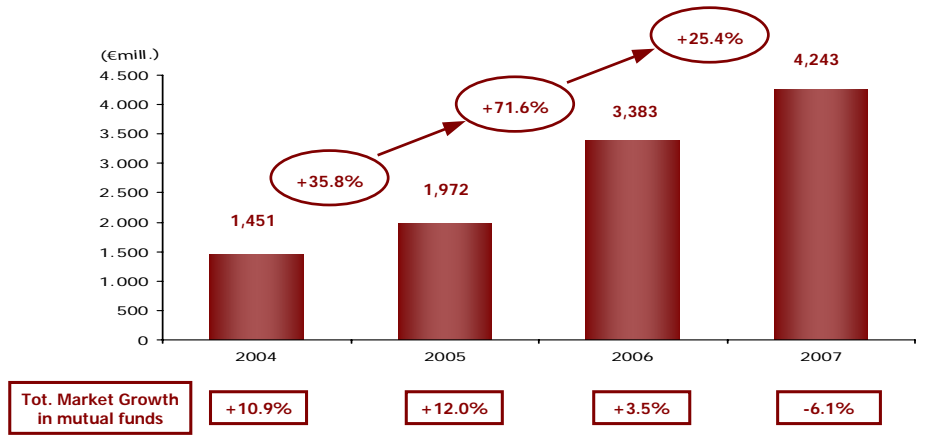
## Guarantee of high quality service



*Our wide range of high quality products and services enables us to cover the needs of different clients profiles and market conditions.*

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Total clients assets tripled in three years

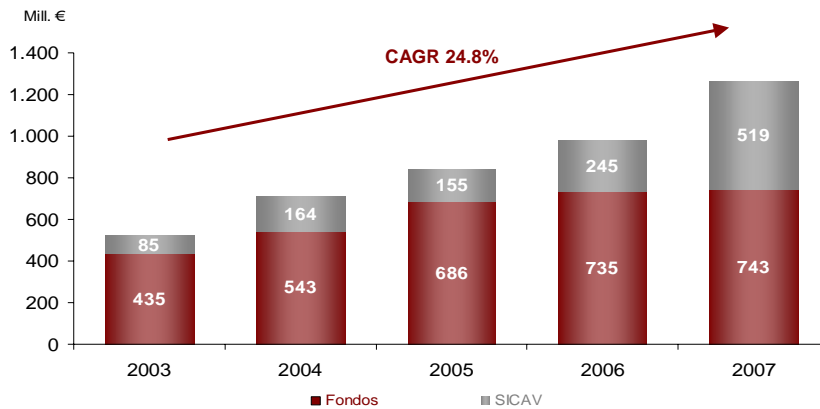


Source : Inverco

Assets under management were in line with our forecasted growth despite the market turbulence happened in the second half of the year.

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Special growth in HNW individuals



According to figures released by Inverco, Renta 4's assets in funds and SICAVs has grown in the last 4 years more by 24.8% in annual rate terms.

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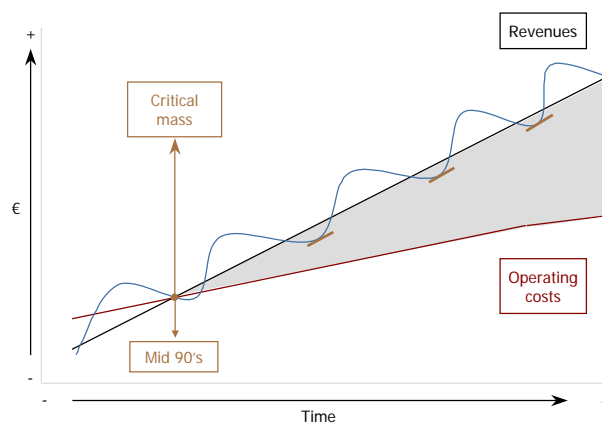
## Contribution to comission growth from all segments

	2004	2005	2006	2007	% 04-07
<b>BROKERAGE</b>	14,762	18,245	26,564	36,643	+148.2%
<b>ASSET MANAGEMENT</b>	7,208	9,265	11,810	12,272	+70.3%
<b>CORPORATE SERVICES</b>	2,788	2,947	4,553	4,040	+44.9%
<b>TOTAL</b>	24,758	30,457	42,927	52,955	+113.9%

*Renta 4's fee and comission income evolution had a positive performance in all business segments over the last years.*

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## A significative operational leverage



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## An increasingly stable proposition

**Overall growth of the Company, adding a significant amount of new retail clients**

- Over the past four years, Renta 4's number of accounts has grown by 92.7%
- Retail penetration provides greater stability. Higher client loyalty due to a closer relationship through the branch network

**Growing importance of the asset management business, increasing the balance between business lines**

- Assets under management have grown at a CAGR of 24.8% in the last four years.
- Renta 4 aims to grow its asset management business, mainly in the high net worth segment and also through selected acquisitions

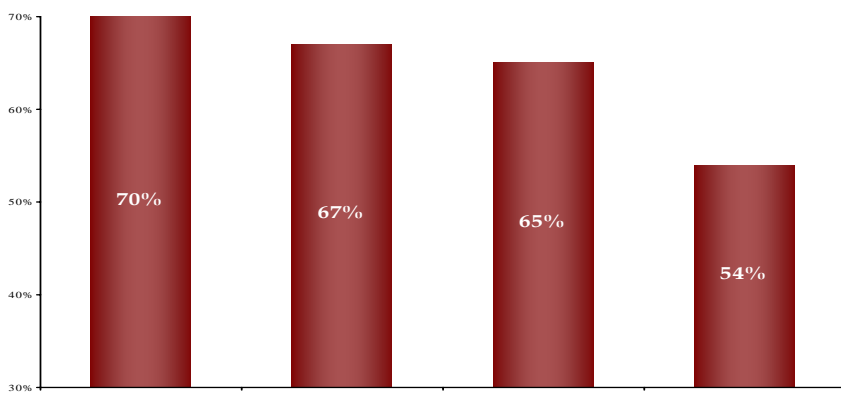
**Increasing range of products offered**

- Extensive and increasing range of investment tools offered to Renta 4's clients, avoiding cyclical correlation between different markets
- Proven track record of successful technological and product innovation

*Renta 4 has managed to reduce its exposure to cyclical downturns due to the overall growth of the Company, an increasing balance between business lines with a growing importance of the asset management business and an increasing range of products offered by the brokerage business*

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## Decreasing cost to income ratio

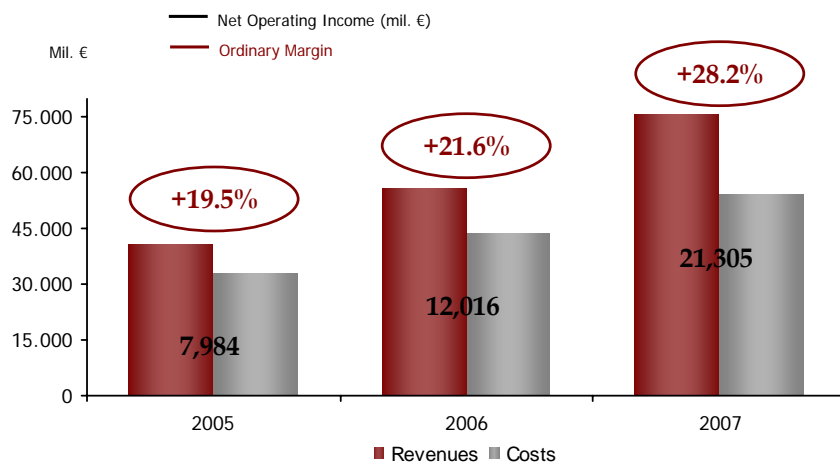


Notes:  
(1) Cost-income ratio calculated as total operating costs (personnel and others excluding depreciation) divided by gross profit (net fee and commission plus net interest income, plus financial results and translation adjustments)

*Renta 4's strict cost control policy has resulted in efficiency improvements and in a higher return on equity*

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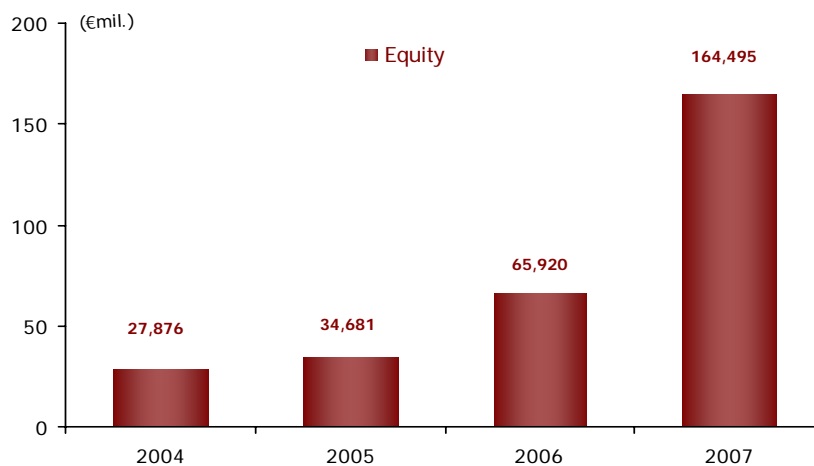
## Continuous improvement in the ordinary margin



*Operating leverage enables a sustained improvement in the ordinary margin.*

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## Sustained balance sheet strength



*At December 2007, Renta 4's Balance sheet was stronger than previous year, with an Equity amounted to €164 million, which represents an increase of 149.5%.*

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## Renta 4

### ....and now a value opportunity

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Renta 4: A value opportunity

Bolsas y Mercados (BME) stake plus IPO cash



- **Renta 4 holds approx. 2.1m BME shares (31 December 2007), which represent approximately 2.5% of BME(€84 million).**
  - The stake is considered as a stable investment.
  - The Company currently has no intention to significantly increase or reduce its holding in BME.
- **Renta 4 received €75.2 million from IPO funds that will be used to fund growth and expansion of the business, to strengthen the balance sheet and for general corporate purposes**
  - Apart of this amount Renta 4 has a surplus in cash over legal requirement

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## Valuation according market transactions

### Renta 4:

• Market Capitalization:	€290.0 million
• Shareholders Equity	€164.5 million
• Implicit valuation of R4 business:	€125.5 million
• Total assets Renta 4:	€4.243 million
• <b>Ratio Valuation Business/Total Assets%</b>	<b>2.9%</b>

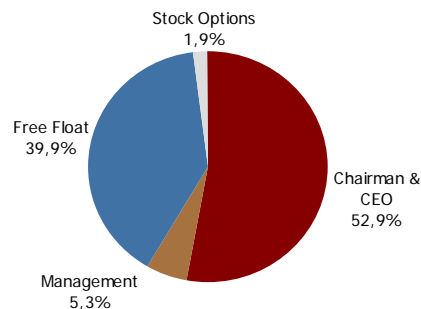
### Last market transaction:

• Price paid:	€600 million
• Total assets MS:	€7,300 million
• <b>Ratio Valuation Business/Total Assets%</b>	<b>8.2%</b>

**The price paid in the last transaction is nearly 300 % over the market value of Renta 4**

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## Stable shareholder structure and dividend policy



### Dividend policy and payments

- 30%-50% from the ordinary profit of the year
- 50%-100% from some extraordinary operation, that potentially could happen.
- Next 11<sup>th</sup> of February, Renta 4 will pay a gross interim dividend of €0.15 per share

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- Growth in assets under management and 2H07 results were in line with our forecasts despite the market turbulence experienced in the second half of the year.
- Renta 4's estimates for 2008-2009 remain unchanged, based on expanding business at our branches and solid technological platform.
- Once the extraordinary expenses arising from the MIFID introduction and the company's IPO have been included in our 2007 figures, we expect both operating and capex expenses to stabilise.

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	Accumulated Jan.. -Dec.		
P&L (NIIF) (€ Mill.)	2007	2007	2007
<b>Revenues</b>	<b>75,619</b>	<b>55,531</b>	<b>36.2</b>
Fee and commission income	52,955	42,927	23.4
Interest and similar income	18,529	9,963	86.0
Return on equity instruments	4,135	2,641	56.6
<b>Expenses</b>	<b>-26,323</b>	<b>-17,474</b>	<b>50.6</b>
Fee and commission expenses	-12,661	-9,573	32.3
Interest and similar expense	-13,662	-7,901	72.9
<b>Net trading income</b>	<b>1,605</b>	<b>889</b>	<b>80.5</b>
<b>Foreign currency translation differences (net)</b>	<b>573</b>	<b>340</b>	<b>68.5</b>
<b>Personnel</b>	<b>-15,337</b>	<b>-14,771</b>	<b>3.8</b>
<b>Other general administrative expenses</b>	<b>-12,714</b>	<b>-10,85</b>	<b>17.2</b>
<b>Depreciation and amortization</b>	<b>-2,118</b>	<b>-1,649</b>	<b>28.4</b>
<b>NET OPERATING INCOME</b>	<b>21,305</b>	<b>12,016</b>	<b>77.3</b>
Other income and expenses	215	13,016	-98.3
<b>PROFIT BEFORE TAX</b>	<b>21,52</b>	<b>25,032</b>	<b>-14.0</b>
Income tax expense	-6,189	-7,834	-21.0
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>15,331</b>	<b>17,198</b>	<b>-10.9</b>
Atributable to minority	70	104	-32.7
<b>ADJUSTED NET PROFIT (1)</b>	<b>15,331</b>	<b>6,309</b>	<b>143.0</b>

(1) Results do not include the sale of its shareholding in BME or its related tax effect

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## Balance Sheet

renta4

ASSETS	Dec. 2007	Dec. 2006
Intangible assets	10,735	11,343
Property and equipment	30,435	25,755
Available-for-sale-financial-assets	107,921	52,575
Deferred tax assets	1,68	469
Loans and receivables	2,216	3,385
<b>NON-CURRENT ASSETS</b>	<b>152,987</b>	<b>93,527</b>
Other assets	2,921	2,3
Current tax assets	3,758	2,591
Loans and receivables	359,593	244,918
Financial assets held for trading	6,937	5,483
Cash and cash equivalents	191,786	161,115
<b>CURRENT ASSETS</b>	<b>564,995</b>	<b>416,407</b>
<b>TOTAL ASSETS</b>	<b>717,982</b>	<b>509,934</b>
LIABILITIES	Dec. 2007	Dec. 2006
Minority interest	1,099	1,079
Valuation adjustment	40,545	20,874
Equity	122,505	43,967
<b>EQUITY</b>	<b>164,149</b>	<b>65,92</b>
Financial liabilities	77,49	57,585
Deferred tax liabilities	19,078	10,488
<b>NON-CURRENT LIABILITIES</b>	<b>96,568</b>	<b>68,073</b>
Financial liabilities held for trading	486	183
Financial liabilities	452,082	369,788
Provisions	120	362
Current tax liabilities	3,446	3890
Accrued expenses and deferred income	1,131	1,718
<b>CURRENT LIABILITIES</b>	<b>457,265</b>	<b>375,941</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>717,982</b>	<b>509,934</b>

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## Financial Calendar

renta4

- Tuesday 5<sup>th</sup> February Annual Results and Fourth Quarter 2007
- Tuesday 29<sup>th</sup> April Annual General Meeting
- Tuesday 6<sup>th</sup> May First Quarter 2008
- Thursday 31<sup>st</sup> July Second Quarter 2008
- Tuesday 4<sup>th</sup> November Third Quarter 2008

All information will be sent at 8:15 (Spanish time) before markets opens.

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