2023
Annual Report

renta4banco

Index

Annual Report 2023

Letter from the chairman

Dear Shareholders,

After a year 2022 in which the rise in inflation and the consequent rise in interest rates had led to fears of a strong economic recession, 2023 has been a year of stabilization and recovery of confidence in the economy and global financial markets.

The progressive reduction in inflation throughout the year, from levels close to 10% to levels of 3% in both the United States and the euro area, **and moderate but positive economic growth,** they have been a clear relief for investors, replacing the recession scenario with a much milder scenario of smooth landing of the economy.

As a result, the sharp falls in the stock exchanges and asset markets in general in 2022 have been more than offset by significant increases in 2023, increases that in the case of Eurostoxx were 19.2% and in the case of U.S. S&P were 24.2%.

At the end of 2023 and at the beginning of 2024, markets are counting not only a smooth landing of the economy, but also a new take-off of economic growth, prompted by the cuts in the interest rates that both the US Federal Reserve and the European Central Bank will foreseeably agree on from June. It would move from a “soft landing” scenario to a “no landing” scenario.

That optimistic outlook has driven the sharp gains of the stock exchanges in the last quarter of 2023 and in the first months of 2024. Some increases that have had as main protagonists, again, the big technology companies and, in particular, those linked to generative artificial intelligence. Some of these companies have accumulated higher than 70% in just two months, after having revalued more than 200% in the previous year.

Bond markets have not shared that extreme optimism and have performed much more moderately in the first months of this year, **which moves us to think about possible excesses** in the rises of the stock exchanges and other risky assets, such as Bitcoin and cryptocurrencies in general. **Such excesses would be due, among other factors, to the abundant liquidity** that is still in the system, since only a small part of the money injected by the central banks in the wake of the pandemic has been withdrawn.

As we mentioned at last year’s Shareholders’ Meeting, in our opinion the global economy has entered a phase of profound transformation since 2022, guided by four structural changes, all of which are long-term. The change of the monetary regime, abandoning the ultra-expansionary monetary policies that had dominated the scene for a decade and a half. The shift toward a growth model based on productivity rather than excessive debt accumulation. The change of geopolitical environment toward controlled deglobalisation. And, finally, the entry of the economy into a phase of permanent and transversal disruptive innovation. There are four processes of great depth, which move us to think about a period of long adjustment.

A period of adjustment that has not ended and that, in exchange for being long, will not be, in our opinion, traumatic, but orderly. For the first time, central banks can aspire to deflate the economy without causing a major recession, and that is the main novelty of the post-COVID economy, an economy whose main characteristic is the profound transformation that affects all sectors, in a total and transversal way, and that determines changes in lifestyles, in business models, in the way of producing energy and even in food production systems.

From that positive long-term view, however, we do not share the optimism, in our view excessive, of thinking that the changes are over and that the economy will immediately enter a stage of high growth. We think rather that the four processes described above will continue, because their development takes time and because the changes mentioned also require a huge volume of investment.

In this standardised context, but, I insist, not euphoric, the role of Renta 4 Banco is more necessary than ever, because large investment processes will obtain most of the necessary financial resources through the financial markets, including the so-called private equity and direct lending markets and not through traditional bank financing, via the balance sheet, which is not designed to finance innovation. As we said last year, the financial system is evolving from a system designed to finance industrial society to a system that must finance the new knowledge society, in which the financing of innovation and transformation is absolutely key.

That is why we have strengthened and will continue to strengthen all operational areas that improve our ability to help companies in their processes of change and transformation, presenting them with assistance and financial advice, and we will also continue to improve the access of savers to investments, with the help of new technological tools and with the permanent improvement of the quality of our human teams, which in the end are the true key to our differentiated services offered to the market.

With this philosophy of quality, but at the same time of closeness, Renta 4 Banco has once again reached historical records in 2023 both in the opening of new customer accounts and in the entry of new customer assets. The number of customers of the own network at the end of 2023 was 124,995 compared to 118,542 a year earlier, and the total assets of customers administered or managed by our Bank at the end of 2023 was €30,852 million compared to €26,370 million a year ago. The net inflow of customer assets in the year was €2,511 million, which represents a new record, surpassing the figure of 2022 that had also been record.

The financial margin has behaved very well in 2023, totalling €23.2 million, thanks to having maintained an extremely liquid balance sheet invested in high-quality short-term monetary instruments. **The result of financial** operations, which was €10.99 million, has also performed well.

Grupo Renta 4 net profit in 2023 amounted to €26.6 million, 21.9% higher than the previous year. It is the largest profit of Renta 4 Banco in its history, and we have achieved it by maintaining a capital ratio "CET1 Fully Loaded" of 18.62%, which far exceeds the level of regulatory requirement and, likewise, far exceeds that of the other banks. At the same time, the Return on Capital (ROE) in 2023 was 18.8%. This return on invested capital is well above that of the rest of Spanish and European banks. This shows that it is not incompatible to have a high capital and a high return on capital.

These high levels of profit, ROE and solvency ratios that allow us to maintain a policy of satisfactory shareholder remuneration. Last November we distributed a dividend on account of 0.3 euros per share and today we propose to the Board, for approval, a dividend of 0.12 euros per share, that is, a total of 0.42 euros per share, what about a closing quote of 10.20 euros per share represents a dividend return for the shareholder of 4.1%.

The commercial activity continues to maintain very good levels in the first three months of 2024 and this reaffirms us in our position as a specialised bank that offers the savers a wide range of solutions to invest in a simple and profitable way their wealth, and to companies financing solutions through the financial markets and private equity and direct lending. We have a unique business model, a business model that creates value for our customers and our shareholders, and that's what sets us apart from our competitors.

We are beginning to see the first fruits of the Plus Plan, launched two years ago, an ambitious plan aimed at offering a wider range of solutions to even wider customer segments. offering at the same time easier access to these services and solutions. The private equity offer has continued to increase, we have strengthened corporate operations teams, we have advanced interactive digital solutions and thematic investment, and we have improved and expanded banking services to our customers, to facilitate their operations. **We are aware that achieving all the objectives of the Plus Plan will take time and require a lot of effort, but I believe that we are in the right direction** and that the increase in customers and customer assets that I mentioned above are only the first fruits of that Plan, whose complete development will generate huge value for Renta 4 Banco. We are going to put the greatest effort into achieving this.

Subsidiaries in Chile, Peru and Colombia have continued to increase their activity. Today we can say that we are already established in those three countries, where we have exceeded €10 million in revenue and €3 million in profit after tax. We expect a lot from our presence in Latin America, which, without a doubt, is one of the engines of growth of Renta 4 Banco.

We are in a very competitive sector, which is undergoing a profound transformation. In our opinion **that transformation will not only continue, but will go further in the coming years.** We are prepared to face the changes that may come, and we will do so from a solid position of balance and from a very clear understanding of what are the main lines of evolution of our activity.

I now turn to corporate social responsibility. Starting with job creation, the average workforce in 2022 has risen to 657 people, an increase of 3.8%. Face-to-face work in offices has now become normalised, although partial remote working has now become the norm for a large part of the workforce.

In 2023, the Renta 4 Foundation continued to support various programmes related to the education of underprivileged and disabled people. We maintain the programs with Foundations such as A.G.H., Martinez Hermanos, Agua de Coco, Granadown, Prodis, ADF or Procivism, and we add to them the new programmes that the employees submit and vote for every year. Between direct assignment and open voting funding, there are a total of 14 solidarity projects.

In addition, Renta 4 participates directly in specific actions, ensuring that they are always within the charity action area that the entity has set. Once again, a part of our staff has collaborated with various NGOs in the preparation and sending of Christmas baskets to disadvantaged families, **and in the field of culture we maintain our membership in the Board of Protectors of the Teatro Real.**

In the field of financial education we continue to hold numerous events, courses and seminars to promote the financial culture, in which we have had more than 17,000 registered throughout the year. In addition, our blog "From Saver to Investor" has had more than 128,000 unique users in 2023. All this complemented with more than 145 courses and conferences that are taught in an open and free way directly in our network of offices, and with the campaign "Investment for all" that transposes a concept of democratization of investment and that in 2023 has exceeded 800,000 views in the main social networks.

Finally, **as always and as is my duty, I would like to say thank you to** our shareholders and customers or their trust, without which none of the above would be possible, and the entire Renta 4 team for their work, dedication and enormous talent, which is undoubtedly our company's most valuable asset.

01

Consolidated Annual Accounts 2023

01.1

Consolidated Balance

Renta 4 Banco S.A. and Subsidiaries

Consolidated Balance Sheets as of 31 December 2023 and 2022

Thousands of Euro

Assets	Note	2023	2022
Cash, cash balances at central banks and other demand deposits	8	1,093,593	771,494
Financial assets held for trading	6 and 9	49,389	56,665
Derivatives		67	124
Equity instruments		46,284	54,225
Debt securities		3,038	2,316
Pro memoria: loaned or pledged as collateral with right of sale or pledge		-	-
Financial assets designated at fair value through other comprehensive income	6 and 10	318,676	830,553
Equity instruments		4,615	2,264
Debt securities		314,061	828,289
Pro memoria: loaned or pledged as collateral with right of sale or pledge		56,751	272,650
Financial assets at amortised cost	11	628,302	655,790
Debt securities		356,495	356,977
Loans and advances		271,807	298,813
Central banks		-	-
Credit institutions		15,962	49,135
Clientèle		255,845	249,678
Pro memoria: loaned or pledged as collateral with right of sale or pledge		354,442	301,719
Investments in joint ventures and associates	12	4,955	578
Multigroup entities		-	-
Associated entities		4,955	578
Tangible assets	13	63,978	61,089
Tangible fixed assets		59,089	57,847
Own use		59,089	57,847
Transferred under operating leases		-	-
Investment properties		4,889	3,242
Of which: leased under operating leases		1,470	255
Pro memoria: acquired under finance lease		22,960	20,996
Intangible assets	14	22,434	22,122
Goodwill		15,291	15,291
Other intangible assets		7,143	6,831
Tax assets	20	5,769	10,111
Current tax assets		-	-
Deferred tax assets		5,769	10,111
Other assets	15	3,080	1,939
Other assets		3,080	1,939
TOTAL ASSETS		**2,190,176**	**2,410,341**

Thousands of Euro

Liabilities	Note	2023	2022
Financial liabilities held for trading	**9**	**-**	**189**
Derivatives		-	189
Short positions		-	-
Debt securities issued		-	-
Other financial liabilities		-	-
Financial liabilities at amortised cost	**16**	**2,026,916**	**2,276,545**
Deposits		1,860,967	2,057,990
Central banks		-	-
Credit institutions		18,905	13,805
Clientèle		1,842,062	2,044,185
Debt securities issued		-	-
Other financial liabilities		165,949	218,555
Pro memoria: subordinated liabilities		-	-
Provisions	**17**	**2,406**	**2,379**
Pensions and other post-employment defined benefit obligations		-	-
Other long-term employee benefits		-	-
Procedural issues and pending tax litigation		2,390	2,329
Commitments and guarantees granted		16	50
Other provisions		-	-
Tax liabilities	**20**	**8,535**	**6,398**
Current tax liabilities		8,036	5,791
Deferred tax liabilities		499	607
Share capital repayable on demand		**-**	**-**
Other liabilities	**15**	**10,631**	**7,392**
Of which: welfare fund (savings banks and credit cooperatives only)		-	-
TOTAL LIABILITIES		**2,048,488**	**2,292,903**

Net Equity	Note	2023	2022
Own funds	**18**	**153,191**	**140,537**
Capital		18,312	18,312
Paid-in capital		18,312	18,312
Uncalled capital requested		-	-
Pro memoria: capital not requested		-	-
Share premium		8,496	8,496
Other reserves		112,464	102,830
Accumulated reserves or losses from investments in joint ventures and associates		-	-
Other		112,464	102,830
(-) Treasury shares		-	(486)
Profit attributable to owners of the parent company		26,127	21,540
(-) Interim dividends	2.10 and 18.g	(12,208)	(10,155)
Other accumulated comprehensive income		**(13,107)**	**(24,056)**
Items not to be reclassified to profit or loss		(712)	(651)
Changes in the fair value of equity instruments measured at fair value through other comprehensive income	10	(712)	(651)
Other valuation adjustments		-	-
Items that may be reclassified to profit or loss		(12,395)	(23,405)
Currency conversion		(2,808)	(2,688)
Changes in fair value of debt instruments measured at fair value with changes in other comprehensive income	10	(9,587)	(20,717)
Minority interests [non-controlling shares]	**18.l**	**1,604**	**957**
Other accumulated comprehensive income		(193)	(426)
Other elements		1,797	1,383
TOTAL EQUITY		**141,688**	**117,438**
TOTAL NET EQUITY AND LIABILITIES		**2,190,176**	**2,410,341**
PRO-MEMORIA	**19**		
Guarantees granted		2,884	2,337
Contingent commitments granted		45,196	48,096
Other commitments given		11,506	7,675
		59,586	**58,108**

01.2

Consolidated Profit and Loss Accounts

Renta 4 Banco, S.A. and Subsidiaries

Consolidated Profit and Loss Accounts
for the years ended 31 December 2023 and 2022

Thousands of Euro

	Note	2023	2022
Interest income	22 a)	39,957	12,989
(Interest expenses)	22 a)	(16,763)	(3,895)
A) INTEREST MARGIN		**23,194**	**9,094**
Dividend income		62	17
Results of entities accounted for using the equity method		(86)	811
Commission income	22 b)	166,078	170,684
(Commission expenses)	22 b)	(76,370)	(82,919)
Gains or (-) losses on cancellation of financial assets and liabilities not measured at fair value through profit or loss, net	22 a)	241	816
Gains or (-) losses on financial assets and liabilities held for trading, net	22 a)	10,694	2,233
Currency differences [gain or (-) loss], net	22 g)	6,575	9,395
Other operating income	22 c)	312	279
(Other operating expenses)	22 c)	(3,872)	(2,985)
B) GROSS MARGIN		**126,828**	**107,425**
(Administration expenses)		(79,132)	(69,762)
(Staff expenses)	22 d)	(52,497)	(43,727)
(Other administrative expenses)	22 e)	(26,635)	(26,035)
(Amortisation)	13 and 14	(11,276)	(10,038)
(Provisions or (-) reversal of provisions)	17	(898)	1,349
(Impairment or reversal of impairment and gains or losses due to modifications in cash flows of financial assets not measured at fair value through profit or loss or net gains due to modifications)	22 f)	843	408
(Financial assets at fair value through other comprehensive income)		134	(119)
(Financial assets at amortised cost)		709	527
C) OPERATING RESULT	11	**36,365**	**29,382**
Gains or (-) losses on cancellation of non-financial assets and participations, net		-	-
Of which: investments in subsidiaries, joint ventures and associates		-	-
D) PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS		**36,365**	**29,382**
(Expenses or (-) income tax revenue from continued operations)	20	(9,802)	(7,600)
E) PROFIT OR (-) LOSS AFTER TAX FROM CONTINUED OPERATIONS		**26,563**	**21,782**
Profit or (-) loss after tax from discontinued operations		-	-
F) PROFIT OR LOSS FOR THE FINANCIAL YEAR		**26,563**	**21,782**
Attributable to minority interests (non-controlling shares)	18.l	436	242
Attributable to the owners of the parent company		26,127	21,540
EARNINGS PER SHARE (in euro)			
Basic	18.h	0.64	0.53
Diluted	18.h	0.64	0.53

01.3

Consolidated Statements of Recognised Income and Expense

Renta 4 Banco, S.A. and Subsidiaries

Consolidated Statements of Recognised Income and Expense for the years ended 31 December 2023 and 2022

Thousands of Euro

	2023	2022
Result for the year	**26,563**	**21,782**
Other global result	**11,182**	**(19,715)**
Items not to be reclassified to profit or loss	**(61)**	**(310)**
Changes in fair value of equity instruments measured at fair value with changes in comprehensive income	(148)	(464)
Other valuation adjustments	-	-
Income tax on items that will not be reclassified	87	154
Items that may be reclassified to profit or loss	**11,243**	**(19,405)**
Currency conversion	113	297
Gains or (-) losses due to currency exchange accounted for in net equity	113	297
Financial assets designated at fair value through other comprehensive income	15,900	(28,146)
Gains or (-) losses in value accounted for in net equity	16,274	(27,446)
Transferred to profit and loss	(374)	(700)
Income tax on items that may be reclassified to profit or loss	(4,770)	8,444
Total global result for the year	**37,745**	**2,067**
Attributable to minority interests (non-controlling shares)	669	168
Attributable to the owners of the parent company	37,076	1,899

01.4

Consolidated Total Statements of Changes in Net Equity

Renta 4 Banco, S.A. and Subsidiaries

Consolidated total statement of changes in net equity
for the year ended 31 December 2023

Thousands of Euro

												Minority interests		
	Capital	Share premium	Issued equity instruments other than capital	Other net equity items	Accumulated earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit attributable to owners of the parent company	(-) Interim dividends	Other accumulated comprehensive income	Other accumulated comprehensive income	Other elements	Total
Opening balance on 31/12/2022	**18,312**	**8,496**	**0**	**0**	**0**	**0**	**102,830**	**(486)**	**21,540**	**(10,155)**	**(24,056)**	**(426)**	**1,383**	**117,438**
Effects of error correction	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effects of changes in accounting policies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Opening balance	**18,312**	**8,496**	**0**	**0**	**0**	**0**	**102,830**	**(486)**	**21,540**	**(10,155)**	**(24,056)**	**(426)**	**1,383**	**117,438**
Global result for the year	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**26,127**	**0**	**10,949**	**233**	**436**	**37,745**
Other changes in net equity	**0**	**0**	**0**	**0**	**0**	**0**	**9,634**	**486**	**(21,540)**	**(2,053)**	**0**	**0**	**(22)**	**(13,495)**
Dividends (or shareholder remuneration) (Note 18.g)	0	0	0	0	0	0	(2,031)	0	0	(12,208)	0	0	0	(14,239)
Purchase of treasury shares (Note 18.f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale or cancellation of own shares	0	0	0	0	0	0	258	486	0	0	0	0	0	744
Reclassification of financial instruments from net equity to liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between components of net equity	0	0	0	0	0	0	11,385	0	(21,540)	10,155	0	0	0	0
Other increases or (-) decreases in net equity (Note 18.l)	0	0	0	0	0	0	22	0	0	0	0	0	(22)	0
Closing balance on 31/12/2023	**18,312**	**8,496**	**0**	**0**	**0**	**0**	**102,830**	**(486)**	**21,540**	**(10,155)**	**(24,056)**	**(426)**	**1,383**	**117,438**

01.4

Consolidated Total Statements of Changes in Net Equity

Renta 4 Banco, S.A. and Subsidiaries

Consolidated total statement of changes in net equity
for the year ended 31 December 2022

Thousands of Euro

	Capital	Share premium	Issued equity instruments other than capital	Other net equity items	Accumulated earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Profit attributable to owners of the parent company	(-) Interim dividends	Other accumulated comprehensive income	Minority interests: Other accumulated comprehensive income	Minority interests: Other elements	Total
Opening balance on 31/12/2021	**18,312**	**8,496**	**0**	**0**	**0**	**0**	**94,147**	**(486)**	**25,337**	**(12,186)**	**(4,415)**	**(352)**	**1,141**	**129,994**
Effects of error correction	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effects of changes in accounting policies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Opening balance	**18,312**	**8,496**	**0**	**0**	**0**	**0**	**94,147**	**(486)**	**25,337**	**(12,186)**	**(4,415)**	**(352)**	**1,141**	**129,994**
Global result for the year	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**21,540**	**0**	**(19,641)**	**(74)**	**242**	**2,067**
Other changes in net equity	**0**	**0**	**0**	**0**	**0**	**0**	**8,683**	**0**	**(25,337)**	**2,031**	**0**	**0**	**0**	**(14,623)**
Dividends (or shareholder remuneration) (Note 18.g)	0	0	0	0	0	0	(4,468)	0	0	(10,155)	0	0	0	(14,623)
Purchase of treasury shares (Note 18.f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale or cancellation of own shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers between components of net equity	0	0	0	0	0	0	13,151	0	(25,337)	12,186	0	0	0	0
Other increases or (-) decreases in net equity (Note 18.l)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing balance on 31/12/2022	**18,312**	**8,496**	**0**	**0**	**0**	**0**	**102,830**	**(486)**	**21,540**	**(10,155)**	**(24,056)**	**(426)**	**1,383**	**117,438**

01.5

Consolidated cash flow statements

Renta 4 Banco, S.A. and Subsidiaries
Corresponding to the financial years ending 31 December 2023 and 2022

Thousands of Euro

	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		**366,213**	**(396,203)**
Result for the year		**26,563**	**21,782**
Adjustments to obtain cash flows from operating activities		**36,717**	**15,833**
Amortisation	13 and 14	11,276	10,038
Other adjustments		25,441	5,795
Net increase/decrease in operating assets		**565,707**	**(647,297)**
Financial assets held for trading		7,276	9,294
Financial assets at fair value with changes in other global result		531,715	(468,426)
Financial assets at amortised cost		28,198	(188,274)
Other operating assets		(1,482)	109
Net increase/decrease in operating liabilities		**(254,504)**	**219,636**
Financial liabilities held for trading		(189)	148
Financial liabilities designated at fair value with changes in result		-	-
Financial liabilities at amortised cost		(254,470)	223,627
Other operating liabilities		155	(4,139)
Income tax collections/payments		**(8,270)**	**(6,157)**
CASH FLOWS FROM INVESTING ACTIVITIES		**(14,031)**	**(8,439)**
Payments		**(14,031)**	**(8,439)**
Tangible assets	13	(5,940)	(4,946)
Intangible assets	14	(3,564)	(3,493)
Investments in joint ventures and associates	12	(4,527)	-
Collections		-	-
Tangible assets		-	-
CASH FLOWS FROM FINANCING ACTIVITIES		**(30,196)**	**(18,501)**
Payments		**(31,002)**	**(18,518)**
Dividends	2.10 and 18.g	(14,239)	(14,623)
Acquisition of own equity instruments		-	-
Other payments related to financing activities		(16,763)	(3,895)
Collections		**806**	**17**
Disposal of own equity instruments		744	-
Other collections related to financing activities		62	17
EFFECT OF EXCHANGE RATE VARIATIONS		**113**	**297**
NET INCREASE/DECREASE IN CASH OR EQUIVALENTS		**322,099**	**(422,846)**
Cash or equivalents at beginning of year	8	**771,494**	**1,194,340**
Cash or equivalents at end of year	8	**1,093,593**	**771,494**
PRO MEMORIA COMPONENTS OF CASH AND EQUIVALENTS AT END OF YEAR	8	**1,093,593**	**771,494**
Cash		47	42
Cash equivalent balances at central banks		900,056	610,028
Other financial assets		193,490	161,424
Less: Bank overdrafts repayable on demand		-	-

02 Consolidated Report 2023

02.1

General information

Renta 4 Banco, S.A. (hereinafter, "the Bank" or "the Parent Company") is the entity resulting from the merger by absorption which took place on 30 March 2011, of Renta 4 Servicios de Inversión S.A., (absorbing entity) and Renta 4 Banco, S.A. (absorbed entity), previously called Banco Alicantino de Comercio, S.A., the change of name of the latter having been registered in the Trade Registry on 8 June 2011. In addition, in the merger process, amendments were made to the bylaws of the absorbing company, changing its name from Renta 4 Servicios de Inversión, S.A. to Renta 4 Banco, S.A. and extending its corporate purpose to include banking activities, as well as investment and ancillary services typical of investment services companies. The Parent Company is registered in the Trade Registry and in the Special Register of Credit Institutions of the Bank of Spain under code 0083.

On 19 December 2011, the Directorate General of the Treasury and Financial Policy under the Ministry of Economy and Finance approved the partial spin-off of branches of activity of Renta 4, S.A., Sociedad de Valores in favour of Renta 4 Banco, S.A.

By virtue of this spin-off, Renta 4, S.A., Sociedad de Valores transferred to Renta 4 Banco, S.A. all of its assets and liabilities assigned to certain branches of activity of the spun-off company, which constitute "an economic unit" and which were transferred en bloc by universal succession to Renta 4 Banco, S.A., with this company acquiring as beneficiary of the spin-off, by universal succession, all of the assets and liabilities, rights and obligations comprising the aforementioned spun-off assets.

The balance sheet of Renta 4, S.A., Sociedad de Valores as at 31 December 2010 was considered as the spin-off balance sheet. All transactions carried out by the assets spun off from Renta 4, S.A., Sociedad de Valores are considered to have been carried out for accounting purposes on behalf of Renta Banco, S.A. since 1 January 2011.

As a result of the spin-off, Renta 4, S.A., Sociedad de Valores, transferred net assets to Renta 4 Banco, S.A., amounting to €13.63 million, which represented 48.418% of the total net assets of Renta 4, S.A., Sociedad de Valores before the spin-off. Therefore, Renta 4, S.A., Sociedad de Valores reduced its capital by the necessary amount of €2,944,826.61 by amortising shares numbered 1,047,869 to 2,031,485 inclusive.

The Parent Company's corporate purpose consists of the activities of credit institutions in general, including the provision of investment services, as well as the acquisition, holding, use, administration and disposal of all kinds of transferable securities, and in particular those determined in article 175 of the Commercial Code and other legislation in force relating to the activity of such institutions. It also includes the provision of all kinds of services and consulting, whether economic, financial, tax, stock market, organisational, mechanisation or of any other kind, and to carry out company valuation studies, as well as the placement and negotiation of securities of all kinds of movable and immovable assets belonging to third parties.

The activity or activities that constitute the corporate purpose may also be carried on by the Parent Company, wholly or partially, indirectly, through the ownership of shares or equity interests in companies with an identical or similar purpose.

The Parent Company has its registered office in Madrid, Paseo de la Habana 74. By agreement of the Administrative Body, it may be transferred within the same municipal area where it is established. Likewise, offices, agencies or delegations may be created, removed or transferred as required by the development of the company's business, both in Spain and abroad. The Parent Company's balance sheet, income statement, statement of recognised income and expenses, statement of total changes in equity and statement of cash flows as at 31 December 2023 and 2022 are included in Annex IV.

The Parent Company is the head of an economic and consolidable group of credit institutions (hereinafter "the Group"). The activities of subsidiaries and associates are included in Annex I. During the year there have been no changes in the name of the parent company of the group.

The activities carried out by the most representative companies of the Group are regulated by Royal Legislative Decree 4/2015 of 23 October, approving the revised text of the Securities Market Law, by Law 47/2007 of 19 December and by Royal Decree 217/2008 of 15 February, as well as the various Circulars of the National Securities Market Commission (CNMV) that implement it. The management of collective investment institutes is also regulated by Law 35/2003 of 4 November 2003 and subsequent amendments thereto, and by Royal Decree 1082/2012 of 13 July 2012, applicable as from 21 July 2012, and subsequent amendments thereto, which approves the Regulations implementing Law 35/2003 of 4 November 2003 and replaces Royal Decree 1309/2005 of 4 November 2005 by repealing it. In addition, the pension fund management activity is regulated by Royal Decree 1/2002, of 29 November, approving the revised text of the law regulating Pension Plans, implemented by Royal Decree 304/2004, of 20 February, approving the Regulations of Pension Plans and Funds and subsequent amendments thereto.

As a credit institution, Renta 4 Banco, S.A. is subject to certain legal regulations which govern, among others, aspects such as:

a) **Minimum Reserve Ratio** - Maintenance of a minimum percentage of reserve holdings with a national central bank of a country participating in the single currency (euro) to cover the minimum reserve ratio. At 31 December 2023 and 2022 Renta 4 Banco, S.A. complied with the minimum requirements.

b) **Own Resources** - Maintenance of a minimum level of own resources. In short, the regulations stipulate the obligation to maintain sufficient own funds to cover the requirements of the risks incurred. At 31 December 2023 and 2022 the Group and the Parent Company complied with the minimum requirements in this respect (see note 18.i).

c) **Liquidity Ratio** - Article 412 of Regulation (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms (hereinafter CRR) requires compliance with the liquidity requirement, which is further developed in Delegated Regulation (EU) 2015/61. This requirement applies to credit institutions at the individual level (Article 6.4 of the CRR) and at the consolidated level of the parent company (Article 11.3 of the CRR) as of 1 October 2015.

It has been adopted in accordance with the following calendar:

- **60% of the liquidity coverage requirement as of 1 October 2015.**
- **70% from 1 January 2016.**
- **80% from 1 January 2017.**
- **100% from 1 January 2018.**

The liquidity ratio at 31 December 2023 and 2022 of the Parent Company at individual and Group level is above 100%, which is required as of 1 January 2018.

d) **Annual contribution to the Deposit Guarantee Fund (hereinafter "DGF")** - This represents an additional guarantee to that provided by the Bank's own resources to the Bank's creditors, the purpose of which is to guarantee customer deposits up to €100,000 in accordance with the provisions of the regulations in force.

On 1 June 2016, the Bank of Spain published Circular 5/2016 of 27 May 2016 on the calculation method for the contributions of institutions adhering to the Deposit Guarantee Fund for Credit Institutions (DGF) to be proportional to their risk profile, which will be used by the DGF's Management Committee to determine the amount of each institution's annual contributions to the deposit guarantee compartment, taking into account indicators of capital, liquidity and financing, asset quality, business model, management model and potential losses for the DGF.

The total annual contribution of all member institutions to the DGF's deposit guarantee fund has been set at 1.75 per thousand of the calculation base (1.75 of the calculation base for 2022), made up of the guaranteed money deposits as indicated in section 2.a) of Article 3 of Royal Decree 2606/1996, existing at 31 December 2022, the contribution being calculated on the basis of the amount of the guaranteed deposits and their risk profile.

On the other hand, the annual contribution of member institutions to the DGF's securities guarantee compartment has been set at 2 per thousand of the calculation basis, made up of 5% of the amount of guaranteed securities, as indicated in section 2.b) of the aforementioned article 3 of Royal Decree 2606/1996, existing at 31 December 2023.

At the date of preparation of these consolidated financial statements, the Management Committee of the DGF had communicated the annual contribution to be made by the Bank to the Deposit Guarantee Compartment for an amount of €1,512 million (€1,243 million at 31 December 2022). The portion corresponding to the Securities Guarantee Compartment has been provisioned for €850,000 (€650,000 provisioned at 31 December 2022), recorded under “Other operating expenses” in the accompanying consolidated income statement. (See Note 22.c).

e) **Annual contribution to the Single Resolution Fund -** The National Resolution Fund (NRF, administered by the FROB) was created in 2015 and will be financed by annual contributions from credit institutions and investment firms until it reaches at least 1% of the amount of guaranteed deposits of all institutions by 31 December 2024. This fund has been mutualised with the other euro zone member countries' funds in the Single Resolution Fund (SRF) in January 2016.

On 7 November 2015, Royal Decree 1012/2015, of 6 November, implementing Law 11/2015, of 18 June, on the recovery and resolution of credit institutions and investment services companies, and amending Royal Decree 2606/1996, of 20 December, on deposit guarantee funds for credit institutions, was published in the Official State Gazette (BOE).

In relation to the first of the aspects developed, the Royal Decree establishes that the FROB will determine the annual contributions of institutions to the NRF annually, adjusting these contributions to the Group's risk profile.

On 1 January 2016, Regulation 806/2014 of the European Parliament and of the Council of 15 July 2014 entered into force, by virtue of which the Single Resolution Board replaces the National Resolution Authorities, assuming competence over the administration of the SRF as well as the calculation of the contributions to be made by the institutions, applying the calculation methodology specified in Commission Delegated Regulation 2015/63 of 21 October 2014, in accordance with the uniform conditions of application explained in Council Implementing Regulation 2015/81 of 19 December 2014.

During the year, the Group made a contribution to the SRF in the amount of €625,000 together with the associated fees of €18,000 (€512,000 and €1,000 respectively as at 31 December 2022). These amounts have been recorded under “Other operating expenses” in the accompanying consolidated profit and loss statement. (See Note 22.c).

Since 29 September 2007, Renta 4 Banco, S.A. has had all of its shares accepted to trading on the Madrid, Barcelona, Bilbao and Valencia stock exchanges. They are also included in the Spanish Stock Exchange Interconnection System.

Corporate transactions

On 26 September 2019, Renta 4 Banco, S.A. reached a definitive agreement for the acquisition of the brokerage, fund marketing and custody business of BNP Paribas Sucursal en España, S.A. which had been operating under the trade name “BNP Paribas Personal Investors”.

The implementation of the acquisition was approved by the Ministry of Economy on 10 March 2020.

02.2

Basis of presentation

2.1 Basis of presentation of the Consolidated Annual Accounts

The consolidated annual accounts (hereinafter "Annual Accounts") of the Group for the financial year 2023 have been prepared by the Directors of the Parent Company, at the meeting of its Board of Directors held on 26 February 2024. These consolidated financial statements are expected to be approved by the General Meeting of Shareholders without any changes. The consolidated annual accounts for 2022 of Renta 4, Banco S.A. and subsidiaries were prepared by its Directors on 21 February 2023 and approved by the General Shareholders' Meeting on 30 March 2023.

In accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, all companies governed by the law of a Member State of the European Union whose securities are listed on a regulated market of a Member State of the European Union must present their consolidated annual accounts for financial years beginning on or after 1 January 2005 in accordance with International Financial Reporting Standards as adopted by the European Union ("EU-IFRS").

In this regard, the Group's consolidated annual accounts for 2023 are presented in accordance with the International Financial Reporting Standards adopted by the European Union and taking into consideration the provisions of Bank of Spain Circular 4/2017 and its subsequent amendments, which constitute the development and adaptation to the Spanish credit institution sector of the International Financial Reporting Standards adopted by the European Union and the other provisions of the regulatory framework for financial reporting that are applicable and with the format and marking requirements established in the European Commission's Delegated Regulation EU 2019/815. There are no mandatory accounting principles or measurement bases with a material effect on these consolidated financial statements that are no longer applied in the preparation of these consolidated financial statements.

The Group's consolidated financial statements for 2023 have been prepared taking into account all the mandatory accounting policies and rules and measurement bases that have a material effect on them, so that they fairly present the consolidated equity and consolidated financial position of the Group as at 31 December 2023 and the consolidated results of its operations and consolidated cash flows for the year ended on that date.

Note 4 summarises the significant accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2023. Note 2.9 below provides a summary of the main accounting regulatory changes in 2023.

The figures in these consolidated annual accounts are presented in thousands of euro, unless otherwise stated.

2.2 Comparison of information

In accordance with commercial legislation, the directors of the Parent Company present, for comparative purposes, in addition to the figures for 2023, for each item in the consolidated balance sheet, the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated statement of changes in equity, the consolidated cash flow statement and the consolidated notes to the consolidated financial statements, the figures corresponding to the previous year.

During the 2023 financial year, certain amounts of the comparative figures of some breakdowns for the 2022 financial year have been reclassified with the main purpose of reflecting certain breakout balances in a manner comparable to the balances of the current financial year. This aspect does not affect any summary of the comparative financial statements for the financial year 2022.

The consolidated annual accounts for the year ended 31 December 2023 have been prepared considering the adaptation of the content of the public financial information to the preparation criteria, terminology, definitions and formats of the statements known as FINREP which are established on a mandatory basis for the consolidated financial information prepared applying the International Financial Reporting Standards adopted by the European Union, in Commission Implementing Regulation (EU) No 680/214 of 16 April, in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council.

2.3 Use of judgements and estimates in the preparation of the consolidated annual accounts

The information included in the consolidated annual accounts is the responsibility of the Parent Company's directors.

In preparing certain disclosures in these financial statements, the directors have made judgements and estimates based on assumptions that affect the application of accounting policies and principles and the reported amounts of assets, liabilities, income, expenses and commitments. The most significant estimates used in the preparation of these annual accounts relate to:

· Impairment losses on financial assets (see Note 4.h).

· Impairment losses and the useful life of tangible assets (see Note 4.j).

· Impairment tests of goodwill on consolidation (see Note 4.i).

The valuation of goodwill requires estimates to be made in order to determine its fair value for the purpose of assessing possible impairment. To determine this fair value, the Parent Company's directors estimate the expected future cash flows of the cash-generating unit of which it is a part and use an appropriate discount rate to calculate the present value of those cash flows. Future cash flows depend on meeting budgets for the next five years, while discount rates depend on the interest rate and risk premium associated with each cash-generating unit. Note 4.i) and 14.a) discusses the assumptions used to calculate the value in use of cash-generating units and includes an analysis of the sensitivity to changes in assumptions.

· The valuation of equity instruments in share delivery plans for executives and employees (see Note 4.p).

· The fair value of certain financial assets not listed on official secondary markets (see Note 6).

· Measurement of the financial risks to which the Group is exposed in the course of its business (see Note 5).

The estimates and assumptions used are based on historical experience and other factors that have been judged to be the most reasonable at the present time and are reviewed periodically. If, as a result of such revisions or future events, there is a change in these estimates, the effect is recognised in the consolidated income statement for that period and subsequent periods in accordance with IAS 8.

Macroeconomic, financial and geopolitical environment

The macroeconomic environment during 2023 has been marked, mainly, by increases in interest rates by central banks and the progressive shift of their impact on economic and financial activity. In addition, during the 2023 financial year inflation has undergone a gradual moderation since the peaks produced in the 2022 financial year.

During recent financial years there has been a gradual return to "normality" in relation to the effects of the COVID-19 pandemic declared by the World Health Organisation on 11 March 2020.

In addition, the restrictive measures imposed by the EU on Russia in the wake of the Ukrainian war continue during 2023. The measures are designed to weaken Russia's economic base by depriving it of vital technologies and markets, and significantly limiting its ability to wage war. The entity continues to strengthen internal protocols to prohibit the making available of funds or economic resources for the benefit of natural or legal persons, entities or bodies included in the EU sanctions list.

Finally, geopolitical factors such as armed conflict in the Middle East, and internal political developments generate uncertainty in the economy's evolution.

2.4 Shares in the capital of credit institutions

As at 31 December 2023 and 2022, the Group did not hold any equity interests in other domestic or foreign credit institutions.

2.5 Consolidation methods

The Group classifies its investments in subsidiaries or associates according to the following criteria:

· Subsidiaries are defined as entities over which the Group has control. An entity controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

To be considered dependent, the following must be true:

a. **Poder: Power:** An investor has power over an investee when the investor has existing rights that give it the ability to direct the relevant activities, i.e. activities that significantly affect the investee's returns;

b. **Yields:** An investor is exposed, or entitled, to variable returns from its involvement with an investee when the returns to the investor from that involvement may vary depending on the economic performance of the investee. The investor's returns can be positive only, negative only or both positive and negative.

c. **Relationship between power and yield:** An investor controls an investee if the investor not only has power over the investee and is exposed, or has rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the returns it earns from its involvement with the investee.

Subsidiaries have been fully consolidated by the full consolidation method, which consists of the inclusion in the Group's balance sheet of all the rights and obligations comprising the assets and liabilities of such subsidiaries, and in the income statement of all the income and expenses which contribute to the determination of their profit or loss for the year.

Likewise, consolidation ceases when the Group loses control. When this situation arises, the consolidated financial statements include the results for the part of the year during which the Group retained control over them.

· Associates are companies over which the Group has the capacity to exercise significant influence, based on the presence in their governing bodies, on the effective capacity to influence their strategic and operating policies and the existence of significant transactions. Associated entities have been consolidated using the equity method (also known as the "equity consolidation method"), whereby the book value of the investment is replaced by the amount corresponding to the percentage of the associated entity's equity.

2.6 Minority interests

The value of the minority interests in the equity and results of consolidated subsidiaries is presented under "Minority interests" in the consolidated balance sheets and "Profit for the year - Attributable to minority interests" in the consolidated profit and loss statements and the consolidated statements of recognised income and expense, respectively.

On acquisitions of interests from external partners, the difference between the price paid and the amount recorded is recorded in equity attributable to the Parent Company.

2.7 Valuation homogenisation

The necessary valuation adjustments have been made in order to adapt the valuation criteria of the subsidiaries to those of the Parent Company.

2.8 Elimination of internal operations

The various reciprocal balances for internal transactions of loans, dividends, sale and purchase of goods and services have been eliminated.

2.9 Regulatory developments

The accounting principles and policies and measurement methods applied in the preparation of the accompanying consolidated financial statements do not differ significantly from those described in Note 2 to the Consolidated Financial Statements for 2023.

In the financial year 2023 the following standards have come into force and have been adopted by the European Union, which have been applied by the Group for the first time:

Rules and interpretations issued by the International Accounting Standards Board (hereinafter, IASB) which have entered into force in the financial year 2023

In the 2023 financial year the following rules and interpretations adopted by the European Union, together with the respective amendments, have entered into force without significantly impacting on the Group:

IFRS 17 "Insurance contracts"

IFRS 17 sets out the principles for the recognition, measurement, presentation and disclosure of the insurance contracts. The objective of IFRS 17 is to ensure that entities provide relevant and reliable information about such contracts.

According to this standard, insurance contracts combine features of financial instruments and service contracts. In addition, many insurance contracts generate cash flows that vary substantially and have a long duration. In order to provide useful information on these issues, IFRS 17:

· ombines the present measurement of future cash flows with the recognition of revenue over the period in which the contracted services are performed.

· presents the results for services rendered separately from the financial expenses and income from these contracts.

· requires entities to decide whether to recognise all of their financial income and expenses from insurance contracts in the profit and loss account or whether to recognise part of these results in equity.

Also, in 2020, certain amendments were made to IFRS 17 to reduce implementation costs, simplifying the requirements of this standard and facilitating the explanations to be provided in relation to the results of the operations of the entities and the transition to this new standard, deferring its effective date to 1 January 2023 and reducing the requirements for first-time application.

Amendment to IFRS 17 "First-time application of IFRS 17 and IFRS 9: Comparative Information"

This limited amendment is intended to provide insurance entities with an option for the presentation of comparative information on financial assets in order to avoid accounting mismatches between financial assets and insurance contract liabilities in this comparative information when IFRS 9 and IFRS 17 are applied for the first time.

Amendments to IAS 1 and IFRS Practice Paper 2 "Disclosure of Accounting Policies"

These amendments are intended to help institutions improve their disclosures in relation to their accounting policies by providing more useful information in their annual accounts.

The amendments to IAS 1 require entities to disclose material information in relation to their accounting policies, rather than their significant accounting policies, clarifying that accounting information relating to immaterial transactions, events or situations need not be disclosed. The amendments to Practice Paper 2 on making judgements about materiality provide guidance on how the concept of materiality should be applied to accounting policy disclosures.

Amendments to IAS 8 "Definition of Accounting Estimates"

These amendments incorporate the definition of "accounting estimates" as the amounts in the financial statements whose measurement is subject to uncertainty which provides guidance on how to distinguish between changes in accounting estimates and changes in accounting policies. This distinction is relevant because changes in accounting estimates are recorded prospectively whereas changes in accounting policies are generally applied retrospectively. In particular, it is clarified that changes in accounting estimates as a result of new information or developments are not treated as corrections of prior period errors.

Amendments to IAS 12 "Deferred Taxation Relating to Assets and Liabilities Arising from a Single Transaction"

Commission REGULATION (EU) 2022/1392 of 11 August 2022 amending Regulation (EC) No 1126/2008 as regards IAS 12. Clarifications on exceptions to the initial recognition of assets or liabilities are not applicable where there are temporary taxable and deductible differences of the same amount.

Standards and interpretations issued by the IASB that are no longer in effect

On 31 December 2023, the most significant standards and interpretations that have been issued by the IASB but not applied in the preparation of these consolidated financial statements, either because their effective date is subsequent to the date of these consolidated financial statements or because they have not yet been adopted by the European Union, are as follows:

Approved for EU application:

Amendments to IFRS 16 “Lease liabilities on sale and leaseback transactions”

Comes into force from 1 January 2024 by Commission Regulation (EU) 2023/2579 of 20 November 2023 amending Regulation (EU) 2023/1803 as regards IFRS 16.

The application of the amendments to IFRS 16 shall be retrospective and early application is permitted.

Amendments to IAS 1 “Presentation of Financial Statements”

Comes into force from 1 January 2024, retroactively.

Not approved for EU application

Amendments to IAS 7 and IFRS 7 “Supplier Financing Agreements”

Early implementation of these amendments is permitted. If they are applied to a period prior to the date of mandatory application, this should be broken down.

Amendments to IAS 21 “Presentation of Financial Statements”

Early implementation of these amendments is permitted. If they are applied to a period prior to the date of mandatory application, this should be broken down

The group has assessed the impacts of these standards and has decided, where possible, not to exercise early application. It is also estimated that the adoption of the non-current amendments issued by the IASB will not have a significant impact on the Group.

2.10 Distribution of profits

The distribution of profit for 2023 and 2022 is made in accordance with the proposed distribution of profit included in the annual accounts of the respective Group companies prepared in accordance with generally accepted accounting principles in the countries in which they are located.

The proposed distribution of the Parent Company’s profit for 2023 (determined in accordance with accounting principles and criteria generally accepted in Spain), formulated by the Directors and pending approval by the General Shareholders’ Meeting, is as follows, as well as the distribution of the Parent Company’s profit approved for 2022:

Thousands of Euro

	2023	2022
Reserves	8,658	10,039
Interim dividend (Note 18.g)	12,208	10,155
To complementary interim dividends (Note 18.g)	4,883	2,031
Total distributed	**25,749**	**22,225**

02.3

Group Companies and Associates

The subsidiaries and associates of Renta 4 Banco, S.A. on 31 December 2023 and 2022 are listed in Annex I. Information on the accounting of associates in the consolidation process is provided in Note 12.

The individual financial statements of the companies comprising the Group used in the consolidation process for 2023 and 2022 were those as on 31 December 2023 and 2022, respectively.

The Group classifies its holdings in subsidiaries or associates in accordance with the criteria set out in section 2.5.

During the financial year 2023, the changes in “Group companies” were as follows:

· On 27 January 2023, the companies of Grupo Carterix S.A., Sociedad de Estudios e Inversiones S.A., Renta 4 Vizcaya S.A. and Rentsegur Correduria de Seguros S.A. were dissolved and liquidated

· On 16 May 2023, Renta 4 Banco, S.A., in its capacity as the sole shareholder of Corporación Financiera Renta 4 S.C.R., S.A., agreed to make a non-refundable cash capital contribution of €1.9 million.

· On 11 October 2023, Renta 4 Banco, S.A., in its capacity as the sole shareholder of Corporación Financiera Renta 4 S.C.R., S.A., has agreed to make a non-refundable cash capital contribution of €250,000.

· On 28 November 2023, Renta 4 Banco, S.A., in its capacity as the sole shareholder of Corporación Financiera Renta 4 S.C.R., S.A., has agreed to make a non-refundable cash capital contribution of €300,000.

· On 18 December 2023, Renta 4 Banco, S.A., in its capacity as the sole shareholder of Corporación Financiera Renta 4 S.C.R., S.A., has agreed to make a non-refundable cash capital contribution of €400,000.

During the financial year 2023, the changes in “Group companies” were as follows:

· On 16 June 2023, Renta 4 Banco, S.A., has authorised the capital increase of the company Valor Absoluta Asset Manegement S.A. through the subscription of 44,118 new shares, with a nominal value of €1 each, plus an issue premium for a total amount of €4.044 million. The payment of the shares, as well as the entire issue premium, has been fully subscribed and paid up through cash contribution.

· On 15 June 2023, the company Openbrick SL was constituted. The share capital is three thousand Euros represented by three thousand shares, numbered from one to three thousand, with a nominal value of one Euro each. Renta 4 Banco, S.A., has agreed to make a cash contribution, fully subscribed for the amount of €1,000.

· On 31 July 2023, the shareholders’ meeting of the entity Openbrick, S.L., has agreed a capital increase of two Euro, through the issuance of two shareholdings of one Euro of nominal value each, with an issue premium of €99,000.

· On 2 October 2023, the shareholders’ meeting of the entity Openbrick, S.L., has agreed a capital increase of two Euros, by issuing two shares each with a nominal value of one Euro with an issue premium of €100,000.

· On 27 July 2023, 70,000 shares of Torsa Capital S.G.E.I.C., S.A. were acquired, representing 23.33% of the company’s capital, for a total price of €263,000. On 15 December 2023, 20,000 more shares were acquired for an amount of €20,000, reaching a percentage of participation in company’s capital of 30%.

During the 2022 financial year, the changes in “Group companies” were as follows:

· On 25 May 2022, Renta 4 Banco, S.A., in its capacity as the sole shareholder of Corporación Financiera Renta 4 S.C.R., S.A., has agreed to make a non-refundable cash capital contribution of €2 million.

· On 5 December 2022, the General Shareholders’ Meeting of Renta 4 Huesca approved the shareholders’ contribution to the company’s equity in the amount of €10,000.

Details of the subsidiaries and associates of Renta 4 Banco, S.A. on 31 December 2023 and 2022 are shown in Annex I of these consolidated financial statements.

02.4

Accounting Principles and Assessment Criteria Applied

The following accounting principles and policies and measurement bases have been applied in the preparation of the Group's consolidated financial statements for the financial year 2023:

a) Going concern principle

The information contained in these financial statements has been prepared on the assumption that the Group will continue to be managed in the future and, accordingly, the accounting policies have not been applied for the purpose of determining the value of the net assets for the purposes of their global or partial transfer or for a hypothetical liquidation, as the directors consider that the Group will continue to operate as usual.

b) Accrual principle

These consolidated financial statements, except for the cash flow statements, have been prepared on the basis of the actual flow of goods and services, irrespective of the date of payment or collection.

c) Clearing of balances

Only balances receivable and payable arising from transactions which are contractually or legally offset and which are intended to be settled on a net basis or to realise the asset and settle the liability simultaneously are offset and are therefore presented on the consolidated balance sheet at their net amount. For these purposes, the presentation in accordance with EU-IFRS in these consolidated financial statements of financial assets subject to impairment or depreciation adjustments, net of these items, is not considered to be a "compensation of balances".

d) Foreign currency transactions

For the purposes of these consolidated financial statements, the functional and presentation currency is the euro, and so "foreign currency" is considered to be any currency other than the euro.

On initial recognition, foreign currency receivables and payables have been translated into euro using the spot exchange rate. After that time, the following rules apply for the conversion of balances denominated in foreign currencies into euro:

· Monetary assets and liabilities have been translated into euro using the average official spot exchange rates published by the European Central Bank at the end of each year.

· Income and expenses have been translated at the exchange rate at the date of the transaction.

Exchange differences arising from the translation of foreign currency balances are recorded in the consolidated profit and loss account.

At year-end 2023, the total amount of assets and liabilities denominated in foreign currencies amounted to €112.419 million and €98.302 million, respectively. At year-end 2022, the total amount of assets and liabilities denominated in foreign currencies amounted to €112.882 million and €136.948 million, respectively.

e) Revenue recognition

As a general rule, revenue is recognised at the fair value of the consideration received or receivable, less any trade discounts, rebates or discounts. When the cash inflow is deferred in time, fair value is determined by discounting future cash flows.

The recognition of any income in the consolidated income statement or in consolidated equity is subject to the following conditions:

· Their amount can be reliably estimated.

· It is probable that the economic benefits will flow to the entity.

· The information is verifiable.

When doubt arises regarding the collectability of an amount previously recognised in income, the amount that is no longer likely to be collectible is recognised as an expense rather than as a reduction in income.

Interest, dividends and similar income and expense

Interest income, interest expense and similar items are generally recognised on an accruals basis using the effective interest method.

Interest shall be recognised in the profit and loss account on the basis of the following criteria, irrespective of the portfolio in which the assets are classified:

· Interest due before the date of initial recognition and receivable shall form part of the carrying amount of the debt instrument.

· Interest accrued after initial recognition of a debt instrument shall be incorporated, until collected, in the gross carrying amount of the instrument.

Dividends received from companies other than those included in the Group's scope of consolidation are recognised as income when the consolidated entities' right to receive them arises.

When a debt instrument is considered impaired, interest income is recorded by applying to the carrying amount of the asset the interest rate used to discount the cash flows expected to be recovered.

Commissions, fees and similar items

Fee and commission income and expenses that are not to be included in the calculation of the effective interest rate of transactions and/or are not included in the acquisition cost of financial assets or liabilities other than those classified as at fair value through profit or loss are recognised in the consolidated income statement using criteria that vary according to their nature.

The most significant of these are:

· Those linked to the acquisition of financial assets and liabilities measured at fair value through profit or loss, which are recognised in the income statement upon collection/payment.

· Those arising from transactions or services that continue over time, which are accounted for in the consolidated income statement over the life of such transactions or services.

· Those relating to a single act, which are taken to the income statement when the act giving rise to them occurs.

Non-financial income and expenses

They are recognised on an accruals basis.

Collections and payments deferred over time

They are recognised for accounting purposes at the amount resulting from discounting the expected cash flows at market rates.

f) Recognition, measurement and classification of financial instruments

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

Financial instruments are recognised in the consolidated balance sheet only when the Group becomes a party to the contract in accordance with the contract specifications. The Group recognises debt instruments, such as loans and cash deposits, from the date on which the legal right to receive, or the legal obligation to pay, cash arises and financial derivatives from the trade date. In addition, transactions in the foreign exchange market are recorded on the settlement date, and financial assets traded on the Spanish secondary securities markets are recognised on the trade date in the case of equity instruments and on the settlement date in the case of debt securities.

f.1 Financial assets

Classification of financial assets

IFRS 9 contains three main classification categories for financial assets: measured at amortised cost, measured at fair value through accumulated other comprehensive income, and measured at fair value through profit or loss.

The classification of financial instruments into an amortised cost or fair value category has to pass two tests: the business model and the contractual cash flow assessment, commonly referred to as the "principal and interest only approach" (hereinafter PIO).

A financial asset shall be measured at amortised cost if both of the following conditions are met:

· The financial asset is held under a business model whose objective is to hold financial assets to earn contractual cash flows; and

· The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest, essentially understood as compensation for the time value of money and the debtor's credit risk.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

· The financial asset is held within a business model whose objective is achieved by earning contractual cash flows and selling financial assets; and

· The contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt financial instrument shall be classified at fair value through profit or loss whenever the entity's business model for managing it or the characteristics of its contractual cash flows make it inappropriate to classify it in any of the other portfolios described.

In general, equity financial instruments are measured at fair value through profit or loss. However, the Group may irrevocably elect, at the time of initial recognition, to present subsequent changes in fair value in other comprehensive income.

Financial assets will only be reclassified when the Group decides to change the business model. In this case, all financial assets of that business model shall be reclassified. The change in business model objective must be prior to the reclassification date.

Valuation of financial assets

All financial assets are initially recognised at fair value plus, in the case of financial instruments that are not classified at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the instruments.

Except for trading derivatives that are not economic and accounting hedges, all changes in the value of financial assets arising from the accrual of interest and similar items are recognised under "Interest income" in the consolidated income statement for the period in which the accrual occurs (see Note 22.a). Dividends received from companies other than subsidiaries, associates or joint ventures are recognised under "Dividend income" in the consolidated income statement for the period in which the right to receive them arises.

Changes in valuations occurring after initial recognition for reasons other than those mentioned in the preceding paragraph are treated as described below, depending on the categories in which the financial assets are classified.

Its financial assets are classified into the following portfolios for valuation purposes:

"Financial assets held for trading" and "Financial assets designated at fair value through profit or loss":

"Financial assets held for trading" shall include financial assets whose business model is to generate profits by making purchases and sales or to generate profits in the short term. Financial assets designated at fair value through profit or loss shall be classified under "Financial assets designated at fair value through profit or loss" whenever the entity's business model for managing them or the characteristics of their contractual cash flows make it inappropriate to classify them in any of the other portfolios described above.

The assets recognised under these headings in the consolidated balance sheets are measured after acquisition at fair value and changes in their value (gains or losses) are recognised net under "Gains or losses on financial assets and liabilities held for trading, net" and "Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net" in the consolidated income statement, except for interest on derivatives designated as economic and accounting interest rate hedges, which are recognised under "Interest income" or "Interest expense" in the consolidated income statement, net" in the consolidated income statement, except for interest relating to derivatives designated as economic and accounting hedges on interest rates, which is recorded under "Interest income" or "Interest expense" (see Note 22.a), depending on where the results of the hedged instrument are recorded. However, changes arising from exchange differences are recorded under "Gains or losses on financial assets and liabilities" in the consolidated income statement (see Note 22.a).

"Financial assets at fair value through other comprehensive income"

· **Debt financial instruments:**

Assets recorded under this balance sheet heading are measured at fair value. Subsequent changes in this valuation (gains or losses) are recognised temporarily, at their amount (net of the related tax effect), under "Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Changes in fair value of debt instruments measured at fair value through other comprehensive income" in the balance sheet. The amounts recorded under "Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Financial assets at fair value through other comprehensive income" and "Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Foreign currency translation" continue to form part of the Bank's equity until the asset in which they arise is cancelled or until it is determined that the financial instrument is impaired. If these assets are sold, the amounts are written off with a balancing entry under "Gains or losses on cancellation of financial assets and liabilities not measured at fair value through profit or loss, net" or "Exchange differences, net", as appropriate, in the income statement for the period in which the cancellation occurs. In addition, net impairment losses on financial assets at fair value through other comprehensive income arising in the year are recognised under "Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss - Financial assets at fair value through other comprehensive income" in the income statement for the year (see Note 22.f). Currency differences arising from monetary items are recorded under "Currency differences, net" in the income statement (see Note 22.g).

In addition, net impairment losses on financial assets at fair value through other comprehensive income in the year are recognised under "Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and net gains or losses on modification - Financial assets at fair value through other comprehensive income" in the consolidated income statement for the year (see Note 22.f).

Exchange differences arising from monetary items are recorded under "Exchange differences, net" in the consolidated income statement (see Note 22.g).

· **Equity financial instruments:**

On initial recognition of specific investments in equity instruments that would otherwise be measured at fair value through profit or loss, the Group may make an irrevocable election to present subsequent changes in fair value in other comprehensive income. Subsequent changes in this valuation shall be recognised in "Accumulated other comprehensive income - Items not to be reclassified to profit or loss - Changes in fair value of equity instruments measured at fair value through other comprehensive income".

"Financial assets at amortised cost"

A financial instrument shall be classified in the amortised cost portfolio when it is managed under a business model whose objective is to hold the financial assets to receive contractual cash flows, and it meets the PIO test.

Assets recognised under this heading in the consolidated balance sheets are measured subsequent to acquisition at amortised cost, which is determined using the effective interest method.

Net impairment losses on assets recognised in these captions occurring in each year are recognised under "Impairment or reversal of impairment of financial assets not measured at fair value through profit or loss - Financial assets at amortised cost" in the consolidated income statement for that period (see Note 22.f).

Impairment losses on financial instruments are recognised in accordance with Note 4.h).

f.2) Financial liabilities

Classification of financial liabilities

Under IFRS 9, financial liabilities are classified into the following categories:

· Financial liabilities at amortised cost.

· Financial liabilities held for trading (including derivatives): these are instruments that are recorded in this category when the Group's objective is to generate profits through purchases and sales of these instruments;

· Financial liabilities designated at fair value through profit or loss on initial recognition (fair value option). The Group has the option to irrevocably designate a financial liability as measured at fair value through profit or loss if the application of this criterion eliminates or significantly reduces measurement or recognition inconsistencies, or if it is a group of financial liabilities, or a group of financial assets and financial liabilities, that is managed, and its performance evaluated, on a fair value basis in line with a risk management or investment strategy.

Valuation of financial liabilities

All financial liabilities are initially recognised at fair value plus, in the case of financial instruments that are not classified at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the instruments.

Changes in valuations occurring after initial recognition for reasons other than those mentioned in the preceding paragraph are treated as described below, depending on the categories in which the financial liabilities are classified:

"Financial liabilities held for trading" and "Financial liabilities designated at fair value through profit or loss"

The liabilities recognised under these headings in the consolidated balance sheets are measured after recognition at fair value and changes in their value (gains or losses) are recognised, at their net amount, under "Gains or losses on financial assets and liabilities held for trading, net" and "Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net" in the consolidated income statement (see "Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net" in the consolidated income statement) Note 22.f), except for interest on derivatives designated as economic and accounting hedges on interest rates, which is recorded under "Interest income" or "Interest expense" (see Note 22.a), depending on where the results of the hedged instrument are recorded. However, changes arising from exchange differences are recorded under "Gains or losses on financial assets and liabilities" in the consolidated income statement (see Note 22.a).

"Financial liabilities at amortised cost"

The liabilities under this heading in the consolidated balance sheets are measured subsequent to acquisition at amortised cost, which is determined using the effective interest method.

f.3) Gains and losses on financial instruments

Gains and losses on financial instruments are recorded depending on the portfolio in which they are classified according to the following criteria:

· For financial instruments included in the "Held for trading" category, changes in fair value are recognised directly in the profit and loss account.

· For financial instruments measured at amortised cost, changes in their fair value are recognised when the financial instrument is cancelled and, in the case of financial assets, when they become impaired.

· For financial instruments included in the category "Financial assets designated at fair value through other comprehensive income", changes in fair value are recognised directly in equity, as "Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Changes in fair value of debt instruments measured at fair value through other comprehensive income", until cancellation, when the existing amount is transferred to the income statement. Impairment losses, if any, are recognised in the profit and loss account, and as "Accumulated other comprehensive income - Items not to be reclassified to profit or loss - Changes in fair value of equity instruments measured at fair value through other comprehensive income".

f.4) Fair value and amortised cost of financial instruments

The fair value of a financial instrument on a specified date is the amount for which it could be bought or sold on that date between two knowledgeable, willing parties in a mutually independent transaction. The most objective and common reference for the fair value of a financial instrument is the price that would be paid for it in an organised, transparent and deep market ("quoted price" or "market price").

When a market publishes bid and demand prices for the same instrument, the market price for an asset to be acquired or a liability to be issued is the bid price (demand), while the price for an asset to be acquired or a liability to be issued is the ask price (bid). In case there is relevant market making activity or it can be demonstrated that positions can be closed out - liquidated or hedged - at the mid-price, then the mid-price is used. When there is no market price for a given financial instrument, its fair value is estimated on the basis of the price established in recent transactions involving similar instruments or, failing that, on the basis of valuation models sufficiently tested by the financial community, taking into account the specific characteristics of the instrument to be valued and, in particular, the different types of risk associated with the instrument.

Valuation techniques used to estimate the fair value of a financial instrument meet the following requirements:

· The most consistent and appropriate financial and economic methods are used, which have been shown to provide the most realistic estimate of the price of the financial instrument.

· These are those commonly used by market participants when valuing that type of financial instrument, such as discounted cash flow, condition-based option pricing models, non-arbitrage, etc.

· They maximise the use of available information, both in terms of observable data and recent transactions with similar characteristics, and limit the use of unobservable data and estimates as much as possible.

· They are comprehensively and sufficiently documented, including the reasons for their choice over other possible alternatives.

· The chosen valuation methods are respected over time, as long as there are no reasons that change the reasons for their choice.

· The validity of valuation models is regularly assessed using recent transactions and current market data.

They take into account the following factors: time value of money, credit risk, exchange rate, commodity price, price of equity instruments, volatility, market liquidity, risk of early termination and administration costs.

Specifically, the fair value of financial derivatives traded on organised, transparent and deep markets included in the trading portfolios is assimilated to their daily quotation and if, for exceptional reasons, their quotation cannot be established on a given date, they are valued using methods similar to those used to value derivatives not traded on organised markets.

The fair value of OTC derivatives or derivatives traded on shallow or transparent organised markets is taken to be the sum of the future cash flows arising from the instrument, discounted to present value at the date of valuation ("present value" or "theoretical close"), using methods recognised by the financial markets in the valuation process: "net present value (NPV)", option pricing models, etc.

Amortised cost means the acquisition cost of a financial asset or liability plus or minus, as appropriate, principal and interest repayments and plus or minus, as appropriate, the portion taken to the consolidated profit and loss account, using the effective interest method, of the difference between the initial amount and the redemption value of such financial instruments. In the case of financial assets, the amortised cost also includes impairment losses.

The effective interest rate is the discount rate that exactly matches the initial value of a financial instrument to all of its estimated cash flows from all sources over its remaining life, without regard to future credit risk losses. For fixed-rate financial instruments, the effective interest rate coincides with the contractual interest rate established at the time of acquisition, adjusted, where applicable, for any fees and transaction costs that, in accordance with the provisions of IFRS 9, must be included in the calculation of the effective interest rate. For floating rate financial instruments, the effective interest rate is estimated in a manner similar to that for fixed rate transactions and is recalculated at each contractual interest rate reset date on the basis of changes in the future cash flows of the transaction.

g) Reclassifications between portfolios

The Board of Directors at its meeting on 21 February 2023 decided to formulate the Annual Accounts without effecting the reclassification agreed at the meeting on 28 June 2022 of a debt item in the nominal amount of €310 million from the category "Financial assets at fair value through equity" to the category "Financial assets at amortised cost".

During the financial year 2023, the Group has not done any reclassifications between portfolios.

h) Impairment of financial assets

A financial asset is considered impaired - and, consequently, its carrying amount is adjusted to reflect the effect of its impairment - when there is objective evidence that events have occurred that give rise to:

1. A negative effect on future cash flows that were estimated at the time the transaction was entered into, in the case of debt instruments (loans and debt securities).

2. In the case of equity instruments, their carrying amount cannot be recovered in full.

As a general rule, the carrying amount of impaired financial instruments is adjusted for impairment with a charge to the income statement for the year in which the impairment becomes evident. Reversals of previously recognised impairment losses, if any, are recognised in the income statement in the period in which the impairment is reversed or reduced.

When the recovery of any amount recorded is considered remote, it is removed from the balance sheet, without prejudice to any action that the Bank may take to seek collection until its rights have been definitively extinguished, whether by lapse of time, forgiveness or other causes.

The criteria applied by the Group to determine possible impairment losses on each category of financial instruments and the method used to calculate the hedges recognised for impairment are set out below.

The "expected loss" impairment model is applied to financial assets measured at amortised cost and financial assets measured at fair value through accumulated other comprehensive income, except for investments in equity instruments; and to financial guarantee contracts and loan commitments unilaterally revocable by the Group.

Similarly, all financial instruments measured at fair value through profit or loss are excluded from the impairment model.

The standard classifies financial instruments into three categories, depending on the evolution of their credit risk since initial recognition. The first category comprises transactions when initially recognised (Stage 1), the second category comprises transactions for which a significant increase in credit risk has been identified since initial recognition (Stage 2) and the third category comprises impaired transactions (Stage 3)

Definition of impaired financial assets

The "expected loss" impairment model is applied to financial assets measured at amortised cost and financial assets measured at fair value through accumulated other comprehensive income, except for investments in equity instruments; and to financial guarantee contracts and loan commitments.

IFRS 9 differentiates between the following expected loss concepts:

· 12-month expected loss: these are the expected credit losses resulting from possible events of default within 12 months after the reporting date; and

· Expected loss over the duration of the entire transaction: the expected credit losses resulting from all possible events of default during the expected life of the financial instrument.

The estimate of expected loss over the duration of the entire transaction is applied if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and the 12-month expected loss measurement is applied if it has not.

The Group considers the following definitions:

1. **Non-compliance:**

The Group applies a definition of default for financial instruments that is consistent with that used in internal credit risk management, as well as with the indicators set out in the applicable banking regulations. Both qualitative and quantitative indicators are considered.

The Group considers a default to exist when one of the following situations occurs:

· a default of more than 90 days; or

· there is reasonable doubt about the full repayment of the instrument.

The 90-day default is a presumption that can be rebutted in cases where the entity believes, based on reasonable and documented information, that a longer period is appropriate. As at 31 December 2023 and 2022, the Group has not used terms longer than 90 days for any of the significant portfolios.

This definition is consistently applied throughout the Group.

2. **Impaired financial assets:**

A financial asset is credit-impaired when one or more events have occurred that have a negative impact on the estimated future cash flows of that financial asset. Observable data on the following events are evidence that a financial asset is impaired:

· significant financial difficulties of the issuer or the borrower.

· non-compliance with contractual clauses, such as non-payment or an event of default.

· concessions or advantages that the lender, for economic or contractual reasons related to the borrower's financial difficulties, has granted to the borrower that it would not otherwise have provided.

· increasing likelihood that the borrower will enter bankruptcy or other financial restructuring.

· the disappearance of an active market for the financial asset in question due to financial difficulties, or

· the purchase or creation of a financial asset at a deep discount reflecting the credit loss incurred.

It may not be possible to identify a single specific event, but rather the combined effect of several events may have caused the financial asset to become credit-impaired.

The Group's definition of an impaired financial asset is aligned with the definition of default described in the preceding paragraphs.

3. **Significant increase in credit risk:**

The objective of the impairment requirements is to recognise lifetime expected credit losses for financial instruments for which there have been significant increases in credit risk since initial recognition considering all reasonable and documented information, including forward-looking information.

The model developed by the Group, which consists of the assessment of qualitative factors (triggers, refinancing, macroeconomic information, etc.) and, in some cases, quantitative factors for the assessment of significant increases in credit risk, has a two-pronged approach that is applied globally.

In any case, instruments are considered as Stage-2 (see below) if any of the following circumstances apply:

· Non-payment of more than 30 days that are subject to special surveillance by the Risk units because they show negative signals in their credit quality, although there is no objective evidence of impairment.

· Refinancing or restructuring that do not show evidence of impairment.

The standard introduces a number of operational simplifications/practical solutions for the analysis of significant risk enhancement for certain high credit quality assets. The Group uses this possibility provided by the standard to directly consider that their credit risk has not increased significantly because they have a low credit risk at the reporting date.

Therefore, the classification of financial instruments subject to impairment under the new IFRS 9 will be as follows:

· **Stage-1:** No significant increase in impairment: The allowance for losses on these financial instruments is calculated as the expected credit losses over the following twelve months.

· **Stage-2:** Significant increase in impairment: When the credit risk of a financial asset has increased significantly since initial recognition, the impairment loss on that financial instrument is calculated as the expected credit loss over the duration of the asset.

· **Stage-3:** Impaired: When there is objective evidence that the financial asset is impaired, it is transferred to this category in which the impairment loss on that financial instrument is calculated as the expected credit loss over the life of the asset.

Methodology for calculating expected losses

In accordance with IFRS 9, the estimate of expected losses should reflect:

· a weighted and unbiased amount determined by assessing a range of possible outcomes.

· the value of the money over time.

· reasonable and supportable information that is available without undue effort or cost and that reflects both current conditions and predictions of future conditions.

The Group estimates expected losses both individually and collectively.

The objective of the Group's individual estimate is to estimate expected losses for significant impaired or Stage 2 risks. In these cases, the amount of credit losses is calculated as the difference between the expected cash flows discounted at the effective interest rate of the transaction and the carrying amount of the instrument.

For the collective estimation of expected losses, instruments are grouped into asset pools based on their risk characteristics. Exposures within each group are segmented according to common credit risk characteristics, such as credit risk grade; geographic region; sector for corporates; default status; and product type for individuals. In the case of collective measurement, the Group estimates the cash flows it expects to receive as the sum of the marginal losses occurring in each period and over the remaining life of the instrument.

If the risk has increased significantly since origination, expected losses are measured over the remaining life of the instrument, otherwise expected losses are measured over the next 12 months.

Marginal losses are derived from the following parameters:

· **PD:** estimated probability of default in each period

· **EAD:** estimated exposure at default in each future period, taking into account changes in exposure after the reporting date, including prepayments.

· **LGD:** estimated loss in case of default, as the difference between the contractual cash flows and those expected to be received, including collateral.

For debt securities, the Group monitors changes in credit risk by monitoring published external credit ratings.

Use of present, past and future information

IFRS 9 requires the incorporation of present, past and future information for both the detection of the significant increase in risk and the measurement of expected losses.

In estimating expected losses, the standard does not require the identification of all possible scenarios. However, the probability of a loss event occurring and the probability of it not occurring must be considered, even if the chance of a loss occurring is very small. Also, where there is no linear relationship between different future economic scenarios and their associated expected losses, more than one future economic scenario should be used for estimation.

Hedge accounting

The Group currently has no hedge accounting.

i) Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of the acquisition price of business combinations over the fair value of their net assets acquired at the acquisition date.

When the acquisition is made with deferred payment, the acquisition price corresponds to the present value of the deferred payment.

Goodwill is not amortised, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Any impairment arising is recognised immediately in the consolidated profit and loss account and may not be reversed in the future.

For the impairment calculation, goodwill is allocated to cash-generating units and its recoverable amount is estimated as the higher of fair value less costs to sell and value in use. If the recoverable amount is less than the carrying amount, it is considered to be impaired and the carrying amount is written down to its recoverable amount. Goodwill impairment losses recognised are not reversed in subsequent years (Note 14).

To estimate value in use, the estimated cash flows are discounted to their present value using a discount rate that reflects current market estimates of the time value of money and the risks specific to the investment.

In the event of the disposal or sale of a subsidiary or associate, the goodwill attributed to that company, if any, is included in the determination of the gain or loss on disposal.

Other intangible assets

The Group recognised its computer software and the "Customer relationships" from the acquisition in December 2006 of Gesdinco Gestión, S.G.I.I.C., S.A. and Padinco Patrimonios, S.A. as "Other intangible assets", S.A. and Padinco Patrimonios, S.A. In addition, the Group recorded the "Customer relationships" from the acquisition of Renta 4 Chile Corredores de Bolsa and the acquisition of the brokerage, fund marketing and custody business of BNP Paribas Sucursal en España, S.A. in 2020 (see Note 14).

Computer software includes amounts paid for access to ownership or for the right to use software. The maintenance costs of these computer applications are charged directly as expenses in the year in which they are incurred.

They are amortised on a straight-line basis over a period of three years from the moment the use of the corresponding software application begins.

The "Customer relationships" acquired from the acquisition in December 2006 of Gesdinco Gestión, S.G.I.I.C., S.A. and Padinco Patrimonios, S.A. were amortised on a straight-line basis over a period of eight years (useful life), which is the period of time that management estimated that these relationships would be maintained based on the information available. As at 31 December 2014, these "Customer relationships" were fully amortised. The "Customer Relations" resulting from the acquisition in 2012 of Renta 4 Chile Corredores de Bolsa, S.A. were amortised on a straight-line basis

over a period of 7 years (useful life), which is the length of time that management estimated these relationships would be maintained, based on available historical information. As at 31 December 2019, these customer relationships were fully amortised. In addition, "Customer relationships" from the acquisition in 2020 of the brokerage, fund marketing and custody business of BNP Paribas Sucursal en España, S.A. (see Note 1) are amortised on a straight-line basis over a period of 14 years (useful life), which is the length of time that management has calculated that these relationships will be maintained based on available information.

j) Tangible assets

Tangible assets are classified according to their intended use as: tangible assets for own use, investment property and other assets leased out under operating leases.

Property, plant and equipment for own use are measured at cost less accumulated depreciation and less any impairment losses. This heading covers assets, both owned and leased (right of use), which the Bank holds for current or future use and which it expects to use for more than one financial year. It also includes tangible assets received by the Bank in full or partial settlement of financial assets which represent receivables from third parties and which are expected to be used on an ongoing basis.

For further information on the accounting treatment of rights of use under leases, see Note 4.v.

The cost of property, plant and equipment includes expenditure incurred both initially on acquisition and production and subsequently on expansion, replacement or improvement when it is probable that future economic benefits will flow from their use.

Upkeep and maintenance expenses, which do not increase the useful life of the asset, are charged to the profit and loss account in the year in which they are incurred.

The Group considered the acquisition cost at the date of transition to EU-IFRS (1 January 2005) to be the carrying amount recorded under Spanish GAAP at 1 January 2005.

Investment property reflects the net book value of a building (including land) held for rental purposes.

The acquisition or production cost of tangible assets, net of their residual value, is depreciated on a straight-line basis over the years of estimated useful life of the various assets, as follows:

Material assets are cancelled when they are disposed of or when they are permanently withdrawn from use and no future economic benefits are expected to arise from their disposal, sale or abandonment. The difference between the amount of the sale and its carrying amount is recognised in the consolidated profit or loss account in the period in which the asset is cancelled.

The Group periodically assesses whether there are indications, both internally and externally, that any tangible assets may be impaired at the reporting date. For those assets identified, it estimates the recoverable amount of the tangible asset as the higher of its fair value less costs to sell and its value in use. If the recoverable amount so determined is less than the carrying amount, the difference between the two is recognised in profit or loss and the carrying amount of the asset is reduced to its recoverable amount.

	Years of useful life	Depreciation percentages used
Buildings and other constructions	50	2 %
Investment properties		
Building	50	2 %
Facilities	10	10 %
Machinery, plant and tools	10	10 %
Furniture and furnishings	10	10 %
Transport elements	6.25	16 %
Information processing equipment	4	25 %
Other fixed assets	5	20 %

k) Cash, cash balances at central banks and other demand deposits

Cash and cash equivalents comprise cash on hand and balances on demand with financial intermediaries.

l) Treasury shares and convertible shares

The Parent Company shares held by the Group are accounted for as a reduction of consolidated equity.

No gain or loss is recognised in consolidated profit or loss for the year arising from treasury share transactions, which is recognised directly in consolidated equity. Any difference between the carrying amount and the consideration, if reissued, is recognised under "Share premium".

Convertible shares are separated between the liability and equity component based on the terms of the contract. On the issue of convertible shares, the fair value of the liability component is determined using the market rate of an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until extinguished through conversion or settlement. The remainder of the proceeds is allocated to the conversion option which is recognised in the net equity. Transaction costs are deducted from equity, net of the associated income tax. The carrying amount of the conversion option is not revalued in subsequent periods. Transaction costs of the convertible preference shares are allocated between the liability and equity components on the basis of the allocation made of the amount realised between the liability and equity components at initial recognition of the instrument.

m) Provisions

Obligations existing at the consolidated balance sheet date arising from past events which could give rise to a loss for the Group, the amount and timing of which are uncertain, are recognised in the consolidated balance sheet as provisions at the present value of the most probable amount that the Group expects to have to pay to settle the obligation. Provisions are quantified on the basis of the best information available at the date of preparation of the consolidated annual accounts on the consequences of the event giving rise to them and are re-estimated at each balance sheet date.

At 31 December 2023 and 2022, the provisions reflected in the consolidated balance sheet mainly cover certain risks arising from the development of its activity and risks from claims by third parties of the Parent Company and other subsidiaries.

Contingent liabilities recorded in a business combination

Contingent liabilities recognised in a business combination are initially measured at fair value. Subsequently, they are measured at the higher of the amount that would be recognised in accordance with the recognition criteria for provisions, noted above, or the amount initially recognised less, where applicable, accumulated amortisation recognised in accordance with the requirements for revenue recognition.

The allocation and release of provisions deemed necessary in accordance with the above criteria are recognised with a charge or credit, respectively, to "Provisions (net)" in the consolidated income statement.

n) Income tax

The income tax expense is determined by the tax payable in respect of the taxable profit for the year, after taking into account changes during the year arising from temporary differences, tax credits, tax relief and negative tax base.

The income tax expense is recognised in the consolidated income statement except when the transaction is recognised directly in equity and in business combinations where the deferred tax is recognised as an equity item.

In order for tax credits, tax relief and negative tax bases to be effective, the requirements established in current legislation must be met, provided that their recovery is probable, either because there are sufficient deferred tax liabilities or because they have arisen due to specific situations that are considered unlikely to occur in the future.

The tax effect of temporary differences is included, where applicable, in the corresponding deferred tax assets and liabilities under "Tax assets" and "Tax liabilities" in the accompanying consolidated balance sheet.

At least at the end of each year, the Group reviews the deferred tax assets recognised and makes appropriate valuation adjustments if the deferred tax assets are no longer current or can be recovered. Deferred tax assets and liabilities are measured at the effective tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled, based on tax rates (and tax legislation) enacted or substantively enacted at the balance sheet date.

o) Commissions

This heading includes brokerage, asset management, custody and other revenues related to the Group's activities (underwriting, placement, etc.). This revenue is recognised in the consolidated income statement as the service is rendered or, in the case of a service that is performed in a single act, at the time the service is performed.

p) Staff costs

Short-term remuneration

This type of remuneration is valued, without discounting, at the amount to be paid for the services received, and is generally recorded as personnel expenses for the year and as an accrual for the difference between the total expense and the amount already paid.

Other staff remuneration

As of 31 December 2023 and 2022, the Bank has not granted loans to its employees for the acquisition of shares of Renta 4 Banco, S.A.

At 31 December 2023 and 2022, the Group has granted personal loans to several of its employees to cover their personal and/or family needs as set out in the applicable Collective Bargaining Agreements amounting to €927,000 unsecured (€739,000 in 2022), in compliance with the conditions established therein, having granted such financing at zero interest rate.

The difference between the present value of the payments to be made by the employee and the fair value is recorded in the consolidated profit and loss account as a personnel expense.

The amount recognised in the consolidated income statement for zero interest loans amounted to €44,000 of expense for 2023 (€7,000 of income for 2022) (see note 22.d).

Pension commitments

The Group classifies its commitments according to their nature as either defined contribution, for which the Group is only required to make fixed contributions to a third party, or defined benefit, for which the Group undertakes to pay an amount when the contingency occurs based on variables such as age, years of service and salary.

The Group's commitments are as follows:

Renta 4, Sociedad de Valores, S.A.

In accordance with the collective bargaining agreement in force at Renta 4, S.A., Sociedad de Valores, in the case of employees from the former stockbrokers' offices, there is an obligation to pay a long-service bonus on reaching 25, 35 or 45 years of service. The Group has not made any provision for this item as it considers that the amount accrued at 31 December 2023 and 2022 is not significant.

In addition, Renta 4, S.A., Sociedad de Valores, in accordance with the collective bargaining agreement in force, must provide coverage for early retirement, death and disability for employees covered by the Collective Bargaining Agreement for Securities Companies and Agencies of the Autonomous Community of Madrid. The Company is covering these commitments by setting up a defined benefit pension plan.

In addition, for the rest of the employees of this company who are not covered by this agreement, the Group has been covering the contingencies of retirement, incapacity, death, severe dependence or great dependence through a defined contribution plan with an annual contribution of €600 per employee since 2006.

Renta 4 Banco, 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 has been covering for the employees of these companies the contingencies of retirement, incapacity for work, death, severe dependency or severe dependency by setting up two defined contribution plans to which it contributes €600 per employee per year.

Defined contribution plans

These plans are measured at the present value of the contributions to be made, unless they are payable earlier than twelve months after the date of the consolidated financial statements when the related employee services were received, in which case the amount is not discounted. The contribution accrued during the year in this connection is recorded under "Staff costs" in the consolidated income statement. The amount corresponding to the contributions recognised as an expense in the consolidated income statement amounted to €340,000 and €385,000 for the years 2023 and 2022 (Note 22.d).

Defined benefit plan

The Group calculates the present value of its defined benefit plan obligations at the date of the consolidated financial statements, after deducting unrecognised past service cost and the fair value of plan assets, as required by current regulations. The figure thus obtained is recorded as a provision for defined benefit pension funds.

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

· They are owned by a legally separate third party that is not a related party.

· They are available exclusively to pay or finance commitments to employees.

· They cannot be returned to the Group except when commitments to employees have been settled or to satisfy the Group for benefits provided.

· They are not non-transferable instruments issued by the Group.

The net amount of current service cost, interest cost, the expected return on any plan assets, past service cost and the effect of any curtailment or settlement of the plan is recognised in the consolidated income statement for the period.

Past service cost is recognised immediately as an expense in the consolidated income statement, unless changes to the plan are conditional on the employee remaining with the Group for a specified period of time, in which case the expense is allocated on a straight-line basis over that period.

"Actuarial gains and losses" are those arising from differences between previous actuarial assumptions and reality and from changes in the actuarial assumptions used, and are recognised in full in the consolidated income statement for the year in which they arise.

The Group has not incurred any costs in relation to its defined benefit obligations in 2023 and 2022 (Note 22.d).

The Renta 4 Group externalised all its pension commitments to its employees, in accordance with Royal Decree 1588/1999 of 15 October, by setting up pension plans and taking out insurance contracts with a company outside the Renta 4 Group.

Specifically, the defined benefit retirement obligations of Renta 4, S.A. Sociedad de Valores are covered by assets covered by the related insurance policy and are presented in the consolidated balance sheets at the net amount of the obligations assumed, less the related assets. During the financial year 2021, the defined benefit plan was terminated when the only covered person reached the age of 65. It was agreed with the employee to transfer the existing balance to a defined contribution plan. Since then there have been no defined benefit pension commitments.

Severance payments

Termination benefits are recognised as a provision and as a personnel expense only when the Group is demonstrably committed to either terminating the employment of an employee or group of employees before the normal retirement date or paying termination benefits as a result of an offer made to encourage voluntary redundancy.

q) Off-balance sheet customer funds

The Group records funds entrusted by third parties for investment in investment companies and funds, pension funds, insurance-savings contracts and discretionary portfolio management in memorandum accounts (off-balance sheet) at their fair value (see Note 23).

In addition, off-balance sheet items (see Note 19) include assets acquired on behalf of third parties, equity instruments, debt instruments, derivatives and other financial instruments held on deposit for which the Group has a liability to its customers at fair value or, if there is no reliable estimate of fair value, at cost. On occasions, and in accordance with the contracts signed with customers and only when market operations so require (international markets), the Group uses global custody accounts (omnibus), in which the Group appears as the holder of the positions, keeping the necessary internal records to know the breakdown by customer.

To determine the fair value of these positions, the Group uses the quoted values obtained from the various markets or those provided by the global custodians in the case of units in investment funds (net asset value).

r) Consolidated cash flow statement

In the consolidated cash flow statement, the following expressions are used in the following senses:

· Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments with low risk of changes in value.

· Operating activities: typical activities of credit institutions, as well as other activities that cannot be classified as investment or financing activities.

· Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

· Financing activities: activities that result in changes in the size and composition of equity and liabilities, which are not part of operating activities.

The indirect method has been used to prepare the consolidated cash flow statement. This begins with profit or loss, adjusted for the effects of non-cash transactions and all types of deferred payment items and accruals that are the cause of past or future operating cash receipts and payments, as well as income and expenses associated with cash flows from activities classified as investing or financing activities.

s) Related party transactions

Related party transactions are accounted for in accordance with the valuation rules detailed above.

The prices of related party transactions are adequately supported and the Parent Company's Administrators consider that there are no risks that could give rise to significant tax liabilities.

t) Statement of changes in net equity

The statement of changes in equity presented in these consolidated annual accounts shows the total changes in equity during the year. This information is further broken down into two statements: the statement of recognised income and expense and the statement of total changes in equity. The main features of the information contained in both parts of the statement are explained below:

Consolidated statement of recognised income and expenditure

This part of the statement of changes in consolidated net equity presents the income and expenses generated by the Group as a result of its activity during the year, distinguishing between those recognised as profit or loss in the profit and loss account for the year and other income and expenses recognised, in accordance with current legislation, directly in equity.

Therefore, this statement presents:

· The result of the period.

· The net amount of income and expenses recognised temporarily as "accumulated other comprehensive income" as valued in the net equity.

· The net amount of income and expenses recognised definitively in equity.

· The tax on profits accrued for the items indicated in the two preceding paragraphs.

· Total recognised income and expenses, calculated as the sum of the above letters.

Changes in income and expenses recognised in equity as "Other comprehensive income" are broken down as follows:

· Valuation gains (losses): includes the amount of income, net of expenses incurred during the year, recognised directly in equity. Amounts recognised in the period in this item are retained in this item, even if in the same period they are transferred to the profit and loss account, to the initial value of other assets or liabilities or reclassified to another item.

· Amounts transferred to the profit and loss account: includes the amount of valuation gains or losses previously recognised in equity, albeit in the same period, which are recognised in the profit and loss account.

· Amount transferred to the initial value of hedged items: includes the amount of valuation gains or losses previously recognised in equity, albeit in the same period, that are recognised in the initial value of assets or liabilities as a result of cash flow hedges.

· Other reclassifications: includes the amount of the transfers made during the year between valuation adjustment items in accordance with the criteria established in current regulations.

All items in the statement of recognised income and expense are eligible for recognition in the profit and loss account, except the item "Actuarial gains (losses) on pension plans". The amounts of these items are presented gross, with the corresponding tax effect shown under "Income tax" in the statement.

Consolidated statement of changes in total net equity

This part of the statement of changes in equity presents all changes in equity, including those arising from changes in accounting policies and corrections of errors. This statement therefore shows a reconciliation of the carrying amounts at the beginning and at the end of the year of all the items that make up equity, grouping the movements according to their nature into the following items:

· Effect of changes in accounting policies and correction of errors: which includes changes in equity arising from the retrospective restatement of financial statement balances arising from changes in accounting policies or corrections of errors.

· Total comprehensive income for the period: includes, on an aggregate basis, the total of the items recorded in the Statement of Recognised Income and Expenses indicated above.

Other changes in equity: includes all other items recognised in equity, such as increases or decreases in the endowment fund, distribution of profit or loss, transactions in own equity instruments, payments in equity instruments, transfers between equity items and any other increases or decreases in equity.

u) Financial guarantees

Financial guarantees are contracts whereby the Group undertakes to pay specific amounts for a third party in the event of the latter's failure to do so. The main contracts included under this heading, which are included in the "Pro memoria" information at the end of the consolidated balance sheet, are financial guarantees.

When the Group issues such contracts, they are recognised under "Financial liabilities at amortised cost - Other financial liabilities" on the liability side of the consolidated balance sheet at their fair value and simultaneously under "Other financial assets" in "Loans and receivables" at the present value of the future cash flows to be received using, for both items, a discount rate similar to that of financial assets granted by the Entity to the counterparty with similar maturity and risk. Subsequent to issuance, such contracts are valued by recording the differences against the profit and loss account as finance income or as commission received, depending on whether they are recorded under "Other financial assets" or "Other financial liabilities", respectively. In addition to the above, financial guarantees will be hedged as set out in Note 5.a.2 relation to credit risk hedging.

v) Leases

On 1 January 2019, IFRS 16 became effective, replacing IAS 17 "Leases". The new standard introduces a single lessee accounting model, which requires the recognition of assets and liabilities for all lease contracts. The standard provides two exceptions to the recognition of lease assets and liabilities, which can be applied in the case of short-term contracts and those where the underlying asset is of low value.

The Bank has decided to apply both exemptions. The lessee must recognise in assets a right of use representing its right to use the leased asset which is recorded under "Tangible assets - Property, plant and equipment" in the balance sheet (see Note 13), and a lease liability representing its obligation to make lease payments which is recorded under "Financial liabilities at amortised cost - Other financial liabilities" in the balance sheet (see Note 16).

On the commencement date of the lease, the lease liability represents the present value of all outstanding lease payments. Liabilities recognised in this balance sheet caption are measured subsequent to initial recognition at amortised cost, which is determined using the effective interest method.

Rights of use are initially recorded at cost. This cost includes the initial valuation of the lease liability, any payments that are made prior to the commencement date less lease incentives received, all initial direct expenses incurred, as well as an estimate of expenses to be incurred by the lessee such as expenses related to the removal and dismantling of the underlying asset. Assets recorded under this item in the balance sheets are measured after initial recognition at cost less cost:

· Accumulated depreciation and accumulated impairment; and

· Any revaluation of the related lease liability.

Interest expense on lease liabilities is recognised in the income statement under "Interest expense" (see Note 22.a). Variable payments not included in the initial valuation of the lease liability are recorded under "Administrative expenses - Other administrative expenses" (see Note 22.d).

Depreciation is calculated on a straight-line basis over the acquisition cost of the assets over the life of the lease contract. Depreciation of tangible assets is recorded under "Depreciation and amortisation" in the income statement (see Note 13).

In the event that one of the two exceptions is chosen in order not to recognise the right of use and the related liability in the balance sheet, the related lease payments are recognised in the profit and loss account, over the lease term or on a straight-line basis or in another manner that best represents the structure of the lease transaction, under "Administrative expenses - Other administrative expenses" (see Note 22.e).

02.5

Risk Management of Financial Instruments

Activity in financial instruments may involve the assumption or transfer of one or more types of risk by the Group. The risks related to financial instruments are:

· Credit risk. The risk that one party to the financial instrument contract will fail to meet its contractual obligations because of the insolvency or incapacity of the natural or legal persons and will cause the other party to incur a financial loss.

· Liquidity risk, sometimes referred to as funding risk, is the risk that arises either from an entity's inability to sell a financial asset quickly for an amount close to its fair value or from an entity's difficulty in finding funds to meet its commitments related to financial instruments.

· Market risk: These are risks arising from holding financial instruments whose value may be affected by changes in market conditions; they include three types of risk:

(i) Foreign exchange risk: It arises as a consequence of changes in the exchange rate between currencies.

(ii) Interest rate risk: It arises as a consequence of changes in market interest rates.

(iii) Price risk: It arises as a result of changes in market prices, either because of factors specific to the instrument itself or because of factors affecting all instruments traded in the market. The Group holds positions in equity instruments which, although they expose it to this type of risk, do not do so to a significant extent.

The Group has implemented a risk management model based on the following pillars:

a) Credit risk

a.1 Credit risk management and measurement

Credit risk arises from the potential loss caused by the failure of the Group's counterparties to meet their contractual obligations. In the case of repayable financing granted to third parties, this occurs as a result of the non-recovery of principal, interest and other items in the terms of the amount, term and other conditions established in the contracts. Off-balance sheet risks arise from the counterparty's failure to meet its obligations to third parties, which requires the Group to assume them as its own by virtue of the commitment it has entered into.

The Group takes on credit risk exposure when counterparties fail to meet their commitments. In this respect, it distinguishes between two types of counterparties: customers in general and financial institutions and public administrations. The current customer credit risk control system is based on the development of new systems for the evaluation and classification of individual and group debtors, from which provisions are determined to cover possible losses.

As regards the granting, monitoring and control of risk with customers in general, the Group's Risk Control Department supervises the correct functioning of the current system of discretionary management of operating limits, which are always granted on the basis of the collateral (securities) deposited with the Group. In accordance with the terms and conditions of the contracts signed with customers, the Group may dispose of customers' securities and investment fund shares in order to compensate the customer's debit balances in the event of non-payment (non-replenishment of funds) by the customer.

a.2 Total credit risk exposure

The following table shows the total credit risk exposure at year-end 2023 and 2022, using the criteria established for the calculation of the basis of the impairment provision:

Thousands of Euro

	2023	2022
Cash balances at central banks and other demand deposits	1,093,149	771,361
Financial assets designated at fair value through other comprehensive income	314,066	828,427
Central banks	-	-
Loans and advances - Credit institutions	15,928	49,125
Loans and advances - Clients	258,016	253,070
Contingent risks	2,884	2,337
Guarantees granted: Contingent commitments granted	45,196	48,096
Loans and receivables– Debt securities	356,505	356,988
Total Risk and maximum exposure	**2,085,744**	**2,309,404**
Normal risk	2,076,173	2,298,081
Doubtful risk	9,571	11,323
Total Risk and maximum exposure	**2,085,744**	**2,309,404**

The total risk exposure includes the consolidated balance sheet items detailed in the table above excluding valuation adjustments. At 31 December 2023 and 2022, the maximum level of credit risk exposure, without taking into account collateral and other credit enhancements, does not differ from the carrying amount shown in these financial statements.

Loans and advances - Credit institutions: the main item in this portfolio is financial guarantees with foreign credit institutions.

Loans and advances - Client: these are basically debit balances with private individuals in connection with securities transactions, for which the positions held by these customers with the Group are collateralised. Where the Group classifies these balances as impaired, impairment losses are determined by taking into account the value of these positions that are used as collateral.

As at 31 December 2023 and 2022 there are no individual exposures in breach of the limits set by the Bank of Spain. The distribution of the total country credit risk exposure by country as at 31 December 2023 and 2022 is shown below.

Thousands of Euro

Financial year 2023

Country	Cash balances at central banks and other demand deposits	Deposits with credit institutions	Customer credit	Debt securities	Contingent risks and commitments	Credit investments -VRD	Total
Spain	1,038,921	6,003	190,794	974	47,836	76	1,284,604
Italy	-	-	30	279,575	-	354,442	634,047
France	272	6,247	10	7,341	-	-	13,870
Germany	17,525	33	4,878	-	-	-	22,436
United Kingdom	8,470	-	238	-	-	-	8,708
Poland	1,768	-	-	-	-	-	1,768
Greece	-	-	-	-	-	-	-
Belgium	-	1	-	-	-	-	1
USA	4	966	90	-	15	-	1,075
Colombia	1,729	8	27	-	28	-	1,792
Peru	8,786	2,083	511	-	-	-	11,380
Chile	15,069	587	17,038	-	-	1,076	33,770
Luxembourg	605	-	268	-	-	-	873
Ireland	-	-	1				1
Portugal	-	-	42,082	26,176	-	-	68,258
Netherlands	-	-	50	-	5	-	55
Mexico	-	-	112	-	16	-	128
Saudi Arabia	-	-	44	-	1	-	45
Qatar	-	-	-	-	-	-	-
Namibia	-	-	-	-	-	-	-
Andorra	-	-	-	-	140	-	140
Bermuda	-	-	-	-	-	911	911
Romania	-	-	103	-	38	-	141
Brazil	-	-	2	-	-	-	2
Uruguay	-	-	1	-	-	-	1
Thailand	-	-	-	-	-	-	-
Philippines	-	-	1	-	-	-	1
Singapore	-	-	-	-	-	-	-
Norway	-	-	-	-	-	-	-
Sweden	-	-	-	-	-	-	-
Malta	-	-	-	-	-	-	-
Monaco	-	-	1,705		-	-	1,705
Cyprus	-	-	29	-	1	-	30
Denmark	-	-	-	-	-	-	-
Total	**1,093,149**	**15,928**	**258,016**	**314,066**	**48,080**	**356,505**	**2,085,744**

Thousands of Euro

Financial year 2022

Country	Cash balances at central banks and other demand deposits	Deposits with credit institutions	Customer credit	Debt securities	Contingent risks and commitments	Credit investments -VRD	Total
Spain	701,774	4,963	209,362	193,281	50,183	-	1,159,563
Italy	-	-	49	514,186	-	356,042	870,277
France	621	34	359	31,373	-	-	32,387
Germany	26,398	37,160	6,233	24,847	-	-	94,638
United Kingdom	12,997	2	607	9,467	16	-	23,089
Poland	1,318	-	-	-	-	-	1,318
Greece	-	-	-	-	-	-	-
Belgium	-	-	4	-	-	-	4
USA	4	946	5	7,212	-	-	8,167
Colombia	906	6	217	-	-	-	1,129
Peru	5,647	1,549	363	-	60	-	7,619
Chile	20,938	4,465	21,864	-	-	-	47,267
Luxembourg	758	-	152	557	-	-	1,467
Portugal	-	-	8,692	25,775	-	-	34,467
Netherlands	-	-	51	7,797	6	-	7,854
Mexico	-	-	78	-	22	-	100
Saudi Arabia	-	-	60	-	5	-	65
Australia	-	-	4	5,772	-	-	5,776
Qatar	-	-	-	-	-	-	-
Namibia	-	-	-	-	-	-	-
Andorra	-	-	-	-	140	-	140
Bermuda	-	-	-	-	-	946	946
Romania	-	-	139	-	1	-	140
Brazil	-	-	7	-	-	-	7
Uruguay	-	-	-	-	-	-	-
Thailand	-	-	-	-	-	-	-
Philippines	-	-	1	-	-	-	1
Singapore	-	-	23	-	-	-	23
Norway	-	-	-	7,028	-	-	7,028
Sweden	-	-	-	568	-	-	568
Malta	-	-	4,800	-	-	-	4,800
Denmark	-	-	-	564	-	-	564
Total	**771,361**	**49,125**	**253,070**	**828,427**	**50,433**	**356,988**	**2,309,404**

a.3 Credit quality

The Group has a credit risk measurement system based on external ratings granted by external rating agencies (S&P's, Moody's and Fitch).

Of the total instruments subject to credit risk, we detail below the credit quality of the portfolios of financial assets designated at fair value through other comprehensive income (debt securities) and financial assets at amortised cost (deposits in credit institutions) according to ratings granted by external rating agencies. The credit quality of the customer credit portfolios and other equity instruments is not disclosed as most of the Group's exposure is not externally rated.

a.4 Credit risk for construction and real estate development financing

Thousands of Euro

2023	Balances at Central Banks	Available balances with credit institutions	Deposits with credit institutions	Debt securities
From AAA to A-	899,809	117,704	7,522	34,849
From BBB+ to B-	-	72,464	8,397	634,017
From CCC+ to C	-	-	-	-
Unqualified	-	3,172	9	1,705
Total	**899,809**	**193,340**	**15,928**	**670,571**
2022				
From AAA to A-	609,988	84,638	38,810	253,158
From BBB+ to B-	-	69,435	2,839	916,032
From CCC+ to C	-	-	-	-
Unqualified	-	7,300	7,476	16,225
Total	**609,988**	**161,373**	**49,125**	**1,185,415**

As at 31 December 2023 and 2022, the Group had no lending operations for the financing of construction and property development activities. As at 31 December 2023 and 2022, the Group had no loans granted for house purchases. As at 31 December 2023 and 2022, the Group had no foreclosed assets from financing to construction and property development companies.

a.5 Loan and credit refinancing and restructuring policy.

The Group uses the following definitions:

· Refinancing operation: a transaction which, regardless of the holder or collateral, is granted or used for economic or legal reasons related to the holder's financial difficulties to cancel one or more transactions granted by the institution itself or by other institutions in its group to the holder or to one or more other companies in its economic group, or by which such transactions are brought fully or partially up to date with payments, in order to enable the holders of the cancelled or refinanced transactions to repay their debt (principal and interest) because they are unable, or are expected to be unable, to meet their conditions in due time and form.

· Refinanced operation: an operation that is fully or partially brought current as a result of a refinancing operation carried out by the institution itself or another entity of its economic group.

· Restructured transaction: a transaction in which, for economic or legal reasons related to the holder's financial difficulties, its financial conditions are modified in order to facilitate the payment of the debt (principal and interest) because the holder is unable, or is expected to be unable, to comply with those conditions in due time and form, even if such modification was foreseen in the contract. In any case, operations in which a write-down is made or assets are received to reduce the debt, or in which the terms of the debt are modified to lengthen its maturity, vary the amortisation schedule to reduce the amount of the instalments in the short term or reduce their frequency, are considered to be restructured, or establish or lengthen the grace period for principal, interest or both, except where it can be proven that the terms are modified for reasons other than the financial difficulties of the holders and are similar to those applying in the market at the date of modification to transactions granted to customers with a similar risk profile.

· Rollover transaction: a transaction entered into to replace a transaction previously granted by the institution itself, without the borrower having, or being expected to have in the future, financial difficulties, i.e. the transaction is entered into for reasons other than refinancing.

· Renegotiated transaction: a transaction in which the financial terms of the transaction are changed without the borrower having, or being expected to have in the future, financial difficulties, i.e. where the terms are changed for reasons other than restructuring.

In any case, in order to classify a transaction as a renewal or renegotiated transaction, the holders must have the capacity to obtain on the market, on the date of renewal or renegotiation, transactions for an amount and with financial conditions similar to those applied by the entity, and these must be adjusted to those granted on that date to customers with a similar risk profile.

On 31 December 2023 the Group has six refinancing operations (six operations at 31 December 2022), refinanced or restructured for an amount of €6.313 million (€8.105 million at 31 December 2022) covered by securities collateral for an amount of €9.397 million (€8.748 million at 31 December 2022). These operations will mature in 2024.

a.6 Concentration

The following is a detail of the concentration of risks as at 31 December 2023 and 2022 by activity and geographical area:

Thousands of Euro

2023	TOTAL	Spain	Rest of the European Union	America	Rest of the world
Central banks and credit institutions	**1,118,762**	1,045,192	33,954	31,146	8,470
Public Administrations	**661,655**	259	660,193	1,203	0
Central Administration	**661,527**	258	660,193	1,076	0
Other Public Administrations	**128**	1	0	127	0
Other financial companies and sole proprietors (financial business)	**149,178**	90,565	48,377	10,088	148
Non-financial corporations and sole proprietors (non-financial business) (broken down by purpose)	**127,239**	123,649	51	930	2,609
Construction and property development (including land)	**0**	0	0	0	0
Construction of civil works	**0**	0	0	0	0
Other purposes	**127,239**	123,649	51	930	2609
Large companies	**905**	905	0	0	0
SMEs and sole proprietors	**126,334**	122,744	51	930	,2,609
Rest of households (broken down by purpose)	**40,918**	32,691	252	7,840	135
Housing	**0**	0	0	0	0
Consumption	**0**	0	0	0	0
Other purposes	**40,918**	32,691	252	7,840	135
Total	**2,097,752**	**1,292,356**	**742,827**	**51,207**	**11,362**

2022	TOTAL	Spain	Rest of the European Union	America	Rest of the world
Central banks and credit institutions	**895,917**	720,530	99,372	40,748	35,267
Public Administrations	**1,097,762**	179,555	918,022	185	0
Central Administration	**1,093,595**	175,388	918,022	185	0
Other Public Administrations	**4,167**	4,167	0	0	0
Other financial companies and sole proprietors (financial business)	**154,884**	109,078	33,504	12,060	242
Non-financial corporations and sole proprietors (non-financial business) (broken down by purpose)	**130,066**	113,081	10,572	5,333	1,080
Construction and property development (including land)	**0**	0	0	0	0
Construction of civil works	**0**	0	0	0	0
Other purposes	**130,066**	113,081	10,572	5,333	1,080
Large companies	**26**	26	0	0	0
SMEs and sole proprietors	**130,040**	113,055	10,572	5,333	1,080
Rest of households (broken down by purpose)	**38,746**	30,136	209	8,090	311
Housing	**0**	0	0	0	0
Consumption	**0**	0	0	0	0
Other purposes	**38,746**	30,136	209	8,090	311
Total	**2,317,375**	**1,152,380**	**1,061,679**	**66,416**	**36,900**

Below is a detail of the concentration of risks as of 31 December 2023 and 2022 in Spain, broken down by geographical area of action and activity sector. Those geographical areas that together represent no more than 10% of the total, are presented grouped together:

Thousands of Euro

2023

	TOTAL	Madrid	Rest of Spanish regions.
Central banks and credit institutions	**1,045,192**	1,039,047	6,145
Public Administrations	**259**	0	259
Central Administration	**258**	0	258
Other Public Administrations	**1**	0	1
Other financial institutions	**90,565**	89,893	672
Other non-financial corporations and sole proprietors	**123,649**	44,188	79,461
Construction and property development (b)	**0**	0	0
Construction of civil works	**0**	0	0
Other purposes	**123,649**	44,188	79,461
Large companies (c)	**905**	64	841
SMEs and sole proprietors (c)	**122,744**	44,124	78,620
Rest of households(d)	**32,691**	18,418	14,273
Housing (e)	**0**	0	0
Consumption (e)	**0**	0	0
Other purposes (e)	**32,691**	18,418	14,273
Total	**1,292,356**	**1,191,546**	**100,810**

2022

	TOTAL	Madrid	Rest of Spanish regions.
Central banks and credit institutions	**720,530**	696,110	24,420
Public Administrations	**179,555**	0	179,555
Central Administration	**175,388**	0	175,388
Other Public Administrations	**4,167**	0	4,167
Other financial institutions	**109,078**	108,841	237
Other non-financial corporations and sole proprietors	**113,081**	33,551	79,530
Construction and property development (b)	**0**	0	0
Construction of civil works	**0**	0	0
Other purposes	**113,081**	33,551	79,530
Large companies (c)	**26**	7	19
SMEs and sole proprietors (c)	**113,055**	33,544	79,511
Rest of households(d)	**30,136**	13,013	17,123
Housing (e)	**0**	0	0
Consumption (e)	**0**	0	0
Other purposes (e)	**30,136**	13,013	17,123
Total	**1,152,380**	**851,515**	**300,865**

b) Liquidity risk

This risk reflects a credit institution's potential difficulty in accessing or having timely availability of, or access to, sufficient liquid funds at an appropriate cost to meet its payment obligations without impacting the market price or cost of the transaction.

The Group maintains a prudent policy of protection against liquidity risk by keeping sufficient cash and other liquid financial instruments available to cover eligible liabilities with a residual maturity of less than one year.

Renta 4 Banco S.A. (Parent Company) aims to maintain a long-term financing structure that is in line with the liquidity of its assets and whose maturity profiles are compatible with the generation of stable and recurring cash flow that allows it to manage its balance sheet without short-term liquidity tensions.

In addition, Renta 4, Sociedad de Valores, S.A. (subsidiary) must comply with a liquidity ratio whereby it must maintain a volume of investments in highly liquid, low-risk assets for an amount equivalent to 10% of its liabilities with a residual term of less than one year, excluding instrumental and transitory credit accounts (brokerage clients).

Regulation (EU) 2019/876 introduced reporting requirements on the net stable funding ratio ("NSFR") into Regulation (EU) No 575/2013. The latest amendments entered into force on 28 June 2021 (Article 17 of Implementing Regulation 2021/451) for the data of the same month.

The NSFR is defined as the ratio of the amount of stable funding available to the amount of stable funding required and requires banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. This ratio shall be at least 100% at all times.

At 31 December 2023 and 2022 the group was in compliance with the liquidity ratio.

The main components of the NSFR ratio and the LCR ratio as at 31 December 2023 and 2022 are shown below:

Thousands of Euro

Financial year 2023

	Amount	Stable financing required	Stable financing available
STABLE FINANCING REQUIRED	2,092,936	561,574	-
Stable financing required from central bank assets	900,103	-	-
Stable financing required from liquid assets	673,594	326,903	-
Stable financing required from securities that are not liquid assets	50,899	25,450	-
Stable financing required from loans	427,909	177,951	-
Stable financing required from interdependent assets	-	-	-
Stable financing required for intra-group or intra-IPS assets if preferential treatment applies	-	-	-
Stable funding required from contributions to the default fund of a CFC	31,582	26,845	-
Stable financing required from other assets (0100)	8,849	4,425	-
Stable financing of off-balance sheet items required	-	-	-
Stable financing required from derivatives	-	-	-
STABLE FINANCING AVAILABLE	2,144,962	-	1,554,155
Available stable financing of capital items and instruments	98,880	-	98,880
Stable financing available from retail deposits	1,457,415	-	1,348,206
Stable financing available from other non-financial customers	16,798	-	8,399
Stable financing available from operational deposits	130,781		65,391
Available stable financing and committed lines within a group or SIP	-		-
Stable financing available from financial clients and banks	376,754	-	-
Available stable financing provided when counterparty cannot be determined	-	-	-
Stable financing available from interdependent liabilities	-		-
Available stable financing from other liabilities	64,334	-	33,279
NSFR Ratio	**-**		**276.75%**

LCR Ratio		2023
Liquidity cushion	1,141,841	1,093,072
Net liquidity outflow	318,982	338,630
Liquidity Coverage Ratio (%)	357.96%	322.79%

Thousands of Euro

Financial year 2022

	Importe	Financiación estable requerida	Financiación estable disponible
STABLE FINANCING REQUIRED	2,319,726	893,296	-
Stable financing required from central bank assets	610,070	-	-
Stable financing required from liquid assets	1,187,582	642,991	-
Stable financing required from securities that are not liquid assets	56,489	28,245	-
Stable financing required from loans	399,920	170,562	-
Stable financing required from interdependent assets	-	-	-
Stable financing required for intra-group or intra-IPS assets if preferential treatment applies	-	-	-
Stable funding required from contributions to the default fund of a CFC	53,491	45,467	-
Stable financing required from other assets (0100)	12,050	6,025	-
Stable financing of off-balance sheet items required	-	-	-
Stable financing required from derivatives	124	6	
STABLE FINANCING AVAILABLE	2,378,843	-	1,759,728
Available stable financing of capital items and instruments	88,508	-	88,508
Stable financing available from retail deposits	1,660,179	-	1,540,942
Stable financing available from other non-financial customers	9,616	-	4,808
Stable financing available from operational deposits	189,288		94,644
Available stable financing and committed lines within a group or SIP	-		-
Stable financing available from financial clients and banks	378,153	-	-
Available stable financing provided when counterparty cannot be determined	-	-	-
Stable financing available from interdependent liabilities	-		-
Available stable financing from other liabilities	53,099	-	30,826
NSFR Ratio	**-**		**196.99%**

LCR Ratio		2022
Liquidity cushion	1,093,072	1,045,062
Net liquidity outflow	338,630	208,780
Liquidity Coverage Ratio (%)	322.79%	500.56 %

The breakdown of financial instruments by residual maturity at 31 December 2023 and 2022 is shown below. The maturity dates considered for the construction of the attached table are the maturity dates according to the contractual terms of the instruments:

Thousands of Euro

Financial year 2023

	1 day	Over 1 day up to 30 days	Over 30 days up to 6 months	Over 6 months up to 12 months	Over 12 months - up to 2 years	Over 2 years and up to 5 years	Over than 5 years
Liabilities arising from securities issues (if not treated as retail deposits)	-	-	-	-	-	-	-
Liabilities arising from collateralised lending and secured capital market related operations	-	-	-	-	-	-	-
Unrecognised liabilities arising from deposits received, except deposits received as collateral	1,951,465	24,299	2,736	7,047	2,744	7,822	19,586
Currency swaps at maturity	-	-	-	-	-	-	-
Amount payable for derivatives other than those reported	-	-	-	-	-	-	-
Other outflows	-	20,086	7,843	2,454	-	-	-
Total outflow	**1,951,465**	**44,385**	**10,579**	**9,501**	**2,744**	**7,822**	**19,586**
Amounts due arising from collateralised lending and secured capital market related operations	-	7,686	22,085	246,473	196,701	304,613	-
Amounts due and not allocated resulting from loans and advances granted	1,139,100	42,239	4,256	9,371	1,733	42,298	16,496
Currency swaps at maturity	-	-	-	-	-	-	-
Amount receivable for derivatives other than those allocated	-	-	-	-	-	-	-
Notes in own portfolio at maturity		-	-	-	-	-	-
Other entries	-	2,949	-	5,900	-	-	-
Total entries	**1,139,100**	**52,964**	**26,341**	**261,811**	**198,434**	**346,911**	**16,496**
Withdrawable reserves in central banks	(883,121)	-	-	-	-	-	-
Level 1 negotiable assets	-	(76)	(15,008)	(57,402)	(65,780)	(110,914)	-
Level 2A negotiable assets	-	(7,341)	(789)	(1,024)	(823)	(1,191)	-
Other negotiable assets	-	-	-	-	-	-	-

Thousands of Euro

Financial year 2022

	1 day	Over 1 day up to 30 days	Over 30 days up to 6 months	Over 6 months up to 12 months	Over 12 months - up to 2 years	Over 2 years and up to 5 years	Over than 5 years
Liabilities arising from securities issues (if not treated as retail deposits)	-	-	-	-	-	-	-
Liabilities arising from collateralised lending and secured capital market related operations	6,004	-	-	-	-	-	-
Unrecognised liabilities arising from deposits received, except deposits received as collateral	2,189,272	31,945	429	13,191	2,396	6,879	18,965
Currency swaps at maturity	-	-	-	-	-	-	-
Amount payable for derivatives other than those reported	-	-	-	-	189	-	-
Other outflows	-	16,647	5,041	1,566	-	41	-
Total outflow	**2,195,276**	**48,592**	**5,470**	**14,757**	**2,585**	**6,879**	**18,965**
Amounts due arising from collateralised lending and secured capital market related operations	-	45,936	138,775	239,992	380,760	485,432	-
Amounts due and not allocated resulting from loans and advances granted	815,728	49,762	4,968	7,294	5,979	58,869	17,526
Currency swaps at maturity	-	-	-	-	-	-	-
Amount receivable for derivatives other than those allocated	-	-	-	-	-	-	-
Notes in own portfolio at maturity		-	-	-	-	-	-
Other entries	-	1,651	-	10,399	-	-	-
Total entries	**815,728**	**97,349**	**143,743**	**257,685**	**386,739**	**544,301**	**17,526**
Withdrawable reserves in central banks	(589,676)	-	-	-	-	-	-
Level 1 negotiable assets		-	(103,603)	(156,711)	(120,868)	(68,737)	-
Level 2A negotiable assets		-	(30,344)	(10,942)	(7,806)	(13,771)	-
Other negotiable assets		-	-	-	-	-	-

c) Market risk

Renta 4 Group's trading portfolio focuses on investments in shares listed on the domestic market and residually on international markets, as well as positions in futures and/or options on the main stock market indices, which are listed on widely diversified, regulated markets, with sufficient liquidity guarantee for closing positions. However, the Group periodically measures the risk of these positions using the VaR (Value at risk) methodology, which expresses the maximum expected loss for a specific time horizon determined on the basis of the historical performance of a security or portfolio. The VaR of these portfolios (at 1 day and for a confidence level of 98.75%) as at 31 December 2023 and 2022 is as follows:

Thousands of Euro

	2023	2022
Trading portfolio (Maximum loss)	385	1.975
Portfolio financial assets designated at fair value through other comprehensive income and held-to-maturity portfolio (Maximum loss)	2,517	7,148
VaR (as % of portfolio)	0.40%	0.72%

c.1) Foreign exchange risk

The Group's exposure to this risk corresponds mainly to its investment in South America, although it is not significant.

c.2) Interest rate risk

This is defined as the possibility that changes in interest rates may adversely affect the value of a financial instrument, a portfolio or the Group as a whole. These changes may arise as a result of movements in yield curves or in the credit spreads applied to counterparties.

The Directors consider the exposure to this risk to be insignificant. In accordance with current regulations, the Renta 4 Group analyses the adverse impact on its economic value and net interest income of a change in interest rates, without in any case exceeding the limits established for the aggregation of own funds to cover this type of risk

d) Other risks

As a result of the investments held by the Group in foreign countries, as at 31 December 2023 and 2022 there are no restrictions on its ability to access or utilise the assets and settle the liabilities.

02.6

Fair Value of Financial Instruments

As described in Note 4.f), except for financial instruments classified under "Financial assets at amortised cost" and equity instruments whose fair value cannot be reliably estimated, the Group's financial assets are recognised in the consolidated balance sheet at fair value.

Similarly, except for financial liabilities recognised under "Financial liabilities at amortised cost", all other financial liabilities are recognised at fair value in the consolidated balance sheet.

Details of financial assets and liabilities recorded at fair value at 31 December 2023 and 2022 are presented below by class of financial assets and liabilities and at the following levels:

LEVEL 1: Financial instruments whose fair value has been determined by taking their quoted market price in active markets, without making any changes to those assets.

LEVEL 2: Financial instruments whose fair value has been estimated on the basis of quoted prices in organised markets for similar instruments or by using other valuation techniques in which all significant inputs are based on directly or indirectly observable market data.

LEVEL 3: Instruments whose fair value has been estimated using valuation techniques in which some significant input is not based on observable market data.

Financial assets

			Fair Value Hierarchy		
31/12/2023	**Total Balance**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Financial assets held for trading			30,038	3,105	16,246
Debt securities	3,038	3,038	-	3,038	-
Other Equity Instruments	46,284	46,284	30,038	-	16,246
Derived from negotiation	67	67	-	67	-
Financial assets at fair value with changes in other comprehensive income	318,676	318,676	307,344	8,337	2,995
Debt securities	314,061	314,061	305,931	8,130	-
Equity instruments	4,615	4,615	1,413	207	2,995
31/12/2022					
Financial assets held for trading	56,665	56,665	41,450	2,440	12,775
Debt securities	2,316	2,316	-	2,316	-
Other Equity Instruments	54,225	54,225	41,450	-	12,775
Derived from negotiation	124	124	-	124	-
Financial assets at fair value with changes in other comprehensive income	830,563	830,563	742,702	86,917	934
Debt securities	828,289	828,289	741,515	86,774	-
Equity instruments	2,264	2,264	1,187	143	934

Financial liabilities

At 31 December 2023 and 2022 the breakdown of the balance of this heading is as follows:

			Fair Value Hierarchy		
31/12/2023	**Total Balance**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities held for trading			-	-	-
Derived from negotiation	-	-	-	-	-
31/12/2022					
Financial liabilities held for trading	189	189	-	189	-
Derived from negotiation	189	189	-	189	-

The principal valuation methods, assumptions and inputs used in estimating the fair value of financial instruments classified in Levels 1, 2 and 3 (there are no financial instruments classified) by type of financial instrument at 31 December 2022 and 2022 are as follows:

· Derived from negotiation: The fair value of most proprietary trading derivatives has been determined on the basis of quoted prices in organised markets for similar instruments or by using other valuation techniques in which all significant inputs are based on directly or indirectly observable market data (Level 2).

· Debt securities: The fair value of debt instruments has been determined on the basis of quoted prices on official markets (Bank of Spain's Central Book-Entry System), BME Clearing panels (credit institutions) or by applying prices obtained from information service providers who construct their prices on the basis of prices reported by contributors. Spanish government debt securities listed on an active market have been considered in Level 1, while private debt securities have been considered in Level 2.

· Equity instruments: For the determination of the fair value of all the Group's investments in quoted equity instruments, quoted prices on official markets have been used and these have therefore been classified in Level 1 of the above tables. Following a prudent approach, in the event that any of the inputs used in the valuation are not observable on the market, the instruments (FCR/SCR) will be classified at Tier 3. Similarly, cost-valued capital instruments are classified at Tier 3.

During the financial years 2023 and 2022 there have been no transfers between levels, nor have there been any significant changes in the valuation of unquoted equity instruments included in the portfolio of financial assets at fair value through other comprehensive income.

The amounts recognised in the profit and loss accounts in 2022 and 2022 for changes in the fair value of the Bank's financial instruments, corresponding to unrealised gains and losses, distinguishing between those financial instruments whose fair value is determined by reference to published market prices in active markets (Level 1), is estimated using a valuation technique whose inputs are obtained from observable market data (Level 2) and the remainder (Level 3), together with the cumulative changes in value at 31 December 2023 and 2022 that have not materialised, are not significant for the purposes of these consolidated financial statements.

02.7

Segment Reporting

The purpose of the information by business segment is to control, monitor and internally manage the Renta 4 Group's activity and results. The Board of Directors is the highest operational decision-making body of each business. The definition of the business segments takes into account the inherent risks and management particularities of each segment. Likewise, the segregation of activity and results by business is based on the basic business units, for which accounting and management figures are available. The same general principles are applied as those used in the Group's management information, and the measurement, valuation and accounting principles applied are basically the same as those used in the preparation of the financial statements.

The business lines described below have been established based on the Group's organisational structure in place at year-end 2023 and 2022, taking into account the nature of the services offered and the customer segments at which they are targeted. The Group has the following main lines of business, which form the basis of the Group's segment reporting:

· Intermediation (capital markets - domestic and international - and marketing of managed and third-party investment funds).

· Portfolio and asset management and advice (Collective Investment Institutions and Pension Funds).

· Corporate services: mainly incorporates support activities for the rest of the segments, as well as securities depository and custody services.

The Group operates mainly in Spain, although since 2011 a non-significant part of its activity has been carried out in Chile, Colombia, Peru and Luxembourg, with the type of customers and products offered being similar in all territories.

The Group's business is focused on brokerage, asset management and corporate services developed through its network of offices, agents, subsidiaries and website, which are offered to individual customers and financial intermediaries, small and medium-sized companies. Corporate services, including the provision of services developed through various Group subsidiaries.

The most relevant inter-segment turnover corresponds to the marketing fees of managed IICs that are transferred from the Asset Management Segment to the Brokerage Segment, which acts as a marketer through the network. These fees are assigned in accordance with agreed terms which the Administrators consider to be in line with market practice.

Segment reporting as at 31 December 2023 and 2022 is presented below:

Thousands of Euro

CONSOLIDATED PROFIT AND LOSS ACCOUNT	31/12/2023 Brokerage	Asset management	Corporate services	Adjustments	Total	31/12/2022 Brokerage	Asset management	Corporate services	Adjustments	Total
Interest income										
Internal	-	-	-	-	-	-	-	-	-	-
External	39,957	-	-	-	39,957	12,989	-	-	-	12,989
Interest expenses										
Internal	-	-	-	-	-	-	-	-	-	-
External	(16,763)	-	-	-	(16,763)	(3,895)	-	-	-	(3,895)
Return on equity instruments (dividends)	-	-	62	-	62	-	-	17	-	17
Result of entities accounted for using the equity method	(16)	(70)	-	-	(86)	264	547	-	-	811
Commission income										
Internal	12,068	-	-	(12,068)	-	11,881	-	-	(11,881)	-
External	60,886	85,370	19,822	-	166,078	66,897	84,937	18,850	-	170,684
Commission expenses										
Internal	-	(12,068)	-	12,068	-	-	(11,881)	-	11,881	-
External	(22,555)	(52,306)	(1,509)	-	(76,370)	(25,464)	(56,065)	(1,390)	-	(82,919)
Results from financial operations - Net	969	-	9,966	-	10,935	975	-	2,074	-	3,049
Currency differences (gain or (-) loss, net)	6,765	-	190	-	6,575	8,807	-	588	-	9,395
Other operating income	286	8	18	-	312	112	-	167	-	279
Other operating expenses	(3,720)	(142)	(10)	-	(3,872)	(2,823)	(136)	(26)	-	(2,985)
GROSS MARGIN	**77,877**	**20,792**	**28,159**	**-**	**126,828**	**69,743**	**17,402**	**20,280**	**-**	**107,425**
Staff expenses	(31,498)	(7875)	(13,124)	-	(52,497)	(28,423)	(6,559)	(8,745)	-	(43,727)
Other administrative expenses	(15,981)	(3,995)	(6,659)	-	(26,635)	(16,923)	(3,905)	(5,207)	-	(26,035)
Amortisation	(6,766)	(1,691)	(2,819)	-	(11,276)	(6,525)	(1,506)	(2,007)	-	(10,038)
Allocation to provisions	(898)	-	-	-	(898)	1,349	-	-	-	1,349
Impairment losses on financial assets	843	-	-	-	843	408	-	-	-	408
(+/-) Gains/(Losses) on disposal of non-financial assets and holdings	-	-	-	-	-	-	-	-	-	-
Impairment losses on other assets										
Gains or (-= losses on cancellation of non-financial assets and holdings, net	-	-	-	-	-	-	-	-	-	-
CONSOLIDATED PROFIT BEFORE TAX	**23,577**	**7,231**	**5,557**	**-**	**36,365**	**19,629**	**5,432**	**4,321**	**-**	**29,382**
BALANCE										
Total assets	2,215,814	40,358	23,935	(89,931)	2,190,176	2,429,733	40,722	21,190	(81,304)	2,410,341
Total liabilities	2,072,156	15,299	438	(39,405)	2,048,488	2,311,070	15,753	435	(34,355)	2,292,903
Other information	-	-	-	-	-	-	-	-	-	-
Acquisitions of tangible assets	5,923	17	-	-	5,940	4,946	-	-	-	4,946

The "adjustments" column in the table above reflects the elimination of trading transactions between the brokerage and management segments. These transactions, which are eliminated in the consolidation process, are shown in the table above to correctly reflect the activity of each segment.

The adjustments to total assets and liabilities presented by segment correspond to the eliminations of reciprocal items and equity between the various Group companies generated in the consolidation process.

02.8

Cash, Cash Balances at Central Banks and other Demand Deposits

The breakdown of "Cash, cash balances at central banks and other demand deposits" in the accompanying consolidated balance sheets at 31 December 2023 and 2022 is as follows:

Thousands of Euro

	2023	2022
Cash	47	42
Cash balances at central banks	900,056	610,028
Other demand deposits	193,490	161,424
Total	**1,093,593**	**771,494**

The breakdown by remaining term to maturity of this caption is detailed in Note 5.b).

As at 31 December 2023 and 2022, the item "Other demand deposits" mainly includes balances in demand current accounts, which earn the market interest rate for this type of accounts to the amount of €193.340 million and accrued interest amounting to €150,000 (€161.373 million and €51,000 in 2022).

As of 31 December 2023 the cash balances in central banks include the two-day deposit with Bank of Spain for the amount of €882,828 million (589.599 million as of 31 December 2022), as well as the amount applied to the compliance with the minimum reserve coefficient of €16.934 million (€20,347 million as of 31 December 2022), as stipulated by current legal regulations, and the accrued interest of €294,000 (€82,000 as of 31 December 2022).

02.9

Financial Assets and Liabilities held for Trading

The breakdown of these asset and liability captions in the consolidated balance sheets is as follows:

Thousands of Euro

	Asset		Liability	
	2023	2022	2023	2022
Derivatives	67	124	-	189
Equity instruments	46,284	54,225	-	-
Debt securities	3,038	2,316	-	-
Total	**49,389**	**56,665**	**-**	**189**

At 31 December 2023 and 2022 there were no assets in this portfolio subject to any kind of commitment or guarantee.

There were no transfers or reclassifications of financial instruments included in this portfolio during the financial years 2023 and 2022.

a) Derivatives

Negotiation derivatives, as indicated in Note 4.f), are classified in the trading portfolio and, as such, are measured at fair value, with any changes in fair value recognised directly in the consolidated income statement.

Set out below for the years ended 31 December 2023 and 2022 are the notional and fair values of financial derivatives recorded as "Trading derivatives" classified by market type, product type, counterparty, remaining term and risk type:

Thousands of Euro

	Notional		Fair value			
	Memorandum accounts		Asset		Liability	
	2023	2022	2023	2022	2023	2022
By market type						
Organised markets	2,505	17,105	-	-	-	-
Unorganised markets	924	4,957	67	124	-	189
	3,429	**22,062**	**67**	**124**	**-**	**189**
By product type						
Options						
Purchased	-	-	-	-	-	-
Sold	-	-	-	-	-	-
Future	2,505	17,105	-	-	-	-
Other						
Purchased	924	4,000	67	124	-	-
Sold	-	957	-	-	-	189
	3,429	**22,062**	**67**	**124**	**-**	**189**
Counterparty						
Credit institutions	-	4,000	-	124		
Other financial institutions	-	-	-	-	-	-
Non-resident credit institutions	3,429	18,062	67	-	-	189
Other sectors	-	-	-	-	-	-
	3,429	**22,062**	**67**	**124**	**-**	**189**
Remaining term						
Up to 1 year	3,429	21,105	67	124	-	-
From 1 to 5 years	-	957	-	-	-	189
	3,429	**22,062**	**67**	**124**	**-**	**189**
Type of risk covered						
Foreign exchange risk	2,929	21,562	67	124	-	189
Interest rate risk	500	500	-	-	-	-
Share price risk	-	-	-	-	-	-
Other risks	-	-	-	-	-	-
	3,429	**22,062**	**67**	**124**	**-**	**189**

b) b) Equity instruments

At 31 December 2023 and 2022, the breakdown of the balance of this item, by sector of activity of the issuer, is as follows:

Thousands of Euro

	2023	2022
Credit institutions	-	-
Financial companies	46,284	54,225
Other sectors	-	-
Total	**46,284**	**54,225**

At 31 December 2023 and 2022 the breakdown of the balance of this heading is as follows:

Thousands of Euro

	2023	2022
Holdings in I.I.C.s, F.C.R. and S.C.R.	46,271	54,198
Shares and other equity	13	27
Total	**46,284**	**54,225**

The detail of "Holdings in I.I.C.s, F.C.R., and S.C.R." at 31 December 2023 and 2022 is as follows:

Thousands of Euro

	31.12.2023	31.12.2022
Renta 4 SICAV Valor Relativo I EUR A	-	7,337
Renta 4 Renta Fija, FI Clase R	10,070	9,543
Renta 4 Renta Fija 6 Meses, FI	-	9,839
Ged VI España F.C.R.	7,537	6,667
Valor Absoluto Fund X	-	5,164
Kenta Pagares Corporativos, FIL Clase I	8,546	-
Renta 4 Megatendencias Tecnología Clase R, F.I.	2,923	2,073
Renta 4 Megatendencias Consumo Clase I, F.I.	1,281	1,097
Renta 4 Megatendencias Medio Ambiente Clase I, F.I.	1,374	1,283
Renta 4 Bewater I F.C.R.	1,511	1,558
Kobus Renewable Energy III F.C.R.-B1	2,131	1,107
Ged V España F.C.R.	820	830
MC Win Food Ecosystem Fund	884	804
Embarcadero Pantheon CO-Inversión Global FCR	585	368
Others (*)	8,609	6,528
Total	**46,271**	**54,198**

(*) Units in Collective Investment Institutions (IIC) that individually amount to less than €500,000 at 31 December 2023

Details of "Shares and other holdings" at 31 December 2023 and 2022 are as follows:

Thousands of Euro

	31.12.2023	31.12.2022
Listed		
CGE, CGET, Fiduciaria de Occidente	13	27
Unlisted		
Other shares	13	27

c) Debt securities

At 31 December 2023 and 2022 the Group has debt securities classified as financial assets held for trading as follows:

Thousands of Euro

	2023	2022
Spanish public administrations	-	-
Other resident sectors	1,191	1,194
Other non-resident sectors	-	-
Non-resident credit institutions	1,847	1,122
	3,038	**2,316**

d) Other information

The breakdown by remaining maturity of this item is detailed in Note 5.b) on Liquidity risk.

Note 6 contains detailed information on the fair value of the financial assets included in this category and on the methods used to obtain the aforementioned fair value.

02.10

Financial Assets at fair Value Through other Comprehensive Income

The breakdown of this item on the assets side of the consolidated balance sheet is as follows:

Thousands of Euro

	2023	2022
Equity instruments	4,615	2,264
Debt securities	314,061	828,289
Total	**318,676**	**830,553**

There were no transfers or reclassifications of financial instruments included in this portfolio during the financial years 2023 and 2022.

The movement in this item in the consolidated balance sheet during the financial years 2023 and 2022 is as follows:

Thousands of Euro

	2023	2022
Opening balance	830,553	388,369
Added	19,209	949,098
Removed	(539,236)	(472,311)
Accrual of accrued interest	3,712	1,668
Voucher collection	(11,447)	(7,545)
Value adjustment	15,752	(28,610)
Impairment of assets	-	-
Generic provision/recovery	133	(116)
Closing balance	**318,676**	**830,553**

a) Equity instruments

At 31 December 2023 and 2022 the breakdown of the balance of this heading is as follows:

Thousands of Euro

	2023	2022
Holdings in IICs	-	-
Shares and other equity	4,615	2,264

Details of "Shares and other holdings" at 31 December 2023 and 2022 are as follows:

Thousands of Euro

	31.12.2023	31.12.2022
Listed		
Valore metals Corp (Formerly: Kivallic Energy)	27	136
Grupo San José S.A.	540	130
Atrys Health S.A.	215	363
Making Science Group S.A.	556	546
Others	75	12
Unlisted		
Other shares	3,202	1,077
	4,615	**2,264**

The detail of "Accumulated other comprehensive income - Items not to be reclassified to profit or loss - Changes in fair value of equity instruments measured at fair value through other comprehensive income" in equity (Note 18.j) at 31 December 2023 and 2022, as a result of changes in the fair value of the assets in this portfolio, is as follows:

Thousands of Euro

	2023	2022
Equity instruments		
Other resident sectors	(585)	(554)
Other non-resident sectors	(127)	(97)
Total (Note 18)	**(712)**	**(651)**

b) Debt securities

The breakdown of debt securities classified according to its counterparty is as follows:

Thousands of Euro

	2023	2022
Spanish public administrations	180	179,554
Resident credit institutions	-	13,628
Non-resident credit institutions	7,341	60,455
Non-resident public administrations	305,751	561,961
Non-resident non-financial corporations	-	12,731
Resident non-financial corporations	794	98
Value adjustment	(5)	(138)
Total	**314,061**	**828,289**

The breakdown by remaining term to maturity of these items is detailed in Note 5.b).

The return on the securities comprising the financial asset portfolio at fair value through other comprehensive income as at 31 December 2023 was 3.26% (3.04% as at 31 December 2022).

The fair value of the debt instruments at 31 December 2023 and 2022 has been determined mainly on the basis of the quotation in official markets (Central de Anotaciones de Banco de España), and on the basis of prices supplied by different information service providers that construct their prices on the basis of prices communicated by contributors (Bloomberg).

The detail of "Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Financial assets at fair value through other comprehensive income" in equity (Note 18.j) at 31 December 2023 and 2022, as a result of changes in the fair value of the assets in this portfolio, is as follows:

Thousands of Euro

	2023	2022
Debt securities		
Spanish public administrations	-	(985)
Non-resident public administrations	(9,584)	(19,635)
Credit institutions	-	(3)
Non-resident credit institutions	(3)	(66)
Other resident sectors	-	-
Other non-resident sectors	-	(28)
Total (Note 18)	**(9,587)**	**(20,717)**

Pledged debt securities are classified in the financial asset portfolio at fair value through other comprehensive income and in the portfolio at amortised cost (Note 11).

As at 31 December 2023, the value of debt securities pledged to BNP Paribas as collateral for daily international derivatives trading had a nominal value of €57 million, recorded at a value of €56.751 million. As of 31 December 2022, the securities were pledged in favour of JP Morgan with a nominal value of €50 million and recorded for a value of €48.867 million.

As of 31 December 2023, the Bank does not maintain securities representing debt loaned to other financial institutions under securities loan contracts. At 31 December 2022, the Bank holds debt securities belonging to the portfolios of financial assets at fair value through other comprehensive income and the portfolio of financial assets at amortised cost, lent under securities lending contracts, to other financial institutions, amounting to €151.581 million.

02.11

Financial Assets at Amortised Cost

The breakdown of this item on the assets side of the consolidated balance sheets is as follows:

Thousands of Euro

	2023	2022
Debt securities	356,495	356,977
Loans and advances:		
Central banks	-	-
Credit institutions	15,962	49,135
Clientèle	255,845	249,678
Total	**628,302**	**655,790**

Details of debt securities at 31 December 2023 and 2022 are as follows:

Financial year 2023:

Titles	Maturity	Thousands of Euro
Italian Government Bond IT0005419848	1 February 2026	101,211
Italian Government Bond IT0005370306	15 July 2026	53,142
Italian Government Bond IT0005386245	1 February 2025	25,105
Italian Government Bond IT0005452989	15 August 2024	174,984
Bond IRIS FINANCIAL SERVICES LIMITED(*)	1 October 2024	901
Chilean State Bond CL0002179951	15 March 2026	359
Chilean State Bond CL0002179951	15 March 2026	359
Chilean State Bond CL0002179951	15 March 2026	358
Italian Government Bond ES0L02403084	8 March 2024	76
Total		**356,495**

(*) Includes €10,000 of generic provision

Financial year 2022:

Titles	Maturity	Thousands of Euro
Italian Government bond IT0005419848 (*)	1 February 2026	101,713
Italian Government bond IT0005370306 (*)	15 July 2026	54,203
Italian Government Bond IT0005386245	1 February 2025	25,169
Italian Government Bond IT0005452989	15 August 2024	174,957
Bond IRIS FINANCIAL SERVICES LIMITED	1 October 2024	935
Total		**356,977**

(*) Includes accrued interest of €36,000
(**) Includes a generic provision of €11,000

As of 31 December 2023, the Bank does not maintain securities representing debt loaned to other financial institutions under securities loan contracts. At 31 December 2022, the Bank holds debt securities belonging to the portfolios of financial assets at fair value through other comprehensive income and the portfolio of financial assets at amortised cost, lent under securities lending contracts, to other financial institutions, amounting to €151.581 million.

At 31 December 2023 and 2022, the Bank has pledged listed debt securities to BME Clearing as collateral for daily trading in domestic derivatives and domestic equities. The nominal value of these assets as at 31 December 2023 amounts to €100 million (€235 million) recorded at a value of €99.991 million (€229.911 million as at 31 December 2022).

In addition, as at 31 December 2023, the Bank has signed a Securities Pledge Credit Agreement with Bank of Spain. The nominal value of the pledged securities amounts to €250 million (31 December 2022: €150 million). Registered for a value of €254.451 million and €144.010 million at 31 December 2023 and 2022, respectively. The available amount of this guarantee at 31 December 2023 and 2022 was €229.357 million and €133.027 million, respectively. Pledged debt securities are classified in the financial asset portfolio at fair value through other comprehensive income and in the portfolio at amortised cost (Note 11).

The breakdown by remaining term to maturity of this caption is detailed in Note 5.b).

a) Credit institutions

The detail of this heading is as follows:

Thousands of Euro

	2023	2022
Deposits or term accounts	4,702	8,382
Other accounts (*)	11,226	40,743
Doubtful assets	-	-
Value adjustment		
Value corrections due to impairment of assets	-	-
Accrued interest	34	10
Total	**15,962**	**49,135**

(*) At 31 December 2023 and 2022, "Other accounts" includes €5.813 and €36.596 million corresponding to financial guarantees deposited with financial intermediaries for international derivative transactions.

Details of the remaining term to maturity of these assets are provided in Note 5.b).

Details of term deposits or accounts at 31 December 2023 and 2022 are as follows:

31/12/2023

Entity	Type	Date of Maturity	Thousands of Euro
Bice Bank	8.28%	03/01/2024	143
Security Bank	8.64%	03/01/2024	278
Bice Bank	7.80%	22/01/2024	148
IPF B. Cooperative	0.00%	01/03/2024	1,000
IPF Ruralvía	0.00%	12/11/2024	100
Fixed term deposit - Banco de Bogotá N.Y.	5.25%	03/05/2024	241
Fixed term deposit -- Banco de Bogotá N.Y.	5.30%	16/02/2024	691
Scotiabank	6.05%	02/01/2024	1,103
IBK	6.90%	02/01/2024	490
BCP	6.11%	03/01/2024	490
BTG Pactual	0.00%	22/01/2024	18
			4,702

31/12/2022

Entity	Type	Date of Maturity	Thousands of Euro
Bice Bank	11.16%	04/01/2023	137
Security Bank	11.28%	03/01/2023	267
Bice Bank	11.16%	21/01/2023	142
IPF Bankinter	0.00%	02/11/2023	1,322
IPF Ruralvía	0.00%	12/11/2023	100
Fixed term deposit - Banco de Bogotá N.Y.	2.10%	09/05/2023	239
Fixed term deposit -- Banco de Bogotá N.Y.	1.15%	16/02/2023	707
DPR State	4.75%	28/11/2023	941
DPR State	4.90%	05/04/2023	847
DRP State	5.15%	09/05/2023	940
DRP Scotiabank	5.00%	28/02/2023	1,034
BCP	6.96%	02/01/2023	467
SBP	7.20%	02/01/2023	615
BanBif	7.20%	02/01/2023	467
BGT Pactual			157
			8,382

(*) The accrued interest at 31 December 2023 and 2022 on term deposits or accounts amounting to €34,000 and €10,000, respectively, are included under "Valuation adjustments".

b) Clientele

The breakdown of this item in the consolidated balance sheets by type and status of credit, counterparty sector and interest rate type is shown below:

Thousands of Euro

	2023	2022
By type and status of credit:		
Secured debtors	103,964	103,313
Other secured debtors	14,468	16,852
Other term debtors	29,909	24,464
Demand and sundry debtors	2,257	7,443
Doubtful assets	9,571	11,323
Other financial assets	97,847	89,675
Value adjustment	(2,171)	(3,392)
	255,845	**249,678**
By sector:		
Public Administrations	128	205
Other financial corporations	102,040	99,351
Other non-financial corporations and sole proprietors	112,915	111,576
Rest of Households	40,762	38,546
	255,845	**249,678**
By interest rate mode:		
Variable	255,845	249,678
Fixed	-	-
	255,845	**249,678**

The breakdown by remaining term to maturity of these items is detailed in Note 5.b).

In the financial years 2023 and 2022, the Group has entered into pledge agreements on securities deposited from customers as collateral for receivables.

The balance of "Other term debtors" consists of personal guaranteed debtors, personal loan debtors and unsecured debtors. The balance of "Other term deposits" includes both Chilean and Peruvian term deposits, as well as the simultaneous deposits that the Chilean subsidiary has with its customers.

The Group maintains under "Other financial assets" the amount required for guarantees from each of the brokers in the derivatives markets in which it operates on behalf of customers and which the Parent Company in turn requires from its customers (see Note 16.d).

These guarantees relate to both national organised markets (MEFF, Eurostoxx) and international derivatives and CFD markets.

In turn, the breakdown of debtors according to type and status of credit is as follows:

Thousands of Euro

	Debt		Value Guarantees		Limit		Available	
	2023	2022	2023	2022	2023	2022	2023	2022
Secured debtors	103,964	103,313	239,836	228,257	143,302	146,268	39,338	42,955
Other debtors with secured debt	14,468	16,852	16,575	20,162	14,468	16,852	-	-
Doubtful with collateral	6,254	8,048	9,589	8,888	7,021	8,136	796	88
Doubtful without collateral	3,317	3,275	-	-	-	-	-	-
Other term debtors	29,909	24,464	-	-	34,971	29,517	5,062	5,053
	157,912	**155,952**	**266,000**	**257,307**	**199,762**	**200,773**	**45,196**	**48,096**

Details of the valuation adjustments made on transactions classified as "Loans and advances - Customer" are as follows:

Thousands of Euro

	2023	2022
Value adjustment:		
Value corrections due to impairment of assets	(3,765)	(4,497)
Accrued interest	1,594	1,105
	(2,171)	**(3,392)**

c) Impairment losses

The detail and movement of impairment losses recognised at year-end 2023 and 2022 for the assets in the Loans and advances (Due from credit institutions and customers) portfolio is as follows:

Thousands of Euro

	Doubtful (Stage – 3)	Special surveillance (Stage – 2)	Normal (Stage – 1)	Total
Balance as at 1 January 2023	**4,131**	**18**	**348**	**4,497**
Additions				
Provisions allocated to income (Note 22.f)	590	169	438	1,197
Recoveries				
Recoveries allocated to income (Note 22.f)	(1,330)	(177)	(399)	(1,906)
Write-offs of bad debts	-	-	-	-
Uses				
Transfer to write-offs	(23)	-	-	(23)
Others	-	-	-	-
Balance as at 31 December 2023	**3,368**	**10**	**387**	**3,765**
Of which: Credit institutions	-	-	-	-
Of which: Clientèle	3,368	10	387	3,765
Balance as at 1 January 2022	**5,378**	**20**	**269**	**5,667**
Additions				
Provisions allocated to income (Note 22.f)	2,804	154	517	3,475
Recoveries				
Recoveries allocated to income	(3,408)	(156)	(438)	(4,002)
Write-offs of bad debts	**-**	**-**	**-**	**-**
Uses				
Transfer to write-offs	**-**	**-**	**-**	**-**
Others	**(643)**	**-**	**-**	**(643)**
Balance as at 31 December 2022	**4,131**	**18**	**348**	**4,497**
Of which: Credit institutions	**-**	**-**	**-**	**-**
Of which: Clientèle	**4,131**	**18**	**348**	**4,497**

The coverage of doubtful transactions and the coverage of normal transactions under special surveillance were determined on the basis of individual and collective estimates.

02.12

Investments in Joint Ventures and Associates

The movements in this item in the accompanying consolidated balance sheet in 2023 and 2022 were as follows:

Thousands of Euro

	2023	2022
Opening balance	**578**	**2,104**
Added (Note 3)	4,527	-
Removed (dividends distributed)	-	(2,073)
Individual results for the financial year	(150)	547
Impairment	-	-
Closing balance	**4,955**	**578**

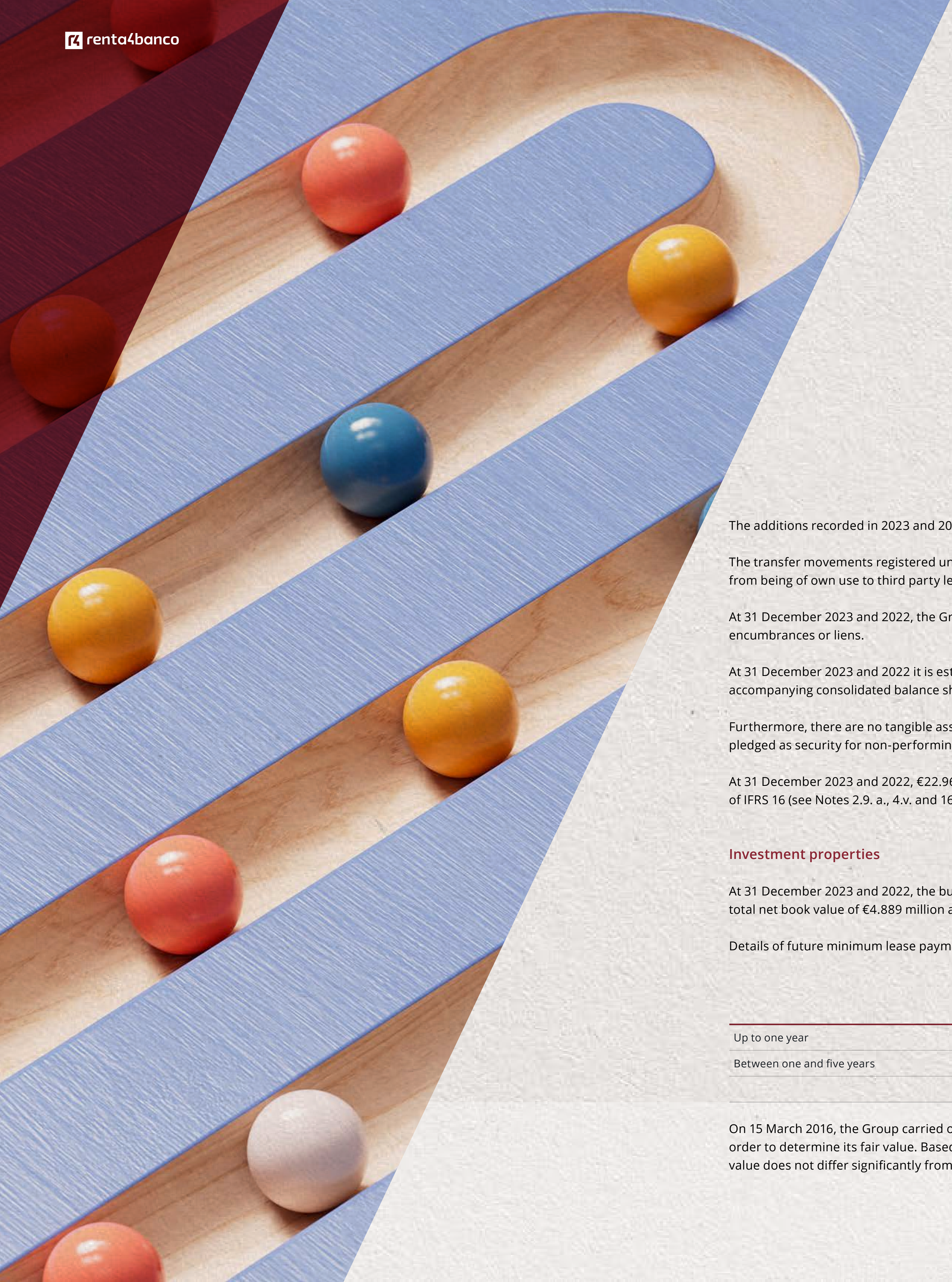
02.13

Tangible Assets

Details of material assets for own use and movements during 2023 and 2022 under this heading are as follows:

Thousands of Euro

	Computer equipment	Furniture, fittings and other	Buildings	Investment properties	Right of use	Total
Cost value						
Balance as at 31 December 2022	3,329	43,579	24,012	5,837	29,699	106,456
Added	686	4,705	-	549	5,298	11,238
Removed	(1,510)	(6,245)	-	(400)	(1,444)	(9,599)
Transfers	-	(8)	(1,641)	1,641	(13)	(21)
Balance as at 31 December 2023	2,505	42,031	22,371	7,627	33,540	108,074
Accumulated amortisation						
Balance as at 31 December 2022	(2,748)	(23,325)	(7,996)	(2,595)	(8,703)	(45,367)
Added	(389)	(4,085)	(400)	(151)	(3,016)	(8,041)
Removed	1,510	6,245	-	400	1,008	9,163
Transfers	-	18	392	(392)	131	149
Balance as at 31 December 2023	(1,627)	(21,147)	(8,004)	(2,738)	(10,580)	(44,096)
Net value as at 31 December 2023	878	20,884	14,367	4,889	22,960	63,978
Cost value						
Balance as at 31 December 2021	3,120	38,842	24,012	5,837	26,026	97,837
Added	209	4,737	-	-	5,142	10,088
Removed	-	-	-	-	(1,469)	(1,469)
Transfers	-	-	-	-	-	-
Balance as at 31 December 2022	3,329	43,579	24,012	5,837	29,699	106,456
Accumulated amortisation						
Balance as at 31 December 2021	(2,308)	(19,418)	(7,571)	(2,490)	(6,990)	(38,777)
Added	(434)	(3,890)	(425)	(105)	(2,756)	(7,610)
Removed	-	-	-	-	1,053	1,053
Transfers	(6)	(17)	-	-	(10)	(33)
Balance as at 31 December 2022	(2,748)	(23,325)	(7,996)	(2,595)	(8,703)	(45,367)
Net value as at 31 December 2022	581	20,254	16,016	3,242	20,996	61,089



The additions recorded in 2023 and 2022 under “Furniture, fittings and other” relate to building work that the Group has carried out at various branches.

The transfer movements registered under the headings of “Buildings” and “Property Investments” are due to the change in the purpose of the building that has gone from being of own use to third party lease.

At 31 December 2023 and 2022, the Group had no firm commitments to purchase or sell fixed assets for a significant amount, nor are its assets subject to significant encumbrances or liens.

At 31 December 2023 and 2022 it is estimated that the fair value of the tangible assets owned by the Group does not differ significantly from that recorded in the accompanying consolidated balance sheet.

Furthermore, there are no tangible assets of a material amount for which there are restrictions on use or ownership, which are out of service or which the Group has pledged as security for non-performing debts.

At 31 December 2023 and 2022, €22.960 million and €20.996 million are recognised as operating leases for offices under “Right of use” as a result of the entry into force of IFRS 16 (see Notes 2.9. a., 4.v. and 16.d).

Investment properties

At 31 December 2023 and 2022, the building located in Madrid at Paseo de la Habana, no. 63 and the building located in Majorca at Paseo de Mallorca, no. 32, with a total net book value of €4.889 million and €3.242 million, respectively, are recorded as investment property.

Details of future minimum lease payments under non-cancellable operating leases at 31 December 2023 and 2022 are as follows:

Thousands of Euro

	2023	2022
Up to one year	11	12
Between one and five years	44	50
	55	**62**

On 15 March 2016, the Group carried out an independent appraisal of its most significant investment property, the building located at Paseo de la Habana no. 63, in order to determine its fair value. Based on the results of this valuation, carried out using the income restatement method and the market comparison method, their fair value does not differ significantly from their net book value as at 31 December 2023 and 2022.

02.14

Intangible Assets

a) Goodwill

Details of and movements in this item in the accompanying consolidated balance sheets in 2023 and 2022 are as follows:

Thousands of Euro

	Cost	Value corrections due to impairment	Total
Balances as at 31.12.21	17,772	(2,481)	15,291
Movements	-	-	-
Balances as at 31.12.22	17,772	(2,481)	15,291
Movements	-	-	-
Balances as at 31.12.23	17,772	(2,481)	15,291

At 31 December 2023 and 2022, goodwill totals €15.291 million, corresponding to the companies grouped in the Management Cash Generating Unit (CGU) (amounting to €5.476 million) and the Intermediation CGU (amounting to €9.815 million). The brokerage CGU groups together the companies Renta 4 Banco, S.A. (generated in the acquisition of Banco Alicantino de Comercio S.A.), Renta 4, S.A., Sociedad de Valores, Renta 4 Burgos S.A., Renta 4 Aragón S.A., Renta 4 Huesca S.A. and Padinco Patrimonios S.G.C., S.A.; likewise, the "Gestión" CGU groups together Renta 4 Gestora S.G.I.I.C., S.A. (generated on the acquisition of Gesdinco Gestión, S.G.I.I.C.), Renta 4 Pensiones, E.G.F.P., S.A. and Renta 4 Luxembourg, S.A.

Until 2015, the Group had recorded other goodwill associated with the "Chile" CGU; this goodwill was identified with the expected business to be generated by the sale of other services offered by the Renta 4 Group to Chilean customers (brokerage, asset management-investment funds, pension funds and portfolio management), and by the possible expansion of the customer portfolio in Chile due to the possibility of operating in the Spanish market. However, in 2015, based on the results obtained by this CGU, the directors considered it necessary to recognise impairment losses of €129,000 in this CGU, recognised under "Impairment or reversal of impairment of non-financial assets - Intangible assets" in the consolidated income statement for 2015 (Note 22-g). As a result of this impairment, as at 31 December 2015, the goodwill of the Chile CGU was fully impaired.

The Group has performed an impairment test on the goodwill at 31 December 2023 and 2022 of the "Trading" CGU and the "Management" CGU, based on the assumptions set out below.

The impairment test performed by the Parent Company has been verified by an independent expert who, on 15 February 2024, issued a report on the impairment test and the correct valuation of the goodwill at 31 December 2023 and therefore no impairment has been recognised in 2023 and 2022.

Accordingly, and based on the estimates and projections available to the Bank's directors, no impairment losses have been incurred during 2023 that would have required the recording of additional impairment losses.

According to the regulations, impairment occurs when the net book value exceeds the recoverable amount,

Thousands of Euro

Intermediation CGU	2023	2022
Projected period	5 years	5 years
Discount rate (projected period)	10.96%	11.05%
Perpetual growth rate	2.68%	2.66%
CGU Management	**2024**	**2022**
Projected period	5 years	5 years
Discount rate (projected period)	10.61%	10.64%
Perpetual growth rate	2.55%	2.52%

which is the higher of value in use and fair value less costs to sell. In this case, the recoverable amount of the above CGUs has been determined following an income approach; specifically, the dividend discount methodology has been used based on cash flow projections based on the budgets approved by the Group's management as follows:

The main assumptions used according to the above methodology are described below:

a.1 Projected period

As required by paragraph 33 (b), from IAS 36, the projected period considered for the estimation of future cash flows in both CGUs is 5 years, in accordance with the budgets approved by the Group's management for the next 5 years. We believe that this period is adequate to reflect the current business plan projected for each of them.

a.2 Discount rate

The discount rates reflect management's estimate of unit-specific risk. This is the benchmark used by management to assess operational development and future investment proposals. The discount rate applied to calculate the value in use of each of the CGUs at the valuation date was the cost of equity, and was determined in accordance with the Capital Asset Pricing Model (CAPM).

This model uses as a basis the risk-free rate (Rf), which has been calculated by considering the average yield of the last three months of 2023 on the Spanish 10-year government bond for the Intermediation CGU, to which is added the market risk premium (Rm) multiplied by the beta coefficient considered appropriate for the CGU's risk and growth profile.

The result obtained, as shown in the table above, is 10.96% and 10.61% for Intermediation CGU's and Management respectively (2022: 11.05% for the Intermediation CGU and 10.64% for the Management).

a.3 Perpetual growth rate

For the calculation of the perpetual growth rate, the estimate of long-term inflation from public sources has been used, as well as the potential growth of the asset management and brokerage industry on such inflation. The growth rate used was 2.68% and 2.55% in the Cash Generating Unit of Intermediation and Management respectively (2022: 2.66% and 2.52% in the Cash Generating Unit of Intermediation and Management respectively).

The Management of these CGUs considers that this growth rate is justified.

Sensitivity to changes in assumptions

In order to ensure the soundness of its calculation, management has carried out a sensitivity analysis of the value in use of the different CGUs analysed with respect to changes in the main assumptions affecting this calculation. For this purpose, sensitivity analyses have been carried out for the discount rate, the perpetual growth rate and the required capital requirements. The main results are shown below:

a.4 Intermediation and Management CGUs

Reasonable variations of +/-100 basis points in the discount rate used combined with reasonable variations of +/-100 basis points in the growth rate in perpetuity compared to the baseline scenario would not result in impairment of the either of the CGUs.

Similarly, reasonable changes of +/-100 basis points in the discount rate used combined with reasonable changes of +/-0.25 times in the minimum capital requirement for the CGU compared to the baseline scenario would not cause deterioration in either of the CGUs.

Also, reasonable variations of +/-100 basis points in the perpetual growth rate used combined with reasonable variations of +/-0.25 times in the minimum capital requirement for the CGU compared to the baseline scenario would not cause deterioration in either of the CGUs.

b) Other intangible assets

This section of the consolidated balance sheets includes the software acquired from third parties, the customer portfolio generated in the acquisition of Gesdinco S.A., S.G.I.I.C. and Padinco Patrimonios, S.G.C., S.A., the customer portfolio generated in the acquisition of Renta 4 Chile Corredores Bolsa, S.A. and the customer portfolio generated in the acquisition of BNP Paribas, S.A.'s branch of activity, the customer portfolio generated in the acquisition of Renta 4 Chile Corredores de Bolsa, S.A. and the customer portfolio generated in the acquisition of the branch of activity of BNP Paribas, Sucursal en España, S.A . which have had the following movements in financial years 2023 and 2022:

Thousands of Euro

	Cost	Accumulated amortisation	Net value
Balance as at 31 December 2021	**11,892**	**(6,118)**	**5,774**
Added and allocations	3,493	(2,428)	1,065
Removed	-	(8)	(8)
Balance as at 31 December 2022	**15,385**	**(8,554)**	**6,831**
Added and allocations	3,564	(3,235)	329
Removed	(3,145)	3,145	-
Transfers	-	(17)	(17)
Balance as at 31 December 2023	**15,804**	**(8,661)**	**7,143**

At 31 December 2023 and 2022 "Other intangible assets" includes the fully amortised customer portfolio of Gesdinco and Padinco (€815,000 cost and €815,000 accumulated amortisation). At 31 December 2023 and 2022 it also includes the fully amortised customer portfolio in Chile (€646,000 of cost and €646,000 of accumulated amortisation). In addition, at 31 December 2023, this heading includes customer portfolios and software from the acquisition of the BNP Paribas Sucursal en España, S.A. branch of activity (see Note 4.j)) with a cost of €2.007 million and €1.517 million pending amortisation at 31 December 2022 (€2.007 million cost and €1.661 million pending amortisation at 31 December 2022). Additions in the year mainly relate to IT applications.

Finally, this heading includes software applications with a net value of €5.626 million and €5.170 million at 31 December 2023 and 2022, respectively.

02.15

Other Assets and other Liabilities

The composition of the balance of these asset and liability items on the consolidated balance sheet as at 31 December 2023 and 2022 is as follows:

Thousands of Euro

	2023	2022
Asset:		
Unearned expenses paid	2,949	1,651
Others	131	288
	3,080	**1,939**
Liability:		
Accruals	2,609	2,207
Others	8,022	5,185
	10,631	**7,392**

As at 31 December 2023 and 2022, the balance of other unpaid accrued expenses mainly corresponds to the outstanding variable employee remuneration as well as amounts payable to Guarantee Fund amounting to €2.362 million (€1.893 million as at 31 December 2022).

02.16

Financial Liabilities at Amortised Cost

Details of these liabilities in the consolidated balance sheets at 31 December 2023 and 2022 are as follows:

Thousands of Euro

	2023	2022
Central bank deposits	-	-
Credit institution deposits	18,905	13,805
Customer deposits	1,842,062	2,044,185
Other financial liabilities	165,949	218,555
	2,026,916	**2,276,545**

The breakdown by remaining term to maturity of these items is detailed in Note 5.b).

a) Central bank deposits

As at 31 December 2023 and 2022, the Group did not hold any central bank deposits, within the framework of the programmes designed by the European Central Bank (T-LTRO III) to improve long-term funding. However, the Group maintains an available balance with the European Central Bank of €229.356 million as at 31 December 2023 (31 December 2022: €152.913 million).

b) Deposits from credit institutions

The detail of this liability item in the consolidated balance sheets at 31 December 2023 and 2022 according to the nature of the instrument is as follows:

Thousands of Euro

	2023	2022
Other accounts	18,905	13,805

c) Customer deposits

The composition of this item in the consolidated balance sheets, by counterparty and type of financial instrument at 31 December 2023 and 2022, is as follows:

Thousands of Euro

	2023	2022
Demand deposits		
Current accounts	1,835,924	2,028,147
Other demand accounts	-	-
Term deposits	6,072	10,015
Temporary transfer of assets	-	6,004
Value adjustment	66	19
	1,842,062	**2,044,185**

d) Other financial liabilities

All financial liabilities recorded under this consolidated balance sheet heading are classified in the “Financial liabilities at amortised cost” portfolio and are therefore measured at amortised cost. This heading includes obligations payable in the nature of financial liabilities not included elsewhere.

Details of other financial liabilities grouped by type of financial instrument at 31 December 2023 and 2022 are as follows:

Thousands of Euro

	2023	2022
Obligations to be paid	2,697	2,464
Bonds received	23	4
Clearing houses	7,682	4,250
Collection accounts		
Social Security Administration	838	750
Financial guarantees	113,294	160,600
Other items	17,487	28,688
Leases (Note 13)	23,928	21,799
Total	**165,949**	**218,555**

As financial guarantees, the Bank includes the financial guarantees required from customers for trading in MEFF, international derivatives and CFDs (contracts settled by differences). The heading “Other items” mainly includes balances for unsettled transactions with financial intermediaries that are settled in the first days of the following month, including customer transactions with Allfunds amounting to €4.262 million (31 December 2022: €8.981 million).

02.17

Provisions

Details of this item in the consolidated balance sheets at 31 December 2023 and 2022 are as follows:

Thousands of Euro

	2023	2022
Procedural issues and pending tax litigation	2,390	2,329
Commitments and guarantees granted	16	50
	2,406	**2,379**

The movement in these headings in 2023 and 2022 is as follows:

Thousands of Euro

	Other provisions
Balance as at 31 December 2021	**3,767**
Provisions reflected in profit and loss	645
Recoveries of provisions credited to profit and loss	(1,994)
Provisions applied to their intended purpose	(39)
Balance as at 31 December 2022	**2,379**
Provisions reflected in profit and loss	1,194
Recoveries of provisions credited to profit and loss	(345)
Provisions applied to their intended purpose	(822)
Others	-
Balance as at 31 December 2023	**2,406**

At 31 December 2023 and 2022, the provisions reflected in the consolidated balance sheet amounting to €2.406 million and €2.379 million, respectively, relate to both the Parent Company and other subsidiaries and basically cover certain risks arising from their business activities and risks due to third-party claims.

02.18

Net Equity

Details of the Group's equity at 31 December 2023 and 2022 are as follows:

Thousands of Euro

	2023	2022
Own funds		
Assessed capital	18,312	18,312
Share premium	8,496	8,496
Other reserves	112,464	102,830
Less: Own shares	-	(486)
Result for the year	26,127	21,540
Less: interim dividends	(12,208)	(10,155)
	153,191	**140,537**
Other accumulated comprehensive income		
Currency conversion	(2,808)	(2,688)
Financial assets designated at fair value through other comprehensive income		
Changes in the fair value of equity instruments measured at fair value through other comprehensive income (Note 10.a)	(712)	(651)
Changes in fair value of debt instruments measured at fair value through other comprehensive income (Note 10.a)	(9,587)	(20,717)
	(13,107)	**(24,056)**
Minority interests (non-controlling shares)		
Other accumulated comprehensive income	(193)	(426)
Other elements	1,797	1,383
	1,604	957
Total Net Equity	**141,688**	**117,438**

The movement in net equity is reflected in the Consolidated Statements of Changes in Equity as at 31 December 2023 and 2022.

a) Assessed capital

The share capital of the Parent Company at 31 December 2023 and 2022 amounts to €18,311,841.35 and is divided into 40,693,203 registered shares numbered 1 to 40,693,203, each with a nominal value of €0.45, of the same class and series. All shares are fully subscribed and paid up.

The Parent Company's shares have been listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges since 14 November 2007 and have been assigned the ISIN code ES0173358039 by the National Codification Agency. The share price at 31 December 2023 is €10.20 (31 December 2022: €9.56) (see note 18.c).

The composition of the Bank's shareholding structure as at 31 December 2023 and 2022 is as follows:

	31/12/2023		31/12/2022	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Juan Carlos Ureta Domingo (*)	3,112,889	7.65%	3,107,250	7.64%
Ms. Matilde Estades Seco	987,933	2.43%	987,791	2.43%
Surikomi, S.A.	1,266,827	3.11%	1,266,827	3.11%
Sociedad Vasco Madrileña de Inversiones S.L. (antigua AR Santamaría)	10,756,388	26.43%	10,737,668	26.39%
Cartera de Directivos 2020 (****)	-	-%	346,000	0.85%
Juan Carlos Ureta Estades	37,720	0.09%	35,204	0.09%
Ms. Matilde Ureta Estades	30,457	0.07%	30,457	0.07%
Ms. Inés Asunción Ureta Estades	27,941	0.07%	27,941	0.07%
Mutualidad General de la Abogacía	2,800,650	6.88%	2,800,650	6.88%
Oscar Balcells Curt (**)	2,349,543	5.77%	2,349,543	5.77%
Santiago González Enciso (***)	1,654,051	4.06%	1,646,852	4.05%
Global Portfolio Investments SL	2,276,232	5.59%	2,276,232	5.59%
Contratas y Servicios Extremeños S.A.	2,064,030	5.07%	2,061,120	5.07%
Santander Small Caps España, F.I. (*****)	1,064,734	2.62%	1,184,288	2.91%
Otros (incluida autocartera)	12,263,809	30.16%	11,835,381	29.08%
Total	**40,693,203**	**100%**	**40,693,203**	**100 %**

(*) En las acciones de D. Juan Carlos Ureta Domingo no se ha tenido en cuenta a sus descendientes. (**) En las acciones de D. Oscar Balcells Curt se han tenido en cuenta las acciones poseídas a través de las sociedades en las que figura como principal accionista. (***) En las acciones de D. Santiago González Enciso no se ha tenido en cuenta a sus descendientes. (****) D. Juan Carlos Ureta Domingo mantiene una participación del 0% en esta sociedad, equivalentes a 0 acciones (equivalentes a 72.660 acciones a 31 de diciembre 2022). (*****) El ejercicio de los derechos de voto corresponde a Santander Asset Management S.A., S.G.I.I.C

At 31 December 2023, the Group's main shareholder, in addition to the direct shareholding reflected in the table above, holds 31.97% indirectly (32.11% at 31 December 2022), representing 39.62% of the Parent's share capital (39.74% at 31 December 2022).

b) Share premium

The share premium has the same restrictions and can be used for the same purposes as the Parent Company's voluntary reserves.

c) Other reserves

The detail of this item as at 31 December 2023 and 2022 is as follows:

Thousands of Euro

	2023	2022
Legal reserve of the Parent Company	3,662	3,662
Reserves in entities accounted for using the equity method	278	1,804
Reserves in Group companies	108,524	97,364
	112,464	**102,830**

Details of "Reserves at Group companies" are as follows:

Thousands of Euro

Company	2023	2022
Renta 4 Banco, S.A.	99,434	90,617
Renta 4, Sociedad de Valores, S.A.	(324)	875
Renta 4 Burgos, S.A.	(2,476)	(2,476)
Renta 4 Aragón, S.A.	(1,050)	(1,050)
Renta 4 Vizcaya, S.A.	-	(363)
Renta 4 Gestora, S.G.I.I.C., S.A.	10,206	9,681
Renta 4 Huesca, S.A.	(374)	(374)
Carterix, S.A.	-	(139)
Renta 4 Pensiones, S.G.F.P., S.A.	4,862	4,847
Renta 4 Digital Solution	(73)	(61)
Rest	(1,681)	(4,193)
	108,524	**97,364**

d) Legal reserve

Companies are obliged to set aside 10% of the profits of each financial year to a reserve fund until it reaches at least 20% of the share capital. This reserve, to the extent that it does not exceed 20% of the share capital, is not distributable to shareholders and may only be used to cover, if no other reserves are available, the debit balance of the profit and loss account. Under certain conditions it may also be used to increase the share capital. As of 31 December 2023 and 2022 the legal reserve of the Parent Company reaches this percentage of 20%.

e) Voluntary reserves

The Parent Company's voluntary reserves are freely available at 31 December 2023 and 2022, as there are no negative results from previous years pending compensation and subject to equity requirements (Note 18.i).

This heading includes a restricted reserve in relation to the goodwill appearing on the assets side of the Parent Company's balance sheet.

f) Own shares

Thousands of Euro

	2023	2022
Opening balance	(486)	(486)
Purchase	-	-
Sales	486	-
Closing balance	**-**	**(486)**

The movement in this heading during the financial years 2023 and 2022 was as follows:

In 2023, equity instruments amounting to €486,000 were sold, with capital gains recorded directly in their net worth amounting to €258,000. During the 2022 financial year, no instruments have been purchased or sold using own capital.

No. of shares

	2023	2022
Rest	-	72,590

This heading includes the following actions as at 31 December 2023 and 2022:

g) Interim dividend

On 26 February 2024, it has been agreed to distribute an interim dividend of €0.12 per share against 2023 profits.

The following is the accounting statement prepared by the Parent Company's Directors based on its individual results, which showed the existence of sufficient liquidity for the distribution of a final interim dividend on account of the profits for the financial year 2023 for a gross amount of €4.883 million.

Thousands of Euro

Forecast distributable profit for the year of the Parent Company	
Results net of tax as at 31 December 2023	25,749
Interim dividend distribution for the year 2023	12,208
Limit to be distributed (*)	13,541
Cash flow forecast for the period from the date of the agreement and one year forward	
Cash balances at the date of the agreement	1,067,134
Projected cash balances one year from the date of the agreement	1,173,847

(*) The amount to be distributed complies with the requirements established in article 277 of the Capital Companies Act.

On 30 October 2023, it has been agreed to distribute an interim dividend of €0.30 per share against 2023 profits.

The following is the accounting statement prepared by the Parent Company's Directors based on its individual results, which showed the existence of sufficient liquidity for the distribution of an interim dividend out of the profits for the financial year 2023 for a gross amount of €12.208 million:

Thousands of Euro

Forecast distributable profit for the year of the Parent Company	
Results net of tax as at 31 October 2023	20,566
Interim dividend distribution for the year 2023	-
Limit to be distributed (*)	20,566
Cash flow forecast for the period from the date of the agreement and one year forward	
Cash balances at the date of the agreement	863,933
Projected cash balances one year from the date of the agreement	950,326

(*) The amount to be distributed complies with the requirements established in article 277 of the Capital Companies Act.

On 21 February 2023, it was agreed to distribute an interim dividend of €0.05 per share out of the profit for 2022.

The following is the accounting statement prepared by the Parent Company's Directors based on its individual results, which showed the existence of sufficient liquidity for the distribution of a final interim dividend on account of the profits for the financial year 2022 for a gross amount of €2.031 million.

Thousands of Euro

Forecast distributable profit for the year of the Parent Company	
Results net of tax as at 31 December 2022	22,225
Interim dividend distribution for the year 2022	10,155
Limit to be distributed (*)	12,070
Cash flow forecast for the period from the date of the agreement and one year forward	
Cash balances at the date of the agreement	738,907
Projected cash balances one year from the date of the agreement	812,798

(*) The amount to be distributed complies with the requirements established in article 277 of the Capital Companies Act.

On 25 October 2022, it has been agreed to distribute an interim dividend of €0.25 per share against 2022 profits.

The following is the accounting statement prepared by the Parent Company's Directors based on its individual results, which showed the existence of sufficient liquidity for the distribution of an interim dividend out of the profits for the financial year 2022 for a gross amount of €10.155 million:

Thousands of Euro

Forecast distributable profit for the year of the Parent Company	
Results net of tax as at 31 October 2022	16,639
Interim dividend distribution for the year 2022	-
Limit to be distributed (*)	16,639
Cash flow forecast for the period from the date of the agreement and one year forward	
Cash balances at the date of the agreement	130,876
Projected cash balances one year from the date of the agreement	143,964

(*) The amount to be distributed complies with the requirements established in article 277 of the Capital Companies Act.

The Parent Company has sufficient liquidity at that date to pay the dividend.

h) Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to equity holders of the Parent Company by the average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing net profit for the year attributable to equity holders of the Parent Company by the average number of ordinary shares outstanding plus the average number of ordinary shares that will be issued if the shares are potentially converted.

Basic and diluted earnings per share are presented below:

	2023	2022
Net profit attributable to shareholders of the Parent Company (thousands of euro)	26,127	21,540
Financial costs of the convertible bond issue (thousands of euro)	-	-
Net profit attributable to shareholders of the Parent Company, eliminating financial expenses of the convertible bond issue (thousands of euro)	26,127	21,540
Weighted average number of ordinary shares excluding treasury shares for the calculation of basic earnings	40,681,105	40,620,613
Weighted average number of ordinary shares excluding treasury shares for the calculation of diluted earnings per share	40,681,105	40,620,613
Basic earnings per share (euro)	0.64	0.53
Diluted earnings per share (euro)	0.64	0.53

i) Minimum own resources

On 26 June 2013, the European Parliament and the Council of the European Union adopted Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms (hereinafter "CRR"), and Directive 2013/36/EU on the taking up of the business of credit institutions and the prudential supervision of credit institutions and investment firms (hereinafter "CRD"), which entered into force on 1 January 2014, with progressive implementation until 1 January 2019 and which entails the repeal of the solvency regulations in force to date.

The CRR and the CRD have been developed in the delegated aspects indicated in the same regulation mainly through Regulations (EU), Delegated Regulations (EU) of the European Commission and EBA Guidelines, with particular relevance of Regulation (EU) 876/2019 which amends Regulation EU 575/2013 by incorporating amendments to the leverage ratio, net stable funding ratio, own funds and eligible liabilities requirements, counterparty risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, and reporting and disclosure requirements.

The CRR and the CRD regulate capital requirements in the European Union and reflect the recommendations set out in the Basel III Capital Accord, in particular:

· The CRR, which is directly applicable by Member States, contains the prudential requirements to be implemented by credit institutions and, among other aspects, covers:

· The definition of eligible own funds items, establishing the requirements to be met by hybrid instruments for their calculation and limiting the calculation of accounting minority interests.

· The definition of prudential filters and deductions from capital elements in each of the capital tiers. In this respect, it should be noted that the Regulation incorporates new deductions with respect to Basel II (tax assets dependent on future net profits, pension funds, etc.) and modifies existing deductions. However, a phased timetable for full implementation is established.

· The minimum requirements are set out in Art. 92 CRR, establishing three levels of own funds: ordinary Tier 1 capital with a minimum ratio of 4.5%, Tier 1 capital with a minimum ratio of 6% and total capital with a minimum required ratio of 8%. However, the competent authority has the power to require additional own funds requirements.

· The requirement for financial institutions to calculate a leverage ratio, which is defined as the Bank's Tier I capital divided by total assumed exposure not adjusted for risk.

The main object and purpose of the CRD, which is to be implemented by Member States in their national legislation at their discretion, is to coordinate national provisions concerning access to the business of credit institutions and investment firms, their governance arrangements and their supervisory framework.

The CRD, among other aspects, includes additional capital requirements over and above those established in the CRR, the non-compliance with which implies limitations on discretionary distributions of earnings, specifically:

· A capital conservation buffer and countercyclical buffer, following on from the Basel III regulatory framework and in order to mitigate the pro-cyclical effects of financial regulation, includes a requirement to hold a capital conservation buffer of 2.5% of common equity Tier I capital for all financial institutions and an institution-specific countercyclical capital buffer of common equity Tier I capital.

· A systemic risk buffer, with the aim of mitigating systemic risks, i.e. to cover risks of disturbances in the financial system that could have serious negative consequences for the financial system and the real economy of a Member State.

· A buffer for global systemically important institutions and other systemically important institutions, with the objective of covering the potential impact of the failure of institutions that, due to their size, complexity, interconnectedness, cross-border activity and/or difficulty of substitution, may have on the financial system and the real economy.

In this regard, in application of article 68.2.a) of Law 10/2014, the Bank of Spain required a total capital ratio of no less than 12.13% at the consolidated and individual level during the financial year 2023. A requirement has been received from the Bank of Spain which establishes a total minimum capital ratio at consolidated and individual level of 12.13% for the year 2024.

At 31 December 2023, the Renta 4 Group complies with the aforementioned ratio of 18.62%. As at 31 December 2022 the balance amounted to 14.48%.

With regard to Spanish legislation, the new legislation is mainly aimed at transposing European legislation to the local level:

· Royal Decree-Law 14/2013 of 29 November on urgent measures for the adaptation of Spanish law to European Union regulations on the supervision and solvency of financial institutions: this partially transposes the CRD into Spanish law and enables the Bank of Spain to make use of the options attributed to the competent authorities in the CRR.

· The Bank of Spain Circular 2/2014 of 31 January 2014 to credit institutions on the exercise of various regulatory options contained in Regulation (EU) No. 575/2013. The purpose is to establish, in accordance with the powers conferred, which of the options of the CRR attributed to national competent authorities will have to be complied with from 1 January 2014 by consolidable groups of credit institutions and by credit institutions that are or are not part of a consolidable group, and to what extent. To this end, in this circular, the Bank of Spain makes use of some of the temporary or permanent regulatory options envisaged in the CRR, generally with the aim of allowing continuity in the treatment that Spanish regulations had been giving to certain matters prior to the entry into force of this Community regulation, the justification for which, in some cases, comes from the business model that Spanish institutions have traditionally followed.

This does not exclude the future exercise of other options provided for competent authorities in the CRR, in many cases, mainly in the case of options of a non-general nature, by direct application of the CRR, without the need for a Bank of Spain circular.

· Law 10/2014 of 26 June 2014 on the regulation, supervision and solvency of credit institutions, the main purpose of which is to continue with the process of transposition of CRD IV initiated by the Royal Decree-Law 14/2013, of 29 November and to recast certain national provisions in force to date in relation to the regulation and discipline of credit institutions. The main new features include, for the first time, the express obligation of the Bank of Spain to present, at least once a year, a Supervisory Programme setting out the content and form that supervisory activity will take, and the actions to be taken on the basis of the results obtained. This programme shall include the performance of a stress test at least once a year.

· Bank of Spain Circular 3/2014 of 30 July 2014 to credit institutions and approved appraisal companies and services. This Circular, among other measures, amends Circular 2/2014 of 31 January on the exercise of various regulatory options contained in Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment services, with the aim of unifying the treatment of the deduction of intangible assets during the transitional period established by the aforementioned Regulation (EU) No 575/2013, bringing the treatment of goodwill into line with that of other intangible assets.

· Royal Decree 84/2015 of 13 February 2015 implementing Law 10/2014 of 26 June on the regulation, supervision and solvency of credit institutions, a text which develops aspects of the regulations it implements, with particular emphasis on the activity requirements for credit institutions, the elements of the supervisory function and the regulatory development of capital buffers.

· Bank of Spain Circular 2/2016 of 2 February 2016 to credit institutions on supervision and solvency, which completes the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation (EU) No 575/2013.

· Bank of Spain Circular 4/2017 of 27 November to credit institutions on public and confidential financial reporting standards and model financial statements, which completes the adaptation to Regulation (EU) No 575/2013.

· Bank of Spain Circular 2/2018 of 21 December amending Circular 4/2017 of 27 November to credit institutions on public and confidential financial reporting standards and financial statement formats, and Circular 1/2013 of 24 May on the Central Credit Register, and model financial statements, which completes the adaptation to Regulation (EU) No 575/2013.

· Bank of Spain Circular 5/2021 of 22 December amending Circular 2/2016 of 2 February to credit institutions on supervision and solvency, which completes the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation (EU) No 575/2013. (BOE of 23 December 2021).

· Bank of Spain Circular 3/2022 of 30 March amending Circular 2/2016 of 2 February to credit institutions on supervision and solvency, which completes the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation (EU) No 575/2013.

· Bank of Spain Circular 3/2022 of 2023 March amending Circular 2/2016 of 2 February to credit institutions on supervision and solvency, which completes the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation (EU) No 575/2013, and the Circular 1/2022 of 24 January, to financial credit institutions, about liquidity, prudential regulations and reporting obligations (BOE of 14 November 2023).

In relation to the Group's eligible own funds, the prudential filter concerning additional valuation adjustments on assets measured at fair value pursuant to articles 34 and 105 of Regulation (EU) No 575/2013 and its implementing regulation Implementing Regulation (EU) 101/2016 is applied using the simplified approach.

In relation to minimum capital requirements, the Bank applies:

· The standardised approach is applied to credit risk requirements.

· The original risk method is used to calculate counterparty risk exposures.

· For the calculation of capital requirements due to market risk, the standardised approach has been used.

· The basic indicator method was used to calculate the capital requirements linked to operational risk.

Set out below is a breakdown of the Group's eligible own funds at 31 December 2023 and 2022, indicating each of their components and deductions, and broken down, as required by the new regulations, into Tier 1 and Tier 2 capital:

Thousands of Euro

	2023	2022
Total Computable Own Resources	98,880	88,508
Tier 1 Capital	**98,880**	**88,508**
Equity instruments disbursed	18,312	18,312
Share premium	8,496	8,496
Additional valuation adjustments (-)	(373)	(888)
Own equity instruments on ordinary level 1 (-)		
Direct holdings	-	(486)
Indirect holdings	112,464	102,830
Accumulated earnings from prior years	-	7,323
Eligible results	(13,107)	(24,056)
Other reserves	-	-
Minority interests recognised in the capital on ordinary level 1	-	-
Transitional adjustments due to additional minority interest	(19,692)	(15,423)
Goodwill (-)	(7,143)	(6,831)
Other intangible assets (-)	(77)	(769)
Tier 2 Capital	-	-
General credit risk adjustments under the standardised approach	-	-
Additional deductions from Level 2 capital	-	-
Ratio of capital on Level 1	18,62%	14,48%
Ordinary Level 1 capital surplus (+) / deficit (-) over Pillar 1	74,983	60,998
Surplus (+) / deficit (-) of capital on ordinary level 1 over Pillar 1 and Pillar 2 and requirement for combined fund	56,787	39,494
Total capital ratio	18,62%	14,48%
Total capital surplus (+) / deficit (-) over Pillar 1	56,396	39,602
Surplus (+) / deficit (-) of total capital over Pillar 1 and Pillar 2 and requirement for combined fund	34,413	9,154

j) Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Changes in fair value of debt instruments measured at fair value through profit or loss - Changes in fair value of debt instruments measured at fair value through other comprehensive income

This item in the consolidated balance sheet includes the net amount of changes in the fair value of debt instruments classified at fair value through other comprehensive income that should be classified as part of the Group's equity. These changes are recognised in the profit and loss account when the assets from which they arise are sold (see Note 10).

k) Accumulated other comprehensive income - Items not to be reclassified to profit or loss - Changes in fair value of equity instruments measured at fair value through profit or loss - Changes in fair value of equity instruments measured at fair value through other comprehensive income

This item in the consolidated balance sheet includes the net amount of changes in the fair value of equity instruments classified at fair value through other comprehensive income that should be classified as part of the Group's equity (see Note 10).

l) Minority interests (non-controlling interests)

The detail and movement during 2023 and 2022 of this item in the accompanying consolidated balance sheets and of the profit for the year attributable to minority interests are shown in the table below:

Thousands of Euro

Ejercicio 2023	% Share as at 31.12.23	Balance as at 31 December 2022	Attributable profit for the year	Others	Balance as at 31 December 2023
Carterix, S.A. (formerly Renta 4 Morocco, S.A.)	0.00%	1	-	(1)	-
Renta 4 Inversiones de Valladolid, S.A.	1.00%	3	-	-	3
Renta 4 Lérida, S.A.	18.34%	15	-	-	15
Renta 4 Inversiones Inmobiliarias (formerly Renta 4 On Line, S.A.)	1.00%	1	-	-	1
Rentsegur Correduría de Seguros, S.A.	0.00%	21	-	(21)	-
Renta 4 Equities, S.A.	0.11%	1	-	-	1
Renta 4 Global Fiduciaria, S.A.	30.57%	915	436	233	1,584
		957	**436**	**211**	**1,604**

Financial year 2022	% Share as at 31.12.22	Balance as at 31 December 2021	Attributable profit for the year	Others	Balance as at 31 December 2022
Carterix, S.A.(formerly Renta 4 Morocco, S.A.)	0.08%	1	-	-	1
Renta 4 Inversiones de Valladolid, S.A.	1.00%	3	-	-	3
Renta 4 Lérida, S.A.	18.34%	15	-	-	15
Renta 4 Inversiones Inmobiliarias (formerly Renta 4 On Line, S.A.)	1.00%	1	-	-	1
Rentsegur Correduría de Seguros, S.A.	27.51%	21	-	-	21
Renta 4 Equities, S.A.	0.11%	1	-	-	1
Renta 4 Global Fiduciaria, S.A.	30.57%	747	242	(74)	915
		789	**242**	**(74)**	**957**

02.19

Risks and Contingent Liabilities

a) Contingent liabilities

The detail of contingent risks, understood as those operations in which the Companies guarantee obligations of a third party, arising as a result of financial guarantees granted or other types of contracts, at year-end 2023 and 2022 is shown in the following table:

Thousands of Euro

	2023	2022
Financial and other guarantees	2,884	2,337
	2,884	**2,337**

A significant portion of these amounts will mature without any payment obligation materialising for the consolidated companies, so that the aggregate balance of these commitments cannot be considered as an actual future need for funding or liquidity to be provided to third parties by the Group.

b) Contingent commitments

Details of contingent commitments, understood as irrevocable commitments that may result in the recognition of financial assets, at 31 December 2023 and 2022 are as follows:

Thousands of Euro

	2023	2022
Credit commitments	45,196	48,096
Other commitments given	11,506	7,675
	56,702	**55,771**

This item includes credit commitments for credit accounts signed with third parties to finance its stock market operations, in accordance with certain conditions and terms previously stipulated contractually.

Details of credit commitments, grouped by counterparty and indicating the limit and the amount still to be drawn down, are given in Note 11.

The average interest rate offered for these commitments is 12-month Euribor plus 1.09% at 31 December 2023 (12-month Euribor plus 1.06% at 31 December 2022).

c) Ongoing legal proceedings and/or claims

At 31 December 2023 and 2022, various legal proceedings and claims were pending against the Group arising from the ordinary course of its business. The Group's legal advisors and directors consider that the outcome of these proceedings and claims will not have a material effect on the consolidated financial statements for the current year (see Note 17).

02.20

Fiscal Situation

On 1 January 2017, the tax group was dissolved and the companies that formed part of it are taxed individually for corporate income tax purposes, at the tax rate applicable to each of them in accordance with applicable legislation.

The detail of the income tax expense and the reconciliation between the tax expense and the product of the accounting profit before tax multiplied by the tax rate applicable to each company for 2023 and 2022 is as follows:

Thousands of Euro

	2023	2022
Consolidated profit before tax	36,365	29,382
Quota	10,703	8,309
Adjustments to prior years' expenditure	(240)	8
Deductions	(103)	(82)
Offsetting tax losses	(500)	(246)
Effect of non-deductible/attributable items	(58)	(389)
Income tax expense	9,802	7,600
Adjustments to prior years' expenditure	240	(8)
Effect of deferred taxes	17	(609)
Other adjustments	106	133
Current tax rate	10,165	7,116
Withholdings and payments on account	(8,270)	(6,157)
Tax to be paid/(refunded)	1,895	959

Under current legislation, taxes cannot be considered finally settled until the returns filed have been inspected by the tax authorities or the four-year limitation period has elapsed.

At 31 December 2023 and 2022, the companies comprising the Group have the last four financial years open for inspection for all applicable taxes. The directors of the Parent Company do not expect that, in the event of inspection, any material additional liabilities would arise. Additionally, taxes with (charge)/credit to equity have been recorded corresponding to the valuation of the portfolio of financial assets designated at fair value through other comprehensive income amounting to -€4.683 million and €8.598 million in 2023 and 2022, respectively.

Based on the income tax returns filed and estimates made for the year 2023, the Group has the following tax loss carry forwards to offset against possible future taxable profits, for which the corresponding deferred tax assets have not been recognised:

Thousands of Euro

Year of origin	2023 (*)	2022 (*)
1999	1	1
2000	34	34
2001	8	8
2002	-	-
2004	-	-
2005	-	-
2011	-	-
2012	131	131
2013	85	85
2014	19	19
2015	-	244
2016	109	282
2017	335	335
2018	645	1.293
2019	717	1.013
2020	555	555
2021	311	311
2022	738	747
2023	541	-
	4,229	5,058

(*) These are global balances of negative taxable income for both domestic balances and balances corresponding to international subsidiaries.

These tax loss carryforwards include tax losses generated individually by the companies belonging to the tax group prior to their integration into the group, as well as tax losses generated by other individual companies not belonging to the group.

Taxable income is restated at the year-end exchange rate for each year due to the volatility of the exchange rate of foreign companies.

Details of current tax assets and liabilities are as follows:

Thousands of Euro

	2023	2022
Current tax assets		
Current tax assets - Other	-	-
	-	-
Current tax liabilities		
Current tax liabilities for corporate income taxes		
State Treasury, creditor for corporate income taxes	1,895	959
Current tax liabilities (other balances with Public Administrations)	-	-
Others		
Withholdings from shareholders on returns from I.I.C. holdings	1,538	1,357
Personal income tax (I.R.P.F.)	1,243	1,116
Others	938	799
State Treasury VAT creditor	662	507
Income tax withholdings for rentals	26	23
Income tax withholdings on capital income	1,734	1,030
	8,036	**5,791**

The breakdown of deferred tax assets and deferred tax liabilities recognised for temporary differences arising from the difference between the carrying amounts of certain assets and liabilities and their tax bases is as follows:

Thousands of Euro

Deferred tax assets	Temporary differences	Tax effect
2023		
Financial assets at fair value with changes in other global result	14,646	4,347
Impairment of financial assets at fair value through other comprehensive income	637	191
Amortisation expense	214	64
Others	4,024	1,167
	19,521	**5,769**
2022		
Financial assets at fair value with changes in other global result	30,100	9,030
Impairment of financial assets at fair value through other comprehensive income	637	191
Amortisation expense	428	128
Others	3,048	762
	34,213	**10,111**

The temporary difference generated by “amortisation expenses” is reversing.

Thousands of Euro

Deferred tax liabilities	Temporary differences	Tax effect
2023		
Tax valuation of assets held under finance leases	1,753	499
Financial assets designated at fair value through other comprehensive income	-	-
	1,753	**499**
2022		
Tax valuation of assets held under finance leases	2,119	607
Financial assets designated at fair value through other comprehensive income	-	-
	2,119	**607**

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

Thousands of Euro

	2023		2022	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Opening balance	**10,111**	**607**	**1,251**	**714**
Added	405	-	8,923	-
Removed	(4,747)	(108)	(63)	(107)
Others	-	-	-	-
Closing balance	**5,769**	**499**	**10,111**	**607**

02.21

Related Parties

In the 2023 and 2022 financial years the Group considers parties related to the Group entities and associates, the significant shareholders of the parent company and the key management staff, composed of the following members:

Executive Directors

Mr. Juan Carlos Ureta Domingo (Chair)
Mr. Juan Luis López García(CEO)
Mr. Jesús Sánchez– Quiñones González
Mr. Santiago González Enciso

External directors

Ms. Gema Aznar Cornejo
Mr. Eduardo Chacón López
Mr. José Sevilla Alvarez
Ms. Pilar García Ceballos- Zuñiga
Juan Carlos Ureta Estades
Ms. Inés Juste Bellosillo
Mr. Pedro Ángel Navarro Martínez
Mr. José Ramón Rubio Laporta
Ms. María Pino Velázquez Medina
Mr. Rafael Navas Lanchas

MANAGEMENT COMMITTEE

Mr. José Ignacio Garcia- Junceda (Chair/ Director General Renta 4, S.V)
Mr. Carlos Ruiz Sanchez (Commercial Director Renta 4 Banco S.A.)
Ms. Sonia Alvarez Nozal (Financial Director Renta 4 Banco S.A.)
Ms. Maria Teresa Sanchez Alonso (Director of Technology and Systems Renta 4 Banco S.A.)
Mr. Enrique Sanchez del Villar (President of Renta 4 Gestora S.G.I.I.C S.A) (*)

(*) During the 2023 financial year, Mr. Antonio Fernandez Vera (President of Renta 4 Gestora S.G.I.I.C., S.A.) was replaced by Mr. Enrique Sanchez del Villar.

Balances and transactions with related parties

The balances as at 31 December 2023 and 2022 and the transactions carried out in 2023 and 2022 by the Group are as follows:

Thousands of Euro

	Financial year 2023				
	Significant Shareholders (*)	Administrators and Executives	Related Persons, Entities or Group Companies	Other Related Parties (**)	Total
Expenditure and Income					
Expenses					
Financial expenses (including leases)	11	1	-	38	50
Services received	14	-	-	-	14
Total	**25**	**1**	**-**	**38**	**64**
Income					
Financial income	104	20	-	274	398
Services provided	495	91	64	257	907
Total	**599**	**111**	**64**	**531**	**1,305**
Assets					
Loans and advances to customers	1,947	169	-	5,000	7,116
Other debtors	-	-	-	4	4
Other financial assets	-	-	-	-	-
Total	**1,947**	**169**	**-**	**5,004**	**7,120**
Liabilities					
Financial liabilities at amortised cost	4,440	420	-	875	5,735
Other financial liabilities	-	-	-	-	-
Total	**4,440**	**420**	**-**	**875**	**5,735**

(*) Significant shareholders who are also Directors or Executives are included in the "Administrators and Executives" column.
(**) Correspond to balances and transactions with companies related to significant shareholders and directors and executives.

Thousands of Euro

Financial year 2023	Significant Shareholders (*)	Administrators and Executives	Related Persons, Entities or Group Companies	Other Related Parties (***)	Total
Other transactions					
Financing agreements: loans and equity contributions (lender) (**)	1,947	169	-	5,000	7,116
Amortisation or cancellation of loans and credits	340	170	-	1,100	1,610
Other asset transactions	-	-	-	4	4
Other liability transactions	4,440	420	-	875	5,735
Dividends distributed	8,081	1,708	-	361	10,150
Guarantees received	6,802	1,300	-	-	8,102
Commitments acquired	3,328	723	-	5,000	9,051

(*) Significant shareholders who are also Directors or Executives are included in the "Administrators and Executives" column.
(**) Including the balance made available.
(***) Correspond to balances and transactions with companies related to significant shareholders and directors and executives.

All related party transactions have been conducted under market conditions.

Of the outstanding balances with significant shareholders, administrators and executives for transactions carried out during the financial year 2023, the following information is detailed below:

Position	Type of operation	Limit	Balance	Guarantee	Maturity
Significant shareholder	Securities loan	280	236	511	23/09/2026
Significant shareholder	Securities loan	280	236	525	23/09/2026
Significant shareholder	Securities loan	280	236	525	23/09/2026
Significant shareholder	Securities loan	280	235	509	01/10/2026
Significant shareholder	Securities loan	280	236	523	01/10/2026
Significant shareholder	Securities loan	800	760	2,106	18/01/2026
Others	Securities loan	5,000	5,000	-	27/12/2030
Significant shareholder	Securities loan	100	-	193	22/04/2024
Significant shareholder	Securities loan	20	-	35	06/04/2025
Administrators and executives	Securities loan	700	146	1,300	29/06/2024
Administrators and executives	Others	23	23	-	01/10/2026
Significant shareholder	Others	8	8	-	01/01/2028
Significant shareholder	Securities loan	1,000	-	1,875	16/05/2026
		9.051	7.116	8.102	

Thousands of Euro

Financial year 2022	Significant Shareholders (*)	Administrators and Executives	Related Persons, Entities or Group Companies	Other Related Parties (**)	Total
Expenditure and Income					
Expenses					
Financial expenses (including leases)	-	-	-	34	34
Services received	17	-	-	-	17
Total	**17**	**-**	**-**	**34**	**51**
Income					
Financial income	141	-	-	-	141
Services provided	636	49	264	382	1,331
Partner entities (Kobus *)	-	-	547	-	547
Total	**777**	**49**	**811**	**382**	**2,019**
(*) Includes an amount of €547,000 incorporated due to the application of the equity method (30%)					
Assets					
Loans and advances to customers	8,545	479	-	-	9,024
Other debtors	-	-	-	4	4
Other financial assets	-	-	-	-	-
Total	**8,545**	**479**	-	**4**	**9,028**
Liabilities			-		
Financial liabilities at amortised cost	8,842	568	-	1,396	10,806
Other financial liabilities	-	-	-	-	-
Total	**8,842**	**568**	**-**	**1,396**	**10,806**

(*) Significant shareholders who are also Directors or Executives are included in the "Administrators and Executives" column.
(**) Correspond to balances and transactions with companies related to significant shareholders and directors and executives.

Thousands of Euro

	Financial year 2022				
	Significant Shareholders (*)	Administrators and Executives	Related Persons, Entities or Group Companies	Other Related Parties (***)	Total
Other transactions					
Financing agreements: loans and equity contributions (lender) (**)	8,545	479	-	-	9,024
Amortisation or cancellation of loans and credits	1,200	-	-	-	1,200
Other asset transactions	-	-	-	4	4
Other liability transactions	8,842	568	-	1,396	10,806
Dividends distributed	8,387	1,737	-	157	10,281
Guarantees received	7,321	1,546	-	-	8,867
Commitments acquired	8,980	900	-	-	9,880

(*) Significant shareholders who are also Directors or Executives are included in the "Administrators and Executives" column.
(**) Including the balance made available.
(***) Correspond to balances and transactions with companies related to significant shareholders and directors and executives.

All related party transactions have been conducted under market conditions.

Of the outstanding balances with significant shareholders, administrators and executives for transactions carried out during the financial year 2022, the following information is detailed below:

Position	Type of operation	Limit	Balance	Guarantee	Maturity
Significant shareholder	Securities loan	320	269	897	23/09/2023
Significant shareholder	Securities loan	320	269	844	23/09/2023
Significant shareholder	Securities loan	320	269	826	23/09/2023
Significant shareholder	Securities loan	320	269	885	01/10/2023
Significant shareholder	Securities loan	320	269	830	01/10/2023
Significant shareholder	Securities loan	810	759	2,024	18/01/2023
Significant shareholder	Securities loan	170	159	433	23/12/2023
Administrators and executives	Securities loan	170	161	388	23/12/2023
Significant shareholder	Securities loan	170	155	368	23/12/2023
Significant shareholder	Securities loan	6,100	6,100	-	27/12/2030
Significant shareholder	Securities loan	100	-	177	22/04/2024
Significant shareholder	Securities loan	20	17	37	06/04/2025
Administrators and executives	Securities loan	700	288	1,158	29/06/2024
Administrators and executives	Others	30	30	-	01/10/2026
Significant shareholder	Others	10	10	-	01/01/2028
Total		**9,880**	**9,024**	**8,867**	

In addition, at 31 December 2023, related party securities amounting to €476.431 million (31 December 2022: €321.315 million) are deposited with the Group.

Information concerning the Administrators

The composition of the Board of Directors and the remuneration accrued by the Directors based on their status as Directors is as follows:

Thousands of Euro

Directors	Board of Directors	Board Committees	Other remuneration	Total
Financial year 2023				
AZNAR CORNEJO GEMA	80	20	-	100
CHACON LOPEZ EDUARDO	80	-	-	80
SEVILLA ALVAREZ JOSE	80	20	-	100
GARCIA CEBALLOS-ZUÑIGA PILAR	80	20	-	100
URETA ESTADES JUAN CARLOS	80	-	-	80
JUSTE BELLOSILLO INES	80	20	-	100
NAVARRO MARTINEZ PEDRO ANGEL	80	20	-	100
RUBIO LAPORTA JOSE RAMON	80	20	-	100
VELAZQUEZ MEDINA MARIA PINO	80	-	-	80
NAVAS LANCHAS RAFAEL	80	-	-	80
Total	**800**	**120**	**-**	**920**
Financial year 2022				
AZNAR CORNEJO GEMA	75	15	-	90
CHACON LOPEZ EDUARDO	75	-	-	75
SEVILLA ALVAREZ JOSE	60	8	-	68
FUNDACION OBRA SOCIAL ABOGACIA ESPAÑOLA (*)	18	-	-	18
GARCIA CEBALLOS-ZUÑIGA PILAR	75	13	-	88
URETA ESTADES JUAN CARLOS	60	-	-	60
JUSTE BELLOSILLO INES	75	15	-	90
NAVARRO MARTINEZ PEDRO ANGEL	75	15	-	90
RUBIO LAPORTA JOSE RAMON	75	22	-	97
VELAZQUEZ MEDINA MARIA PINO	75	-	-	75
NAVAS LANCHAS RAFAEL (**)	60	-	-	60
Total	**723**	**88**	**-**	**811**

Remuneration of key management personnel

The remuneration earned by staff is as follows:

Thousands of Euro

Item	Administrators	Senior Management
Financial year 2023		
Wages and salaries and monetary remuneration	3,061	1,694
Total	**3,061**	**1,694**
Financial year 2022		
Wages and salaries and monetary remuneration	2,291	1,315
Total	**2,291**	**1,315**

In addition, the Group has taken out an insurance policy to cover the liability of the members of the Board of Directors and senior management for possible claims in the performance of their duties. The premium paid by the Group in 2023 was €200,000 (€192,000 in 2022).

In addition, the Group has taken out an insurance policy in 2022 to cover contingencies in the event of death, permanent disability and absolute disability for senior management. The premium paid by the Group in 2023 amounted to €1,000 (€1,000 in 2022).

Other information on Administrators

At the end of the 2023 and 2022 financial years, the Administrators of the Parent Company, in accordance with the information required by article 229 of Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Capital Companies Act, have not notified the other members of the Board of Directors of the Parent Company of any situation of direct or indirect conflict that they or their related parties may have with the interests of the Parent Company.

02.22

Income and Expenditure

a) Interest Income, Interest Expense and Gains or (Losses) on financial assets and liabilities.

The breakdown of the balance of these items in the consolidated profit and loss accounts is as follows:

Thousands of Euro

	2023	2022
Interest income		
Deposits with central banks	20,507	2,025
Deposits with credit institutions	6,245	1,798
Customer credit	9,303	5,179
Debt securities	3,902	3,987
	39,957	12,989
Interest expenses		
Central bank deposits	(9)	(1,675)
Deposits with credit institutions	(418)	(1,116)
Customer deposits	(15,730)	(567)
Others	(606)	(537)
	(16,763)	(3,895)
Gains / (Losses) on financial assets and liabilities		
Gains or (-) losses on cancellation of financial assets and liabilities not measured at fair value through profit or loss, net	241	816
Gains or (-) losses on financial assets and liabilities held for trading, net	10,694	2,233
	10,935	**3,049**

b) Commissions

The “Fee and commission income” and “Fee and commission expense” headings in the consolidated profit and loss accounts show the amount of all fees and commissions payable or payable by the Group accrued during the year. The criteria used to recognise them in profit or loss are detailed in Note 4.o).

The breakdown of fee and commission income and expenses for the financial years 2023 and 2022 is as follows:

Thousands of Euro

	2023	2022
Commission income		
For collection and payment services	102	87
For securities service	59,360	63,314
For marketing of non-banking financial products (Note 23.a)	15,439	16,144
Management of IICs and pension funds (Note 23.a)	80,349	82,007
Other commissions	5,807	6,202
Wealth management and advisory fees (Note 23.a)	5,021	2,930
	166,078	170,684
Commission expenses		
Commissions granted to other institutions and correspondents	(17,411)	(16,255)
Commissions paid on securities transactions	(58,959)	(66,664)
	(76,370)	**(82,919)**

c) Other operating income and expenses

Details of “Other operating income” in the consolidated profit and loss accounts for 2023 and 2022 are as follows:

Thousands of Euro

	2023	2022
Leases	18	166
Other products	294	113
	312	**279**

This heading includes, among others, rental income from investment property held by the Group (Note 13).

Details of “Other operating expenses” in the consolidated income statements for 2023 and 2022 are as follows:

Thousands of Euro

	2023	2022
Contribution to the Investment Guarantee Fund	40	40
Contribution to the Deposit Guarantee Fund	2,362	1,893
Contribution to the NRF	625	512
Other charges	845	540
	3,872	**2,985**

"Other charges" mainly include fees paid to the Spanish National Securities Exchange Commission (C.N.M.V.) and the SRF.

The subsidiaries Renta 4 Gestora, S.G.I.I.C. and Renta 4, S.A., Sociedad de Valores, must make an annual contribution to the Investment Guarantee Fund in accordance with the provisions of Royal Decree 948/2001 of 3 August on investor compensation schemes, as amended by Law 53/2002 of 30 December on tax, administrative and social measures and by Royal Decree 1642/2008 of 10 October, amending the guaranteed amounts.

The amount with which the companies have contributed to the aforementioned fund in the year 2023 amounts to €20,000 and €20,000 respectively (€20,000 and €20,000 in the year 2022).

d) Staff costs

The breakdown of the balance of this item in the consolidated income statement is as follows:

Thousands of Euro

	2023	2022
Salaries and bonuses for active staff	42,174	34,077
Social Security contributions	8,165	7,258
Provisions to defined benefit plans	-	-
Provisions to defined contribution plans	340	385
Severance payments	336	432
Other staff expenses	155	90
Training costs	155	331
Remuneration based on equity instruments of the Parent Company	1,172	1,154
	52,497	**43,727**

At 31 December 2023 and 2022, "Wages and salaries" includes, among others, income corresponding to the financial effect of loans granted to staff (see Note 4).

The number of the Group's employees at 31 December 2023 and 2022, distributed by gender and professional category, is as follows:

	Number of employees				
	Average			At year-end	
	Men	Women	With a disability equal to or greater than 33%	Men	Women
Financial year 2023					
Address	11	2	-	11	2
Technicians	409	180	4	417	189
Administrative	19	36	1	18	33
	439	**218**	**5**	**446**	**224**
Financial year 2023					
Address	11	2	-	11	2
Technicians	379	163	4	386	157
Administrative	24	54	1	23	54
	414	**219**	**5**	**420**	**213**

As of 31 December 2023 and 2022, the Board of Directors of Renta 4 Banco, S.A., responsible for the formulation of the annual accounts, is composed of 10 men and 4 women.

e) Other administrative expenses

The breakdown of the balance of this item in the consolidated income statement is as follows:

Thousands of Euro

	2023	2022
Property, plant and equipment	2,367	2,473
IT	7,909	7,061
Communications	6,468	6,082
Advertising and publicity	2,032	2,482
Technical reports	1,729	1,886
Court and legal fees	643	615
Insurance premiums and self-insurance	843	829
Staff representation and travel expenses	1,484	1,186
Association fees	258	317
Contributions and taxes		
On real estate	121	109
Others	874	1,149
Provisions to foundations	193	199
Other expenditure	1,714	1,647
	26,635	**26,035**

f) Impairment / Reversal of impairment of financial assets not measured at fair value through profit or loss

The breakdown of the balance of this item in the accompanying consolidated income statements for 2023 and 2022 is as follows:

Thousands of Euro

	2023	2022
Financial assets designated at fair value through other comprehensive income		
Generic Impairment Provision	-	(119)
Generic Recoveries Provision	134	-
Financial assets at amortised cost		
Provisions (Note 11.c)	(1,197)	(3,475)
Of which: allocations for debt securities	-	-
Recoveries (Note 11.c)	1,906	4,002
	709	**527**
	843	**408**

g) Currency differences (net)

The breakdown of this item in the accompanying consolidated income statement for the years ended 31 December 2023 and 2022 is as follows:

Item	2023	2022
Commercial operations	6,575	9,395

This heading includes profits and losses generated by brokerage operations in currencies other than the euro.

02.23

Other Information

a) Fiduciary business and investment services

The detail of the Renta 4 Banco Group's off-balance sheet customer funds at 31 December 2023 and 2022 (eliminating duplications) is as follows:

Thousands of Euro

	2023	2022
Funds, investment companies and pension funds	8,694,076	7,302,366
Discretionary portfolios and fiduciary business	1,164,423	967,738
Resources managed by the Group	9,858,499	8,270,104
Investment Funds and Companies	2,992,825	2,617,188
Resources traded but not managed by the Group	2,992,825	2,617,188
Total	**12,851,324**	**10,887,292**

The commissions income generated from the above activities during the financial years 2023 and 2022 was as follows:

Thousands of Euro

	2023	2022
Wealth management and advisory fees (Note 22.b)	5,021	2,930
Non-banking financial product marketing fees (Note 22.b)	15,439	16,144
Management fee for IICs and pension funds (Note 22.b)	80,349	82,007
	100,809	**101,081**

In addition, the Group provides securities administration and custody services to its customers. The commitments made by the Group at 31 December 2023 and 2022 in relation to this service are as follows:

Thousands of Euro

	2023	2022
Securities owned by third parties (at fair value)		
Equity instruments	19,371,117	16,698,290
Debt instruments	4,606,708	2,474,919
	23,977,825	**19,173,209**
Securities owned by third parties (at nominal value)		
Derivatives	1,818,320	1,404,016
	1,818,320	**1,404,016**

b) Offices

The list of Renta 4 Banco, S.A. offices at 31 December 2023 and 2022 is detailed in Annex II.

c) Agency contracts

Annex III to these consolidated annual accounts includes the information required by article 22 of Royal Decree 1245/1995, of 14 July, in relation to the duty of credit institutions operating in Spain to include in the notes to their annual accounts a list of their agents, indicating the scope of the representation granted.

d) External audit

The audit firm KPMG Auditores S.L. of the Group's annual accounts has invoiced fees during the year ended 31 December 2023 and 2022, as follows:

Thousands of Euro

	2023	2022
For audit services	181	147
Agreed upon Procedures Report - SRF	9	9
Client Asset Protection Report	30	29
Supplementary report to the audit of the accounts	2	2
	222	**187**

In addition, other entities affiliated with the KPMG Group have invoiced the Group during the years ended 31 December 2023 and 2022, fees and expenses for professional services, as follows:

Thousands of Euro

	2023	2022
For audit services	43	92
For other verification services	-	-
For tax consultancy services	10	9
For other audit-related services	-	4
For other services	44	53
	97	**158**

e) Abandoned balances and deposits

In accordance with the provisions of Article 18 of Law 33/2003 of 3 November 2003 on the assets of public administrations, there are no balances and deposits in the Entities that are subject to abandonment in accordance with the provisions of the aforementioned article.

f) Customer service

During 2023, a total of 66 claims, complaints, incidents and/or queries or requests were received from customers, 57 of which were submitted to Renta 4's Customer Care Service and 9 to the Ombudsman for Participants, as the latter dealt with matters relating to pension plans, a matter within its remit. Of the total number of claims, complaints, incidents, queries and/or requests submitted to the Customer Care Service, 2 were not admitted for processing and a corresponding case was not opened, because they did not meet the necessary requirements to be processed. The rest of the claims, complaints, incidents and/or queries or requests were admitted to processing, opening the corresponding file and after its analysis finally dictating the corresponding resolution, or urging the parties to reach an agreement on the disputes raised.

In relation to complaints and/or queries submitted to the Ombudsman during 2023, a total of 9 complaint files were received, of which the Ombudsman issued six (6) unfavourable resolutions for customers, two (2) favourable resolutions for customers, and one (1) case which is still pending resolution.

Of the 57 cases admitted by the Customer Care Service, sixteen (16) were complaints, thirty (30) were claims, one (1) incident and ten (10) queries or requests for information, which were duly answered after requesting various information from the corresponding departments.

Thirty (30) claims received were admitted for processing in 2023, nine fewer than the thirty-nine (39) in 2022.

As for the type of resolutions of the complaints issued by Renta 4's Customer Care Service during 2023, there were eleven (11) unfavourable resolutions for the Customer, 37% of the total, a lower figure to that of 2022 (19) and 2021 (23). In terms of favourable resolutions for the customer, in 2023 there were six (6) complaints, 20% of the total, three more than in 2022.

Furthermore, complaints resolved by means of a settlement proposal by the Customer Service Department in 2023 amounted to eight (8), 27% of the total, lower than the thirteen (13) settlements reached in 2022, which accounted for 34% of the total.

The amount paid at present by the entity in connection with the claims filed in 2023 amounted to €2,344.37, a figure higher than the €1,086.96 paid out in the 2022 financial year, but not very significant compared to the entity's financial magnitudes

Finally, it should be noted that at the end of the 2023 financial year, two (2) complaints were being processed and studied, of which one (1) has been resolved unfavourably for the customer and the other (1) has been resolved favourably for the customer.

Attached in Annex VI is the Renta 4 Group's Customer Service Report for the 2023 financial year.

g) Environmental impact

In view of the business activities in which the Group companies are engaged, they do not have any environmental liabilities, expenses, assets, provisions or contingencies that might be significant with respect to their equity, financial position and results. For this reason, no specific disclosures on environmental issues are included in these notes to the consolidated financial statements.

In addition, in 2023 and 2022, the Group entities did not hold any greenhouse gas emission allowances.

Renta 4 Banco, S.A. presents the Statement of Non-Financial Information required by current legislation in the consolidated management report, which will be prepared together with the Consolidated Financial Statements of the Group comprising Renta 4 Banco, S.A. and its subsidiaries.

h) Information on the average supplier payment period. Third additional provision. "Duty of information" of Law 15/2010 of 5 July 2010

The information on the average supplier payment period is as follows:

	2023	2022
(Days)		
Average supplier payment period	12.10	12.18
Ratio of paid transactions	11.64	11.52
Ratio of transactions outstanding	1.34	1.95

In accordance with the provisions of Law 18/2022 of 28 September, the monetary volume and number of invoices paid in a period shorter than the maximum established in the late payment regulations and the percentage they represent of the total are detailed below.

The data as at 31 December 2023 and 2022 is as follows:

· - Total amount of payments made 2023 = €56.823 million (€60.456 millions as at 31 December 2022)

- Total amount paid in less than 60 days = €56.689 millions (€60.287 millions at 31 December 2022)

- Number of invoices paid in 2023 = 20,478 invoices (19,893 invoices as at 31 December 2022)

- Number of invoices paid in less than 60 days = 20,477 invoices (19,890 invoices by 31 December 2023)

- Total amount of outstanding payments = €2.539 million (€2.447 million as at 31 December 2022)

- Ratio total payments/ payments less than 60 days = 99.93% (99.78% at 31 December 2022)

- Ratio invoices paid/ invoices paid within 60 days = 100% (99.98% by 31 December 2022)

i) Most relevant contracts between Group companies

On 1 January 2023, Renta 4 Banco, S.A. signed a contract for the provision of accounting, IT, administrative and tax services with several of its subsidiaries. The contract has a duration of 1 year and can be extended.

On 1 January 2023, Renta 4 Banco, S.A. signed a lease agreement with several of its subsidiaries for the lease of the building located at Paseo de la Habana 74, Madrid (see Note 13). The space will be used for investment and financial intermediation services in general in each of its subsidiaries. The contract has a duration of 1 year and can be extended.

Since 31 August 2013, Renta 4 Banco, S.A. has signed a contract with Renta 4 Gestora SGIIC, S.A. and Renta 4 Pensiones EGFP, S.A. for the marketing of the CIIs and pension funds managed. The contract has a duration of 1 year, which can be tacitly extended for equal periods.

On 19 April 2021, Renta 4 Banco, S.A. signed a delegation agreement for the discretionary management of investment portfolios with Renta 4 Gestora S.G.I.IC. for a renewable period of 1 year.

On 1 October 2021, Renta 4 Pensiones E.G.F.P. signed a delegation agreement for the discretionary management of investment portfolios and a delegation agreement for internal control functions with Renta 4 Gestora S.G.I.IC. for a renewable period of 1 year.

Since 1 November 2018, Renta 4 Gestora S.G.I.I.C. has signed a contract with Renta 4 Banco, S.A, for the management and processing of orders on fixed income financial instruments placed by the Gestora on behalf of the CIIs. The contract has a duration of 1 year, which can be tacitly extended for equal periods.

j) Annual Banking Report

In compliance with the provisions of article 87.1 of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, Annex VI details the information required by the aforementioned regulation.

k) Other public information required by the Bank of Spain

In compliance with the reporting obligations to the Bank of Spain, the Group reports the following as at 31 December 2023:

· It has not carried out any financing operations for construction, property development and house purchases.

· It has no assets foreclosed or received in payment of debts by the group of credit institutions.

· In relation to the presentation of the information on the distribution of customer loans by activity, see Note 11.c.

02.24

Subsequent Events

Up to the date of preparation of the consolidated annual accounts by the Board of Directors of the Group, no significant event has occurred that should be included in the accompanying consolidated annual accounts in order for them to give a true and fair view of the Group's consolidated net worth, financial position, results of operations and cash flows.

Annex 1

Renta 4 Banco, S.A. and Subsidiaries
Details of holdings in companies of the Group
and associates at 31 December 2023

Group Companies			% Ownership			Thousands of Euro					
Companies	**Address**	**Activity**	**Direct**	**Indirect**	**Total**	**Capital**	**Share premium**	**Reserves**	**Value adjustment**	**Profit/ (loss)**	**Dividend**
Carterix, S.A. (**)	Madrid	Provision of financial services	-	-	-	-	-	-	-	-	-
Renta 4 Aragón, S.A.	Madrid	Provision of financial services	99.96	-	99.96	62	-	8	-	-	-
Sociedad de Estudios e Inversiones, S.A. (**)	Madrid	Provision of financial services	-	-	-	-	-	-	-	-	-
Renta 4 Burgos, S.A.	Madrid	Provision of financial services	99.97	-	99.97	34	-	9	-	-	-
Renta 4 Gestora, S.G.I.I.C., S.A.	Madrid	Management of Collective Investment Institutions	99.99	-	99.99	2,374	-	11,471	-	3,226	(3,898)
Renta 4 Huesca, S.A.	Madrid	Provision of financial services	99.94	-	99.94	3	-	8	-	-	-
Renta 4 Inversiones de Valladolid, S.A.	Madrid	Provision of financial services	85	14	99	60	-	180	-	-	-
Renta 4 Lérida, S.A.	Madrid	Provision of financial services	81.66	-	81.66	90	-	(15)	-	(2)	-
Renta 4 Inversiones Inmobiliarias S.A.	Madrid	Provision of financial services	99	-	99	60	-	(8)	-	-	-
Renta 4 Pensiones, E.G.F.P., S.A.	Madrid	Management of pension funds	99.99	-	99.99	3,889	290	4,904	-	1,681	(800)
Renta 4, S.A., Sociedad de Valores	Madrid	Stock Brokerage	100	-	100	3,149	24	5,958		(346)	-
Renta 4 Digital Solutions, S.A. (*)	Madrid	Provision of financial services	-	99.9	99.9	15	-	133	-	(5)	-
Renta 4 Corporate, S.A.	Madrid	Financial advice and consultancy	100	-	100	92	-	542	-	87	-
Renta 4 Vizcaya, S.A. (**)	Madrid	Provision of financial services	-	-	-	-	-	-	-	-	-
Rentsegur, Correduría de Seguros, S.A. (**)	Madrid	Insurance brokerage and provision of financial services	-	-	-	-	-	-	-	-	-
Padinco Patrimonios, S.A.	Madrid	Provision of financial services	100	-	100	105	-	89	-	(1)	-
Corporación Financiera Renta 4, SCR	Madrid	Venture Capital Company	100	-	100	6,050	-	14	(67)	10	-
Renta 4 Digital Assets, S.L.		Other technical services NCOP	100	-	100	3	-	(1)	-	-	-
Sociedad Operadores de la Plataforma IW, S.L.		Electronic exploitation to third parties	0.03	99.97	100	3	-	(1)	-	-	-
Renta 4 Chile SPA	Chile	Provision of financial services	100	-	100	9,640	-	(222)	(81)	1,052	(1,052)
Inversiones Renta 4 Chile, S.L.	Chile	Provision of financial services	0.01	99.99	100	6,625	-	(218)	57	737	(737)
Renta 4 Chile Corredores de Bolsa, S.A.	Chile	Provision of financial services	-	100	100	7,969	-	2,955	(1,914)	1,004	(1,052)
Renta 4 Colombia SAS	Bogotá	Provision of financial services	100	-	100	587	-	(357)	(91)	-	-
Renta 4 Agente de Bolsa S.A.	Lima	Provision of financial services	99.99	-	99.99	4,550	-	(1,685)	(354)	683	-
Renta 4 Luxemburgo, S.A.	Luxembourg	Management of Collective Investment Institutions	100	-	100	700	-	80	-	(119)	-
Renta 4 Global Fiduciaria, S.A.	Bogotá	Provision of fiduciary services	69.43	-	69.43	6,707	-	(2,317)	(632)	1,426	-
Associated companies											
Kobus Partners Management S.G.E.I.C. S. A	Madrid	E.I.C. Management	-	30	30	223	236	999	-	(206)	-
Valor Absoluto Asset Management S.A.	Madrid	Management of Collective Investment Institutions	15	-	15	294	-	(1)	-	(24)	-
Openbrick S.L.	Madrid	Provision of financial services	33.33	-	33.33	3	400	-	-	(319)	-
Torsa Capital S.G.E.I.C. S.A.	Asturias	Management of Collective Investment Institutions	-	30	30	300	-	(83)	-	46	-

This Annex forms an integral part of Note 10 to the accompanying annual accounts and should be read in conjunction with it.
(*) Formerly Renta 4. S.A.
(**) During the financial year 2023, the following companies were dissolved: Sociedad de Estudios e Inversiones, S.A.; Rentsegur, Correduria de Seguros, S.A.; rent 4 Vizcaya, S.A; Carterix, S.A.

Annex 1

Renta 4 Banco, S.A. and Subsidiaries
Details of holdings in companies of the Group
and associates at 31 December 2022

Group Companies			% Ownership			Thousands of Euro					
Companies	**Address**	**Activity**	**Direct**	**Indirect**	**Total**	**Capital**	**Share premium**	**Reserves**	**Value adjustment**	**Profit/ (loss)**	**Dividend**
Carterix, S.A.	Madrid	Provision of financial services	5	94.92	99.92	782	-	(433)	-	(19)	-
Renta 4 Aragón, S.A.	Madrid	Provision of financial services	99.96	-	99.96	62	-	8	-	-	-
Sociedad de Estudios e Inversiones, S.A.	Madrid	Provision of financial services	-	100	100	60	-	(22)	-	(24)	-
Renta 4 Burgos, S.A.	Madrid	Provision of financial services	99.97	-	99.97	34	-	10	-	-	-
Renta 4 Gestora, S.G.I.I.C., S.A.	Madrid	Management of Collective Investment Institutions	99.99	-	99.99	2,374	-	12,208	-	5,931	(5,408)
Renta 4 Huesca, S.A.	Madrid	Provision of financial services	99.94	-	99.94	3	-	8	-	-	-
Renta 4 Inversiones de Valladolid, S.A.	Madrid	Provision of financial services	85	14	99	60	-	253	-	(75)	-
Renta 4 Lérida, S.A.	Madrid	Provision of financial services	81.66	-	81.66	90	-	(12)	-	(3)	-
Renta 4 Inversiones Inmobiliarias S.A.	Madrid	Provision of financial services	99	-	99	60	-	(8)	-	-	-
Renta 4 Pensiones, E.G.F.P., S.A.	Madrid	Management of pension funds	99.99	-	99.99	3,889	290	4,892	-	1,641	(1,627)
Renta 4, S.A., Sociedad de Valores	Madrid	Stock Brokerage	100	-	100	3,149	24	6,348		(390)	-
Renta 4 Investment Solutions, S.A. (*)	Madrid	Provision of financial services	-	99.9	99.9	15	-	146	-	(12)	-
Renta 4 Corporate, S.A.	Madrid	Financial advice and consultancy	100	-	100	92	-	440	-	102	-
Renta 4 Vizcaya, S.A.	Madrid	Provision of financial services	-	99.99	99.99	391	-	(365)	-	(25)	-
Rentsegur, Correduría de Seguros, S.A.	Madrid	Insurance brokerage and provision of financial services	-	72.5	72.5	75	-	(50)	-	(7)	-
Padinco Patrimonios, S.A.	Madrid	Provision of financial services	100	-	100	105	-	91	-	(1)	-
Corporación Financiera Renta 4, SCR	Madrid	Venture Capital Company	100	-	100	3,200	-	5	(214)	9	-
Renta 4 Digital Assets, S.L.		Other technical services NCOP	100	-	100	3	-	-	-	(1)	-
Sociedad Operadores de la Plataforma IW, S.L.		Electronic exploitation to third parties	0.03	99.97	100	3	-	-	-	(1)	-
Renta 4 Chile SPA	Chile	Provision of financial services	100	-	100	9,640	-	(224)	(74)	-	-
Inversiones Renta 4 Chile, S.L.	Chile	Provision of financial services	0.01	99.99	100	6,625	-	(218)	57	-	-
Renta 4 Chile Corredores de Bolsa, S.A.	Chile	Provision of financial services	-	100	100	7,969	-	1,069	(1,261)	1,883	-
Renta 4 Colombia SAS	Bogotá	Provision of financial services	100	-	100	587	-	(350)	(115)	(8)	-
Renta 4 Agente de Bolsa S.A.	Lima	Provision of financial services	99.99	-	99.99	4,550	-	(1,932)	(343)	244	-
Renta 4 Luxemburgo, S.A.	Luxembourg	Management of Collective Investment Institutions	100	-	100	700	-	277	-	(198)	-
Renta 4 Global Fiduciaria, S.A.	Bogotá	Provision of fiduciary services	69.43	-	69.43	6,707	-	(3,113)	(1,395)	794	-
Associated companies											
Kobus Partners Management S.G.E.I.C. S.A	Madrid	E.I.C. Management	-	30	30	223	236	972	-	56	-

This Annex forms an integral part of Note 10 to the accompanying annual accounts and should be read in conjunction with it.
(*) Formerly Renta 4 Equities, S.A.

Annex 2

Renta 4 Banco, S.A. and Subsidiaries
List of offices and agents 31 December 2023 and 2022
Financial Year 2023

Office	Postal Address
Renta 4 A Coruña	Calle Juan Florez, Núm 60, Bajo 015004, Coruña (A), Spain
Renta 4 Albacete	Calle Tesifonte Gallego, Núm 25, Bajo 02002, Albacete, Spain
Renta 4 Alicante	Avenida Oscar Esplá, Núm 29, Bj 3007, Alicante/Alacant, Spain
Renta 4 Almería	Avenida Federico Garcia Lorca, Núm 100, 04004, Almeria, Spain
Renta 4 Ávila	Avenida De Portugal, Núm 39, 5001, Avila, Spain
Renta 4 Badajoz	Ronda del Pilar 1, bajo izq, 06002 Badajoz
Renta 4 Barcelona	Calle Gran Via De Les Corts Catalanes, Núm 655, Local 08010, Barcelona, Spain
Renta 4 Barcelona- Diagonal	Avenida Diagonal, Núm 459, 08036, Barcelona, Spain
Renta 4 Bilbao	Calle Elcano, Núm 14, 48008, Bilbao, Spain
Renta 4 Burgos	Calle Vitoria, N°28, bajo, 09004, Burgos, Spain
Renta 4 Cáceres	Avenida Virgen De Guadalupe, Núm 7, Bj 10001, Caceres, Spain
Renta 4 Cádiz	Calle Juan Ramón Jiménez, 1 Esquina Avenida Andalucia, 11007, Cádiz, Spain
Renta 4 Castellón	Calle Carrer Gasset, Núm 9, 12001, Castellon De La Plana, Spain
Renta 4 Ciudad Real	Calle Calatrava, Núm 5, Bj 13004, Ciudad Real, Spain
Renta 4 Córdoba	Ronda de los Tejares, nº 9, 14001, Córdoba
Renta 4 Cuenca	Calle Diego Jiménez, N°2, Cp 16.004, Cuenca, Spain
Renta 4 Cullera	Paseo Passtge De Lúllal, Núm 2-Bj, Edificio Manantial 46400, Cullera, Spain
Renta 4 Fuenlabrada	Calle Leganés nº 33; 28945, Fuenlabrada
Renta 4 Elche	Calle Corredora, Núm 34, 03203, Elche/Elx, Spain
Renta 4 Gijón	Calle Jovellanos, Núm 2, Esquina C/Cabrales 33202, Gijon, Spain
Renta 4 Girona	Calle Gran Via Jaume I, Núm 29-35, 17001, Girona, Spain
Renta 4 Gran Canaria	Calle Venegas, nº 2; 35003, Gran Canaria
Renta 4 Granada	Calle Acera Del Darro, Núm 35, 18005, Granada, Spain
Renta 4 Guadalajara	Calle Padre Félix Flores, Núm 4, 19001, Guadalajara, Spain
Renta 4 Guipúzcoa	Calle Urbieta, Núm 2, Bajo, 20006, San Sebastian/Donostia, Spain
Renta 4 Huelva	Avenida De La Ría, Núm 4, Entreplanta 21001, Huelva, Spain
Renta 4 Huesca	Calle Cavia, Núm 8, Bajo 22005, Huesca, Spain
Renta 4 Jaén	Avenida De Madrid, Núm 15, Bajo 23003, Jaen, Spain
Renta 4 Lanzarote	Calle Esperanza, Núm 1, 35500, Arrecife, Spain
Renta 4 León	Calle Ordoño II, Núm 35, 24001, Leon, Spain
Renta 4 Lleida	Avenida Alcalde Rovira Roure, nº 19, 25006, Lleida
Renta 4 Logroño	Avenida de Portugal, 2; 26001, Logroño
Renta 4 Lugo	Avenida de A Coruña, nº 62, CP 27003, Lugo
Renta 4 Madrid	Paseo De La Habana, Núm 74, 28036, Madrid, Spain
Renta 4 Madrid - Almagro	Calle Almagro, Núm 11, 28010, Madrid, Spain
Renta 4 Madrid - P. de Vergara	Calle Principe De Vergara, Núm 12, 28001, Madrid, Spain
Renta 4 Madrid - Recoletos	Paseo De Recoletos, Núm 21, 28004, Madrid, Spain
Renta 4 Madrid - Serrano	Calle Serrano, Núm 63, Bajo, 28006, Madrid, Spain
Renta 4 Málaga	Calle Alameda De Colon, Núm 9, 29001, Málaga, Spain
Renta 4 Mallorca	Calle Avinguda Comte De Sallent, Núm 2, 07003, Palma De Mallorca, Spain
Renta 4 Murcia	Avenida General Primo De Rivera, Núm 23, 30008, Murcia, Spain
Renta 4 Ourense	Calle Curros Enriquez, Núm 27, Baixo 32003, Ourense, Spain
Renta 4 Oviedo	Calle del General Yagüe. 1 (Conde Toreno); 33004 Oviedo
Renta 4 Palencia	Plaza Isabel La Catolica, Núm 1, 34005, Palencia, Spain
Renta 4 Pamplona	Avenida Baja Navarra, Núm 9 Bis, 31002, Pamplona/Iruna, Spain
Renta 4 Sabadell	Carrer Tres Creus, nº 87; 08202, Sabadell
Renta 4 Salamanca	Avenida Mirat, Núm 11, 37002, Salamanca, Spain
Renta 4 Santander	Calle Isabel II, 20, 39002 Santander (Cantabria)
Renta 4 Segovia	Paseo Ezequiel Gonzalez, Núm 34, 40002, Segovia, Spain
Renta 4 Sevilla	Avenida De La Buharia, Núm 11, 41018, Sevilla, Spain
Renta 4 Soria	Avenida Navarra, Núm 5, 42003, Soria, Spain
Renta 4 Tarragona	Rambla Nova, Núm 115, Bajo 43001, Tarragona, Spain
Renta 4 Tenerife	Calle El Pilar, Núm 54, 38002, Santa Cruz De Tenerife, Spain
Renta 4 Terrassa	Calle Arquimedes, Núm 156, 08224, Terrassa, Spain
Renta 4 Teruel	Avenida Sagunto, Núm 42, Bajo 44002, Teruel, Spain
Renta 4 Toledo	Avda De La Reconquista Nº 3 Planta Baja, 45004 Toledo, Spain
Renta 4 Valencia	Plaza de San Agustín N°3, 46002, Valencia, Spain
Renta 4 Valladolid	Calle Miguel Íscar, nº 3; 47001, Valladolid
Renta 4 Vigo	Calle Garcia Barbon, Núm 18, 36201, Vigo, Spain
Renta 4 Vitoria	Avenida Gasteiz, Núm 23, 01008, Vitoria-Gasteiz, Spain
Renta 4 Zamora	Avenida Alfonso IX, Núm 1, 49013, Zamora, Spain
Renta 4 Zaragoza	Calle Leon XIII, Núm 5, 50008, Zaragoza, Spain
International Offices	
Colombia	Carrera 9 Número 78-15, Bogotá
Chile	Avenida Alonso de Córdova N° 5752 Local A, Comuna de las Condes, Región Metropolitana
Peru	Av. Víctor Andrés Belaunde 147, Centro empresarial Camino Real, Torre Real 1, Ofi. 202 San Isidro, lima (Perú)
Luxembourg	Grand Rue 70; L-1660 Luxembourg

This Annex forms an integral part of Note 23 to the accompanying annual accounts and should be read in conjunction with it

Annex 2

Renta 4 Banco, S.A. and Subsidiaries
List of offices and agents 31 December 2023 and 2022
Financial Year 2022

Office	Postal Address
Renta 4 A Coruña	Calle Juan Florez, Núm 60, Bajo 015004, Coruña (A), Spain
Renta 4 Albacete	Calle Tesifonte Gallego, Núm 25, Bajo 02002, Albacete, Spain
Renta 4 Alicante	Avenida Oscar Esplá, Núm 29, Bj 3007, Alicante/Alacant, Spain
Renta 4 Almería	Avenida Federico Garcia Lorca, Núm 100, 04004, Almeria, Spain
Renta 4 Ávila	Avenida De Portugal, Núm 39, 5001, Avila, Spain
Renta 4 Badajoz	Ronda del Pilar 1, bajo izq, 06002 Badajoz
Renta 4 Barcelona	Calle Gran Via De Les Corts Catalanes, Núm 655, Local 08010, Barcelona, Spain
Renta 4 Barcelona- Diagonal	Avenida Diagonal, Núm 459, 08036, Barcelona, Spain
Renta 4 Bilbao	Calle Elcano, Núm 14, 48008, Bilbao, Spain
Renta 4 Burgos	Calle Vitoria, Nº28, bajo, 09004, Burgos, Spain
Renta 4 Cáceres	Avenida Virgen De Guadalupe, Núm 7, Bj 10001, Caceres, Spain
Renta 4 Cádiz	Calle Juan Ramón Jiménez, 1 Esquina Avenida Andalucia, 11007, Cádiz, Spain
Renta 4 Castellón	Calle Carrer Gasset, Núm 9, 12001, Castellon De La Plana, Spain
Renta 4 Ciudad Real	Calle Calatrava, Núm 5, Bj 13004, Ciudad Real, Spain
Renta 4 Córdoba	Ronda de los Tejares, nº 9, 14001, Córdoba
Renta 4 Cuenca	Calle Diego Jiménez, Nº2, Cp 16.004, Cuenca, Spain
Renta 4 Cullera	Paseo Passtge De Lúllal, Núm 2-Bj, Edificio Manantial 46400, Cullera, Spain
Renta 4 Fuenlabrada	Calle Leganés nº 33; 28945, Fuenlabrada
Renta 4 Elche	Calle Corredora, Núm 34, 03203, Elche/Elx, Spain
Renta 4 Gijón	Calle Jovellanos, Núm 2, Esquina C/Cabrales 33202, Gijon, Spain
Renta 4 Girona	Calle Gran Via Jaume I, Núm 29-35, 17001, Girona, Spain
Renta 4 Gran Canaria	Calle Venegas, nº 2; 35003, Gran Canaria
Renta 4 Granada	Calle Acera Del Darro, Núm 35, 18005, Granada, Spain
Renta 4 Guadalajara	Calle Padre Félix Flores, Núm 4, 19001, Guadalajara, Spain
Renta 4 Guipúzcoa	Calle Urbieta, Núm 2, Bajo, 20006, San Sebastian/Donostia, Spain
Renta 4 Huelva	Avenida De La Ría, Núm 4, Entreplanta 21001, Huelva, Spain
Renta 4 Huesca	Calle Cavia, Núm 8, Bajo 22005, Huesca, Spain
Renta 4 Jaén	Avenida De Madrid, Núm 15, Bajo 23003, Jaen, Spain
Renta 4 Lanzarote	Calle Esperanza, Núm 1, 35500, Arrecife, Spain

Office	Postal Address
Renta 4 León	Calle Ordoño II, Núm 35, 24001, Leon, Spain
Renta 4 Lleida	Avenida Alcalde Rovira Roure, nº 19, 25006, Lleida
Renta 4 Logroño	Avenida de Portugal, 2; 26001, Logroño
Renta 4 Lugo	Avenida de A Coruña, nº 62, CP 27003, Lugo
Renta 4 Madrid	Paseo De La Habana, Núm 74, 28036, Madrid, Spain
Renta 4 Madrid - Almagro	Calle Almagro, Núm 11, 28010, Madrid, Spain
Renta 4 Madrid - P. de Vergara	Calle Principe De Vergara, Núm 12, 28001, Madrid, Spain
Renta 4 Madrid - Recoletos	Paseo De Recoletos, Núm 21, 28004, Madrid, Spain
Renta 4 Madrid - Serrano	Calle Serrano, Núm 63, Bajo, 28006, Madrid, Spain
Renta 4 Málaga	Calle Alameda De Colon, Núm 9, 29001, Málaga, Spain
Renta 4 Mallorca	Calle Avinguda Comte De Sallent, Núm 2, 07003, Palma De Mallorca, Spain
Renta 4 Murcia	Avenida General Primo De Rivera, Núm 23, 30008, Murcia, Spain
Renta 4 Ourense	Calle Curros Enriquez, Núm 27, Baixo 32003, Ourense, Spain
Renta 4 Oviedo	Calle del General Yagüe. 1 (Conde Toreno); 33004 Oviedo
Renta 4 Palencia	Plaza Isabel La Catolica, Núm 1, 34005, Palencia, Spain
Renta 4 Pamplona	Avenida Baja Navarra, Núm 9 Bis, 31002, Pamplona/Iruna, Spain
Renta 4 Sabadell	Carrer Tres Creus, nº 87; 08202, Sabadell
Renta 4 Salamanca	Avenida Mirat, Núm 11, 37002, Salamanca, Spain
Renta 4 Santander	Calle Isabel II, 20, 39002 Santander (Cantabria)
Renta 4 Segovia	Paseo Ezequiel Gonzalez, Núm 34, 40002, Segovia, Spain
Renta 4 Sevilla	Avenida De La Buharia, Núm 11, 41018, Sevilla, Spain
Renta 4 Soria	Avenida Navarra, Núm 5, 42003, Soria, Spain
Renta 4 Tarragona	Rambla Nova, Núm 115, Bajo 43001, Tarragona, Spain
Renta 4 Tenerife	Calle El Pilar, Núm 54, 38002, Santa Cruz De Tenerife, Spain
Renta 4 Terrassa	Calle Arquimedes, Núm 156, 08224, Terrassa, Spain
Renta 4 Teruel	Avenida Sagunto, Núm 42, Bajo 44002, Teruel, Spain
Renta 4 Toledo	Avda De La Reconquista Nº 3 Planta Baja, 45004 Toledo, Spain
Renta 4 Valencia	Plaza de San Agustín Nº3, 46002, Valencia, Spain
Renta 4 Valladolid	Calle Miguel Íscar, nº 3; 47001, Valladolid
Renta 4 Vigo	Calle Garcia Barbon, Núm 18, 36201, Vigo, Spain
Renta 4 Vitoria	Avenida Gasteiz, Núm 23, 01008, Vitoria-Gasteiz, Spain
Renta 4 Zamora	Avenida Alfonso IX, Núm 1, 49013, Zamora, Spain
Renta 4 Zaragoza	Calle Leon XIII, Núm 5, 50008, Zaragoza, Spain
International Offices	
Colombia	Carrera 9 Número 78-15, Bogotá
Chile	Avenida Alonso de Córdova Nº 5752 Local A, Comuna de las Condes, Región Metropolitana
Peru	Av. Víctor Andrés Belaunde 147, Centro empresarial Camino Real, Torre Real 1, Ofi. 202 San Isidro, lima (Perú)
Luxembourg	Grand Rue 70; L-1660 Luxembourg

This Annex forms an integral part of Note 23 to the accompanying annual accounts and should be read in conjunction with it

Annex 3

List of Agents 31/12/2023

Name of Representative
SENTIDO COMUN GESTION, S.L.
SOFABOYCO, S.L.

This Annex forms an integral part of Note 23 to the accompanying annual accounts and should be read in conjunction with it.

List of Agents 31/12/2022

Name of Representative
SENTIDO COMUN GESTION, S.L.
SOFABOYCO, S.L.

This Annex forms an integral part of Note 23 to the accompanying annual accounts and should be read in conjunction with it.

Annex 4

Renta 4 Banco, S.A.

Balance sheets as on 31 December 2023 and 2022

Thousands of Euro

ASSETS	Notes	2023	2022
Cash, cash balances at central banks and other demand deposits	**6**	**1,067,134**	**738,907**
Financial assets held for trading	**7**	**44,142**	**53,462**
Derivatives		-	-
Equity instruments		42,951	52,268
Debt securities		1,191	1,194
Financial assets designated at fair value through other comprehensive income	**8**	**315,728**	**829,670**
Equity instruments		1,667	1,381
Debt securities		314,061	828,289
Pro memoria: lent or pledged as collateral with right of sale or pledge		56,751	272,650
Financial assets at amortised cost	**9**	**595,489**	**611,762**
Debt securities		354,518	356,042
Loans and advances		240,971	255,720
Central banks		-	-
Credit institutions		13,282	43,049
Clientèle		227,689	212,671
Pro memoria: lent or pledged as collateral with right of sale or pledge		354,442	301,719
Investments in subsidiaries, joint ventures and associates	**10**	**52,241**	**43,685**
Group entities		47,997	43,685
Multigroup entities		-	-
Associated entities		4,244	-
Tangible assets	**11**	**58,876**	**56,281**
Tangible fixed assets		57,406	56,026
Own use		57,406	56,026
Investment properties		1,470	255
Of which: leased under operating leases		1,470	255
Pro memoria: acquired under finance lease		21,999	19,875
Intangible assets	**12**	**7,837**	**8,198**

Thousands of Euro

ASSETS	Notes	2023	2022
Goodwill		1,270	1,905
Other intangible assets		6,567	6,293
Tax assets	**18**	**5,582**	**10,196**
Current tax assets		-	-
Deferred tax assets		5,582	10,196
Other assets	**13**	**2,025**	**1,665**
Other assets		2,025	1,665
Non-current assets and disposable groups of items that have been classified as held for sale		**-**	**-**
TOTAL ASSETS		**2,149,054**	**2,353,826**

Thousands of Euro

LIABILITIES	Notes	2023	2022
Financial liabilities held for trading	**7**	**-**	**-**
Derivatives		-	-
Financial liabilities at amortised cost	**14**	**2,014,004**	**2,246,455**
Deposits		1,862,058	2,045,044
Central banks		-	-
Credit institutions		12,202	10,521
Clientèle		1,849,856	2,034,523
Debt securities issued		-	-
Other financial liabilities		151,946	201,411
Derivatives - hedge accounting		**-**	**-**
Provisions	**15**	**2,062**	**2,335**
Pensions and other post-employment defined benefit obligations		-	-
Other long-term employee benefits		-	-
Procedural issues and pending tax litigation		2,042	2,279
Commitments and guarantees granted		20	56
Other provisions		-	-
Tax liabilities	**18**	**6,901**	**4,507**
Current tax liabilities		6,534	4,044
Deferred tax liabilities		367	463
Share capital repayable on demand		**-**	**-**
Other liabilities	**13**	**8,554**	**6,169**
Liabilities in groups of items that have been classified as held for sale		**-**	**-**
TOTAL LIABILITIES		**2,031,521**	**2,259,466**

Thousands of Euro

NET EQUITY	Notes	2023	2022
Own funds	**16**	**127,404**	**115,150**
Capital		18,312	18,312
Paid-in capital		18,312	18,312
Share premium		8,496	8,496
Other reserves		87,055	76,758
Accumulated reserves or losses from investments in joint ventures and associates		-	-
Other		87,055	76,758
(-) Treasury shares		-	(486)
Result for the year		25,749	22,225
(-) Interim dividends		(12,208)	(10,155)
Other accumulated comprehensive income		**(9,871)**	**(20,790)**
Items not reclassified to profit or loss		(284)	(73)
Changes in the fair value of equity instruments measured at fair value through other comprehensive income	8	(284)	(73)
Items that may be reclassified to profit or loss		(9,587)	(20,717)
Changes in fair value of debt instruments measured at fair value with changes in other comprehensive income	8	(9,587)	(20,717)
TOTAL NET EQUITY		**117,533**	**94,360**
TOTAL NET EQUITY AND LIABILITIES		**2,149,054**	**2,353,826**
PRO MEMORIA: OFF-BALANCE SHEET EXPOSURES	**17**		
Guarantees granted		5,669	7,984
Contingent commitments granted		45,196	48,096
Other commitments given		8,641	5,396

Renta 4 Banco, S.A.
Profit and Loss Accounts for the years ended 31 December 2023 and 2022

Thousands of Euro

	Notes	2023	2022
Interest income	20.a	38,885	12,441
(Interest expenses)	20.a	(16,426)	(3,485)
(Expenses for share capital repayable on demand)		-	-
A) INTEREST MARGIN		**22,459**	**8,956**
Dividend income		5,800	7,043
Commission income	20.b	89,904	91,676
(Commission expenses)	20.b	(26,007)	(29,308)
Gains or (-) losses on cancellation of financial assets and liabilities not measured at fair value through profit or loss, net	20.a	241	816
Gains or (-) losses on financial assets and liabilities held for trading, net	20.a	6,544	1,104
Currency differences [gain or (-) loss], net	20.g	5,739	7,576
Gains or (-) losses on cancellation of non-financial assets		-	-
Other operating income	20.c	559	355
(Other operating expenses)	20.c	(3,654)	(2,727)
B) GROSS MARGIN		**101,585**	**85,491**
(Administration expenses)		(58,507)	(52,306)
(Staff expenses)	20.d	(37,759)	(31,903)
(Other administrative expenses)	20.e	(20,748)	(20,403)
(Amortisation)	11 y 12	(11,139)	(9,984)
(Provisions or (-) reversal of provisions)	15	(549)	1,399
(Impairment or (-) reversal of impairment of financial assets not measured at fair value through profit or loss)		784	596
(Financial assets at fair value through other comprehensive income)	20.f	133	(116)
(Financial assets at amortised cost)	20.f	**651**	**712**
C) OPERATING RESULT		**32,174**	**25,196**
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures or associates)	10 y 20.f	**1,480**	**2,301**
D) PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS		**33,654**	**27,497**
(Expenses or (-) income tax revenue from continued operations)	18	**(7,905)**	**(5,272)**
E) PROFIT OR (-) LOSS AFTER TAX FROM CONTINUED OPERATIONS		**25,749**	**22,225**
Profit or (-) loss after tax from discontinued operations			
F) PROFIT OR LOSS FOR THE FINANCIAL YEAR		**25,749**	**22,225**

Renta 4 Banco, S.A.
Statements of changes in net equity as at 31 December 2023 and 2022

Thousands of Euro

I. Statements of recognised income and expense for the years ended 31 December 2023 and 2022	2023	2022
Result for the year	**25,749**	**22,225**
Other global result	**10,919**	**(19,795)**
Items not to be reclassified to profit or loss	**(211)**	**(93)**
Changes in fair value of equity instruments measured at fair value with changes in comprehensive income	(301)	(133)
Other valuation adjustments		
Income tax on items that will not be reclassified	90	40
Items that may be reclassified to profit or loss	**11,130**	**(19,702)**
Financial assets designated at fair value through other comprehensive income	15,900	(28,146)
Gains or (-) losses in value accounted for in net equity	16,274	(27,446)
Transferred to profit and loss	(374)	(700)
Other reclassifications	-	-
Income tax on items that may be reclassified to profit or loss	(4,770)	8,444
Total global result for the year	**36,668**	**2,430**

Renta 4 Banco, S.A.
Statement of changes in net equity

II.a. Total statement of changes in net equity for the year ended 31 December 2023

Thousands of Euro

Sources of changes in net equity	Capital	Share premium	Issued equity instruments other than capital	Other net equity items	Accumulated earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Result for the year	(-) Interim dividends	Other accumulated comprehensive income	Total
Opening balance 2023	18,312	8,496	-	-	-	-	76,758	(486)	22,225	(10,155)	(20,790)	94,360
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance 2023	18,312	8,496	-	-	-	-	76,758	(486)	22,225	(10,155)	(20,790)	94,360
Total global result for the year	-	-	-	-	-	-	-	-	25,749	-	10,919	36,668
Other changes in net equity	-	-	-	-	-	-	10,297	486	(22,225)	(2,053)	-	(13,495)
Dividends (or shareholder remuneration) ()	-	-	-	-	-	-	(2,031)	-	-	(12,208)	-	(14,239)
Purchase of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of own shares	-	-	-	-	-	-	258	486		-	-	744
Transfers between components of net equity	-	-	-	-	-	-	12,070	-	(22,225)	10,155	-	-
Closing balance 2023	18.312	8.496	-	-	-	-	87.055	-	25.749	(12.208)	(9.871)	117.533

II.b. Total statement of changes in net equity for the year ended 31 December 2022

Thousands of Euro

Sources of changes in net equity	Capital	Share premium	Issued equity instruments other than capital	Other net equity items	Accumulated earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Result for the year	(-) Interim dividends	Other accumulated comprehensive income	Total
Opening balance 2022	18,312	8,496	-	-	-	-	70,931	(486)	22,481	(12,186)	(995)	106,553
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance 2022	18,312	8,496	-	-	-	-	70,931	(486)	22,481	(12,186)	(995)	106,553
Total global result for the year	-	-	-	-	-	-	-	-	22,225	-	(19,795)	2,430
Other changes in net equity	-	-	-	-	-	-	5,827	-	(22,481)	2,031	-	(14,623)
Dividends (or shareholder remuneration) ()	-	-	-	-	-	-	(4,468)	-	-	(10,155)	-	(14,623)
Purchase of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of own shares	-	-	-	-	-	-	-	-		-	-	-
Transfers between components of net equity	-	-	-	-	-	-	10,295	-	(22,481)	12,186	-	-
Closing balance 2022	18,312	8,496	-	-	-	-	76,758	(486)	22,225	(10,155)	(20,790)	94,360

Renta 4 Banco, S.A.
Cash flow statements
for the financial years ended 31 December 2023 and 2022

Thousands of Euro

ASSETS	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		**367,935**	**(388,256)**
Result for the year		**25,749**	**22,225**
Adjustments to arrive at cash flows from operating activities		**25,922**	**2,345**
Amortisation	11 y 12	11,139	9,984
Other adjustments		**14,783**	**(7,639)**
Net increase/decrease in operating assets		**559,445**	**(640,708)**
Trading portfolio		9,320	10,854
Other financial assets at fair value through profit or loss		-	-
Financial assets at fair value through other comprehensive income		**533,627**	**(467,413)**
Financial assets at amortised cost		16,924	(175,821)
Other operating assets		(426)	(8,328)
Net increase/decrease in operating liabilities		**(236,838)**	**232,165**
Trading portfolio		-	-
Financial liabilities at amortised cost		(237,313)	227,166
Other operating liabilities		**475**	**4,999**
Income tax collections/payments		**(6,343)**	**(4,283)**
CASH FLOWS FROM INVESTING ACTIVITIES		**(15,587)**	**(10,104)**
Payments		**(15,605)**	**(10,104)**
Tangible assets	11	(5,204)	(4,780)
Intangible assets	12	(3,307)	(3,314)
Shares	10	(7,094)	(2,010)
Collections		18	-
Shares		18	-
CASH FLOWS FROM FINANCING ACTIVITIES		**(24,121)**	**(11,028)**
Payments		**(30,665)**	**(18,071)**
Dividends	4 y 16.g	(14,239)	(14,623)
Other payments related to financing activities		**(16,426)**	**(3,448)**

Thousands of Euro

ASSETS	Notes	2023	2022
Collections		**6,544**	**7,043**
Disposal of own equity instruments		744	-
Other collections related to financing activities		5,800	7,043
EFFECT OF EXCHANGE RATE VARIATIONS		-	-
NET INCREASE/DECREASE IN CASH OR EQUIVALENTS		**328,227**	**(409,388)**
Cash or equivalents at beginning of year	6	**738,907**	**1,148,295**
Cash or equivalents at end of year	6	**1,067,134**	**738,907**
PRO MEMORIA			
COMPONENTS OF CASH AND EQUIVALENTS AT END OF YEAR	6	**1,067,134**	**738,907**
Cash		**47**	**42**
Cash equivalent balances at central banks		**900,056**	**610,028**
Other financial assets		**167,031**	**128,837**
Less: bank overdrafts repayable on demand		-	-

Annex 5

Renta 4 Banco, S.A.
Customer Service Report
Financial year 2023

Object of the Report

The purpose of this report is to describe the activity carried out in 2023 by the Customer Service Department of Renta 4 Banco, S.A. and the Renta 4 Group organisations adhered to it, as has been done annually since its creation in 2004, thus complying with article 20 of Renta 4 Group's Customer Protection Regulations and with the provisions of Order ECO 734/2004, of 11 March, on Customer Service Departments and the Customer Ombudsman of Financial Institutions.

In this respect, as established in article 6 of the aforementioned Regulations, the main function of the Customer Care Service is to deal with and resolve complaints and claims submitted to the institutions subject to the regulations, either directly or through a representative, by Spanish or foreign individuals or legal entities, who are users of the financial services provided by the aforementioned entities, provided that such complaints and claims refer to their legally recognised interests and rights, whether they derive from contracts, transparency and customer protection regulations, or from good financial practices and customs, in particular the principle of equity.

Outcome of claims, complaints, incidents, queries and/or requests during financial year 2023

During 2023, a total of 66 claims, complaints, incidents and/or queries or requests were received from customers, 57 of which were submitted to Renta 4's Customer Care Service and 9 to the Ombudsman for Participants, as the latter dealt with matters relating to pension plans, a matter within its remit. Of the total number of claims, complaints, incidents, queries and/or requests submitted, 2 were not admitted for processing and a corresponding case was not opened, because they did not meet the necessary requirements to be processed.

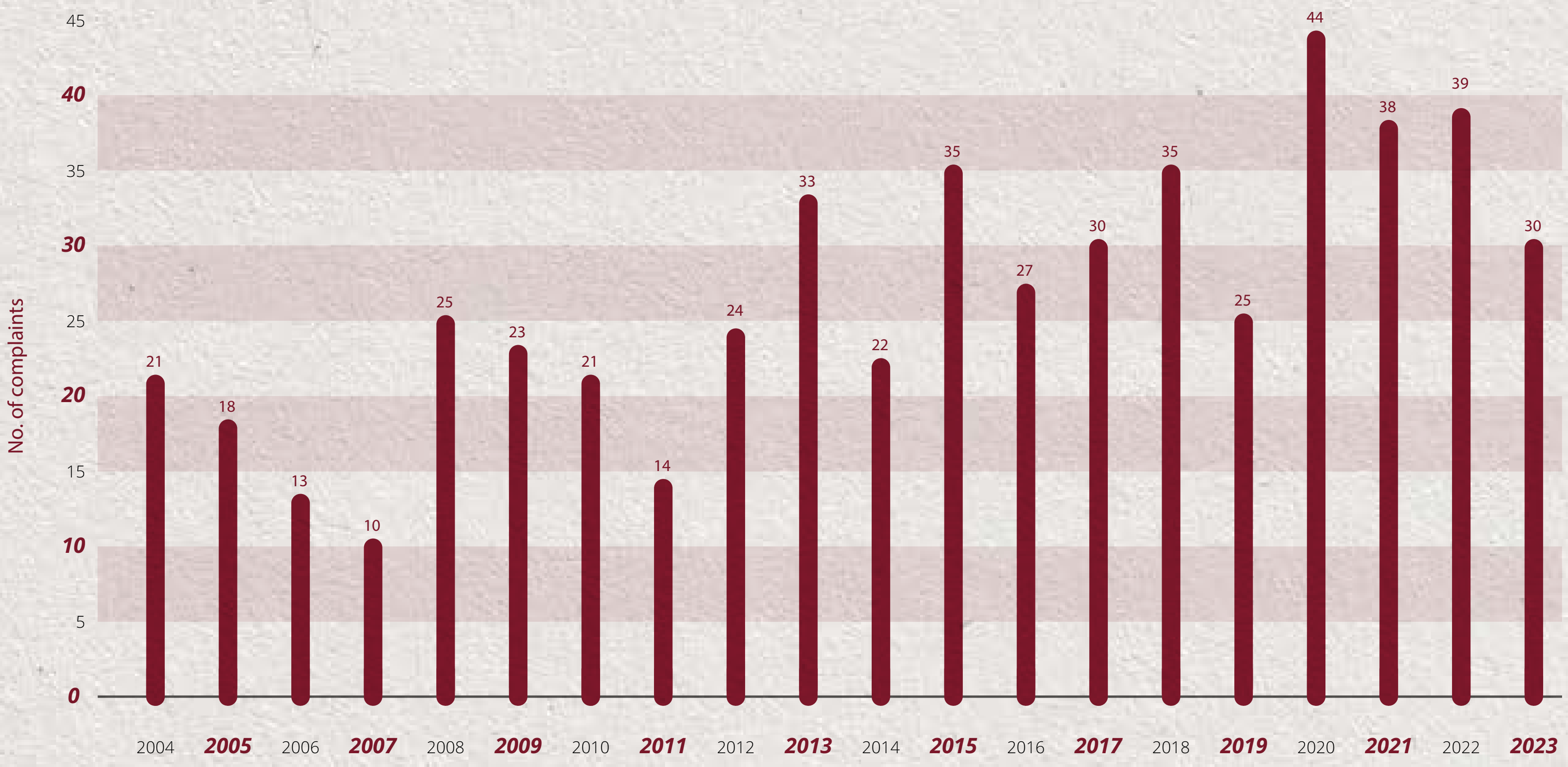
In all the complaints admitted for processing, both the Participant Ombudsman and Renta 4's Customer Care Service studied and analysed in detail each of the complaints and issues raised, reviewing the procedures established by Renta 4 and finally issuing the corresponding resolution, or urging the parties to reach an agreement on the disputes raised.

In relation to complaints and/or queries submitted to the Ombudsman during 2023, a total of 9 complaint files were received, of which the Ombudsman issued six (6) unfavourable resolutions for customers, two (2) favourable resolutions for customers, and one (1) case which is still pending resolution. In this regard, it should be noted that most of the complaints were resolved in a timely manner.

On the other hand, during 2023, the number of claims, complaints, incidents, queries and/or requests submitted to the Renta 4 Customer Care Service totalled 57, of which two (2) were not admitted for processing because they were not considered customers of the Entity. Of the 57 cases admitted, sixteen (16) were complaints, thirty (30) were claims, one (1) incident and ten (10) queries or requests for information, which were duly answered after requesting various information from the corresponding departments.

With regard to the evolution of complaints, it should be noted that in 2023 the number of complaints received was thirty (30), nine fewer than the 39 in 2022 and a similar number to the average number of twenty-seven (27) complaints received during the 19 years that Renta 4's Customer Care Service has been in operation. This figure does not represent a significant number, being in line with previous years, as can be seen in **Graph 1.**

Graph 1.- Total Complaints 2004-2023



What's more, the number of claims, complaints, incidents, queries and/or requests received by the Customer Care Service and Participant Ombudsman during the 2023 financial year, a total of 66, is not very significant figure in relation to the total number of clients with assets that Renta 4 held at 31st December 2023, a total of 124,908 customers, as has been the case in all previous years, such as in 2022, when a total of 65 claims, complaints, incidents, queries and/or requests were admitted for processing, compared to 118,239 customers at the end of 2022. In the same way, if we compare the number of complaints submitted during 2023, with regards to the equity managed by Renta 4 at the end of 2023, €30,306,348,491 or the number of commercial offices that Renta 4 has throughout Spain, 64 offices.

In summary, the number of complaints received by Renta 4's Customer Care Service and Ombudsman during 2023 financial year continues to be insignificant and irrelevant when compared to the number of clients or the assets managed by Renta 4.

Complaints classified by Resolution Type

In relation to the type of resolution issued by the Customer Care Service during 2023, as shown in **Table 1,** all of the 30 complaints received have been admitted for processing. Of which, eleven (11) unfavourable resolutions to the customer have been issued, 37% of the admitted complaints, these figures being lower than for the 2022 (19) and 2021 (23) financial years.

On the other hand, six (6) complaints were resolved in favour of the customer, 20% of the total, three more than in 2022. Furthermore, in eight (8) complaints the Customer Care Service has urged the parties to reach an agreement, 27% of the total, a lower total than the thirteen (13) agreements reached in 2022, which accounted for 34% of the total. On the other hand, in three (3) of the cases the customers withdrew the complaint, following explanations and clarifications provided by the Service. Finally, it should be noted that, at 31 December 2023, two (2) claims were in the processing and study phase, of which, as of the date hereof one (1) has been resolved unfavourably and one (1) has been resolved favourably for the customer.

TABLE 1 Evolution of Complaints submitted to the CCS - Classification by type of resolution

	2023		2022		2021		2020		2019		2018		2017		2016		2015		2014		2013	
Clasificación por Tipo de Resolución	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**
Desfavorable para el cliente	11	37 %	19	49 %	23	61 %	15	34 %	16	64 %	24	69 %	21	70 %	24	89 %	18	51 %	12	55 %	24	73 %
Favorable para el cliente	6	20 %	3	8 %	4	11 %	5	11 %	1	4 %	1	3 %						0 %	2	9 %	0	0 %
Propuesta de Avenimiento del SAC (Acuerdo)	8	27 %	13	34 %	6	16 %	15	34 %	8	32 %	9	26 %	8	27 %	3	11 %	14	40 %	6	27 %	7	21 %
Desestimiento Cliente	3	10 %	1	3 %	3	8 %	1	2 %									1	3 %		0 %	2	6 %
No admitido a tramite/suspension	0	0 %	1	2 %	0	0 %	1	2 %			1	3 %	1	3 %			2	6 %	2	9 %		
Pendientes de Resolucion	2	6 %	2	5 %	2	5 %	7	16 %														
TOTAL	**30**	**100%**	**39**	**100%**	**38**	**100%**	**44**	**100%**	**25**	**100%**	**35**	**100%**	**30**	**100%**	**27**	**100%**	**35**	**100%**	**22**	**100%**	**33**	**100%**

In cases in which Renta 4 and the customers reached an agreement in 2023, the amount paid amounted to €1,777.36, while the amount corresponding to the favourable resolutions issued was €567.01. In addition, two duly signed settlement proposals have yet to be received from customers as a result of two resolutions favourable to customers by the supervisory bodies, which would entail a disbursement of €4,037.50 for the Entity. In total, the amount disbursed up to the current date by the entity for claims submitted in 2023 has amounted to €2,344.37, which is a higher figure than the €1,086.96 disbursed in the 2022 financial year, but insignificant when compared to the entity's financial figures and much less than the amounts paid in previous years; in 2021 it amounted to €6,235.89, in 2020 it amounted to €343,806.43, in 2019 it amounted to €8,454.71, and in 2018 €24,832.61.

In this regard, it should be noted that Renta 4's Customer Care Service, in addition to carrying out the main function of resolving claims, complaints, incidents, queries and/or requests, plays an intermediary role between the Customer and the Entity. After analysing the reason for the claims, complaints, incidents, queries and/or requests and reviewing the procedures, in those cases where it is feasible, it is the Service that invites the parties to reach an agreement.

Complaints classified by content

In relation to the content of the complaints reflected in **Table 2,** and following the same classification used in previous years' reports, the figures are as follows:

TABLE 2 Evolution of Complaints submitted to the CCS - Classification by Content

	2023		2022		2021		2020		2019		2018		2017		2016		2015		2014		2013	
Clasificación por Contenido	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**	**Nº**	**%**
Comisiones - Tarifas	12	40 %	16	41 %	8	21 %	3	7 %	6	24 %	3	9 %	6	20 %	9	33 %	13	37 %	11	50 %	18	55 %
Operaciones de valores, ejecución de órdenes	3	10 %	3	8 %	13	34 %	17	39 %	6	24 %	20	57 %	15	50 %	8	30 %	3	9 %	5	23 %	13	39 %
Fondos de Inversión/Planes de Pensiones	8	27 %	10	26 %	6	16 %	15	34 %	7	28 %	4	11 %	3	10 %	1	4 %	9	26 %	5	23 %	0	0 %
Otros	7	23 %	10	26 %	11	29 %	9	20 %	6	24 %	8	23 %	6	20 %	9	33 %	10	29 %	1	5 %	2	6 %
TOTAL	**30**	**100%**	**39**	**100%**	**38**	**100%**	**44**	**100%**	**25**	**100%**	**35**	**100%**	**30**	**100%**	**27**	**100%**	**35**	**100%**	**22**	**100%**	**33**	**100%**

In 2023, the heading with the highest number of complaints was Commissions and Tariffs, with twelve (12) complaints, 40% of the total, eight (8) complaints in the section on Investment Funds-Pension Plans and another seven (7) in the section on Others, 27% and 23% respectively of the total for each section, and three (3) complaints in the section on Securities Transactions and Order Execution, 10% of the total.

The Securities Transactions and Order Execution section includes complaints relating to discrepancies in trading and order execution, and the procedure for marketing and advising customers on the various financial products. A total of three (3) complaints were received in the year 2023, 10% of the total, the same figure as in 2022.

The complaints included in Investment Funds-Pension Plans are those where the content refers to the commercialisation and operation of the subscription, refund and transfer of investments funds and pension plans. A total of eight (8) complaints were received in 2023, 27% of the total, two less than in 2022.

On the other hand, the section on Fees and Commissions includes complaints relating to the fees and expenses associated with the different investment products and services. In 2023, the number of complaints on this matter totalled twelve (12), 40% of the total, which is lower than in the previous year, but which represents the same percentage as in 2022 and equal to the higher level when fewer complaints were received under the heading of Commissions, such as in 2021 with eight (8) (21%), in 2020 with three (3) complaints (7%) and six (6) (24%) in 2019.

Finally, the complaints classified under Other include all those complaints that could not be included in any of the other chapters, the content of these complaints being therefore very heterogeneous. In 2023 there were a total of seven (7) complaints, 23% of the total, slightly less than in 2022 (10) and 2021 (11), but representing a similar percentage, 26% and 29% respectively.

On the other hand, in recent years the National Securities Market Commission (CNMV) and the Bank of Spain have been requesting a greater amount and variety of information from the Customer Care Services of the institutions regarding complaints and with a greater degree of detail, establishing different classifications on the reasons, causes and types of products, among others. This information enables regulators to prepare annual reports with aggregated information for all institutions.

For this reason, as in previous years, this Annual Report includes information on the complaints filed from 2016 to 2023, using the classification and reporting criteria required by the National Securities Market Commission (CNMV) and the Bank of Spain (BdE),as shown in **Tables 3 and 4** of this report.

TABLE 3 Evolution of Complaints submitted to the CCS - CNMV Classification

Tipo de Producto	Causa Reclamación	2023	2022	2021	2020	2019	2018	2017	2016
Acciones y derechos	Comercialización	-	2	-	1	-	1	3	3
	Gestión y ejecución de ordenes	1	1	3	4	3	1	5	4
	Comisiones	5	11	1	2	-	-	-	1
	Otros	-	-	-	-	-	-	-	-
Instrumentos Deuda e hibridos	Comisiones	-	-	-	-	-	-	-	-
	Otros	-	-	-	-	-	-	-	-
IIC	Comercialización	1	1	3	1	4	1		
	Gestión y ejecución de ordenes	7	11	10	13	3	3	4	-
	Otros	1	1	-	-	-	-	1	-
Derivados	Comercialización	-	-	3	4	1	1	1	3
	Gestión y ejecución de ordenes	2	2	3	11	3	16	8	4
	Comisiones	-	1	1	1			1	
	Otros	1	-	-	-	-	-	-	-
Contratos gestión Carteras	Otros	-	-	-	-	-	-	-	-
Otros	Comercialización	1	2	8	2	1	-	-	-
	Comisiones	7	4	6	-	6	3	5	7
	Gestión y ejecución de ordenes	-	-	-	3	-	3	-	-
	Otros	4	3	-	2	4	6	2	2
TOTAL		**30**	**39**	**38**	**44**	**25**	**35**	**30**	**24**

TABLE 4 Evolution of Complaints submitted to the CCS - BdE classification

	Materia Banco España	2023	2022	2021	2020	2019	2018	2017	2016
Otros Servicios de Inversion	Comisiones y gastos	12	17	11	3	6	3	8	10
	Discrepancia en apuntes	-	3	5	20	6	10	11	8
	Ex Ante	-	-	2	3	2	1	2	2
	Ex Post	-	-	-	1	-	2	1	2
	Varios	10	7	7	3	3	14	3	4
Relacion con IIC	Relacion con IIC	1	2	-	12	-	-	5	1
	Discrepancia en apuntes	5	5	7	-	3	2	-	-
	Ex-ante	-	-	-	1	2	2	-	-
	Ex Post	-	-	-	1	2		-	-
	Varios	2	5	6	-	-	1	-	-
Cuentas corrientes	Varios	-	-	-	-	1	-	-	-
TOTAL		**30**	**39**	**38**	**44**	**25**	**35**	**30**	**27**

Files received by the Complaints Service of the National Securities Market Commission (CNMV) or the Bank of Spain (BdE).

Of the 55 files received and processed by the Customer Care Service in 2023, twelve (12) were submitted by customers to the CNMV or BdE Complaints Services, ten (10) to the CNMV and two (2) to the BdE.

In summary, the number of files processed before the Supervisory Bodies during the financial year 2023 is not a significant and relevant figure in relation to the total number of files, with practically all the files being resolved by the Customer Care Service without the need for intervention by the Supervisory Bodies.

In relation to the resolutions issued by the Supervisory Bodies, on six (6) occasions the resolution has been unfavourable to the customer, on four (4) occasions the Body has resolved in favour of the customer, and at the present date there are two (2) cases pending resolution by the CNMV or BdE.

A breakdown of this data is given in **Table 5.**

TABLE 5a Complaints to the BdE - Classification by Resolution type

	2023	
Clasificación por Tipo de Resolución BdE	**Nº**	**%**
Desfavorable para el cliente	0	0 %
Favorable para el cliente	1	50 %
Desestimiento Cliente	0	0 %
No admitido a tramite/suspension	0	0 %
Pendientes de Resolucion	1	50 %
TOTAL	**2**	**100%**

TABLE 5.b Complaints filed with the CNMV - Classification by Resolution type

	2023	
Clasificación por Tipo de Resolución BdE	**Nº**	**%**
Desfavorable para el cliente	6	60 %
Favorable para el cliente	3	30 %
Desestimiento Cliente	0	0 %
No admitido a tramite/suspension	0	0 %
Pendientes de Resolucion	1	10 %
TOTAL	**10**	**100%**

CNMV Complaints Report 2022

In order to comply with Law 44/2002, of 22 November, on Financial System Reform Measures, the National Securities Market Commission issues an annual Complaints Report showing the actions of the Investors Department in dealing with investor claims, complaints and queries made during the corresponding year.

The report includes a comparison of the institutions receiving claims on the basis of different criteria; specifically, for the year 2022, the last report published by the CNMV, a total of 44 institutions were compared. In this regard, a ranking of 15 institutions was provided, as 30 of them had fewer than 8 complaints and were grouped in the same category identified as “other institutions”. Renta 4 Banco occupied an intermediate position in this ranking.

CONCLUSIONS

In summary, the Renta 4 Customer Care Service considers that the number of claims, complaints, incidents, queries and/ or requests received during 2023, a total of 57 from the Renta 4 Customer Service Department and 9 received by the Ombudsman, having remained stable with respect to 2022, and continues being an insignificant figure, both in absolute and relative terms, when compared with the total number of the Entity’s customers, with the assets managed by Renta 4 or with respect to the amounts claimed in the same. On the other hand, the evolution of the number of complaints since the start of its activity in 2004 and up to 2023 continues to be of little relevance and remains stable with respect to the growth of the Entity and its business magnitudes.

Annex 6

Renta 4 Banco, S.A.
Annual Banking Report
Financial year 2023

On 27 June 2014, Law 10/2014 of 26 June 2014 on the regulation, supervision and solvency of credit institutions was published in the Official State Gazette, transposing article 89 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 relating to the taking up of the business of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC (CRD IV) and repealing Directives 2006/48/EC and 2006/49/EC.

In compliance with the provisions of article 87.1 and the Twelfth Transitional Provision of Law 10/2014, of 26 June, credit institutions shall be obliged to publish, specifying by country where they are established, the following information on a consolidated basis for the last financial year for which the accounts have been closed:

a) Name, nature and geographical location of the activity.

b) Turnover and number of full-time employees.

c) Gross profit before tax and tax on profit or loss

d) Subsidies and public aid received

By virtue of the above, the information requested is detailed below:

a) Name, nature and geographical location of the activity.

Renta 4 Banco, S.A. is the entity resulting from the merger by absorption on 30 March 2011 of Renta 4 Servicios de Inversión S.A., (absorbing entity) and Renta 4 Banco, S.A. (absorbed entity), previously called Banco Alicantino de Comercio, S.A., the change of name of the latter having been registered in the Trade Registry on 8 June 2011. In addition, in the merger process, amendments were made to the bylaws of the absorbing company, changing its name from Renta 4 Servicios de Inversión, S.A. to Renta 4 Banco, S.A. and extending its corporate purpose to include banking activities, as well as investment and ancillary services typical of investment services companies. The Parent Company is registered in the Trade Registry and in the Special Register of Credit Institutions of the Bank of Spain under code 0083.

The corporate purpose of Renta 4 Banco, S.A. consists of the activities of credit institutions in general, including the provision of investment services, as well as the acquisition, holding, enjoyment, administration and disposal of all kinds of transferable securities, and in particular those determined in article 175 of the Code of Commerce and other legislation in force relating to the activity of such institutions.

The activity or activities that constitute the corporate purpose may also be carried on by the Parent Company, wholly or partially, indirectly, through the ownership of shares or equity interests in companies with an identical or similar purpose. In addition to the operations it carries out directly, the Bank is the head of a group of subsidiaries, which are engaged in various activities and which, together with the Bank, make up the Renta 4 Group. As a result, the Parent Company is obliged to prepare, in addition to its own individual financial statements, consolidated financial statements for the Group. The Parent Company has its registered office in Madrid, Paseo de la Habana 74.

The Group is mainly active in Spain. The activities, name, nature and geographical location of the subsidiaries are set out in Annex I to these notes to the consolidated financial statements.

b) Turnover and number of full-time employees.

This section shows information on turnover and the number of full-time employees by country at year-end 2023 and 2022, on a consolidated basis.

Turnover has been taken to be the amount of commissions received, as shown in the Group's consolidated profit and loss account, at the end of the financial years 2023 and 2022:

	Thousands of Euro		Number of employees	
	Turnover		(full time)	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Spain	158,674	162,174	581	553
Chile	3,204	4,403	35	33
Colombia	2,669	2,641	25	23
Peru	594	621	25	21
Luxembourg	937	845	4	3
TOTAL	**166,078**	**170,684**	**670**	**633**

c) Gross profit before tax and tax on profit or loss

This heading shows the information corresponding to the consolidated profit before tax and consolidated income tax as reported in the Group's consolidated income statement at year-end 2023 and 2022:

(thousands of Euro)

	Profit before tax		Income tax	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Spain	31,331	26,223	(9,551)	(7,153)
Chile	3,171	2,309	(378)	(426)
Colombia	1,188	786	238	-
Peru	794	280	(111)	(39)
Luxembourg	(119)	(216)	-	18
TOTAL	36,365	29,382	(9,802)	(7,600)

d) Public subsidies or grants received

No public subsidies or grants have been received during the financial years 2023 and 2022.

e) Return on assets

The return on assets calculated as net income divided by the total balance sheet is 1.21% (2022: 0.92%).

Consolidated Management Report 2023

03.1

Economic environment and financial markets

The financial year 2023 closed with significant increases in global equities (MSCI World +21.8% in USD), recovering losses in 2022, and with more moderate revaluations in fixed income (which have not recovered from the previous years' fall in valuations). 2023 has been the confirmation of a multipolar world, with more standardised interest rates, structural inflationary factors, de-globalization trends and increasing geopolitical risks.

On the other hand, it has been a surprising year full of unexpected events. At the beginning of December 2022, the market deducted rate hikes of 70 basis points by the Fed (they had been 150), and 140 by the ECB (they had been 250). The financial year began by discounting an economic recession, with the inevitable slowdown in consumption. Profits and margins were going to be affected and leverage was going to be a problem in a world with a higher capital costs. The debate on inflation was very present: How high and for how long? Gross exposure to risk had been reduced, liquidity/cash levels were very high at the beginning of the year, and macroeconomic and profit estimates were significantly reduced. What happened was a very early positive surprise in the form of a gas/energy crisis or escalation in Russia/Ukraine, which was then driven by strong business profits, and led to a stock market upturn earlier in the year.

Subsequently, at several times, several "shocks" have been faced: Bankruptcies of regional banks in the United States and Credit Suisse in Europe, conflict in the Middle East, etc. And we have had a bullish end of the year, supported by the fall in yields, picking up the hypothesis of monetary policy easing by the central banks, a scenario reinforced by the good evolution of inflation data.

Intervention rates would have reached their peak after a 525 basis point rise in the United States and 450 in the Eurozone, a rise that has been particularly rapid and intense. At the same time, far from the recession fears that dominated the market a year ago, a scenario of smooth landing of the economy (or no landing at all, if the recession phase does not come to an end) is discounted. At the last meeting of the Fed, its president Jerome Powel declared that inflation will continue to fall, and that he does not contemplate recessive economic scenarios for 2024.

In essence, it has been a year perhaps more driven by macroeconomics (rates/inflation) and positioning, than by fundamentals. Issues such as quality, leverage, and profitability have been more or less important, at different times of the year, as duration/multiples, and the to risk or not to risk dynamics have leaned in one direction or another. It has also been a year of great themes, with Artificial Intelligence at the forefront, followed closely by GLP-1, but energy dependence, weak balance sheets, refinancing risks, or China have also been at the forefront.

From a geographical and sectoral point of view, American technology has been particularly prominent. The so-called "Magnificent 7" (Alphabet, Apple, Meta, Microsoft, Amazon, Nvidia and Tesla, which already account for c.30% of S&P 500) have risen by 70% on average this year. In addition to the size, quality and profitability of these companies, the market discounts that some of them will benefit greatly from the implementation of Generative Artificial Intelligence in the coming years. Nasdaq Composite rose 43.4% in 2023, S&P up 24.2% and Dow Jones up 13.7% (in US dollars).

Without the spectacular behaviour of the "Magnificent 7", the return of the S&P 500 would have been reduced to mid-single digits. In addition to technology, the discretionary consumer sector has been positively highlighted in the United States, supported by a better consumer behaviour compared to the one discounted a year ago. On the negative side, energy, basic consumption and health.

In Europe, the Eurostoxx 50 ended 2023 with a rise of 19.2%, and the Stoxx 600 with a +12.7%. 28% of the Italian MIB 30, 22.8% of the Ibex 35, or 20.3% of the German DAX, stand out positively. The British and Swiss shares showed a worse relative performance (FTSE 100 and SMI +3.8%). By sector, the best performance has been observed in technology, banks, cars and industrials. The worst, in food and drink, health, basic resources and energy.

Other exchanges such as the Japanese (Nikkei +28%) or Latin America (Brazilian Ibovespa +22%, Mexico and Chile +18%) have performed well. For its part, the Chinese stock market ends the year with falls of 14%, against the strong increases in Western markets. The weaker-than-expected recovery after a pandemic, along with regulatory swings, with an impact on different sectors, creates uncertainty and a lack of confidence in international investors. The process of tightening the regulation on the country's technology industry, begun 3 years ago, has moved to other sectors such as education and video games. The risk premium has therefore been adjusted upwards, causing a fall in the multiples traded by Chinese stocks (discounted against comparables in the United States or Europe).

With regard to fixed income, in 2023 we saw a sharp rebound in the short tranches of public debt rates, as central banks tightened their monetary policies, causing a reversal of these curves (rates higher in the short term rather than the longer term). At the same time, the resistance of inflation and economic growth were shifting the expectations of rates, toward higher rates, with more increases in 2023, for longer, with less projected decreases in 2024, the so-called "higher for longer" rate, which pushed upwards the sections of the curve until the end of the third quarter.

However, in the fourth quarter of the year, and with central banks already at what seems to be the peak of the rate hike cycle, there was a sharp correction in rate expectations for 2024, year in which around a fall of 150 basis points (b.p.) of is projected, thanks to the moderation of inflationary pressures. This pushed rates back down, closing all sections of the German government debt curve from 2 years below where they were at the end of 2022.

However, following the central bank's hikes, German debt's 6-month rate rose in 2023 by 1.5 percentage points (p.p.) to 3.6% and the 1-year rate 0.7 p.p. to 3.1%. On the contrary, with the prospects of falls for 2024, the 10-year rate ended the year falling 0.6 p.p. to 1.9%.

Furthermore, risk premiums on Spanish and Italian debt remained very contained for much of the year, heavily supported by retail demand in their respective countries, offering interest rates not seen for a long time.

As far as private fixed income is concerned, credit spreads (credit risk premium versus public debt) expanded significantly in March with a sharp upturn following tensions in the banking sector, which was subsequently corrected, thanks to the measures taken by the Federal Reserve to give stability to this sector, the situation was stabilized. Subsequently, after a temporary rebound in October, credit spreads continued to yield, with special intensity at year-end, as investors bet on a smooth landing of the economy, with significant rate drops in 2024 but without a significant deterioration in business results.

Commodities and precious metals have been mixed in 2023. Brent finished the year at $77.3/barrel, down 10% from a year earlier. On the positive side, gold stands out (+13.5%, up to 2,072 USD/oz, acting as an asset refuge in the current geopolitical context) and copper (+2%), and in negative nickel (-45%) or wheat (-21%).

Regarding currencies, the Euro gained slightly against the dollar, 3% (at 1.11 EUR/USD), having moved in the year in a range of 1.04 – 1.12 EUR/USD. Latin American currencies have gained against the Euro, by 8% in the case of the Brazilian real and 11% in the case of the Mexican peso.

03.2

Evolution of the sector

The last two years have marked the end of an era of monetary policy. We are in a new normality, where we have neither zero rates nor a liquidity free bar. With lower growth, higher inflation, higher interest rates and higher debt levels, economic agents and markets are adjusting to the new regime. Central banks face a more complex situation in their fight against inflation, and cannot respond to a weak growth context as they did before, leading to a further dispersion of scenarios. In fact, it is difficult to remember another time where the macroeconomic outlook is so uncertain and dispersed. Recession, soft landing or expansion, inflation or deflation, higher interest rates for longer, or lower and returning to neutral levels. There are arguments that can be considered valid for any scenario. Our central scenario for 2024 is still high rates (although they will be lower than when we finished 2023), inflation still far away from 2%, and low growth (for longer).

One of the clearest aspects is that the most conservative savers/investors benefit greatly from the interest rate normalization we have seen. Fixed income again offers attractive returns with a controlled level of risk. In equities, there will continue to be winners and losers in the current environment, where active management and selection of sectors and securities will continue to be fundamental, although the entry point today is somewhat worse than a year ago, after a very positive year 2023.

From a monetary policy point of view, intervention rates would have reached their peak after a rise of 525 basis points in the US. States and 450 in the Eurozone, a rise that has been particularly rapid and intense. Central banks' balance sheets will continue to shrink (from highs, they accumulate -11% in the Fed and -21% in the ECB) but gradually, to control episodes of financial instability. It seems that inflation has hit its peak and will continue to moderate, but the target 2% will be difficult to reach, and if necessary, would be still far away (2025 at best), with possible ups and downs along the way. The underlying CPI remains below the inflation targets of 2%, and the de-inflationary path will have "potholes". Potential sources of inflationary pressure are energy prices (geopolitical risk) wages (still strong labour markets), and regionally, housing in the United States, and services in the Eurozone. In the medium term, it must be borne in mind that there are structural inflationary pressures (de-globalization, de-carbonization, demographics). Despite this, the market is discounting the start of rate reductions in Q2-24 by the Fed, with a total for 2024 of 5-6 falls and 125-150 basis points, reaching at the end of 2024 4.0-4.25% in the USA and 2.75-3.0% in Europe. They may be overly optimistic expectations, and the adjustment process may be slower than expected. "Neutral" levels would be around 3% in the United States, and 2-2.5% in the Eurozone, and would take longer to reach.

From an economic growth point of view, after a 2023 in which the dreaded recession has been averted, the most likely scenario is a smooth landing, with weak growth (c.1% for developed economies), a slowdown compared to 2023, suffering the full impact of rate hikes and more restrictive financial conditions that will have an impact on investment and consumption. Fiscal policies will not contribute to growth, as high levels of debt and rising costs require fiscal consolidation.

However, there are geographical divergences. In the United States, following stronger-than-expected growth in 2023 (thanks to the labour market and private consumption), the chances of a smooth landing in 2024 are increasing, where labour market developments will be key. Europe, for its part, will remain stagnant, with countries such as Germany having the greatest dependence on energy and China. In China, the housing bubble will continue to drain growth. Without structural reforms to boost productivity, it is difficult to recover past growth. In Spain, GDP is expected to slow down (to 1.5-1.7%), affected by household consumption, slowing down through moderation of employment and wages. We therefore consider for 2024 a central scenario of weak economic growth, but without falling into recession. We do not think that the Fed will activate balance sheet expansion (QE) again, except in the case of a real catastrophe in the economy and, if rates really fall from 5.25% to 4.0-4.5%, we do not feel this will result in a big monetary boost. It is a scenario that could be called "orderly disinflation", with soft landing followed by prolonged low growth, and with the question of how far inflation will fall.

Geopolitical risks and possible "black swans". Geopolitical risks remain: An escalation in the Israel-Hamas conflict (potential extension to the entire Middle East?), in the Russia-Ukraine conflict, or China's stance on Taiwan. These are possible "black swans" of a binary nature and impossible to predict with certainty. Any of these scenarios would be very negative for global financial markets, causing volatility and increasing risk premiums. On the other hand, recent events will only serve to reinforce certain trends that were already evident before the current crisis. National security, energy, food, cyber security, which are now much higher on the agendas of governments and businesses than in the past decade. In addition to geopolitical conflicts, we must remember the 2024 elections: Taiwan (January), European Parliament (May), and presidential elections in the United States (November). Any combination of political mistakes, global events and domestic policies could turn an economic slowdown into a worse scenario, or stimulate inflation. To achieve a modest slowdown followed by a modest recovery, central banks will have to keep these opposing forces under control.

Scenario and prospects in equities. We believe that the process of major economic transformation and adjustment initiated in 2022 will continue in 2024-25. After the shock of 2022, where markets discounted the magnitude of the adjustments to be made (which resulted in a significant contraction of multiples), in 2023 we witnessed a "relief rally", discounting that a major depression or deep recession is avoidable (we are not facing a scenario of Great Depression or stagflation), which translated into multiples expansion (greater in the United States than Europe). Looking ahead to 2024, the consequence for the markets of the macro scenario described, would be exchanges in a wide lateral range, slightly bullish or bearish, but with many divergences between companies and sectors, as has happened in 2022 and 2023. We therefore expect a year of consolidation, but with divergence in value creation, where active management and selection of values will remain essential.

There are mixed signals about the direction of the economy and monetary policies. But when we talk about equities, we need to focus on the evolution of business profits. The last year has been positively surprising because of the resistance of the results to the economic slowdown, and the absence of the much feared recession (average growth of 4% BPA in Europe and 2% in the United States). In 2022, despite the equity correction, profits also grew. For 2024, in Europe the market expects a moderate growth of BPA (+5%), picking up the greatest weakness of demand and deterioration of the cycle, lower price-setting power, and higher financial expenses. In the case of S&P 500, the market expects low double-digit growth (+11%). However, the level of profits in Europe in 2024e would be 20-25% higher than in 2021, and in the United States 18-20%. This compares to an S&P 500 that is at the same levels as in December 2021, and a Stoxx 600 slightly below.

Valuation levels can be considered neutral at a global level (with greater attractiveness in Europe compared to the United States), in line with long-term historical multiples. In Europe, multiples expansion has been limited in 2023, and the factors explaining positive returns in the year are more balanced (slight multiples expansion, growth in profits c.4%, and profitability per dividend). The starting point is a PER 12m of 13x, a discount of c.7% versus the average since 2000 (14x PER12m). In the United States, in 2023 there has been an expansion of multiples (recovering the compression of 2022), being the main factor explaining the revaluation in 2023 (BPA has grown only 2%). The starting point is a PER 12m of 19x, a premium of 14% compared to the average since 2000 (16.6x profits from the next 12 months). However, the high weight of the 7 technology companies with the highest weight in the S&P hides a very reasonable valuation of 15-16x PER24e for the rest of the index, which provides more support in terms of valuation than it initially seems. Valuations are not as demanding if we look at metrics such as FCF yield, with a greater weight in the indices of companies with lighter business models and greater capacity to convert to free cash.

Therefore, taking into account the two key factors (profits and multiples), the a priori scenario in the United States is that of higher profit growth, but with a higher starting multiple, and Europe with a more attractive valuation, but less profit growth. With a stable multiple and fulfilment of the profit estimate, we would reach near double-digit returns in S&P 500, perhaps with a more balanced contribution between sectors than the one seen in the last financial year (less differential between the "magnificent seven" and the rest of S&P). And in Europe, with a slight multiples expansion of 5-10% and growth in low single-digit profits, we would reach the same near-double-digit profitability. Part of the market considers that E of "earnings" optimistic The delayed effects of interest rate increases and still restrictive financial conditions will be key to profit adjustment. On the other hand, the forecasts of margin expansion could be optimistic (in a context where there are still inflationary and wage pressures, and perhaps less price-setting capacity). In our base scenario (no recession), we do not contemplate a fall in profits.

Regarding emerging, attractive valuations, along with monetary and fiscal stimulus, and potential for improvement of profit estimates, should support good behaviour, China is one of the big doubts for this year. Furthermore, fiscal policy support, coupled with macro recovery, and reasonable valuations, could support the good performance of the region's companies. Latin America remains attractive thanks to its natural resources as a necessary supplier in the energy transition, digitalisation, etc. Its exposure to global growth would provide the continent with a positive option should we see a faster than anticipated economic recovery.

Quality and growth vs. value. After a 2022 in which we saw a better performance "value" versus "growth", in 2023 we saw the opposite, with a flight toward quality and growth.

We still believe that there should not be a binary or exclusive approach. On the one hand, we see how "megatrends" continue to gain importance. As long-term investors, we believe it is convenient to focus on such trends, great forces in human and technological development with the power to transform the economy, business and society. Identifying structural change and investment at an early stage is critical to positioning portfolios for long-term growth opportunities. Clearly, we believe that innovation and technology will increase efficiency and productivity. Artificial intelligence, migration to the cloud, robotics, quantum computing, cybersecurity and software are sectors that will continue to grow above the average of the global economy. In health, the development of medical technology, research in obesity and diabetes, oncology, Alzheimer's, or genomic innovation. In the environment, energy efficiency, clean energy, waste management, water treatment, packaging and sustainable transport. At the same time, we continue to see traditional market segments that are undervalued, generate good returns and are at attractive valuation levels: some industrial niches, raw materials or energy are good examples.

On the other hand, stability and visibility in results is one of the characteristics of quality investment, and in this environment, such companies should better mitigate current risks. In this context, the selection of securities becomes more important, we believe that there will continue to be a search for quality in equities. It is therefore a particularly good time to hold quality compounders, companies that can grow earnings steadily through the cycles, thanks to their good positioning in more resilient sectors, their recurring revenues and pricing power, with greater consistency of earnings in difficult times. We see especially attractive sectors that historically have been considered more defensive, such as health sector or stable consumption, where in addition to the visibility of their income, currently contribute to a relatively attractive valuation (compared to the market and its history). It is essential to adopt a bottom-up approach to analysis, looking for high quality companies at reasonable prices with the potential to generate solid revenues and performance over economic cycles. We believe that, in the current environment, active management is crucial to generate profitable growth in portfolios, and especially useful in helping investors maintain a quality bias when navigating potentially volatile market terrain ahead.

With regard to fixed income, following the intense tightening of monetary policy by central banks and the consequent increase in public debt returns, we believe that this market presents investment opportunities with attractive returns. The prospect of rate reductions has led us to increase the duration somewhat. In this market segment, moreover, we consider the bonds of supranational organisations to be particularly attractive, offering yields in some cases higher than those of the Spanish government with better credit quality. Likewise, we believe that it is appropriate to take advantage of the distortions that technical factors (supply/demand) cause in the market, having found occasions in which, for example, the profitability of the French debt was more attractive than that of the Spanish one, despite having a better credit rating.

We also consider the levels of corporate debt investment grade attractive. We believe that the current levels are an opportunity to keep improving the credit quality of the portfolio. However, following the tightening of credit spreads at the end of 2023, we believe that they will expand throughout 2024. In any case, this will be more than compensated for by falls in public debt rates. Therefore, we believe that investment grade corporate debt offers an attractive return that protects us, in addition, from a scenario of greater economic deterioration than expected. On the high yield side, we are very cautious given the scenario of macro uncertainty we are facing, and we expect default levels to increase.

03.3

Evolution of the entity

Grupo Renta 4 net profit in 2023 amounted to €26.6 million, 21.9% higher than the previous year.

The CET1 Fully Loaded capital ratio is 18.62%, which is well above the regulatory requirement.

Return on Capital (ROE) is far higher than the sector average, reaching 18.8% return on invested capital.

These high levels of profit, ROE and solvency ratios that allow us to maintain a policy of satisfactory shareholder remuneration.

The commercial activity in 2023 has developed very satisfactorily, registering a significant growth in the acquisition of assets and in the number of customers. The net acquisition of new assets by the own network in this year has been €2.511 million, and the number of customers has reached the figure of €124.995 million. The equity of clients in assets under management has reached the figure of €12.228 million.

At the end of 2023, total client assets amounted to €30.852 million, 17.0% more than in the same period of the previous year. Of the customer's total assets, €19.155 million correspond to the own network, while €11.697 million corresponds to the third-party network.

Latin America's subsidiaries continue to maintain a satisfactory level of business and activity, jointly contributing 10.2% of the Consolidated Group result.

OPERATING DATA FOR THE YEAR

The total asset volume administrated and managed in 2023 increased by 17.0%, standing at €30.852 million. Of this figure, €19.155 million corresponds customer assets from their own network, being €2.856 million more than the previous year.

The equity of clients in assets under management (Investment Funds, FCR, SICAVs, SIL, SCR and Pension Funds) has increased €1.753 million compared to the same period of the previous year, reaching €12.228 million.

The assets managed in Investment Funds and CFR amount to €4.050 million, increasing by €671 million during the 2023 financial year. In SICAVs, SIL and SCR there were €916 million, 21.5% more and in Pension Funds €3.909 million, representing a growth of 16.1% compared to the same period in 2022.

The volume traded in other managers's funds is €3.353 million, thus increasing equity by €378 million, 12.7% more than the same period of the previous year.

Particularly noteworthy is the high volume of net uptake of new assets by their own network, which this year amounted to €2.511 million. Also, for another period, the satisfactory pace of growth in the number of customers is maintained, the total number of accounts of the own network is 124,995 compared to 118,542 the previous year.

PROFIT AND MAIN INCOME AND EXPENSE ITEMS

The Net Profit amounted to €26.6 million, an increase of 21.9% compared to €21.8 million in the previous year.

Gross fee and commission income (fee and commission income, income from equity method companies, exchange rates and other operating income) have decreased by 4.6% in 2023 to €172.9 million compared to the same period of the previous year.

Gross trading fees declined 10.2% to €67.7 million, finishing the 2023 financial year in €60.8 million.

Management fees amounted to €85.4 million, 0.5% higher than those recorded during the same period of the previous year.

Commissions in the Corporate Services area have increased by 5.3% year-on-year to €20.1 million.

Net commissions (gross commissions - commissions earned) plus exchange rate differences decreased by 1.8% to €96.5 million, compared to €98.3 million in 2022.

The decrease in commissions has been motivated by the persistence of low trading volumes in the markets, especially in equity markets and the reduced corporate transactions recorded during the period.

This decrease in commissions has been largely offset by the increase in interest margin as a result of the increase in interest rates, standing at €23.2 million compared to a financial margin of €9.1 million euros in the same period of the previous year.

The result from financial operations was €10.9 million compared to €3.1 million in the same period of the previous year.

The Gross Margin obtained in 2023 was €126.8 million, 18.1% higher than in the same period of the previous year.

On the cost side, operating expenses (general expenses, personnel expenses, depreciation, amortisation and other operating expenses) amounted to €94.3 million, an increase of 13.9%.

Staff expenses increased by 20.1%, standing at €52.5 million and administrative overheads reached €26.6 million, increasing by 2.3% compared to the previous year.

€0.8 million has been recovered for impairment of financial assets provisioned in previous years.

The operating result amounted to €36.4 million, compared to €29.4 million in Q4 of the previous year, a comparative increase of 23.8%.

03.4

Foreseeable developments in the company

The year 2023 was a very positive exercise for the Group, both from the point of view of the results achieved, and especially for the significant figure recorded in attracting new assets from customers in its own network.

All business lines have evolved satisfactorily, despite a negative environment in market volumes and corporate operations, especially highlighting the growth of assets under management and the number of customers, reflecting a growing market confidence in our entity, validating the business model based on quality of service to customers and specialization.

This good evolution, which continues and confirms the one already registered in recent years, allows us to maintain a positive projection toward the future.

Our goal for 2024 is to continue on the path of profitable growth, maintaining high levels of return on capital (ROE) and solvency ratios that allow us to continue with a policy of satisfactory shareholder remuneration.

03.5

Risk management and risk policy

Information on the entity's risk management policies is fully disclosed in Note 5 of the financial statements for 2023.

03.6

Acquisition of treasury shares

The information on treasury shares is extensively disclosed in Note 18.f of the annual accounts for the year 2023.

03.7

Environmental impact

Given the activity in which the Entity engages, it has no environmental liabilities, active expenses, provisions and contingencies that could be material with respect to its equity, financial position and results.

For this reason, no specific disclosures on environmental issues are included in these notes to the financial statements.

In addition, during 2023 and 2022, the Entity did not hold any greenhouse gas emission allowances.

03.8

Research and development

In 2023, R&D efforts have been channelled into digital development.

03.9

Average supplier payment period

The average supplier payment period of consolidated entities is 12.10 days (see Note 23.h of the annual accounts for the financial year 2023)

03.10

Events occurring after the end of the financial year

Post-closing events are detailed in Note 24 of the annual accounts for the financial year 2023.

03.11

Human resources information

Information on issues relating to the entity's personnel is disclosed in Notes 3.p) and 22.d) of the annual accounts for the financial year 2023.

03.12

Statement of Non-Financial Information

Renta 4 Banco, S.A. presents the Statement of Non-Financial Information required by current legislation in the consolidated management report, which will be prepared together with the Consolidated Financial Statements of the Group comprising Renta 4 Banco, S.A. and its subsidiaries.

04

Annual Corporate Governance Report

Annual Corporate Governance Report for Listed Companies

End date of the reference year:
31/12/2023

Asset manager identification data
CIF: A-82473018
Company name:
RENTA 4 BANCO, S.A.
Registered office
PS. DE LA HABANA N.74 (MADRID)

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the share capital and voting rights attributed, including, if applicable, those corresponding to shares with loyalty voting rights, as of the closing date of the fiscal year:

Indicate whether the Company's articles of association contain a provision for double loyalty voting:

Yes **No** ✓

Date of last change	Share capital (€)	Number of shares	Number of voting rights
27/09/2011	18,311,941.35	40,693,203	40,693,203

Indicate whether different types of shares exist with different associated rights:

Yes **No** ✓

A.2. List the direct and indirect owners of significant shares as of the closing date of the financial year, including the directors who have a significant stake:

Name or company name of the shareholder	% of voting rights attached to the shares		% of voting rights through financial instruments		Total % of voting rights
	Direct	Indirect	Direct	Indirect	
Ms María Beatriz López Perera	0.00	5.07	0.00	0.00	5.07
Mr Óscar Balcells Curt	0.21	5.57	0.00	0.00	5.78
Mr Juan Carlos Ureta Domingo	7.65	31.97	0.00	0.00	39.62
Indumenta Pueri S.l.	0.00	5.59	0.00	0.00	5.59

Details of the indirect stake:

Name or company name of the indirect holder	Name or company name of the direct holder	% of voting rights attached to the shares	% of voting rights through financial instruments	Total % of voting rights
Mr Óscar Balcells Curt	98 Futur 2000, S.L.	0.57	0.00	0.57
Mr Óscar Balcells Curt	Lora de Inversiones S.L.	5.00	0.00	5.00
Ms María Beatriz López Perera	Contratas y servicios Extremeños, S.A.	5.07	0.00	5.07
Mr Juan Carlos Ureta Domingo	Sociedad Vasco Madrileña De Inversiones, S.L.	26.43	26.43	26.43
Mr Juan Carlos Ureta Domingo	Surikomi S.A.	3.11	3.11	3.11
Mr Juan Carlos Ureta Domingo	Ms Matilde Estades Seco	2.43	2.43	2.43
Indumenta Pueri S.L.	Global Portfolio Investments S.L.	5.59	0.00	5.59

Indicate the most significant movements in the shareholder structure during the year:

Most significant movements

(i) In 2023 Mr Juan Carlos increased his stake in the Company from 39.566% to 39.62%. However, said stake does not imply a change in the threshold of significant participation.
(ii) Ms Matilde Ureta Estades, Mr Juan Carlos Ureta Estades and Ms Inés Asuncion Ureta Estades directly exercise their voting rights, however, there is a family agreement to exercise them in concert with their father, Mr Juan Carlos Ureta Domingo.
(iii) By notification of significant shares submitted on June 16, 2023 by Mr Juan Luis Lopez, the transfer of the company Portfolio de Directivos 2020, S.A. was reported. Thus, the indirect position of Mr Juan Luis Lopez was reduced from 0.912% to 0.061%.

A.3. List, regardless of the percentage, the stake at year-end of the members of the Board of Directors who are the owners voting rights attributed to shares of the Company or through financial instruments, excluding the Board Members identified in section A.2 above:

Name or company name of the director	% voting rights attached to the shares (including loyalty voting)		% of voting rights through financial instruments		Total % of voting rights	Of the total % of voting rights attributed to the shares, indicate, where applicable, the % of the additional votes allocated corresponding to shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr Pedro Ángel Navarro Martínez	0.44	0.10	0.00	0.00	0.54	0.00	0.00
Mr Santiago González Enciso	1.42	2.64	0.00	0.00	4.06	0.00	0.00
Mr Eduardo Chacón López	0.04	0.00	0.00	0.00	0.04	0.00	0.00
Ms Inés Juste Bellosillo	0.05	0.00	0.00	0.00	0.05	0.00	0.00
Ms Gemma Aznar Cornejo	0.03	0.00	0.00	0.00	0.03	0.00	0.00
Ms María del Pino Velázquez Medina	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Ms Pilar García Ceballos-Zúñiga	0.02	0.00	0.00	0.00	0.02	0.00	0.00
Mr José Ramón Rubio Laporta	1.02	0.00	0.00	0.00	1.02	0.00	0.00
Mr Juan Luis López García	0.37	0.06	0.00	0.00	0.43	0.00	0.00
Mr Jesús Sánchez- Quiñones González	0.51	0.00	0.00	0.00	0.51	0.00	0.00
Mr José Sevilla Álvarez	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Mr Juan Carlos Ureta Estades	0.09	0.00	0.00	0.00	0.09	0.00	0.00
Mr Rafael Navas Lanchas	0.01	0.00	0.00	0.00	0.01	0.00	0.00
TOTAL % OF VOTING RIGHTS OWNED BY MEMBERS OF THE BOARD OF DIRECTORS						46.39	

Details of the indirect stake:

Name or company name of the director	Name or company name of the direct holder	% voting rights attached to the shares (including loyalty voting)	% of voting rights through financial instruments	Total % of voting rights	Of the total % of voting rights allocated to shares, indicate, where appropriate, the % of the additional votes attributed relating to shares with a loyalty vote
Mr Pedro Ángel Navarro Martínez	Kursaal 2000, S.L.	0.10	0.00	0.10	0.00
Mr Santiago González Enciso	Ms Matilde Fernández de Miguel	0.89	0.00	0.89	0.00
Mr Santiago González Enciso	Fundacion Gonzalez Enciso	1.11	0.00	1.11	0.00
Mr Santiago González Enciso	Ige-6, S.L.	0.64	0.00	0.64	0.00
Mr Juan Luis López García	Cartera de Directivos 2011, S.A.	0.06	0.00	0.06	0.00

Detail the total percentage of voting rights represented on the Board:

% OF TOTAL VOTING RIGHTS REPRESENTED ON THE BOARD OF DIRECTORS	11.95

A.4. Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant stakes, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities, except for those reported in section A.6:

Name or company name of the related party	Type of relationship	Brief description
No data		

A.5. Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant stakes, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities:

Name or company name of the related party	Type of relationship	Brief description
No data		

A.6. Describe the relationships, unless insignificant for both parties, between the significant shareholders, or represented shareholders, on the Board and the directors, or their representatives, when the administrators are a legal entity.

Explain, where appropriate, how the significant shareholders are represented. In particular, specify any directors who have been appointed to represent significant shareholders, those whose appointment was promoted by significant shareholders, or those who were related to significant shareholders and/or entities in their group, indicating the nature of such relationship. In particular, indicate, where appropriate, the existence, identity and position of Board members or directors' representatives of the listed company who are also members of the management body, or their representatives, in companies with a significant stake in the listed company o in companies of the group of such significant shareholders:

Name or company name of the director or representative, related	Name or company name of the significant related shareholder	Company name of the significant shareholder's group company	Description of the relationship/position
Mr Rafael Navas Lanchas	Mutualidad General de la Abogacia	Mutualidad General de la Abogacia	Representative of the significant shareholder on Renta 4 Board of directors
Mr Eduardo Chacón López	Contratas y Servicios Extremeños, S.A.	Contratas y Servicios Extremeños, S.A.	Chairman - CEO
Mr Juan Carlos Ureta Estades	Sociedad Vasco Madrileña de Inversiones, S.L.	Sociedad Vasco Madrileña de Inversiones, S.L.	Representative of the significant shareholder of Renta 4 board of directors

A.7. Indicate whether the company has been notified of any shareholders' agreements pursuant to Articles 530 and 531 of the Spanish Limited Liability Companies Law. If so, provide a brief description and list the shareholders that are party to the agreement:

Yes **No ✓**

Indicate whether the company is aware of the existence of any joint actions among its shareholders. Give a brief description as applicable:

Yes **No ✓**

Expressly indicate any amendments to or termination of such covenants, agreements or joint actions during the year:

None.

A.8. Indicate whether any individual or legal entities currently exercise control or could exercise control over the company pursuant to Article 5 of the Securities Market Law. If so, identify:

Yes ✓ No

Name or company name
Mr Juan Carlos Ureta Domingo

The direct and indirect stake in the share capital is 39.62%

A.9. Complete the following tables on the company's treasury shares:

At the end of the fiscal year:

Number of direct shares	Number of shares indirect(*)	Total % out of share capital
		0.00

As of December 31, 2023, the Company did not hold shares in self-portfolio

(*) Through:

Name or company name of the direct holder of the stake	Number of direct shares
No data	

Explain the significant variations during the financial year:

Explain significant variations

During the 2023 financial year, all equity instruments were sold for a sum of 486 thousand euros, with capital gains recorded directly in their net worth amounting to 258 thousand euros.

A.10. Give details of the applicable conditions and current timeline for the general meeting to authorise the Board of Directors to issue, buy back or transfer treasury shares:

On 30 March 2023, the General Meeting of Shareholders adopted the following resolution: "The Board of Directors is authorised, with express power of substitution – even if this could lead to self-hiring or despite opposing interest – to carry out the derivative acquisition of the Company's treasury shares, directly or indirectly through the Company's group entities, and as deemed convenient in the light of the circumstances, subject to Article 146 and the following articles in the revised text of the Corporate Act and other applicable regulations. The minimum acquisition price or consideration will be equal to the nominal value of the treasury shares acquired, and the maximum acquisition price or consideration will be equal to the share price of the treasury shares purchased in an official secondary market on the date of acquisition. At no time may the par value of the shares directly or indirectly purchased, added to those already held by the Company and its subsidiaries, exceed 10% of the subscribed share capital or the maximum amount that may be established by law. The types of purchase may include sale and purchase, swap, donation, allocation or payment in kind or any other type of transaction for consideration according to the circumstances. This authorisation is granted for a period of five years. It is hereby stated for the record that the authorisation granted to acquire treasury shares may be used, in whole or in part, for the delivery or transmission thereof to directors or employees of the Company or of companies belonging to the Company's group, either directly or as a result of the exercise by the former of option rights, all within the framework of the duly approved remuneration systems indexed to the Company's share price. To do this, the Board of Directors is authorised, with express power to substitute the members of the Board as deemed convenient, including the Secretary and the Vice Secretary of the Board, as extensively as necessary to apply for authorisations and adopt as many resolutions as necessary or convenient under the current regulations to execute and successfully deliver this agreement."

A.11. Estimated floating capital:

Estimated floating capital	28.99%

A.12. Give details of any restrictions (statutory, legal or otherwise) on the transfer of securities and/or voting rights. In particular, detail the existence of any kinds of restrictions that could hinder the company takeover through the purchase of its shares in the market, as well as any prior authorisation or communication rules that, with regard to the purchase or transfer of financial instruments in the company, would be applicable under the industry regulations.

Yes ✓ No

Description of the restrictions

Renta 4 Banco, S.A., as a credit institution, is subject to Article 17 of the Spanish Law 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions and its development regulations, including Royal Decree 84/2015 of 13 February that develops said law and Circular 5/2010 of 28 September issued by the Bank of Spain. In this regard, when a person (natural or legal, alone or jointly with other persons) decides to purchase (directly or indirectly) a significant stake in a credit institution such that they acquire a percentage of voting rights or owned share capital equal to or above 20, 30 or 50% or if by virtue of the acquisition said person gains control of the credit institution in accordance with Article 42 of the Code of Commerce, such person will be required to notify the Bank of Spain of this beforehand and will need prior authorisation for the acquisition/transfer of their stake in the share capital of the credit institution.

A.13. Indicate whether the general meeting has resolved to adopt neutralisation measures to address a takeover bid by virtue of the provisions of Law 6/2007.

Yes **No ✓**

If applicable, explain the measures approved and the terms under which these restrictions may be non-enforceable:

A.14. Indicate whether the company has issued securities not traded in a regulated market of the European Union.

Yes **No ✓**

Where applicable, state the various classes of shares, and the rights and obligations attached to each class:

B. SHAREHOLDERS MEETING

B.1. Indicate and state, if any, the differences with respect to the minimums stipulated in the Spanish Limited Liability Companies Law (LSC) with regard to the quorum required for the constitution of the general meeting:

Yes **No ✓**

B.2. Indicate and, as applicable, describe any differences between the company's system of adopting corporate resolutions and the framework established in the Spanish Limited Liability Companies Law (LSC):

Yes **No ✓**

B.3. Indicate the rules governing amendments to the company's articles of association. In particular, indicate the majorities required to amend the articles of association and, if applicable, the rules for protecting shareholders' rights when the articles of association are amended.

Pursuant to Article 21 of the Company Articles of Association ("AOA"), "any amendments to the Company Articles of Association, will require, on first call, the attendance of shareholders, in person or represented, with at least fifty percent (50%) of the subscribed capital with voting rights and, on second call, the attendance of twenty-five percent (25%) of such capital", foreseeing, for the valid adoption of the corresponding resolution, that when on second call the meeting is attended by shareholders who make up twenty-five percent (25%) or more of the subscribed capital with voting rights but less than fifty percent (50%), the resolutions will only be validly adopted with the vote in favour of two thirds of the share capital, present or represented at the General Meeting.

Similar provisions are included in Article 12 of the Regulations of the General Meeting of Shareholders (the "General Meeting Regulations"), in its Article 25.3.c), which provides that the amendment of the Articles of Association should be put to vote to the shareholders separately to allow the shareholders to exercise their voting preferences individually, and this should apply to all other matters that are materially independent, including amendments to the Articles of Association.

Finally, Article 26 of the Regulations of the General Shareholders' Meeting establishes that, in order to agree on any modification of the Articles of Association, if the capital present or represented exceeds fifty percent (50%), it shall be sufficient for the resolution to be adopted by absolute majority, requiring the favourable vote of two thirds of the capital present or represented at the General Shareholders' Meeting when, at second call, shareholders representing twenty-five percent (25%) or more of the subscribed capital with voting rights are present without reaching fifty percent (50%).

B.4. Indicate the attendance figures for the general meetings held during the year and those of the two previous fiscal years:

	Attendance information				
Date of General Meeting	% of attendance in person	% in represented	% remote Electronic voting	Voting Others	Total
27/04/2018	42.81	28.12	0.00	0.00	70.93
Of which Floating Capital	1.58	9.89	0.00	0.00	11.47
29/04/2019	48.13	19.61	0.00	0.00	67.74
Of which Floating Capital	1.72	6.40	0.00	0.00	8.12
27/04/2020	33.06	7.83	0.00	31.13	72.02
Of which Floating Capital	0.04	2.64	0.00	12.89	15.57
26/10/2020	33.48	16.78	0.00	24.59	74.85
Of which Floating Capital	0.04	7.79	0.00	12.04	19.87
26/03/2021	0.00	1.46	0.00	66.56	68.02
Of which Floating Capital	0.00	0.00	0.00	6.03	6.03
30/03/2022	40.13	27.90	0.06	1.91	70.00
Of which Floating Capital	0.47	1.85	0.03	1.91	4.26
30/03/2023	56.16	20.90	0.00	5.13	82.19
Of which Floating Capital	1.33	1.95	0.00	4.19	7.47

B.5. Specify if there have been any items on the agenda at the General Meetings held during the year that, for whichever reason, were not adopted by the shareholders:

Yes **No** ✓

B.6. Indicate whether the articles of association contain any restrictions with respect to a minimum number of shares required to attend general meetings or to vote remotely:

Yes **No** ✓

B.7. Indicate if there is a rule establishing that certain decisions, other than those established by Law, that involve the purchase, disposal, contribution to another company of key assets or other similar corporate operations, should be put to vote at the General Meeting of Shareholders:

Yes **No** ✓

B.8. Indicate the address and mode of accessing corporate governance content on the company's website, as well as other information on general meetings which must be made available to shareholders on the Company website:

Corporate website: https://www.renta4banco.com/es/

Information on corporate governance and other information on the general meetings can be found on the website in the "Corporate Governance" section, located at the top of the corporate website. This section contains all the corporate information on the subject in accordance with current legislation.

C. STRUCTURE OF THE COMPANY'S GOVERNING BODY

C.1. Board of Directors

C.1.1 The maximum and minimum number of directors stipulated in the Company Articles of Association and the number stipulated by the General Meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors stipulated by the General Meeting	14

C.1.2 Fill in the following table with the Board members' particulars:

Name or company name of the director	Representative	Category of the director	Position on the Board	Date of first appointment	Date of last appointment	Appointment procedure
Mr Rafael Navas Lanchas		Proprietary	Director	March 30, 2022	March 30, 2022	Resolution of the general meeting of shareholders
Mr José Ramón Rubio Laporta		Independent	Independent Lead Director	April 28, 2015	30/03/2023	Resolution of the general meeting of shareholders
Ms María del Pino Velázquez Medina		Independent	Director	October 28, 2021	March 30, 2022	Resolution of the general meeting of shareholders
Ms Inés Juste Bellosillo		Independent	Director	April 28, 2017	March 26, 2021	Resolution of the general meeting of shareholders
Ms Pilar García Ceballos-Zúñiga		Independent	Director	November 30, 2021	March 30, 2022	Resolution of the general meeting of shareholders
Mr Juan Carlos Ureta Domingo		Executive	Chairman	August 20, 1999	March 26, 2021	Resolution of the general meeting of shareholders
Mr Eduardo Chacón López		Proprietary	Director	April 28, 2017	March 26, 2021	Resolution of the general meeting of shareholders
Mr Pedro Ángel Navarro Martínez		Other External	Vice-President	August 20, 2000	March 26, 2021	Resolution of the general meeting of shareholders
Ms Gemma Aznar Cornejo		Independent	Director	April 29, 2019	30/03/2023	Resolution of the general meeting of shareholders
Mr José Sevilla Álvarez		Independent	Director	March 30, 2022	March 30, 2022	Resolution of the general meeting of shareholders
Mr Juan Luis López García		Executive	Ceo	September 27, 2011	March 26, 2021	Resolution of the general meeting of shareholders
Mr Juan Carlos Ureta Estades		Proprietary	Director	March 30, 2022	March 30, 2022	Resolution of the general meeting of shareholders
Mr Jesús Sánchez-Quiñones González		Executive	DIRECTOR	May 26, 2000	March 26, 2021	Resolution of the general meeting of shareholders
Mr Santiago González Enciso		Executive	DIRECTOR	August 20, 1999	March 26, 2021	Resolution of the general meeting of shareholders
Total number of directors						**14**

Indicate any resignations from the Board of Directors during the reporting period, whether due to resignation or by resolution of the General Shareholders' Meeting:

Name or company name of the director	Category of the director when they left	Date of last appointment	Date of departure	Special committees the director was a member of	Indicate whether the director left before the end of their office
No data					

C.1.3 Complete the following tables on board members and their respective categories:

EXECUTIVE DIRECTORS

Name or company name of the director	Position in the company organisation chart	Profile
Mr Juan Carlos Ureta Domingo	Chairman	Mr Ureta has a degree in Law-Economy (Lawyer specialising in Economics) by Deusto University. As State Attorney (1980 examination), he worked for the Ministry of Economy and Treasury (1980 -1984). He has been a Stockbroker of the Madrid Stock Exchange since 1986 (number 1 in his year). Mr Ureta was the Chairman of the Instituto Español de Analistas Financieros from 2010 to 2016 and of the Fundación de Estudios Financieros from 2010 to 2016. Between 1996 and 2003 he was a member of the Board of Directors of the Servicio de Compensación y Liquidación de Valores (Iberclear) and was the chairman of such service in 2002. He was also a member of the Board of Directors and the Standing Committee of the Sociedad Rectora de la Bolsa de Madrid from 1989 until 2019. Mr Ureta is also a member of the Board of Directors of Bolsas y Mercados Españoles (BME) from 2002 to 2006, and from 2018 to 2020, member of the Board of Directors of Indra Sistemas (1998- 2007) Spanish leading company in information technology; and member of the Advisory Board of Lucent Technologies in Spain (1996 and 2001). He is currently a member of the Board of Directors of Saint Croix Holding Immobilier, Socimi, S.A., ECOENER, S.A. and IZERTIS, S.A. In addition to being the author of numerous publications specialised in legal and financial issues, the Mr Ureta is a consultant for several Spanish and foreign business groups
Mr Juan Luis López García	CEO	Mr López García holds a degree in Economics and Business Administration from the Complutense University of Madrid. From 1980 to 1986, he worked as a financial analyst at BANIF. After this period, he moved to Banco Hispano Urquijo in London (Risk Department) for 10 months. In 1987 he joined Urquijo Gestión de Patrimonios as a portfolio manager and manager of Collective Investment Institutions. Subsequently (1988 -1991) he worked as a portfolio manager at GESBANZANO, SGIIC (Banco Zaragozano Group), and subsequently developed his activity as an independent professional advising institutions, especially in the non-for-profit sector (1991-1997). In 1997 he joined Renta 4 where he was appointed as General Manager in March 2004. From 2006 until 2007 he was Chairman of Renta 4 Pensiones EGFP S.A. Until March 2011 he was Chairman and CEO of Renta 4 Gestora, SGIIC, S.A. and General Manager of Renta 4 Servicios de Inversión, S.A. where he has taken on different functions. Currently, Mr Juan Luis Lopez is a member of the Board of Directors of Torsa Capital, SGEIC, S.A., Renta 4 SV, S.A., Renta 4 Pensiones SGFP, S.A. and Renta 4 Banco, S.A. and has also been CEO of the latter since January 2015.
Mr Jesús Sánchez-Quiñones González	General Manager	Mr Sánchez-Quiñones has a degree in Business Management and Administration by ICADE and a Master's degree in Tax and Economic Studies by CECO. He was in charge of the management (and attendance) of all courses and seminars organised by Aula Financiera & Fiscal from 1991 to 2004. Since 2012, Mr Sánchez-Quiñones has been General Manager at Renta 4 Banco, being the head of the areas of Business, Markets, Asset Management, Online Intermediation, Corporate Finance, Research, Marketing and Private Banking. From 2006 to 2012, he held the position of General Manager at Renta 4 S.V., being the head of the areas of Business, Markets, Asset Management, Online Intermediation, Corporate Finance, Research, Marketing and Private Equity Management. Since 2000, he has been Director at Renta 4 Servicios de Inversión (Holding), where he had a significant degree of involvement in the company's IPO (2007). In 1991 he founded (and was the Administrator of) Aula Financiera & Fiscal, S.L. a company specialising in training professionals from the Private Banking and Equity Management sector in tax and financial matters, most of them inspectors from the General Tax Department. Between 2004-2006 he was Chairman of Renta 4 S.G.I.I.C., S.A. and General Manager at Renta 4 S.V. In 1996 (until 2000) he was Assistant Manager to the Chairman of Renta 4 S.V. and had previously worked as Manager of the analysis department, a Trader on the derivatives and international trade desk and Analyst in the Corporate Finance department. Besides being the coauthor of many publications and taking part in different work teams (e.g. CNMV or BME), is a member, among other organisations, of the Economic Advisers Group, the Spanish Institute of Financial Analysts, and a regular speaker at courses and seminars organised by different institutions (e.g. the Economics and Financial Policy Committee of the CEOE). Since April 2019 he is also a Director of KOBUS PARTNERS MANAGEMENT SGEIC, S.A.
Mr Santiago González Enciso	Regional Director	After training as a lawyer, his career has been linked to the business world, taking on management roles and being part of governing bodies in different companies, mainly within the financial and real-estate market. In this field, he joined Manglo, S.A. as Sales Manager in 1982 where he supervised the Finances and HR Department. Mr González was then appointed Director from 1985 until 1996. He was also Sole Administrator at Miralpáramo, S.L. He joined Renta 4 in 1991 as Regional Manager of rent 4 SV in Valladolid and Regional Director of Castilla y Leon de Renta 4 SV. He is currently Manager at Renta 4 Valladolid; Regional Manager at Renta 4 Castilla y León; Director of Renta 4 Banco; Director of Renta 4 S.V., S.A; Chairman of the Board of Directors of Auditórium Privatum S.L; and CEO of I.G.E-6,S.L. Furthermore, Mr González Enciso is a financial adviser and trustee of several non-profit foundations and associations, and member of the Social Board at the University of Valladolid.
Total number of executive directors		**4**
% out of the total of the board		**28.57**

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of the director	Name or company name of the significant shareholder they represent or who has proposed their appointment	Profile
Mr Rafael Navas Lanchas	Mutualidad General de la Abogacía	Mr Navas Lanchas (natural person representing the Foundation) has a degree in Economic Sciences (1986) and Insurance Actuary (1986) by the Complutense University. He has also taken several courses on the Liquidation of Insurance Companies in UNESPA (July 1991); insurance and reinsurance in general and other specific courses on life insurance and pension funds; and Internal Control and solvency II of insurance companies. Basic skills in office software, Internet, email and actuary calculation software (ACTUS). Since 2013, he has been the General Manager of Mutualidad General de la Abogacía, having acted as Assistant General Manager the previous year. From 2006 to 2012 Mr Navas was Deputy General Manager of Mutualidad General de la Abogacía (since 2008 Deputy General Manager of the Financial Area of Mutualidad General de la Abogacía in charge of the departments of Financial Investments, Real-estate investments, Accountancy and Actuary Department; and from 2006 to 2008, Deputy General Manager coordinating all the departments in Mutualidad). He was also the Head of the Technical Actuary Department of Mutualidad General de la Abogacía (1991-2006). Previously Mr Navas had worked at Ernst Young as an auditor (insurance and finance sector, 1990-1991) and at Espacontrol Deloitte where he also worked as an auditor (1987-1990).
Mr Eduardo Chacón López	Contratas y Servicios Extremeños, S.A.	Mr Chacón has a degree in Business and Economics Sciences by the University of Extremadura (1995) having studied the first two years at the University of Valladolid and has a degree in Business Senior Management by the San Telmo Business School, Seville (1997). He also attended a course on Senior Management, PAD (2008) by the Extremadura Business School of which he is founder and owner. Since 1995 he has been CEO of a group of family businesses from Extremadura that specialise in managing different services: street cleaning, maintenance, upkeep and cleaning of property, car parks and signposting, with a workforce of about eight hundred people, of which an approximate ten percent is disabled. He has been a member of the Business Advisory Board of Extremadura Mutua Fremap since 1997, and is also Director of Sociedad Cacereña de Parking, S.L. He was a member of the Governing Body of Caja Rural of Almendralejo, a credit cooperative society, from December 2013 to April 2017. He has also taken other courses on different subjects including Environment, Urban Waste Management and Treatment, trained to transport goods by road and other courses on Family business management, Leadership skills and Technical analysis of financial markets. He regularly attends high-level training courses and is especially interested in matters related to business strategy, team management, family businesses and the parallelism between the management of the sports world and the business world.
Mr Juan Carlos Ureta Estades	Proa Capital de Inversiones Sgeic, S.A.	Mr Ureta Estades holds a Double Degree in Business Administration and Management and Law (ICADE 3), from the Pontifical University of Comillas, having completed a course in Corporate Finance (AF Finance 250) at the London School of Economics during the double degree, and obtaining a diploma in Communicative Competencies and Studies in Foreign Languages. He also has the certification of the CFA Institute: Chartered Financial Analyst and EFPA (European Financial Planning Association): European Investment Assistant. Between July 2018 and October 2020, Mr Ureta Estades worked at JP Morgan as an analyst, being evaluated at the investment bank at the highest rank of EMEA analysts (Europe Middle East and Africa), and focusing mostly on mergers and acquisitions (M&A) advice. Since November 2020, Mr Ureta Estades works at Proa Capital de Inversiones SGEIC, S.A., Como Associate in the investment team. Previously in June and July 2016, He worked in internships at ING Wholesale Banking – Banco de Inversiones, in Madrid. During the summer of 2015, he worked at W4I Investment Funds in London, and in a company of the group of Renta4: Renta 4 Gestora, SGIIC, S.A. (June 2015).
Total number of proprietary directors		**3**
% out of the total of the board		**21.43**

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of the director	Profile
Mr José Ramón Rubio Laporta	Mr Rubio has held different positions of responsibility during his professional career. In particular, he started his career working at the headquarters of Marks & Spencer in London. Then between 1975 and 1982 he was General Secretary and Secretary to the Board of Directors as well as Manager of the Legal Consultancy department for a group of family-run companies in the building, property development, housing, mining and electrical supply sector. In 1982 he founded the law firm 'Mateu de Ros, Ramón y Cajal & Rubio', today known as 'Ramón y Cajal Abogados', where he remained until 1994 where he mainly developed international business, participating in various transactions of Spanish companies public offering in London, introducing foreign investors to Spanish listed companies, organising presentations of the Spanish Chamber of Commerce in London, and advising different listed companies, among others, 'BNP Securities', 'Ask Securities' and 'Map Securities', all in London. He has been a director at entities such as 'Mediterranean Fund' managed by 'Lombard Odier y Cia.' and Secretary of the Board of Directors at 'Ascorp, S.A.' a listed company of the 'Grupo Cooperativo Mondragón', and has held various other positions as Director in other companies dedicated to strategic management, real estate services as well as from within the health sector. From 1995 to 1998, he was Managing Director of the 'Previasa' insurance group. From 1998 to 2014 he was Executive Vice Chairman and Managing Director of 'Grupo Hospitalario Quirón'. In June 2012, for the statutory period of one year, he was appointed Chairman of the 'Instituto para el Desarrollo e Integración de la Sanidad' (IDIS), and in July 2012 and until 2014, Executive Vice Chairman and Chief Executive Officer of 'USP Hospitales'. He currently holds the position of Executive Vice Chairman at 'Philyra, S.A.'. Mr Rubio holds a Law Degree from the Complutense University of Madrid (1974) and completed his training with various disciplines in Political Science from the Complutense University of Madrid (1975) and courses on Urban Law. He speaks English and German. He is currently Vice Chairman of Philyra, S.A.
Ms María del Pino Velázquez Medina	She holds a degree in Mathematics with a major in Statistics at the Complutense University of Madrid. During the period from 1988 to 1989 she worked as a consultant at Accenture, from 1991 to 1993 she was a senior consultant at A.KEARNEY, in 1993 she became Member of the Office of Chairman and Strategic Planning of Banco Santander, in 1995 she was Director of Customer Service of Vodafone and from 1999 to 2021 Founder, principal shareholder and Chairman of the Unisono Group. She received the 2016 FEDEPE Best Businesswoman award, and the 2008 IWEC Award (International Women's Entrepreneurial Challenge, www.iwecawards.com) in New York. She received recognition by the Chambers of Commerce of Barcelona, New York, New Delhi and Johannesburg for women's entrepreneurial work. Member of IESE's National Students' Committee, since 2007, Honorary Master's Degree from the European Business School, 2012. She appeared in the study of "El Mundo": the 500 most powerful women in Spain 2018, among the most influential in the World of technology, Silver Medal of Merit for sport 2005, by Castilla-La Mancha, trustee of Codespa, 2018, an international NGO that promotes entrepreneurship in underdeveloped countries, a member of the Circle of Orellana, a not-for-profit foundation that aims to promote female talent, a member of the global Executive Committee and Circle of CEOs of DCH and member of the Generation Foundation.
Ms Inés Juste Bellosillo	She finished her degree in Business Sciences by the Autónoma University of Madrid in 1997 and her MBA by the Instituto de Empresa in 1998. In 1999 she became exports manager in charge of the European market and of opening new markets, meeting new trade partners and attending international fairs for Perfumería GAL, S.A. From 1999 until 2001 she was external consultant at DPB Consultores and was the Financial Head of the NGO-German Agro Action (Luanda, Angola) from 2003 to 2004. In 2011 (to date) she was appointed Chairwoman of the JUSTE Group which is a Spanish industrial group with family capital and over 90 years' experience in research, development, manufacturing and selling pharmaceutical and chemical-pharmaceutical products.
Ms Pilar García Ceballos-Zúñiga	Holds a bachelor's degree from CEU San Pablo University in Madrid and an MBA from the Open University, UK. An executive expert with a long professional career in the technology field working in multinational environments with a special dedication to technological innovation and organisational efficiency. She has worked at IBM Corporation for more than 25 years, for 12 of which he has had senior responsibilities in Europe and globally, with Executive Vice-Chairman of IBM Global Digital Sales Services, Cloud and Security based in New York being his last executive responsibility until 2016. She was General Manager in Spain of the company Insa (currently ViewNext) and Softinsa in Portugal for 5 years, an entity specialised in the development of applications and infrastructure services. She has been a member of the Management Committee of IBM Spain and Portugal, IBM Southwest Europe and Insa, leading IBM Global Committees for management and transformation in strategic, commercial and internal process optimisation areas worldwide. She is currently Chairman of the Board of Trustees "Caja de Extremadura Foundation" (Liberbank) Independent Director at Amadeus and member of its audit committee.

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of the director	Profile
Ms Gemma Aznar Cornejo	Ms Aznar Cornejo holds a degree in Economics and Business Administration from the Abad Oliba University of Barcelona (specialising in Business Economics). Since 2005 Ms Gemma has held the position of General Manager at Mary Kay Cosmetics Spain, where she has mainly developed management functions through different departments (Finance, Marketing, Sales, Operations and HR), as well as multiple strategies, Including: commercial, marketing, internal, cost control and analysis of variables. From the end of 1998 to the end of 2004, she held the position of Senior Analyst in Corporate Banking in the Risk Division of Banco Santander, S.A., where she carried out, among others functions, the financial and operational analysis for large corporations in different sectors. Previously (May 1996 to September 1998) he was a Corporate Banking analyst at Banco Central Hispano in London, where he developed financial and economic analysis functions for multinational groups, and served as a liaison with the client to understand their needs. In addition to speaking Spanish, English and Catalan, Mrs. Aznar has taken various courses and programmes that complement her main training, including the 'International Business' course (City of London Polytechnic), the 'Techniques and Analysis of Stock Market Transactions' course (Barcelona Stock Exchange and Abad Oliba), and the 'Advance Management Programme' (AMP) (ESADE).
Mr José Sevilla Álvarez	Mr Sevilla holds a degree in Economic and Business Sciences from CUNEF. He worked at Bankia from 2014 to 2021, until his merger of Bankia with Caixabank, being Bankia's CEO and BFA's Director Holding SAU Shares. In 2012 he joined Bankia as Executive Director and General Manager, being responsible for the areas of Intervention, Risk, Financial and Internal Audit. He was Chairman of the Executive Committee on Risks of the Board of Directors until 2021. Mr Sevilla was at BBVA from 1997 to 2009, becoming a Director of BBVA Bancomer (Mexico) and a member of the Management Committee. In addition, he held positions in the Risk Area at BBVA from 2006 to 2009; Director of the Presidency Area and member of the Management Committee from 2003 to 2006. He also held the positions of Business Development Director (2001-2003), Strategy and Finance Director for the Group's Americas Area (1998-2001) and similarly, he worked in the Business Development Unit between 1997 and 1998. Additionally, he was Senior Equity Analyst of European Banks at Merrill Lynch (1995 to 1997), Spanish Banks Analyst and Head of the Department of Equity Analysis at FG Securities Investments (1985 to 1989) and Junior Auditor at Arthur Andersen (1988 and 1989).
Total number of independent directors	**6**
% out of the total of the board	**42.86**

List any independent directors who receive from the company or group any amount or payment other than standard director remuneration or who maintain or have maintained during the period in question a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior officer of an entity which maintains or has maintained this relationship.

If applicable, include a statement from the board detailing the reasons why it believes this director may carry out duties as an independent director.

Name or company name of the director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS

Identify the other external directors and explain why these directors may not be considered proprietary or independent directors, and what their connection is with the Company, its managers or its shareholders:

Name or company name of the director	Reason	Company, director or shareholders to which this person is linked	Profile
Mr Pedro Ángel Navarro Martínez	Has exceeded the 12-year limit to hold the position of independent Director.	Renta 4 Banco S.A.	Mr Navarro is an industrial engineer by the Polytechnic University of Barcelona. He also has an MBA by ESADE and a Master's degree in Finances by the Texas Tech University (USA). He began his career by working for two years and a half at Texas Instruments Inc. in Dallas (USA) and Nice (France). Mr Navarro then worked for a year at Honeywell Bull Spain. In 1972 he joined Accenture (formerly Arthur Andersen) where he remained until 2001. In Accenture he held the positions of Office Managing Partner in the office in Barcelona, then Chairman for Spain, CEO for Southern Europe and CEO of the Financial Entities sector for Europe, Latin America and Africa. He was a member of the World Board for ten years, from 1990 until 2000. Currently, Mr Navarro is a Director Independent of Income 4 Bank, Director of Renta 4 Banco, S.A. and Jazztel PLC; Executive Vice Chairman of the Trust of ESADE and Vice Chairman of CEDE (Spanish Confederation of Managers and Executives). Mr Navarro also belongs to the Business Circle and the Institute of Directors and Administrators (ICA).
Total number of other external directors		**1**	
% out of the total of the board		**7.14**	

Indicate any changes in the status of each director that may have occurred during the year:

Name or company name of the director	Date of change	Prior category	Current category
No data			

C.1.4 Complete the following table with the information on the number of female directors over the past 4 years and their category:

	Number of female board members				% of total directors of each category			
	Financial year 2023	Financial year 2022	Financial year 2021	Financial year 2020	Financial year 2023	Financial year 2022	Financial year 2021	Financial year 2020
Executive					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	4	4	4	3	66.66	66.66	80.00	75.00
Other External Female Directors					0.00	0.00	0.00	0.00
Total	4	4	4	3	28.57	28.57	33.33	25.00

C.1.5 Indicate whether the company has diversity policies in place for its Board of Directors with regards to age, gender, disability, education or work experience, among other matters. Small and medium businesses, as described by the Auditing Law, should at least report about the policy they have established to ensure gender diversity.

Yes No **Partial policies** ✓

If this is the case, describe the diversity policies, their targets, measures and the way they have been implemented and their outcome in the fiscal year. Also indicate the specific measures taken by the Board of Directors and the Appointments and Remuneration Committee to ensure a balanced and diverse ratio of directors.

Should the company not have a diversity policy in place, explain the reasons for it.

Description of policies, targets, measures and way they have been implemented, as well as their outcome.

In accordance with the provisions of Article 33.2 of the Articles of Association, Article 9.3 of the Regulations of the Board of Directors (the "Board Regulations") stipulates that "the Board of Directors shall ensure that the procedures for the selection of its members favour diversity in terms of matters related to age, gender, different abilities, knowledge, training or professional experience, and do not suffer from any implicit bias that could imply any discrimination and, in particular, that they facilitate the appointment of female directors in such a number that enables a balance representation of men and women in the Company, always in support of the interests of the Company". The Board of Directors has entrusted this function to the Appointments and Remuneration Committee ("ARC") as described in Article 32.3(g) of the Board Regulations, where it indicates, among other functions assigned to the ARC, that it should "Ensure that the director appointment procedures do not discriminate in terms of gender diversity, set a representation target for the least represented gender and prepare guidelines on how to reach such target".

Throughout 2023, the CNR, in application of diversity policies and at the proposal of the Appointments and Remuneration Committee, the General Shareholders Meeting (March 2023) agreed, along with the re-election of Mr José Ramon Rubio Laporta, the re-election of Ms. Gemma Aznar Cornejo as an independent director for a four-year term.

C.1.6 Explain any measures that may have been agreed by the appointments committee to prevent any implicit bias in selection procedures to hinder the selection of female board members, and for the company to deliberately strive to include women who meet the professional profile sought among the candidates and that will enable a balanced ratio of men and women. Also indicate whether these measures include encouraging the company to have a significant number of senior female managers:

Explanation of the measures

Article 9.3 of the Board Regulations provides that the Board must ensure that the procedures for the selection of its members favour diversity with respect to matters such as age, gender, different abilities or knowledge, training and professional experience, and do not suffer from implicit biases that could imply any discrimination and, in particular, that they facilitate the appointment of female Directors in a number that allows a balanced presence of women and men in the Company, all in the best interests of the Company. In this regard, the Board of Directors has entrusted the CNR with the responsibility of ensuring that the procedures for the selection of directors do not discriminate on the basis of age and gender diversity, establishing a representation target for the under-represented sex; and to prepare guidelines on how to achieve this target in accordance with the provisions of article 32.3.g) of the Board Regulations.

In turn, Article 32 of the Board Regulations and, in order to avoid any implicit bias in the procedures for selecting the members of the Board of Directors that might hinder and/or prevent the selection of Female Directors, provides that the ARC shall: (i) Evaluate the skills, knowledge and experience required by the Board of Directors, defining, as a consequence, the functions and skills required by the candidates to fill each vacancy and evaluating the time and dedication required to properly perform their duties. Any director may request the CNR to take into consideration, if he considers them suitable, potential candidates to fill vacancies of director; and (ii) to ensure that the procedures for the selection of directors do not discriminate on the basis of age and diversity gender, establishing a goal of representation for the under-represented sex, and developing guidance on how to achieve this goal.

The ARC has aimed to, by establishing the goals and basic principles applied to the director selection process and a series of conditions that the candidates must meet, in line with the director Selection Policy:

a) Encourage diversity and integration of knowledge, experience and gender.

b) Reach a suitable balance on the Board of Directors that will enrich the decision-making and contribute plural points of view to the debates on the matters under its domain; and

c) The proposals for appointment and re-appointment of directors must be based on a prior analysis of the needs of the Board. As a result, the ARC prepared the proposed Policy for the Selection of Directors based on the principles of diversity and balance in the composition of the Board of Directors, which was approved by the Board of Directors. In application of this policy, the ARC, for the 2023 financial year, carried out the evaluation procedure for the renewal of appointments of Gema Aznar Cornejo and José Ramon Rubio Laporta, as independent directors, in order to maintain the diversity of the Board of Directors, concluding, in the re-election of the aforementioned directors in March 2023.

When, despite the measures adopted, there are few or no female directors or leadership positions, explain the reasons:

Explanation of the reasons

The CNR, in order to continue applying the good practices in corporate governance pursued by the Company and, in particular, those related to gender diversity within the Board of Directors has re-elected, among others, Ms Gemma Aznar Cornejo. Of course, the Company will continue working along these lines, promoting diversity on the Board of Directors and prohibiting the existence of discrimination or bias in the selection of directors, especially those related to the gender of the potential candidate. The foregoing only makes it easier for the composition of the Company's Board to be even more in line with the trends, best practices and guidelines of good corporate governance.

Likewise, the Company continues to apply gender diversity policies within its internal structure.

C.1.7 Explain the conclusions of the appointments committee on the verification of compliance with the policy aimed at favouring an appropriate composition of the board of directors.

The Appointments and Remuneration Committee established the basic principles and/or guidelines on which the policy for the appointment of directors should be based, contained in the Policy for the Selection of Directors which was approved by the Board of Directors. Said Policy, based on the principles of diversity and balance in the composition of the Company's Board of Directors, is expressly aimed at favouring diversity and integration of knowledge, experience and gender, seeking to facilitate the appointment of female directors in a number that allows a balanced presence of women and men in the Company, all in the best interests of the Company.

The members of the ARC issued a positive report on the Company's corporate governance policies, which expressly foresees that the Board should ensure that the member selection procedures should foster diversity of gender, experience and knowledge, and be free of any implicit bias that may lead to discrimination and, in particular should facilitate the appointment of female directors.

In accordance with the above, the activity of the ARC has focused particularly on the application of these policies, proposing to the General Shareholders Meeting in 2023 the re-election of Ms Gemma Aznar Cornejo and José Ramon Rubio Laporta as independent directors of the Society, this being approved in March.

C.1.8 Explain, if applicable, the reasons why proprietary directors have been appointed at the request of shareholders whose shareholding is less than 3% of the capital:

Name or company name of the shareholder	Justification
No data	

Provide details of any rejections of formal requests for board representation from shareholders whose shareholding is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If so, explain why these requests have not been granted:

Yes **No** ✓

C.1.9 Indicate, if any, the powers and authorities delegated by the Board of Directors, including those related to the possibility of issuing or repurchasing shares, to Board Members or Board Committees:

Name or company name of the director or committee	Brief description
Juan Luis López Garcia	All the powers granted to the Board of Directors, except those that cannot be delegated by Law or the Company Articles of Association.

C.1.10 Identify any Board members working as managing directors, representatives of managing directors or executives at other companies that are part of the listed company's group:

Name or company name of the director	Group company name	Position	Has executive duties?
Mr Juan Carlos Ureta Domingo	Renta 4 Sociedad Agente De Bolsa S.A.	Chairman Of The Board	No
Mr Juan Carlos Ureta Domingo	Renta 4 Corredores De Bolsa S.A.	Board Member	No
Mr Juan Carlos Ureta Domingo	Renta 4 Global Fiduciaria, S.A.	Member of the Governing Board	No
Mr Juan Carlos Ureta Domingo	Corporación Financiera Renta 4 Scr S.A.	Chairman	Yes
Mr Juan Carlos Ureta Domingo	Renta 4 Corporate, S.A.	Director	No
Mr Juan Carlos Ureta Domingo	Renta 4 Digital Assets, S.L.	Chairman	Yes
Mr Juan Carlos Ureta Domingo	Sociedad Operadora de la Plataforma IW S.L.	Chairman	Yes
Mr Juan Luis López García	Renta 4 Global Fiduciaria, S.A.	Member of the Governing Board	No
Mr Juan Luis López García	Corporación Financiera Renta 4 SCR	Director	No
Mr Juan Luis López García	Renta 4 Lerida	Sole Administrator	Yes
Mr Juan Luis López García	Renta 4 Digital Assets, S.L.	Member	No
Mr Juan Luis López García	Sociedad Operadora de la Plataforma IW S.L.	Member	No
Mr Jesús Sánchez- Quiñones González	Renta 4 Corporate, S.A.	Chairman - Ceo	Yes
Mr Jesús Sánchez- Quiñones González	Renta 4 S.V., S.A.	Director	No
Mr Jesús Sánchez- Quiñones González	Kobus Partners Management Sgeic, S.A.	Director	No
Mr Santiago González Enciso	Renta 4 S.V., S.A.	Director	No
Mr Juan Luis López García	Renta 4 S.V., S.A.	Director	No
Mr Juan Luis López García	Torsa Capital, SGEIC, S.A.	Director	No

C.1.11 List any director or administrator positions held by directors or representatives of directors who are members of the board of directors of the company in other entities, whether or not they are listed companies:

Identification of the director or representative	Company name of listed or non-listed entity	Position
Mr Juan Carlos Ureta Domingo	Izertis, S.A.	Director
Mr Juan Carlos Ureta Domingo	Ecoener, S.A.	Director
Mr Juan Carlos Ureta Domingo	Saint Croix Holding Immobilier, Socimi, S.A.	Director
Ms María del Pino Velázquez Medina	Repsol, S.A.	Director
Ms María del Pino Velázquez Medina	Uslrm Parent Company, S.L.	Joint Administrator
Mr Eduardo Chacón López	Contratas y Servicios Extremeños, S.A.	Ceo - Managing Director
Mr Eduardo Chacón López	Cacereña de Obras y Proyectos, S.L.	Ceo
Mr Eduardo Chacón López	Invercysex S.L.	Ceo - Managing Director
Mr Eduardo Chacón López	Cacereña de Parking S.L.	Ceo
Ms Inés Juste Bellosillo	Juste Sociedad Anónima Químico Farmacéutica, S.A.	Chairman
Ms Inés Juste Bellosillo	Ecoener, S.A.	Director
Mr Jesús Sánchez-Quiñones González	Kobus Partners Management Sgeic, S.A.	Director
Mr Jesús Sánchez-Quiñones González	Renta 4 Corporate, S.A.	Ceo - Managing Director
Mr José Ramón Rubio Laporta	Usp Hospital San Carlos Murcia, S.L.	Joint Administrator
Mr José Ramón Rubio Laporta	Blue Healthcare, S.L.	Ceo - Managing Director
Mr José Ramón Rubio Laporta	La Mousse,S.A.	Sole Administrator
Mr José Ramón Rubio Laporta	Progreso e Inversión, S.L.	Joint Administrator
Mr José Ramón Rubio Laporta	Philyra, S.A.	Joint Administrator
Mr José Ramón Rubio Laporta	Inversiones Vizcobo, S.L.	Joint Administrator
Mr José Ramón Rubio Laporta	MCM Inversiones Errois, S.L.	Joint Administrator
Mr José Ramón Rubio Laporta	MCM Inmuebles Errois S.L.	Joint Administrator
Mr José Ramón Rubio Laporta	Inversiones Gribouille S.L.	Joint Administrator
Mr José Ramón Rubio Laporta	Usp Hospital Atlantico Tenerife, S.L.	Joint Administrator

Identification of the director or representative	Company name of listed or non-listed entity	Position
Mr José Ramón Rubio Laporta	Usp Hospital de Canarias, S.L.	Joint Administrator
Mr Santiago González Enciso	Ige 6 S.L.	Joint Administrator
Mr Santiago González Enciso	Inmosimancas, S.L.	Joint Administrator
Mr Santiago González Enciso	Renta 4 SV, S.A.	Director
Mr Santiago González Enciso	Miralparamo, S.L.	Liquidator
Mr Santiago González Enciso	Auditorium Privatum, S.L.	Chairman
Mr Juan Luis López García	Renta 4 Pensiones SGFP, S.A.	Director
Mr Juan Luis López García	Renta 4 Lerida, S.A.	Sole Administrator
Mr Juan Luis López García	Cabito Inversiones, S.L.	Sole Administrator
Mr Juan Luis López García	Openbrick, S.L.	Director
Mr Juan Luis López García	Renta 4 SV, S.A.	Director
Mr Pedro Ángel Navarro Martínez	Nextret, S.L.	Director
Mr Pedro Ángel Navarro Martínez	Acentra Renovacion, S.L.	Sole Administrator
Mr Pedro Ángel Navarro Martínez	Nucontrasu, S.L.	Sole Administrator
Mr Juan Luis López García	Renta 4 Digital Assets, S.L.	Director
Mr Juan Luis López García	Sociedad Operadora de la Plataforma IW S.L.	Director
Mr Juan Luis López García	Corporacion Financiera Renta 4 SCR, S.A.	Director
Mr Juan Carlos Ureta Estades	Sociedad Vasco Madrileña de Inversiones S.L.	Secretary Counselor
Mr Juan Carlos Ureta Estades	Compañia Levantina Hortofrutícola S.L.	Director
Mr Rafael Navas Lanchas	Privilegia Sociedad de Agencia de Seguros Exclusiva de la Mutualidad General de la Abogacia S.L.	Sole Administrator
Mr Rafael Navas Lanchas	Ingenieria Mediación Agencia de Seguros Exclusiva S.L.	Sole Administrator
Mr Rafael Navas Lanchas	Avanza Previsión Compañía de Seguros S.A.	Ceo
Mr Juan Luis López García	Torsa Capital SGEIC S.A.	Director
Mr Juan Carlos Ureta Domingo	Corporacion Financiera Renta 4 SCR, S.A.	Chairman
Mr Juan Carlos Ureta Domingo	Sociedad Operadora de la Plataforma IW S.L.	Chairman
Mr Juan Carlos Ureta Domingo	Renta 4 Digital Assets, S.L.	Chairman
Mr Juan Luis López García	Cartera de Directivos 2011, S.A.	Sole Administrator
Mr Juan Carlos Ureta Domingo	Cartera de Directivos 2021, S.A.	Sole Administrator
Mr Juan Carlos Ureta Domingo	Renta 4 Corporate, S.A.	Director
Mr Juan Carlos Ureta Domingo	Sociedad Vasco Madrileña de Inversiones S.L.	Chairman
Mr José Sevilla Álvarez	Teide. LTD	Director
Mr José Sevilla Álvarez	Aareal Bank AG	Director
Ms Pilar García Ceballos-Zúñiga	Amadeus It Group, S.A.	Director
Ms Pilar García Ceballos-Zúñiga	Fundacion Caja de Extremadura	Chairman
Ms Pilar García Ceballos-Zúñiga	Asociacion Española de Fundaciones	President

The positions of inactive companies or that as of the date of this report the director's information is not up to date in the Mercantile Registry but de facto does not hold the position have not been included.

Indicate, if applicable, any other remunerated activities of the directors or representatives of the directors, whatever their nature, other than those indicated in the table above.

Identification of the director or representative	Other remunerated activities
No data	

C.1.12 Indicate and, explain where appropriate, whether the company has established rules on the maximum amount of comp

Yes **No** ✓

C.1.13 Specify the amounts of the following items regarding the global remuneration of the Board of Directors:

Remuneration accrued by the Board of Directors during the fiscal year (thousands of euros)	3,061
Amounts accumulated by current directors for long-term savings systems with vested economic rights (thousands of euros)	
Amounts accumulated by current directors for long-term savings systems with non-consolidated economic rights (thousands of euros)	
Amounts accumulated by former directors through long-term savings systems (thousands of euros)	

C.1.14 IList any members of the senior management who are not also executive directors and state the total remuneration accrued by them during the year:

Name or company name	Position(s)
Mr José Ignacio García-Junceda Fernández	Chairman/General Manager Of Renta 4 S.V., S.A.
Mr Carlos Ruiz Sánchez	Commercial Director Renta 4 Banco, S.A.
Ms Maria Teresa Sánchez Alonso	Director Of Technology And Systems Renta 4 Banco, S.A.
Ms Sonia Álvarez Nozal	Financial Director Renta 4 Banco, S.A.
Mr Enrique Sánchez del Villar Boceta	Chairman Renta 4 Gestora S.g.i.i.c., S.a./ Renta 4 Pensiones S.G.F.P., S.A.

Number of women in senior management	**2**
Percentage over the total number of members of senior management	**25.00**
Total remuneration of senior executives (thousands of euros)	**1,694**

C.1.15 Idicate whether any amendments have been made to the Board regulations during the fiscal year:

Yes ✓ No

Description of changes

The amendments carried out in the Regulations of the Board of Directors refer to (i) the elimination of the age limit as an objective and automatic cause of termination as a director (Article 12 of the Regulation) in order to continue to have the knowledge, qualification, professional and personal experience and complete training of the directors whenever their state of health allows it and (ii) the incorporation of a new article (Advisers of the Board of Directors), which allows to have one or more directors by the Board of Directors who, with character consultative, contribute your knowledge and experience contribute with your recommendations to the strategic decision making of the Company by the directors.

C.1.16 Indicate the procedures for the selection, appointment, re-election and removal of directors. Give details of the competent bodies, the formalities to be fulfilled and the criteria to be used in each of the procedures.

The appointment of the Directors corresponds to the Meeting, without prejudice to the right of proportional representation that corresponds to the shareholders in the terms stipulated in the Spanish Corporate Law. In this sense, if vacancies arise during the period for which the Directors were appointed, the Board may, by means of co-option, appoint the persons who are to occupy them until the first Meeting is held, unless the Meeting has already been called, in which case the Board may appoint a Director until the next Meeting after the one called is held.

The proposals to appoint, ratify or re-elect Directors should refer to people who are known for their integrity, solvency, technical skills and experience and will be approved by the Board upon the proposal made by the ARC for Independent Directors or upon the proposal of the Board, based on the ARC's report, for all other Directors.In any case, the proposal or the report made by the ARC should assign the new Director to one of the director classes foreseen in the Company's Board Regulations. Proposals must be accompanied by a supporting report from the Board that assesses the competence, experience and merits of the proposed candidates, which will be attached to the minutes of the General Meeting or the Board meeting. When the Board diverges from the ARC's proposals, it must provide its reasons for the decision and these must be included in the minutes.

The directors shall meet the legal requirements established for directors and shall be subject to their duties as such.

From the moment the call is announced and until the General Meeting takes place, the Company the following minimum details on the individuals proposed to be appointed, ratified or re-elected as members of the Board should remain published on the Company's website: identity, curriculum vitae, and director class they belong to, as well as the proposal and reports mentioned above.

Persons who hold representation or management positions or functions in other credit entities or a significant stake in their share capital may not be appointed as directors unless expressly authorised by the Board.

Once a year, the Board will assess (i) its performance and the quality of its work, (ii) the Coordinating Director's, Managing Director's and CEO's performance of their roles based on the ARC's report, (iii) the performance and composition of its Committees, based on their reports, (iv) the diversity in the composition and competencies of the Board, based on the ARC's report and (v) the performance and contribution made by the Directors, with special focus on the heads of the different Board Committees, based on the reports produced by the Committees. For such purposes, the Chairman will organise and coordinate the assessment of the Board with the Chairmen/Chairwomen of the Committees.

The Directors will remain in office for four years unless the General Meeting agrees to remove them or they resign from the position and they may be re-elected more than once for four-year terms.

The Directors will leave their position when, at the end of the term they were appointed for, the General Meeting is held or the time set to hold the General Meeting that is to agree the previous year's financial statements has passed, or when so agreed by the General Meeting by virtue of the powers granted by Law or the Company Articles of Association.

The ARC may propose the removal of independent Directors before the end of the statutory term for which they were appointed, if the ARC deems that there are reasonable grounds to do so. In particular, there will be reasonable grounds for removal when the Director fails to carry out the duties attached to his/her position or when he/she is under whichever circumstances described in Article 9.2.a of the Board Regulations that prevent his/her appointment as independent Director when the Director takes on a new position or new duties that prevent him/her from devoting the necessary time to carry out his/her role as Director.

The removal of directors may also be proposed as a result of public buy-outs, mergers or other similar corporate transactions implying a change in the structure of the Company's capital, where such changes in the Board structure are due to the proportionality criterion in the Board Regulations.

C.1.17 Explain to what extent the annual evaluation of the Board has prompted significant changes in its internal organisation and the procedures applicable to its activities:

Description of changes

There have been no changes as the result of the self-assessment was satisfactory.

Describe the assessment procedure and the areas assessed by the Board of Directors with the support, if any, of an external consultant, regarding the performance and composition of the Board and its committees and any other area or aspect that has been assessed.

Description of the assessment procedure and areas assessed

The Board of Directors has proceeded to evaluate its composition and competences, the functioning and composition of the committees, and the performance of the Chairman, the CEO, the Coordinating Director, as well as the Secretary of the Company, By sending to all directors the corresponding evaluation questionnaires relating to the Board of Directors, Appointments and Remuneration Committee ("CNR") and Audit and Control Committee ("CAC").

Once the answers were received, the ARC prepared the related reports assessing the Board of Directors, Chairman, CEO, Lead Director and the Secretary of the Board. In addition, the ARC prepared a report assessing its own composition, competencies and performance. The ACC also prepared a report assessing its own composition, competences and performance.

Subsequent to the evaluation, the Board of Directors approved the assessment reports for the Board and its committees, the Chairman, CEO, Independent Lead Director and Secretary, finding that:

(i) The Board of Directors has an appropriate composition and effectively takes on and exercises the powers and competences granted to it by the Articles of Association and the regulations of the Board of Directors, always acting in the Company's interest and to maximise the Company's economic value;

(ii) The ARC and the ACC each have an appropriate composition and effectively take on and exercise the powers granted to them by the current regulations and the Company's different corporate texts; and

(iii) The Chairman, CEO, Independent Lead Director and the Secretary of the Board have effectively and diligently discharged their duties..

C.1.18 Detail, as appropriate, for the years in which the assessment was supported by an external consultant, any business dealings that the consultant or any company in its group have with the Company or any company in its group.

Throughout the 2022 financial year and with respect to the previous financial year 2021, the Company has been assisted by external expert, Mr Salvador Montejo Velilla, in the evaluation process of the Board of Directors and its Commissions, without maintaining any other business relationship, directly or indirectly with the Society. Intervention of external expert that did not occur in the financial year 2023 with respect to the financial year 2022.

C.1.19 Indicate the cases in which the directors must resign.

Pursuant to Article 12.2 of the Board Regulations, 'The Directors shall hand in their resignation in the following cases:

a)When they leave the job, position or function linked to their appointment as executive directors.

b) In the case of proprietary Directors, when the shareholder who proposed the appointment transfers their entire shake in the Company or reduces it to an extent that entails the reduction of the number of its proprietary Directors. When subject to one of the cases of incompatibility or bans foreseen by Law, the Company Articles of Association or herein.

e) When the Board itself so requests by a majority of at least two thirds of its members, for having breached its obligations as a director, following a proposal or report from the Appointments and Remuneration Committee.

f) When, in view of any situation affecting them, whether or not related to their performance in the Company itself, the credit and reputation of the Company may be jeopardised, informing, in all cases, the Board and the Appointments and Remuneration Committee of any criminal proceedings in which they are under investigation, as well as the progress of such proceedings. In the event that the Board of Directors has been informed, or has otherwise become aware, of any of the situations referred to in the preceding paragraph, the Board shall examine the case as soon as possible and, in view of the specific circumstances, shall decide, following a report from the Appointments and Remuneration Committee, whether or not to adopt any measure. A reasoned account of such circumstances shall be included in the Annual Corporate Governance Report, unless there are special circumstances that justify not to, which must be recorded in the minutes

g) When the Director has received a serious caution from the Audit and Control Committee.

h) At the end of, for whichever reasonable grounds, the contractual or organic relationship with the Company's shareholders that had given rise to the Director's appointment'".

C.1.20 Are qualified majorities other than those prescribed by law required for any type of decision?

Yes **No** ✓

If applicable, describe the differences.

C.1.21 State whether there are any specific requirements, apart from those relating to the directors, to be appointed Chairman of the Board of Directors:

Yes **No** ✓

C.1.22 Indicate whether the Articles of Association or the board regulations set any age limit for directors:

Yes **No** ✓

C.1.23 Indicate whether the Articles of Association or the Board regulations set a limited term of office or other stricter requirements for independent directors other than those established by the regulations:

Yes **No** ✓

C.1.24 Indicate whether the Articles of Association or Board regulations stipulate specific rules to delegate votes on the Board of Directors to other directors, the procedures thereof and, in particular, the maximum number of proxy votes a director may hold. Also indicate whether there is any limit as to the categories in which it is possible to delegate votes, beyond the limits provided in Law. If so, give brief details.

Proxy voting is provided for in Article 38.2 of the Articles of Association, which establishes that: "All Directors may be represented by another Director. The representation shall be granted specifically for the meeting of the Board of Directors in question and may be communicated by any of the means provided for in section 2 of the preceding article. Non-executive directors may only be represented by another non-executive director'.

As regards the means by which proxies must be communicated, Article 37.2 of the Articles of Association states that:'The meetings of the Board of Directors shall be called by letter, fax, telegram, email or any other means, and shall be authorised with the signature of the Chairman or the Secretary or Vice Secretary by order of the Chairman. The meeting shall be called in due time to ensure that the directors are notified at least three days before the meeting date, except for emergency meetings that may be called to be held immediately. This will not apply to those cases where the Regulations of the Board of Directors require a specific time to call a meeting. The call shall always include, unless reasonably justified, the Agenda for the meeting and shall attach, where appropriate, any information deemed necessary', including the procedure to appoint a proxy, which shall be in writing and specifically for each meeting.

C.1.25 Indicate the number of board meetings held during the fiscal year. Also state, if applicable, the number of occasions on which the Board met without its Chairman in attendance. Attendance shall also include proxies appointed with specific instructions.

Number of board meetings	11
Number of Board meetings without Chairman's attendance	0

Indicate the number of meetings held by the Independent Lead Director with the other directors without the attendance, in person or by proxy, of an executive Director:

Number of meetings	5

Indicate the number of meetings of the various board committees held during the year:

Number of meetings of the AUDIT AND CONTROL COMMITTEE	12
Number of meetings of the APPOINTMENTS AND REMUNERATION COMMITTEE	3

C.1.26 Indicate the number of meetings held by the Board of Directors during the fiscal year and the attendance data of its members:

Number of meetings where at least 80% of directors attended in person	11
% of attendance in person out of the total votes during the fiscal year	100.00
Number of meetings where all the directors attended in person or by proxy with precise instructions	11
% of votes cast with attendance in person, or by proxy with precise instructions, out of the total votes during the fiscal year	100.00

C.1.27 Indicate whether the consolidated and individual annual financial statements submitted to the Board for their preparation are certified beforehand:

Yes **No** ✓

Identify, where applicable, the person(s) who certified the Company's individual and consolidated annual financial statements to be prepared by the Board:

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements that the Board of Directors submits to the General Shareholders' Meeting are drawn up in accordance with accounting regulations.

The Audit and Control Committee analyses the quarterly, half-yearly and yearly financial statements and holds regular meetings with the External Auditor reviewing, where necessary, any changes in the accountancy criteria that would affect the financial statements, ensuring that there are no qualifications by the Auditor and that the Board of Directors prepares the statements without qualifications. In compliance with Article 31 and 37 of the Regulations of the Board of Directors, the Audit and Control Committee is in charge of reviewing the Company's financial statements, enforcing compliance with legal requirements and correctly applying the standard accountancy principles, as well as providing information on the proposals made by the management to change accounting principles and

C.1.29 Is the secretary to the board a director?

Yes **No** ✓

NoIf the secretary is not a director complete the following table:

Name or company name of the secretary	Representative
Mr Pedro Alberto Ramón y Cajal Agüeras	

C.1.30 Indicate the specific methods established by the company to protect the independence of the external auditors, as well as the methods, if any, employed to protect the independence of the financial analysis, of investment banks and of credit rating agencies, including how the legal provisions have been effectively implemented.

In accordance with Article 31.3.b) of the Board Regulations, the Audit and Control Committee is the body in charge of ensuring the External Auditors' independence by establishing, inter alia, the duty, as regards the external auditor, to:

(i) Present before the Board of Directors, to then be put forward to the General Meeting of Shareholders, the proposals to select, appoint, re-elect or replace the external auditor, as well as the terms of his/her contract, the scope of the auditor's professional office and the revocation or renewal of his/her appointment;

(ii) Regularly gather information from the external auditor about the audit plan and protect their independence -ensuring that the compensation given to the external auditor for their work does not compromise the quality of their work or their independence- and about matters that may threaten their independence and the results of the audit, to be examined by the Committee, and any other information related to the accounts audit. It should also receive information and exchange communications with the external auditor as outlined by legislation on accounts audits and the auditing regulations, and it should check that the senior management takes into account the auditor's recommendations;

(iii) Once a year, the Committee must receive from the external auditors the declaration of their independence in relation to the Company or companies directly or indirectly related to it, and information concerning additional services of any kind that have been provided and the fees received by the external auditor or by persons or companies related to it, in accordance with the provisions of the audit legislation and, for such purposes, ensure that the Company reports any changes of auditor to the CNMV alongside a statement on the possible existence of disagreements with the outgoing auditor and, if any, with the contents. Should the external auditor resign, the Committee will examine the circumstances surrounding this decision;

(iv) Every year issue, prior to the issue of the auditors' report, a report expressing an opinion on the independence of the auditors. Such report should always include the assessment of the provision of the additional services referred to above, considered separately or jointly, other than the legal audit and connected to the independence system or with the audit regulations, ensuring that the Company and the external auditor observe the current regulations on providing non-audit services, the limits on the auditor's business concentration and, in general all other rules on auditor independence;

(v) Encourage the Company's auditor to take on the auditing of the companies that, if any, make up the group; and

(vi) Ensure that the external auditor annually holds a meeting with the full Board of Directors to report on the work done and the evolution of the Company´s accounting and risk situation.

In practice, in 2022, the ACC performed all the duties outlined and with the due diligence required to keep the external auditor's independence.

C.1.31 Indicate whether the company changed its external auditors during the fiscal year. Where appropriate, identify the incoming and outgoing auditors:

Yes **No** ✓

Explain any disagreements with the outgoing auditor and the reasons for the same:

Yes **No** ✓

C.1.32 Indicate whether the audit firm performs other non-audit work for the company and/or its group, and if so, state the amount of fees received for such work and the percentage the previous amount represent of the auditing fees billed to the company and/or its group:

Yes ✓ No

	Company	Group companies	Total
Amount of non-audit work (thousands of euros)	72	23	95
Amount of non-audit work/Amount of audit work (as a %)	51.40	27.40	42.40

C.1.33 Indicate whether the audit report for the annual financial statements of the previous fiscal year included any qualifications. Indicate the reasons given by the Chairman of the audit committee to the shareholders of the General Meeting to explain the contents and scope of qualifications.

Yes **No ✓**

C.1.34 Indicate the number of consecutive years that the current audit firm has been auditing the Company's individual and/or consolidated annual financial statements. Likewise, indicate for how many years the current firm has been auditing the annual financial statements as a percentage of the total number of years over which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	7	7
Number of years audited by the current audit firm/number of years the company or its group has been audited (as a %)	20.02	20.02

C.1.35 Indicate whether there is a procedure for the directors to be able to receive the necessary information to prepare for meetings of the management bodies sufficiently in advance, and if so, give details:

Yes ✓ No

Details of the procedure

The directors' right to information regarding the meetings of the Board of Directors is provided for in Article 22 of the Board Regulations. Directors have the duty to request and the right to obtain from the Company any information they need to fulfil their Board responsibilities. Consequently, directors may obtain information on any aspect of the Company and its subsidiaries and may examine their books, records, documents and any other records of corporate operations and inspect all their facilities. They may also communicate with the Company's senior officers. Likewise, Directors are entitled to receive regular information on the movements in the shareholding and on the opinions that significant shareholders, investors and rating agencies have of the Company and its group.

So as to not disturb the Company's ordinary management, all rights to information will be exercised through the Chairman of the Board of Directors who will address the Directors' requests and will provide them with the information directly or with suitable contacts at the relevant company level.

The Chairman, in collaboration with the Secretary, will ensure that the Directors have all the information required sufficiently in advance to deliberate and adopt resolutions for the matters on the agenda.

Based on Article 37 of the Company Articles of Association, the call for the Board of Directors meeting shall attach all information required for such meeting.

C.1.36 Indicate whether the company has established rules that oblige directors to inform and, where appropriate, resign when situations arise that affect them, whether or not related to their actions in the company that could damage the credit and reputation of the company:

Yes ✓ No

Explain the rules

s described in the Board Regulations Article 12 "1. The directors shall leave their position when, at the end of the term they were appointed for, the General Meeting is held or the time set to hold the General Meeting for agreeing the previous year's financial statements has elapsed, or when so agreed by the General Meeting by virtue of the powers granted by Law or the Company Articles of Association', in which case they shall resign.

"a) When they leave the job, position or function linked to their appointment as executive directors.

b) In the case of proprietary Directors, when the shareholder who proposed the appointment transfers their entire shake in the Company or reduces it to an extent that entails the reduction of the number of its proprietary Directors. When subject to one of the cases of incompatibility or bans foreseen by Law, the Company Articles of Association or herein.

e) When the Board itself so requests by a majority of at least two thirds of its members, for having breached their obligations as a director, following a proposal or report from the Appointments and Remuneration Committee, or when their remaining on the Board of Directors could jeopardise the credit and reputation of the Company.

f) When, in view of any situation affecting them, whether or not related to their performance in the Company itself, the credit and reputation of the Company may be jeopardised, informing, in all cases, the Board and the Appointments and Remuneration Committee of any criminal proceedings in which they are under investigation, as well as the progress of such proceedings. In the event that the Board of Directors has been informed, or has otherwise become aware, of any of the situations referred to in the preceding paragraph, the Board shall examine the case as soon as possible and, in view of the specific circumstances, shall decide, following a report from the Appointments and Remuneration Committee, whether or not to adopt any measure. A reasoned account of such circumstances shall be included in the Annual Corporate Governance Report, unless there are special circumstances that justify not to, which must be recorded in the minutes.

g) When the Director has received a serious caution from the Audit and Control Committee.

h) At the end of, for whichever reasonable grounds, the contractual or organic relationship with the Company's shareholders that had given rise to the Director's appointment'. Likewise, article 21.2 of the Board Regulations sets forth that directors shall inform the Company: "Of any legal, administrative or other proceedings lodged against the Director that, due to their relevance or nature, could have a serious impact on the Company's reputation. In particular, all Directors should inform the Company, through the Chairman, if they are charged, put on trial or subject to an order to proceed to a hearing for any of the offences detailed in Article 213 of the revised text of the Spanish Limited Liability Companies Law. In such event, the Board shall examine the case as soon as possible and shall make the decisions it deems convenient in the Company's interest'.

C.1.37 Indicate, unless there have been special circumstances that have been recorded in the minutes, whether the board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to their performance in the company itself, that could damage the credit and reputation of the company:

Yes **No ✓**

C.1.38 Detail any significant agreements entered into by the company which will come into force, are amended or terminated in the event of a change of control of the company following a takeover bid and the effects thereof.

None.

C.1.39 Identify, separately when referring to directors and aggregated when referring to all other cases and provide detailed information on agreements between the company and its officers, executives and employees that provide for indemnities or guarantee or golden parachute clauses when they resign or are wrongfully dismissed or if the contractual relationship ends due to a takeover or another kind of transaction.

Number of beneficiaries	6
Type of beneficiary	**Description of the agreement**
Chairman (Mr Juan Carlos Ureta Domingo), CEO (Mr Juan Luis Lopez Garcia), General Director (Mr Jesus Sanchez-Quinones Gonzalez), Territorial Director (Mr Santiago Gonzalez Enciso); Member of the Steering Committee, Chairman of Renta 4 Gestora SGIIC SA y Renta 4 Pensiones EGFP SA (Mr Enrique Sanchez del Villar Boceta) Member of Management Committee, Chairman of Renta 4 SV SA (Mr Jose Ignacio Garcia-Junceda Fernandez)	In the event their dismissal is declared to be unfair, the Chairman, the CEO, the Director and General Manager and the Territory Manager would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment laws. On the other hand, the members of the Management Committee, Chairman of Renta 4 Gestora SGIIC, S.A. and Renta 4 Pensiones EGFP, S.A. and Chairman of Renta 4 SV SA have the right, in the event of dismissal declared unfair, to receive compensation equivalent to that provided for the unfair dismissal of the common labor regime.

Indicate whether, beyond the assumptions foreseen by the regulations, these agreements must be reported to and/or authorised by the governing bodies of the company or its group. If this is the case, specify the procedures, assumptions foreseen and nature of the bodies in charge of their approval or their communication:

	Board of Directors	General Meeting
Body which authorises the clauses	✓	

	Yes	No
Is the General Meeting informed of the clauses?		✓

C.2. Board Committees

C.2.1 Give details of all board committees, their members and the proportion of executive, proprietary, independent and other external directors that form them:

AUDIT AND CONTROL COMMITTEE

Name	Position	Category
Ms Inés Juste Bellosillo	Member	Independent
Ms Pilar García Ceballos-Zúñiga	Member	Independent
Mr José Sevilla Álvarez	Chairman	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	100.00
% of other external directors	0.00

Explain the functions, including any added functions that are not legally foreseen, if any, conferred to this Committee and describe the procedures and rules of its organisation and operation. For each of these functions, indicate the more relevant actions during the fiscal year and how it effectively carried out each of the functions conferred to it by Law or Articles of Association or other corporate agreements.

A. Composition. It is composed of at least 3 Directors who will be appointed by the Board of Directors at the proposal of its Chairman, chosen from among its non-executive members, and at least two of them should be independent. The Committee will appoint, from among its members, the Chairman, who will always be an Independent Director and will be replaced every 4 years, without prejudice to his/her continuity or re-election as a member of the Committee. Furthermore, the Committee will appoint its Secretary and, where appropriate, a Vice Chairman. Likewise, all members of the Audit and Control Committee should have the necessary knowledge, professional experience and devotion to carry out the functions they are entrusted with.

B. Competences. The Committee's functions are set forth in Article 42 of the Company Articles of Association and Article 31 of the Board Regulations.

C. Workings. The Committee will meet at least once every quarter and, in any case, every time it is called by its Chairman or at the request of the Chairman of the Board of Directors. The conclusions drawn from each meeting will be included in the minutes that will be reported at the Board meeting. Any members of the management team, Company employees or auditors requested to do so will be obliged to attend the Committee meetings and to collaborate and provide the information they have.

D. Additional functions: Additionally (vid. C.1.32, in accordance with the "Policy for the provision by the external auditor of services other than statutory audit", the external auditor may provide services other than auditing, and therefore, in addition to the aforementioned functions,

The CAC must authorise/verify the provision of these services beforehand, taking into account each of its particularities. These services previously authorised by the CAC are subject exclusively to prior verification. In this sense, the Head of Internal Audit, in order to be able to proceed to the contracting of these services other than those of audit, assesses certain circumstances, such as

(i) the nature of the services and the context in which they are to be provided; (ii) the position or influence of who will perform the service within the auditor External, and other relations that may occur with Income 4 or its Group, and the effects that they have; (iii) whether such services may threaten the independence of the auditor, and, if any, whether there are measures that eliminate or reduce such threats in such a way that their independence is not compromised; (iv) the fees; and (v) the adequacy, where appropriate, by its knowledge and experience, of the external auditor to provide such services.

Therefore, in the 2023 financial year, the ACC carried out the following functions, inter alia:

- Acted as a communication channel between the Board and the external auditor, assessing the results of each audit.
- Authorising KPMG Abogados, S.L. to provide professional advice in preparing and filing the appropriate 1042-S forms for the financial year 2022.
- Issued, prior to the auditors' report, a report on whether the independence of the auditors or audit firms was jeopardised.
- Approve the Internal Audit Action Plan.
- Supervise the effectiveness of the Company's internal control, internal audit and risk management systems, having adapted the Company's Operational Risk and Reputational Risk Policy, and discuss with the auditor any significant weaknesses detected in the internal control system.
- Overseeing compliance with the rules of the internal codes of conduct and ESG.
- Approve, for submission to the Board, the External Expert's Report on the Prevention of Money Laundering, the Annual Report and Report on the degree of effective compliance with the internal control rules and procedures implemented, the half-yearly Report of the CII Depositary Unit, and the reports on conflicts of interest, Prudential Relevance and Capital Self-Assessment, among others.
- Oversaw the reporting and submission of regulatory financial information, in particular the separate and consolidated financial statements.
- Reported on the annual corporate governance report.
- Evaluated its own performance within the framework of the self-assessment of the performance of the Board of Directors and its internal Committees.
- Reporting, where appropriate, on related-party transactions to be approved by the general meeting or the board of directors and supervising the internal procedure established by the Company for those transactions whose approval has been delegated.
- Authorising advisory work provided by the auditor (KPMG) other than external audit.

Identify the directors who are members of the audit committee appointed with regard to his or her knowledge and experience in accounting, auditing or both, and indicate the date when the Chairman of the committee was appointed as such.

Names of directors with experience	Ms Inés Juste Bellosillo / Ms Pilar García Ceballos-Zúñiga / Mr José Sevilla Álvarez
Date the Chairman was appointed as such	July 26, 2022

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
Mr José Ramón Rubio Laporta	Member	Independent
Mr Pedro Ángel Navarro Martínez	Member	Other External
Ms Gemma Aznar Cornejo	Chairman	Independent
% of executive directors		0.00
% of proprietary directors		0.00
% of independent directors		66.67
% of other external directors		33.33

Explain the functions, including any added functions that are not legally foreseen, if any, conferred to this Committee and describe the procedures and rules of its organisation and operation. For each of these functions, indicate the more relevant actions during the fiscal year and how it effectively carried out each of the functions conferred to it by Law or Bylaws or other corporate agreements.

A. Composition. It is made up of at least 3 members who should all be non-executive Directors -at least a third of them should be independent Directors- who will leave their position once they stop being Directors or when agreed by the Board of Directors. The Board of Directors will appoint its Chairman from among its members, always an independent Director, and its Secretary.

B. Competences. The Committee's functions are set forth in Article 32 of the Regulations of the Board of Directors.

C. Workings. The Committee will meet as frequently as necessary to carry out its functions. It should also meet when called by its Chairman, the Chairman of the Board of Directors and at least once every quarter. The Appointments and Remuneration Committee will be validly called to order when the majority of its members is present. The Committee will have access to all the information and documentation required to perform its duties. The conclusions drawn in each meeting will be registered in the minutes ledger that will be signed by the Chairman and the Secretary.

In the financial year 2023, the ARC carried out mainly the following duties, inter alia:

- Ensured that the remuneration policy established by the Company was observed.
- Directed the process of evaluating its own performance, the performance of the board and the discharge of duties by the chairman, secretary, lead independent director and CEO, and reported to the board on the findings reached.
- Proposed the 2019 Remuneration Policy to the Board.
- Proposed the contents of the Annual Report on Directors' Remuneration to the Board.
- Proposed to the Board of Directors the re-election of Ms Gemma Aznar Cornejo.
- Proposed to the Board of Directors the re-election of Mr José Ramon Rubio Laporta.

C.2.2 Fill in the following table with the information on the number of female directors sitting on the Board Committees at the end of the last four years:

	Number of female board members							
	Financial year 2023		Financial year 2022		Financial year 2021		Financial year 2020	
	Number	%	Number	%	Number	%	Number	%
Audit and Control Committee	2	66.67	2	66.67	1	33.33	1	33.33
Appointments and Remuneration Committee	1	33.33	1	33.33	2	66.67	2	66.67

C.2.3 Indicate, where applicable, the existence of regulations governing the Board Committees, where they can be accessed, and any amendments thereto during the fiscal year. Also state whether any voluntary annual reports have been produced on the activities of each committee.

Appointments And Remuneration Committee

The ARC is governed by Article 42 bis in the Company Articles of Association and by Article 32 of the Board Regulations. Both corporate texts are available on the Company's website.

The Board of Directors, pursuant to its duty to comply with Article 28 of the Board Regulations, which includes Recommendation 36 of the Code of Good Governance of Listed Companies after its review of June 2020 approved by the Board of the National Securities Market Commission (CNMV), assesses once a year (i) its own performance and the quality of its work, (ii) the performance of the roles of Board Chairman, Lead Director and Managing Director of the company based on the ARC's report, (iii) the performance and composition of its Committees, based on their reports, (iii) the functioning and composition of it Committees, based on the report submitted by these, and (iv) the diversity in the composition and competencies of the Board of Directors and the performance and contribution of each Board Member, paying special attention to the heads of the different committees of the Board based on the report submitted by the ARC.

In this respect, each Board Committee has prepared a report on its own performance to help the Board assess their performance during the financial year. Both reports are available, together with all the documentation related to the General Meeting, on the Company's corporate website. These reports also include the main activities of each of the Committees.

Audit and Control Committee

The Audit and Control Committee is governed by Article 42 in the Company Articles of Association and by Article 31 of the Board Regulations. Both corporate texts are available on the Company's website.

The Board of Directors, pursuant to its duty to comply with Article 28 of the Board Regulations, which includes Recommendation 36 of the Code of Good Governance of Listed Companies after its review of June 2020 approved by the Board of the National Securities Market Commission (CNMV), assesses once a year (i) its own performance and the quality of its work, (ii) the performance of the roles of Board Chairman and Managing Director of the company based on the ARC's report, (iii) the performance and composition of its Committees, based on their reports, (iii) the functioning and composition of it Committees, based on the report submitted by these, and (iv) the diversity in the composition and competencies of the Board of Directors and the performance and contribution of each Board Member, paying special attention to the heads of the different committees of the Board based on the report submitted by the ARC.

In this respect, each Board Committee has prepared a report on its own performance to help the Board assess their performance during the year. Both reports are available, together with all the documentation related to the General Meeting, on the Company's corporate website. These reports also include the main activities of each of the Committees.

D. RELATED-PARTY TRANSACTIONS AND INTRACOMPANY TRANSACTIONS

D.1. Explain, if applicable, the procedure and competent bodies for the approval of related-party and intra-group transactions, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected directors or shareholders and detailing the internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Pursuant to Article 5 in the Board Regulations, the Board of Directors shall be in charge of 'adopting agreements on all kinds of matters that are not assigned to the General Meeting by Law or the Articles of Association, and shall have full powers to manage, run and represent the Company in court or otherwise. Notwithstanding this, the Board shall fundamentally focus its activity on the supervision and control of the Company's running and ordinary management entrusted to the executive Directors and senior management, and shall consider any matters that are especially relevant to the Company or that are deemed necessary for the appropriate performance of the aforementioned general supervisory function'. "2. In any case, the following matters that may not be delegated will be reserved to the Board of Directors meeting: [...] t) the approval, after a favorable report from the Audit and Control Committee, of those related operations, in the terms established in the Law and this Regulation.

[...]

3. The competences mentioned in the section above may be carried out, in an emergency, by the Executive Committee or, if appropriate, by the CEO, to the extent permitted by Law, to then be ratified at the Board meeting.

4. The Board of Directors will develop its functions with a common purpose and independent judgement, providing the same treatment to all shareholders who are in the same position, in the Company's interest, which will not prevent the consideration of all other legal, public or private interests, that converge in the course of all business operations, and especially the interests of the employees. In this context, it shall be understood as a corporate interest, as the achievement of a profitable and sustainable business in the long term that shall promote its continuity and maximise the Company's financial value'.

D.2. List individually any transactions that are significant due to their amount or relevant due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the company's board of directors, indicating the competent body for their approval and whether any shareholder or director affected abstained. In the case of board competence, indicate whether the proposed resolution has been approved by the board without a majority of the independent directors voting against it:

Name or company name of the shareholder or of any of their subsidiary companies	% of ownership	Name or company name of the company or the subsidiary company	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
No data						

Name or company name of the shareholder or of any of its subsidiaries	Type of relationship	Type of transaction and other information necessary for its evaluation
No data		

D.3. List individually the transactions that are significant due to their amount or relevant due to their subject matter, carried out by the company or its subsidiaries with the company's directors or managers, including any transactions carried out with entities that the director or administrator controls or jointly controls, and indicating the competent body for their approval and whether any shareholder or director affected abstained. In the case of board competence, indicate whether the proposed resolution has been approved by the board without a majority of the independent directors voting against it:

	Name or company name of the directors or managers or of their controlled or jointly controlled entities	Name or company name of the company or the subsidiary company	Link	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
(1)	Mr José Ignacio García-Junceda Fernández	Renta 4 Sociedad de Valores S.A.	Contractual	46	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(2)	Mr José Ignacio García-Junceda Fernández	Renta 4 Banco S.A.	Corporate	7	Consejo de Administración - Junta General	Board of Directors - Shareholders Meeting	Yes
(3)	Mr Eduardo Chacón López	Renta 4 Banco S.A.	Corporate	6	Consejo de Administración - Junta General	Board of Directors - Shareholders Meeting	Yes
(4)	Ms Gemma Aznar Cornejo	Renta 4 Banco S.A.	Corporate/ Contractual	106	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(5)	Ms Pilar García Ceballos-Zuñiga	Renta 4 Banco S.A.	Corporate/ Contractual	67	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(6)	Mr Santiago González Enciso	Renta 4 Banco S.A.	Corporate/ Contractual	2.361	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(7)	Ms Ines Juste Bellosillo	Renta 4 Banco S.A.	Corporate/ Contractual	23	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(8)	Mr Juan Luis López García	Renta 4 Banco S.A.	Corporate/ Contractual	129	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(9)	Mr Pedro Ángel Navarro Martínez	Renta 4 Banco S.A.	Corporate/ Contractual	64	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(10)	Mr Rafael Navas Lanchas	Renta 4 Banco S.A.	Corporate/ Contractual	4	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(11)	Mr José Ramón Rubio Laporta	Renta 4 Banco S.A.	Corporate/ Contractual	263	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(12)	Mr Jesús Sanchez-Quiñones González	Renta 4 Banco S.A.	Corporate/ Contractual	81	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(13)	Mr José Sevilla Álvarez	Renta 4 Banco S.a.	Corporate/ Contractual	4	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(14)	Mr Juan Carlos Ureta Domingo	Renta 4 Banco S.A.	Corporate/ Contractual	1.150	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(15)	Mr Juan Carlos Ureta Estades	Renta 4 Banco S.A.	Corporate/ Contractual	20	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No

	Name or company name of the directors or managers or of their controlled or jointly controlled entities	Name or company name of the company or the subsidiary company	Link	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
(16)	Ms María del Pino Velázquez Medina	Renta 4 Banco S.A.	Corporate/ Contractual	10	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(17)	Ms Sonia Álvarez Nozal	Renta 4 Banco S.A.	Corporate/ Contractual	23	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(18)	Ms María Teresa Sánchez Alonso	Renta 4 Banco S.A.	Corporate/ Contractual	36	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No
(19)	Mr Carlos Ruiz Sánchez	Renta 4 Banco S.A.	Corporate/ Contractual	32	Giro o tráfico habitual de la Entidad	Entity's Usual Line of Business	No

	Name or company name of the directors or managers or of their controlled or jointly controlled entities	Nature of the transaction and other information necessary for its evaluation
(1)	Mr José Ignacio García-Junceda Fernández	See Breakdown in Section H
(2)	Mr José Ignacio García-Junceda Fernández	See Breakdown in Section H
(3)	Mr Eduardo Chacón López	See Breakdown in Section H
(4)	Ms Gemma Aznar Cornejo	See Breakdown in Section H
(5)	Ms Pilar García Ceballos-Zíñiga	See Breakdown in Section H
(6)	Mr Santiago González Enciso	See Breakdown in Section H
(7)	Ms Inés Juste Bellosillo	See Breakdown in Section H
(8)	Mr Juan Luis López García	See Breakdown in Section H
(9)	Mr Pedro Ángel Navarro Martínez	See Breakdown in Section H
(10)	Mr Rafael Navas Lanchas	See Breakdown in Section H
(11)	Mr José Ramón Rubio Laporta	See Breakdown in Section H
(12)	Mr Jesús Sánchez-Quiñones González	See Breakdown in Section H
(13)	Mr José Sevilla Álvarez	See Breakdown in Section H
(14)	Mr Juan Car-Los Ureta Do-Mingo	See Breakdown in Section H
(15)	Mr Juan Carlos Ureta Estades	See Breakdown in Section H
(16)	Ms María del Pino Velázquez Medina	See Breakdown in Section H
(17)	Ms Sonia Álvarez Nozal	See Breakdown in Section H
(18)	Ms María Teresa Sánchez Alonso	See Breakdown in Section H
(19)	Mr Carlos Ruiz Sánchez	See Breakdown in Section H

D.4. Report on an individual basis on intra-group transactions that are significant due to their amount or are relevant due to their subject matter carried out by the company with its parent company or with other entities belonging to the parent company's group, including the listed company's own subsidiaries, unless no other related party of the listed company has an interest in such subsidiaries or such subsidiaries are wholly owned, directly or indirectly, by the listed company.

In any case, all intracompany operations with companies established in countries or jurisdictions considered as a safe haven must be reported:

Corporate name of the company in the group	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
Kobus Partners Management S.G.E.I.C. S.A.	Services Provided	64

D.5. List individually any transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties in accordance with the International Accounting Standards adopted by the EU, which have not been reported under the previous headings.

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
Matilde Fernández de Miguel	Current Accounts	4
Matilde Fernández de Miguel	Dividends Distributed	127
Matilde Fernández de Miguel	Obligations Undertaken	100
Matilde Fernández de Miguel	Acquired Guarantees	193
Santiago González-Enciso Fernández	Financing Agreements: Loans	236
Santiago González-Enciso Fernández	Current Accounts	8
Santiago González-Enciso Fernández	Interest Provided Loans	11
Santiago González-Enciso Fernández	Dividends Distributed	28
Santiago González-Enciso Fernández	Obligations Undertaken	280
Santiago González-Enciso Fernández	Acquired Guarantees	511
María González-Enciso Fernández	Financing Agreements: Loans	236
María González-Enciso Fernández	Interest Provided Loans	11
María González-Enciso Fernández	Dividends Distributed	28
María González-Enciso Fernández	Obligations Undertaken	280
María González-Enciso Fernández	Acquired Guarantees	525
Cristina González-Enciso Fernández	Financing Agreements: Loans	235
Cristina González-Enciso Fernández	Current Accounts	1
Cristina González-Enciso Fernández	Interest Provided Loans	11
Cristina González-Enciso Fernández	Dividends Distributed	28
Cristina González-Enciso Fernández	Obligations Undertaken	280
Cristina González-Enciso Fernández	Acquired Guarantees	509
Ignacio González-Enciso Fernández	Financing Agreements: Loans	244
Ignacio González-Enciso Fernández	Current Accounts	1
Ignacio González-Enciso Fernández	Interest Provided Loans	11

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
Ignacio González-Enciso Fernández	Dividends Distributed	28
Ignacio González-Enciso Fernández	Obligations Undertaken	308
Ignacio González-Enciso Fernández	Acquired Guarantees	560
Matilde González-Enciso Fernández	Financing Agreements: Loans	236
Matilde González-Enciso Fernández	Current Accounts	4
Matilde González-Enciso Fernández	Interest Provided Loans	11
Matilde González-Enciso Fernández	Dividends Distributed	28
Matilde González-Enciso Fernández	Obligations Undertaken	280
Matilde González-Enciso Fernández	Acquired Guarantees	523
Matilde Estades Seco	Current Accounts	39
Matilde Estades Seco	Services Provided	3
Matilde Estades Seco	Dividends Distributed	346
Matilde Ureta Estades	Current Accounts	107
Matilde Ureta Estades	Interest Provided Loans	7
Matilde Ureta Estades	Dividends Distributed	11
Inés Asunción Ureta Estades	Current Accounts	17
Inés Asunción Ureta Estades	Services Provided	2
Inés Asunción Ureta Estades	Interest Provided Loans	7
Inés Asunción Ureta Estades	Dividends Distributed	10
Óscar Balcells Curt	Current Accounts	88
Óscar Balcells Curt	Dividends Distributed	29
Contratas y Servicios Extremeños S.A.	Current Accounts	34
Contratas y Servicios Extremeños S.A.	Services Provided	11
Contratas y Servicios Extremeños S.A.	Dividends Distributed	22
Surikomi S.A.	Services Provided	31
Surikomi S.A.	Dividends Distributed	443
Cartera de Directivos 2011 S.A.	Current Accounts	37
Cartera de Directivos 2011 S.A.	Other Liability Transactions: Guarantees	3
Cartera de Directivos 2011 S.A.	Services Provided	1
Cartera de Directivos 2011 S.A.	Dividends Distributed	9
Invercysex, S.L.	Other Bonds	4
Invercysex, S.L.	Current Accounts	7
Invercysex, S.L.	Lease Of Business Premises	27
Invercysex, S.L.	Services Provided	1
Invercysex, S.L.	Interests Paid	7
Mobel Linea S.L.	Financing Agreements: Loans	5,000
Mobel Linea S.L.	Current Accounts	306
Mobel Linea S.L.	Services Provided	14
Mobel Linea S.L.	Interest Provided Loans	274
Mobel Linea S.L.	Dividends Distributed	329
Mobel Linea S.L.	Obligations Undertaken	5,000
Muebles y Asientos De Oficina S.L.	Current Accounts	14
98 Futur 2000, S.L.	Financing Agreements: Loans	760
98 Futur 2000, S.L.	Current Accounts	26
98 Futur 2000, S.L.	Other Liability Transactions: Guarantees	314

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
98 Futur 2000, S.L.	Services Provided	1
98 Futur 2000, S.L.	Interest Provided Loans	35
98 Futur 2000, S.L.	Dividends Distributed	81
98 Futur 2000, S.L.	Obligations Undertaken	800
98 Futur 2000, S.L.	Acquired Guarantees	2,106
I.g.e. 6, S.L.	Dividends Distributed	91
I.g.e. 6, S.L.	Obligations Undertaken	1,000
I.g.e. 6, S.L.	Acquired Guarantees	1,875
Kursaal 2000 S.L.	Dividends Distributed	14
Kursaal 2000 S.L.	Current Accounts	386
Kursaal 2000 S.L.	Other Liability Transactions: Guarantees	6
Kursaal 2000 S.L.	Services Provided	25
Lora de Inversiones S.L.	Current Accounts	1,050
Lora de Inversiones S.L.	Other Liability Transactions: Guarantees	887
Lora de Inversiones S.L.	Dividends Distributed	383
Lora de Inver-Iones S.L.	Services Provided	234
Avilugam S.L.	Services Provided	194
Avilugam S.L.	Dividends Distributed	9
Uslrm Parent Company S.L.	Current Accounts	112
Uslrm Parent Company S.L.	Services Provided	10
Uslrm Parent Company S.L.	Financial Expenses	4
Sdad. Vasco Madrileña de Inversiones,S.L.	Current Accounts	98
Sdad. Vasco Madrileña de Inversiones,S.L.	Services Provided	194
Sdad. Vasco Madrileña de Inversiones,S.L.	Dividends Distributed	3,763
Indumenta Pueri S.L.	Current Accounts	4
Indumenta Pueri S.L.	Services Provided	12
Global Portfolio Investments S.L.	Current Accounts	852
Global Portfolio Investments S.L.	Services Provided	19
Global Portfolio Investments S.L.	Dividends Distributed	797
Fundación González Enciso	Dividends Distributed	158
Mutualidad General de la Abogacia	Current Accounts	910
Mutualidad General de la Abogacia	Services Received	14
Mutualidad General de la Abogacia	Financial Expenses	11
Mutualidad General de la Abogacia	Dividends Distributed	980

D.6. State the mechanisms established to detect, determine and resolve any conflicts of interest between the company and/or the group, directors, managers, significant shareholders or other associated parties.

Articles 17 to 20a of the Board's Regulations establish the Company's mechanisms for detecting, determining and resolving possible conflicts of interest, as well as the regime of related transactions. Thus, the aforementioned article 17 establishes that "there is a conflict of interest in those situations in which the interest of the Company, or of the integrated companies, collides, directly or indirectly in his group, and the personal interest of the director", the latter being understood as cases in which the matter affects him or a person connected to him.

The following are persons related to the individual director: a) spouse or persons with a marriage-like relationship; b) the ancestors, descendants and siblings of the director or his/her spouse (or person with a marriage-like relationship); c) Spouses of the ancestors, descendants or siblings; d) Companies in which, itself or through a third party, fall into one of the situations described in Article 42.1 of the Spanish Commercial Code.

Situations of conflict of interest will be governed by the following rules: a) Disclosure: the Director will inform all other Directors and, if appropriate, the Board, through the Chairman or the Secretary, of any conflict of interest pertaining the Director or his/her related persons; b) Abstention: the Director may not carry out any professional or commercial transactions, whether directly or indirectly, with the Company unless he/she has first disclosed the conflict of interest and the Board has approved the transaction. The Director will refrain from attending and taking part in the deliberation and vote for such matters. Regarding proprietary Directors, these must refrain from taking part in the vote for matters that could entail a conflict of interest between the shareholders they represent and the Company; c) Transparency: Disclose in the annual report and in the Annual Corporate Governance Report of any conflicts of interest.

The Internal Conduct Regulations (ICR) governs conflicts of interest in Articles 21, 22 and 23. In this regard, "there will be a conflict of interest between the Company and one of its clients or between two of the Company's clients when, in a given situation, the Company may gain a benefit, provided that there is also a potential correlative damage to the client, or when the client could gain a profit or avoid a loss and there is the chance that another client will suffer a loss as a result".

To identify these situations, it shall be determined whether the Company, a reporting party to the ICC ('Reporting Party to ICC') or another person directly or indirectly related to such person through a position of control, falls into any of the following situations: a) The Company or the relevant person may gain a financial benefit or avoid a financial loss at the client's expense; b) Has an interest in the outcome of the service provided or the transaction executed at the client's expense, other than the client's own interest; c) Has financial or other incentives to favour the interests of third-party clients, to the detriment of the interests of the client in question; d) The professional activity is identical to the client's; e) Receives, or is due to receive, an incentive from a third party based on the service provided to the client, in cash, goods or services, other than the usual fee or compensation for the service in question.

The Company may determine other conflicts of interest in which the Persons subject to ICR may be involved on account of family, financial, professional or other links. All employees and Subject Persons shall inform the Company, through the ICC Monitoring Body, of any personal or family, economic or any other type of the ICR Monitoring Body, of any personal or family situation, economic or otherwise, that may constitute a conflict between such person and those of a client of the Company or of the Company itself.

There will be a conflict of interest when the Person subject to ICR, or a person or entity who is a relative or is closely related to such person, falls into one of the following cases: a) Is a member of the Board of Directors or senior management of a company whose business purpose is the same as the Company's; b) Significant stake in companies whose business purpose is the same as the Company's; c) Significant stake or another type of personal interest in a client of the Company.

Persons subject to ICR will refrain from taking part in preparations and in the decision or vote, and will inform the people who will be taking the relevant decision. Furthermore, they will inform portfolio management clients of any conflicts that may arise in the course of their activity. When in doubt on the existence of a conflict of interests, Persons subject to ICR are required to inform about this to the Body in charge of ensuring compliance with the ICR, as well as the specific circumstances of the operation to allow the Body to determine the appropriate steps.

The resolution of conflicts shall always be carried out under the following principles: 1. The legitimate interests of clients shall in all cases be the priority to consider, without prejudice to the due respect for the integrity of the market. 2. Efforts shall be made to minimise conflicts between clients and between the Company and its clients. 3. The interests of the Company shall not take precedence over those of the clients in transactions with identical characteristics.

4. No client should be privileged when there is a conflict between several clients. 5. They will not multiply transactions unnecessarily and without benefit to the client.

D.7. Indicate whether the company is controlled by another entity within the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or engages in activities related to those of any of them.

Yes **No ✓**

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Describe the scope of the financial and non-financial Risk Management and Control System in place at the company, including tax risks:

The different risks involved in the operations conducted by the Renta 4 Group are managed under the principle of prudence to preserve its solvency level, profitability, efficiency and appropriate liquidity. Renta 4 Group has an ongoing management and control system for the risks taken in its business, expanding to all the companies in the Group, as well as all the areas or business units, with special focus on those that are more sensitive to the risks inherent in the business.

E.2. Identify the bodies responsible for preparing and implementing the financial and non-financial Risk Management and Control System, including tax risks:

BOARD OF DIRECTORS

Description of its functions:

- Approval of the risk control and management policy [financial and non-financial], including tax risks, identifying the main risks faced by the Company and implementing, supervising and monitoring the internal information and control systems.

AUDIT AND CONTROL COMMITTEE

Description of its functions:

- Supervise the efficiency of the Company's internal control, the risk management systems, including tax risks, the management of internal audit services that ensure the good performance of the internal information and control systems, especially related to the reporting processes in terms of accuracy and filing the regulated financial information on the Company and its group, check compliance with the regulatory requirements, the appropriate limits on the scope of consolidation and the right use of the accounting criteria, reporting this to the Board of Directors. The person in charge of the internal audit is required to present before the Committee his/her guidance and work planning for their approval and make sure that the activity is fundamentally focused on the material risks faced by the Company and directly inform the Committee of any incidents that may arise in its course, as well as present the Committee with a report on its activities at the end of each fiscal year. Furthermore, the Audit and Control Committee will discuss with the Auditor any material weaknesses identified in the internal control system during the audit.

- Supervise the procedure followed to prepare and file the regulatory financial and non-financial information and the internal risk management and control systems related to the Company's significant risks for them to be identified (operational, technological, financial, legal or reputational), managed and reported appropriately, setting the risk level tolerated by the Company, the measures needed to minimise the impact of the risks identified, and determine the control and information systems to be used to control and manage them, ensure the independence and efficiency of the internal auditing unit, propose the selection, appointment, re-election and removal of the head of the internal audit service, and the budget of such service, receive regular information on its activities and check that the senior management takes into account the conclusions and recommendations in the reports.

- Supervise the development of the functions assigned to the area in charge of preventing money laundering and know the reports and proposals presented in this regard.

INTERNAL AUDIT

Description of its functions:

- Revise the procedures and systems established for risk control.

RISK DEPARTMENT

Description of its functions:

- This body reports to the Board of Directors.

- The Risk department carries out its functions on all the entities included in the scope of consolidation of the Renta 4 Group and is in charge of monitoring the established risk control systems.

REGULATORY COMPLIANCE DEPARTMENT.

Description of its functions:

- This body reports to the Board of Directors.

- The regulatory compliance function aims, among others, to establish, implement and maintain appropriate measures and procedures to detect any risk of non-compliance by the entity.

E.3. Specify the main risks, including the financial and non-financial tax risks and, where significant, risks derived from corruption (as described in the Spanish Royal Decree 18/2017) that may jeopardise the business targets:

The Renta 4 Group consists of a group of companies devoted to providing special services for savings and investments and is independent of any other financial or industrial group. For this reason, it is particularly exposed to the progress of the financial industry as it can have a significant impact on its results.

In accordance with the above, the basic risks that may affect the Renta 4 Group are as follows:

1. Credit risk: Credit risk is defined as the possibility of experiencing losses when a debtor violates its contractual duties, including the counterparty risk.

2. Market risk: Market risk is the possibility of experiencing losses on account of adverse fluctuations in the price of the assets that make up the trading portfolio of the Renta 4 Group.

3. Operational risk: Operational risk refers to potential loss arising from inadequate or failed procedures, employee mistakes and internal system errors or due to external events, in particular, natural catastrophes, mistakes made by price and information suppliers or hacking into technological systems that could jeopardise the infrastructure of the Renta 4 Group.

4. Liquidity risk: Liquidity risk refers to, as its name indicates, a shortage of cash, usually resulting from an imbalance in cash inflows and outflows.

5. Regulatory risk: This risk refers to the likelihood of experiencing loss as a result of failing to adjust Renta 4 Group's policies to the regulations governing its operations, of poorly documented operations or of claims and actions against the Group.

6. Reputational risk: Reputational risk arises from Renta 4 Group's actions that could lead to negative publicity regarding its business practices and connections. This could entail the loss of trust in the Group and therefore impact its solvency.

7. Tax risk: Tax risk is the threat of a negative impact on the financial statements and/or the Renta 4 Group's reputation as a result of tax-related decisions made by the entity or the legal or tax authorities.

8. Technological risks: Risks arising from a loss of Confidentiality, Integrity or Availability associated with systems or data; or from the inability to change Information and Communication Technology in a reasonable time and cost when the environment or business requirements change. This includes security risks resulting from inadequate or failed internal processes, or from external events including cyber attacks or inadequate physical security.

9. ESG or sustainability risk. Environmental, social and governance risks that, because they are considered material, both in the short and long term, may generate economic losses or negatively impact its capital and/or liquidity. Climate change and environmental degradation can manifest in financial risks through basically two transmission channels: physical risks and transition risks. Social risks are related to labour conditions, local communities, employee health and safety and discrimination, among others. Governance risks relate to executive remuneration, respect for the rule of law, bribery and corruption, fiscal strategy, cybersecurity and money laundering, among others.

E.4. State whether the entity has risk tolerance levels, including fiscal risks.

Renta 4 Group's risk management strategy is based on implementing measures that will minimise or dilute the risks defined, setting specific limits for each business line, market and product.

The purpose of this system is to protect the Group's solvency and liquidity ensuring that the exposure to the risk is within the predefined limits and has a balanced profile.

The Renta 4 Group has a Risk Appetite Framework that establishes limits for the main risks attached to its operations.

E.5. Indicate which financial and non-financial risks, including fiscal risks, have emerged during the financial year.

No risks materialised during the fiscal year.

E.6. Explain any response and supervision plans in place for the entity's main risks, including fiscal risks, as well the procedures followed by the company to ensure that the Board of Directors can respond to coming challenges.

The measures to mitigate the impact of the basic risks that may affect the Renta 4 Group (the "Group"), should they materialise, are described below:

1. Credit risk: To mitigate this risk, specific procedures and limits are established to avoid situations of overdraft of cash and/or securities in the intermediation and settlement of client transactions. Exceptionally, there may be certain situations where this shortage is allowed when duly authorised. These situations are limited according to the client's credit guarantee and are monitored by the Risk Department and the Audit Unit. Renta 4 grants financing to clients through the signing of a credit agreement secured by securities, and, through the pledging of financial instruments and the continuous monitoring of their evolution, the risk assumed in the transactions granted to clients is hedged. Exposure to the credit risk in balance-sheet exposure is largely focused on cash investments (current accounts, deposits and Spanish short-term sovereign debt) all this in line with the limits on portfolio concentration set forth in the current regulations. The assessment of counterparty risk against credit institutions is made on the basis of ratings from the main agencies that provide this information, selecting those with the highest solvency, experience and recognition in the market.

2. Market risk: To control these types of risks, limits are established so that, at all times, in the event of variations in market prices, losses are limited to the pre-set maximums. The established controls are set depending on the conditions of the different assets and the relevance of the risk attached to each market. Within this type of risk, the Value at Risk or maximum potential loss that a portfolio may experience under the current market conditions is especially significant and is included in the risk detection systems. The Risk Department and the Audit Unit are in charge of supervising compliance with the established limits.

3. Operational risk: To mitigate this risk, the Company has imposed minimum training requirements on employees, in addition to primary controls in the different workstations, so that control routines are integrated into each task developed. The improvements made to computer systems contribute to tightening control and reducing the number of manual processes which in turn reduces the likelihood of human error. The Risk Department and the Audits Unit are constantly monitoring and assessing any risks derived from possible mistakes, mainly arising from brokerage transactions for clients, checking that the control system works correctly. A governance model has been defined and implemented that covers the main areas of technological risk management, and includes a control framework to monitor them for internal and external management and reporting.

4. Liquidity risk: In order to control this risk and to comply with all the requirements established in the legislation regarding legal ratios and payment commitments with third parties, the residual maturities of assets and liabilities are reviewed. The monitoring and control of the liquidity risk is undertaken by the Cash and Banks Dept. on a daily basis working with the Finances Dept. and supervised by the Risk Dept. of the Group. In any case, the policy to mitigate this risk focuses on the current policy of investing in short-term and liquid assets that could be available in the event of any stress that could materialise.

5. Regulatory risk: The Group has a Regulatory Compliance Unit responsible for adapting procedures to regulatory requirements, as well as monitoring and controlling their correct application.

6. Reputational risk: The Group has established a series of regulatory compliance policies, through which it directly monitors the most significant aspects that may cause this risk, which include, but are not limited to: Prevention of Money Laundering • Internal Regulation of Conduct • Marketing of Products and MIFID II, MIFIR and PRIIPs Regulations • Market Abuse in the Capital Markets • Customer Claims • Criminal Risk Management Model • Protection of Personal Data

7. Tax risk: The impact of this risk is mitigated by independent expert actions within the framework of the financial audit, fiscal opinions requested within the framework of relevant transactions and, ultimately, by interaction with the Tax Administration.

8. Technological risk: a technological risk management model has been defined based on the governance model and the operational model that makes it possible to clearly establish the responsibilities and competencies in technological risk management, including the main governing bodies, as well as the internal regulations and the main technological risk management processes.

9. ESG risks: The Group integrates these risks into its current procedures, adopting a global approach for their identification, evaluation, monitoring and mitigation, specifically in relation to sustainable finance, incorporating ESG criteria in the product catalogue, implementing ESG advice and management preferences for clients, reporting the actions carried out, developing processes and methodology for environmental risk management and adapting favourable capital treatments to ESG-related exposures.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS IN RELATION TO INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

Describe the mechanisms that comprise the risk control and management systems in relation to internal control over financial reporting (ICFR) at your company.

F.1. The company's control environment.

Provide information, stating the main features, on at least the following:

F.1.1 Which bodies and/or units are responsible for (i) the existence and maintenance of a proper ICFR system; (ii) its implementation; and (iii) its supervision

BOARD OF DIRECTORS.

The Board of Directors of Renta 4 Banco is ultimately in charge of the implementation and maintenance of an appropriate and effective ICFR which, in line with its Regulations, it entrusts to the Audit and Control Committee.

AUDIT AND CONTROL COMMITTEE.

The Regulations of the Board of Directors of Renta 4 Banco, in their Article 31, foresee that the basic duties of the Audit and Control Committee in connection with the internal information and control systems are as follows:

1.Supervise the effectiveness and the management of the internal auditing services in the Company that will ensure the good performance of the internal information and control systems, especially related to the preparation processes in terms of accuracy and filing the regulated financial information on the Company and its group, checking compliance with regulatory requirements, the appropriate limits on the scope of consolidation and the right use of the accounting criteria, and reporting this to the Board of Directors.The person in charge of the internal audit is required to present before the Committee his/her yearly work planning and directly inform the Committee of any incidents that may arise in its course, as well as report to the Committee on its activities at the end of each fiscal year.

2.Supervise the process followed to prepare and file the regulated financial information and the internal risk management and control systems related to the Company's significant risks for them to be identified (operational, technological, financial, legal or reputational), managed and reported appropriately, setting the risk level tolerated by the Company, the measures needed to minimise the impact of the risks identified, and determine the control and information systems to be used to control and manage them, ensure the independence and efficiency of the internal auditing unit, propose the selection, appointment, re-election and removal of the head of the internal audit service, and the budget of such service, receive regular information on its activities and check that the senior management takes into account the conclusions and recommendations in the reports.

3.Check the Company's accounts, ensure compliance with the legal requirements and the right use of the standard accounting principles, and inform about the proposals to change the accounting principles and criteria suggested by the management.

4.Previously review and report to the Board of Directors about: (i) financial information that, being listed, the Company is to disclose on a regular basis, making sure that the interim statements are prepared following the same accounting criteria as the yearly statements and, for such purposes, consider if it is convenient to request a limited review from the Company's external auditor; (ii) the issue or purchase of shares in entities with a special purpose or based in countries or jurisdictions that are considered tax havens, as well as any other transaction or operation of a similar nature that, due to its complexity, could hinder the transparency of the group to which the Company belongs; (iii) and of linked operations.

5.Receive from employees, confidentially but not anonymously, written communications on possible irregularities with a potential relevance, especially financial or accounting ones, that they may detect in the Company or its group companies.

6.Ensure compliance with the internal codes of conduct and the rules of corporate governance as well as the regulations on markets in the industry.

7.Supervise the development of the functions assigned to the area in charge of preventing money laundering and know the reports and proposals presented in this regard. Members of the Audit and Control Committee are appointed taking into account their knowledge and experience in accountancy, auditors and risk management. All its members will be external Directors and are duly kept abreast of any regulatory changes that may take place in those areas. From among its members, the Board of Directors appoints a Chairman who will be an independent Director and will remain in office for no longer than four years without prejudice to his/her continuity or re-election as a member of the Committee.

INTERNAL AUDIT.

The Group has an Internal Audit area that is subject to the control and supervision of the Audit and Control Committee. Below are some of the functions undertaken by the Internal Audit area:

1. Supervise compliance and the effectiveness of the internal control systems and procedures, as well as supporting the organisation in improving such systems and procedures as well as the control activities.

2. Ensure that all financial and management information is sufficient, accurate and reliable.

3. Examine the established systems to ensure compliance with the internal rules and external regulations in force, assessing their suitability and effectiveness. So as to meet its goals, this area combines in-person audits with remote audits. MANAGEMENT COMMITTEE.

The functions of the Management Committee are to manage, control and monitor the Bank and the Group; to monitor, control and evaluate the business units; to establish the commercial strategy and monitor its activity; to implement the targets and the common commercial policy; to evaluate investments, transactions in the securities markets and finance structure; to analyse prices and propose intra-group rates and prices; to evaluate the Group's technological needs and make proposals for improving the system; to coordinate the Bank with the different areas of the Group; and, lastly, to implement policies for managing subsidiaries and to monitor results.

REGULATORY COMPLIANCE UNIT.

The Renta 4 Group has an independent unit in charge of the regulatory compliance that, through the right policies and procedures, detects and handles the risk of non-compliance with the organisation's duties, whether internal or external, in this respect. Furthermore, the unit reports and advises the management and employees about, and monitors compliance with, the internal rules across the organisation. The risk of non-compliance with the regulations could have an impact on the financial information.

Furthermore, the Renta 4 Group provides its clients with a Customer Service to learn, study and solve any complaints and claims they may have regarding the operations, agreements and financial services and, generally, their experience with the different entities making up the Renta 4 Group. This Customer Service is an extra control tool to detect any possible errors in the financial information after analysing the claims received.

ADMINISTRATION AND ACCOUNTANCY AREA.

The Administration and Accountancy Area of Renta 4 Banco is the area in charge of preparing and directly controlling the financial information, reporting directly to the senior management and the Board of Directors.

This area is in charge of the following tasks for the financial reporting:

1.Accountancy: in charge of the Bank's accountancy and ensuring compliance with the procedures set to control the quality and reliability of the information produced by the different areas in the Group.

2.Consolidation: in charge of the consolidation process and following up the information on subsidiaries and affiliates.

F.1.2 If any, especially in connection with the financial reporting process, the following elements:

· Departments and/or mechanisms tasked with: (i) devising and reviewing the organisational structure; (ii) clearly defining the boundaries of responsibility and authority, with proper distribution of tasks and functions; and (iii) ensuring that sufficient procedures are in place to spread awareness of this across the company:

The devising and reviewing of the organisational structure as well as the drawing up of responsibilities and authority is undertaken by the Board of Directors by means of the CEO and the Appointments and Remuneration Committee (body made up of external members of the Board of Directors) with the support of the Management Committee.

The Managing Director and the Appointments and Remuneration Committee determine the assignment of tasks and functions, ensuring a suitable distribution of functions and a series of coordination systems between the different departments to ensure the efficiency of the transactions.

· Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record-keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action:

The Renta 4 Group has an Internal Code of Conduct adopted by the Board of Directors. This applies to all employees, proxies, executives, directors and representatives of the Group and it sets forth the principles and values that should govern the Group's actions. This Internal Code of Conduct sets a framework for action in the event of breach by the people subject to the Code.

Renta 4 Banco delivers this Internal Code of Conduct to all people affected by it, who in turn acknowledge its receipt and personally accept that they know, understand and accept the ICC as well as all the commitments contained therein.

The Regulatory Compliance unit is the body in charge of ensuring the appropriate distribution of this Code and its compliance. It will report to the Audit and Control Committee any non-compliances or bad practices detected and will propose the relevant disciplinary actions that should be then ratified by the appropriate governing body.

· Whistleblower channel, to inform the audit committee of irregularities of a financial and accounting nature, in addition to possible code of conduct infringements and irregular activities in the organisation, informing, where appropriate, whether it is confidential in nature and whether it allows anonymous communications, respecting the rights of the whistleblower and the reported party.

Any financial or accounting irregularities are reported to the Audit Committee through the Internal Auditor who attends all the Committee meetings and informs the Committee Chairman of such irregularities for them to be studied and remedied.

Furthermore, the Group has a whistleblowing channel where customers, employees and suppliers can inform of any alleged irregular conduct, non-compliance or illegal act committed in the course of the operations run by the companies making up the Renta 4 Group that could entail a criminal offence. This whistleblowing channel is confidential.

The Compliance Unit (made up of the Internal Audit Director, the Risk Management Director and the Regulatory Compliance Director) is the body that reports to the Audit and Control Committee and receives and analyses all the complaints. It has independent power to investigate and solve each case. The Compliance Unit reports its activity in handling the claims to the Board's Audit and Control Committee.

· Training programmes and regular refresher courses for personnel involved in the preparation and review of financial information and the assessment of ICFR, covering at least accounting standards, auditing, internal control and risk management:

The Group develops training schemes for the entire staff, including employees who are directly involved in the financial reporting.

These schemes include permanent updates on regulatory changes in the operations conducted by the different companies in the Group, including the knowledge of the International Rules on Financial information and the applicable regulations enforced by the Bank of Spain, CNMV and the General Directorate of Insurance.

F.2. Assessment of risks related to financial information.

Report, at least, on:

F.2.1 The main characteristics of the process for identification of risks, including the risk of error or fraud, as follows:

· Whether the process exists and is documented:

The Management of Renta 4 Bank is in charge of keeping an adequate internal control on the financial reporting. This internal control on the financial information is overseen by the Chairman of the Board and of the Audit and Control Committee so as to provide a reasonable level of assurance regarding the reliability of the financial information and the preparation of the disclosed consolidated financial statements of the Group that are reported under the rules in force at the time.

The main risks in the financial reporting process are:

- Errors from misapplying the accounting principles.
- Fraudulent financial information.
- Deficiencies in breaking down the information.

In order to minimise these risks in the financial reporting, the Renta 4 Group has automated practically all the accounting of the operations with clients. With regard to the processes with a manual element in financial reporting, we have identified the risks and controls or the minimising factors related to them so as to assess, supervise and conclude, for each of these and for the financial information as a whole, that they are reasonably free of material errors.

In addition to this, we run a series of conciliations to guarantee that the accounting information matches the information provided by third parties.

The Audit and Control Committee supervises the process followed to identify the risks pertaining the financial information as part of its duties to supervise and control the financial information.

· Whether the process covers all financial reporting objectives (existence and occurrence, completeness, measurement, presentation, disclosure and comparability, and rights and obligations), whether it is updated and how often:

This process covers all financial information and especially focuses on identifying risks of material error based on the complexity of the transactions, the quantitative and qualitative relevance, the complexity of the calculations and the application of judgements and estimates. This process is updated depending on the change in the level of exposure to the risks inherent in the operations run by the Renta 4 Group.

· The existence of a process to identify the scope of the consolidated group, considering aspects such as the possibility of complex corporate structures or special-purpose vehicles:

The scope of consolidation of the Renta 4 Group is determined by the Administration and Accounting Area in line with the criteria foreseen by the relevant regulations.

The scope of consolidation is also supervised by the internal audit unit and by the external auditors.

· Whether the process takes into account other types of risks (operational, technology, financial, legal, tax, reputational, environmental risk etc.), which may affect the financial statements:

The process takes into account the main risks affecting the Renta 4 Group, including operational, technological, financial, legal, reputational and other risks.

· Which of the entity's governing bodies supervises the process:

This internal control on the financial information is overseen by the Chairman of the Board and of the Audit and Control Committee so as to provide a reasonable level of assurance regarding the reliability of the financial information and the preparation of the disclosed consolidated financial statements of the Group that are reported under the rules in force at the time.

F.3. Control activities.

Specify, indicating any salient features, if it has at least:

F.3.1 Procedures to review and authorise the financial reporting and description of the ICFR to be disclosed in the securities markets, indicating the people in charge and the documents describing the work flows and controls (including those related to fraud risk) of the different types of transactions that may have a material impact on the financial statements, including the procedure for the year-end closing and the special reviewing of the relevant judgements, estimates, assessments and forecasts

There are a series of checks in place for the transactions that could have a material impact on the financial statements. These checks are fundamentally based on the following aspects:

- Confirmation of transactions: checks to ensure the completeness and accuracy of the transactions recorded.

- Checks based on the conciliation of relevant transactions, positions and parameters.

- Assessment: running checks on the assessment methods, hypothesis and inputs used to estimate the fair value of the financial instruments.

- Taxes: internal checks to ensure that the tax calculations are appropriate and the balances are duly posted in the financial statements with the help of the Group's external tax consultancy firm.

- Adjustments based on estimates: checks to ensure that the techniques used to prepare the estimates are based on previously disclosed and authorised judgements.

- Checks on the consolidation and other processes in the year-end closing: The checks on the consolidation include, among other measures, verifying the accounting entries posted to eliminate inter and intra-group operations and the review of the adjustments made after the year-end closing.

- Filing and breaking down the financial statements: final review of the financial statements by the Group's senior management, especially by the financial area with prior checks run by the Administration and Accounting area and the Audits Unit.

F.3.2 Internal control policies and procedures for IT systems (including access security, control of changes, system operation, continuity and separation of duties) giving support to key Company processes involved in the preparation and publication of financial information.

The Renta 4 Group keeps different levels of access security on the IT systems that support the preparation and disclosure of the financial information to guarantee the right segregation of the functions within the accounting process, and to avoid intrusions in this regard.

The IT systems are exposed to the business continuity risk that arises from possible contingencies due to failed communications, power cuts, faulty hardware or software and other unexpected events or disasters.

The Renta 4 Group has a business continuity plan in accordance with the applicable regulations and it translates into different plans to tackle the aforementioned risks.

F.3.3 Internal control policies and procedures designed to supervise the management of third-party subcontracted activities, in addition to any evaluation, calculation or appraisal tasks entrusted to independent experts that may have a material impact on the financial statements.

The Renta 4 Group does not outsource any relevant activities that would have a material impact on the Group's financial statements. Although it maintains an outsourcing policy that establishes the processes of approval and review of compliance by third parties.

F.4. Information and reporting.

Specify, indicating any salient features, if it has at least:

F.4.1 A specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and resolving queries or settling disputes over their interpretation, which is in regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the Company's operating units.

The Administration and Accounting Area is responsible for the appropriate application of the accounting rules in financial reporting. Along with preparing the accounting records, their functions are:

- Defining the Group's accounting policies and procedures.

- Analysing any given operations and/or transactions to be posted accordingly.

- Assessing the potential impacts of plans to change regulations.

- Solve any in-house doubts.

The Administration and Accounting Area is in contact with the external auditors for any doubts about the posting of operations and/or transactions.

F.4.2 Mechanisms to capture and prepare the financial information with consistent formats, to be implemented and used by all units in the Company or group, which support the main financial statements and the notes, in addition to any information provided on the ICFR.

The main computer systems used for the financial reporting by the Renta 4 Group are centralised and linked.

There are procedures and checks in place to ensure the adequate development and maintenance of such systems and their correct operation, continuity and security.

When consolidating and preparing the financial information the company uses the financial statements reported by the Group's subsidiaries as input with the predefined formats as well as any other financial information required for the accounting reconciliation and to meet the information requirements.

F.5. Supervision of system operation.

Provide information, stating the main features, on at least:

F.5.1 ICFR supervisory activities conducted by the audit committee and whether the entity has an internal audit department whose competences include supporting the committee in its oversight of the internal control system, including ICFR. Likewise, specify the scope of the ICFR assessment conducted during the year and the procedure followed by the person in charge of the assessment to report the findings, whether the entity has an action plan detailing the corrective measures, and whether their impact on the financial information has been taken into account.

The Audit and Control Committee oversees that the financial reporting runs smoothly by directly supervising the internal audit unit and the work performed by the external auditors.

In parallel, the Audit and Control Committee may ask for help from the employees in the different areas in the Group to gather information on the existence of weaknesses that may have a significant impact on the financial information. The Group's senior management, based on the information received from the audit areas, both internal and external, and the information on inspection procedures followed by regulatory bodies, will assess the effectiveness of the ICFR.

F.5.2 Whether the company has a discussion procedure whereby the accounts auditor (in accordance with what is set forth in the NTAs), the internal audit staff and other experts are able to inform senior management and the audit committee or company directors of any significant weaknesses in internal control identified during the processes of review of annual financial statements or any others entrusted to them. State also whether the entity has an action plan to correct or mitigate the weaknesses found.

The Internal Audit unit informs the senior management and the Audit and Control Committee of any relevant weaknesses in the internal control identified during the year's reviews.

Furthermore, the Group's accounts auditor is in direct contact with the Group's senior management and holds regular meetings with them to obtain the information needed for his/her work and to report any weaknesses in the control detected in the course of his/her duties. Regarding the weaknesses, the external auditors provide the senior management with yearly and half-yearly reports detailing the weaknesses in the internal control found in the course of his/her duties.

The accounts auditor will also inform the Audit and Control Committee of the findings of his/her review of the Group's financial statements including any aspects that he/she may deem relevant.

The Internal Audit area regularly follows up the action plans resulting from the external auditor's recommendations and informs the Audit and Control Committee of their progress at least once a year depending on the relevance of the situation.

F.6. Other significant information.

No additional issues to be disclosed have been identified.

F.7. External auditor's report.

Report:

F.7.1 If the ICFR information supplied to the market has been reviewed by the external auditor, the corresponding report should be attached. If this is not the case, it should explain why.

The Renta 4 Group deemed that a report from the external auditor on the ICFR would be redundant, mainly because the external auditors conduct, on a half-yearly basis, an audit on the consolidated financial statements or a limited review of the summarised interim consolidated financial statements within the framework of the auditing regulations, and discusses with the Audit and Control Committee any relevant aspects or incidents.

G. EXTENT TO WHICH THE CORPORATE GOVERNANCE RECOMMENDATIONS ARE FOLLOWED

Please indicate the extent to which the company has followed the recommendations of the Code of Good Governance of Listed Companies.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations are not acceptable.

1. The articles of association of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by acquiring shares on the market.

Complies ✓ Explain

2. That, when the listed company is controlled, within the meaning of Article 42 of the Commercial Code, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it should publicly disclose precisely the following:

a) The respective areas of activity and any business relationships between, on the one hand, the listed company or its subsidiaries and, on the other hand, the parent company or its subsidiaries.

b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies Partially complies Explain **Non applicable ✓**

3. During the ordinary general meeting, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report, and in particular:

a) Of the changes that have occurred since the last ordinary general meeting.

b) Of the specific reasons why the company is not following certain recommendations of the Code of Corporate Governance and, if any, the alternative rules applied to this matter.

Complies ✓ Partially complies Explain

4. The company will define and promote a policy of communication and contact with shareholders and institutional investors within the framework of their participation at the company, as well as with the proxy advisers, respecting the rules on market abuse and treating shareholders who are in the same position equally. And the company should make this policy public via its website, including information on the way it has been put into practice and identifying the interlocutors or persons responsible for carrying this out.

And, without prejudice to legal obligations regarding the dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social networks or other channels) that helps to maximise the dissemination and quality of the information available to the market, investors and other stakeholders.

Complies ✓ Partially complies Explain

The Board remained committed to updating, analysing and reviewing the Company's internal policies in order to adapt them, if necessary, to the amendments to the good governance recommendations approved by the CNMV in June 2020. In this sense, it is worth mentioning the approval by the Board of Directors, last December 2023, of a new version of the "Communication Policy and Contacts with Shareholders, Investors and Voting advisers and Dissemination of Economic-Financial, Non-Financial and Corporate Information".

5. That the Board of Directors does not submit to the general meeting a proposal of delegation of powers to issue shares or convertible securities excluding the right to preferential purchase, for an amount above 20% of the share capital at the time of delegation.

And that when the Board of Directors approves any issue of shares or convertible securities excluding the right to preferential purchase, the Company should immediately publish on its website the reports on this exclusion as laid down in the companies' laws.

Complies ✓ Partially complies Explain

6. The listed companies which produce the reports listed below, either in mandatory or voluntary form, publish them on their website with sufficient notice before the ordinary general meeting is held, although their dissemination is not mandatory:

a) Report on the external auditor's independence.

b) Reports of proceedings of the audit committees and the appointments and remuneration committee.

c) Audit committee report on related-party transactions.

Complies ✓ Partially complies Explain

7. The Company broadcasts live, via its website, the holding of general meetings of shareholders.

And that the company has mechanisms that allow the delegation and exercise of votes by telematic means and even, in the case of highly-capitalised companies and to the extent proportionate, attendance and active participation in the General Shareholders' Meeting.

Complies ✓ Partially complies Explain

8. The audit committee should ensure that the financial statements that the board of directors submits to the general meeting of shareholders are drawn up in accordance with accounting regulations. And in those cases in which the auditor has included a qualification in its audit report, the chairman of the audit committee should clearly explain the audit committee's opinion on its content and scope at the general meeting, making a summary of said opinion available to shareholders at the time of publication of the call of the meeting, together with the rest of the proposals and reports of the board, a summary of said opinion.

Complies ✓ Partially complies Explain

9. The Company should make public on its website, permanently, the requirements and procedures it will accept to prove ownership of shares, the right to attend the general meeting of shareholders and the exercise or delegation of voting rights.

And such requirements and procedures facilitate the shareholders' attendance and the exercise of their rights and are applied in a non-discriminatory manner.

Complies ✓ Partially complies Explain

10. Where any legitimate shareholder has exercised, prior to the holding of the general meeting of shareholders, the right to complete the agenda or to submit new resolution proposals, the Company:

a) Immediately disseminates such additional items and new resolution proposals.

b) Makes public the attendance card model or form of proxy or remote voting with the changes required so that the new items on the agenda and alternative resolution proposals can be voted on, in the terms proposed by the board of directors.

c) Submits all these items or alternative proposals to vote and the same voting rules are applied to them as those made by the board of directors, including, in particular, presumptions or inferences about the direction of the vote.

d) Announces, after the general meeting of shareholders, the breakdown of the vote on such additional points or alternative proposals.

Complies ✓ Partially complies Explain Non applicable

11. In the event that the Company plans to pay premiums to attend the general meeting of shareholders, it will previously establish a general policy on such premiums and this policy is stable.

Complies Partially complies Explain **Non applicable** ✓

12. The Board of Directors will perform its duties with unity of purpose and independent judgment, and it will treat all shareholders who are in the same position equally and guide itself by the Company's interests which are understood as achieving a profitable and sustainable long-term business, to promote the Company's continuity and maximise its economic value.

In pursuing the Company's interests, in addition to complying with laws and regulations and acting in good faith, ethically and respecting the commonly accepted uses and good practices, the Board of Directors will endeavour to reconcile the Company's interests with, where applicable, the legitimate interests of its employees, its suppliers, its customers and those of other stakeholders that may be affected, as well as the impact of the Company's activities on the community as a whole and in the environment.

Complies ✓ Partially complies Explain

13. The board of directors has enough members in order to implement efficient and participative proceedings, which makes it advisable that the board should have between five and fifteen members.

Complies ✓ Explain

14. That the board of directors approves a policy aimed at encouraging an appropriate composition of the board of directors and that:

a) Is specific and verifiable.

b) ensure that proposals for appointment or reappointment are based on a prior analysis of the competencies required by the board; and

c) promotes the diversity of knowledge, experience, age and gender. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.

The result of the previous analysis of the competencies required by the board of directors is registered in the committee's report justifying the appointments to be published when the general meeting of shareholders is called, in which the ratification, appointment or re-election of each director is submitted.

The appointments committee will annually verify compliance with this policy and inform thereof in the annual corporate governance report.

Complies ✓ Partially complies Explain

15. The proprietary directors and independent directors constitute a significant majority of the Board of Directors and the number of executive directors is kept to the minimum necessary, having regard to the complexity of the corporate group and the percentage shareholding of the executive directors in the Company's share capital.

And that the number of female directors should account for at least 40% of the members of the board of directors by the end of 2022 and thereafter, and not be less than 30% prior to that date.

Complies **Partially complies** ✓ Explain

As reported in section C.1.4 above, currently, the board of Directors of the Company has a total of 4 female directors representing 28.57% of the total number of directors. Notwithstanding the foregoing, the Society, in compliance with current regulations, will continue to make its best efforts in this regard, proceeding to the study and analysis of different candidates in order to increase the percentage of female representation in the Board of Directors.

16. The percentage of proprietary directors over the total of non-executive directors is not higher than the proportion between the capital represented by such directors and the remainder of the Company's share capital.

This criterion may be reduced:

a) In large-cap companies where the shareholdings legally considered significant are low.

b) In companies where there is a diversity of shareholders represented on the board of directors and there are no links between them.

Complies ✓ Explain

17. The number of independent directors represents at least half of all directors.

However, where the Company is not highly capitalised or where, being highly capitalised, it has a shareholder or several shareholders acting together, who control more than 30% of the share capital, the number of independent Directors should represent at least one third of the total members.

Complies ✓ Explain

18. Companies should post the following director particulars on their websites, and keep them permanently updated:

a) Professional and biographical profile.

b) Other boards of directors on which they sit, whether or not these belong to listed companies, as well as other remunerated activities in which they may be involved.

c) The category to which the director belongs, where applicable, stating, in the case of proprietary directors, the shareholder they represent or to whom they have links.

d) Date when they were first appointed as a director of the company, as well as the dates of any subsequent reappointments.

e) Their holdings of company shares and their stock options.

Complies ✓ Partially complies Explain

19. The Annual Corporate Governance Report, with prior verification by the Appointments Committee, explains the reasons for the appointment of proprietary directors at the request of shareholders whose shareholding is less than 3% of the share capital; and reasons are given why formal requests for a seat on the board from shareholders with a stake equal to or greater than that of others, at whose request proprietary directors were appointed, have not been respected.

Complies ✓ Partially complies Explain Non applicable

20. Proprietary directors tender their resignation when the shareholders they represent sell their entire shareholding. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

Complies ✓ Partially complies Explain Non applicable

21. The Board of Directors shall not propose the removal of any independent Director before the statutory period for which they were appointed, except where just cause is found by the Board of Directors following a report from the Appointments Committee. It shall be understood that there is just cause when the director takes up a new post or takes on new duties that prevent him/her from devoting the necessary time to the performance of the duties associated with the directorship, when the director fails to carry out the duties inherent to his/her post or when the director is involved in circumstances which cause him/her to lose his/her independent status in accordance with the provisions of the legislation applicable.

The removal of independent directors from office may also be proposed as a result of public buy-outs, mergers or other similar enterprise-level transactions implying a change in the structure of the Company's capital, where such changes in the Board are due to the proportionality criterion in Recommendation 16.

Complies ✓ Explain

22. Companies should establish rules obliging directors to report and, where appropriate, to resign when situations arise that affect them, whether or not related to their performance in the company itself, that could damage the credit and reputation of the company and, in particular, obliging them to inform the board of any criminal proceedings in which they are under investigation, as well as the progress of any such proceedings.

And, having been informed or having otherwise become aware of any of the situations mentioned in the preceding paragraph, the board should examine the case as soon as possible and, in view of the particular circumstances, decide, following a report from the appointments and remuneration committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing his or her removal. And to report thereon in the annual corporate governance report, unless there are particular circumstances that justify it, which shall be recorded in the minutes. This is without prejudice to the information that the company may be required to disseminate, if appropriate, when the corresponding measures are adopted.

Complies ✓ Partially complies Explain

23. All directors clearly express their opposition when they consider that a proposal submitted to the Board for Directors for decision could be contrary to the Company's interests. Moreover, independent directors and other directors in particular, who are not affected by potential conflict of interest, should do the same in the case of decisions that could be detrimental to shareholders not directly represented on the Board of Directors.

And when the Board of Directors adopts significant or repeated decisions on matters with regard to which the director has expressed serious reservations and subsequently opts to resign, the ensuing conclusions drawn and reasons for the resignation must be explained in the letter referred to in the following recommendation.

This recommendation also extends to the secretary to the board of directors, even if the secretary is not a director.

Complies ✓ Partially complies Explain Non applicable

24. When, either by resignation or by resolution of the general meeting, a director resigns before the end of their term of office, they should sufficiently explain the reasons for their resignation or, in the case of non-executive directors, their opinion on the reasons for the removal by the board, in a letter to be sent to all members of the board of directors

Notwithstanding the fact that all of the above is disclosed in the annual corporate governance report, to the extent that it is relevant for investors, the company should publish the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Complies ✓ Partially complies Explain Non applicable

25. In addition, the Appointments Committee will ensure that non-executive directors have sufficient time to properly perform their duties.

And that the Board regulations sets the maximum number of boards of which the directors may form part.

Complies ✓ Partially complies Explain

The Company's Board Regulations do not specify a maximum number of boards on which the Company's directors may sit but such limit is set forth in the regulations applied to the Company as a credit entity. Therefore, the principle given by the recommendation is fulfilled, that is, the directors should devote sufficient time to efficiently perform their duties and to know the Company's business and the governance rules that govern it and they meet its purpose despite not fully observing the recommendation and all the directors are aware of the limits set in the regulations in this regard.

26. The Board of Directors holds meetings as frequently as required in order to carry out its role effectively, at least eight times a year, following the programme and agenda established at the start of the year, with each director able to propose for inclusion alternative items not originally on the agenda.

Complies ✓ Partially complies Explain

27. Directors' absences should be limited to the bare minimum and quantified in the Annual Corporate Governance Report. And, when they must occur, instructions are given to proxies.

Complies ✓ Partially complies Explain

28. When the directors or the secretary express concerns about a particular proposal or, in the case of the directors, about the Company's progress and such concerns are not resolved within the Board of Directors, this is recorded in the minutes at the request of whoever expressed such concerns.

Complies ✓ Partially complies Explain Non applicable

29. The Company will establish suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the Company's expense.

Complies ✓ Partially complies Explain

30. In addition, regardless of the knowledge required of the Directors to perform their duties, the Company will also offer Directors refresher programmes when circumstances so warrant.

Complies ✓ Explain Non applicable

31. The agenda of the sessions clearly indicates the points on which the Board of Directors will adopt a decision or agreement so that directors can study or seek, in advance, the information required for its adoption.

When exceptionally, for reasons of urgency, the Chairman wishes to submit for the approval of the Board of Directors any decisions or agreements not included in the agenda, this will require the express prior consent of the majority of the directors present, which will be duly recorded in the minutes.

Complies ✓ Partially complies Explain

32. Directors should be regularly informed of the movements in shareholdings and of the opinions that significant shareholders, investors and rating agencies have of the Company and its group.

Complies ✓ Partially complies Explain

33. The chairman, as the person responsible for the proper functioning of the board of directors, in addition to exercising the functions assigned to him by law and the articles of association, should prepare and submit to the board a schedule of dates and items to be discussed; organise and coordinate regular assessment of the board and, where applicable, assessment of the company's chief executive; take responsibility for management of the board and of the effectiveness of its functioning; ensure that sufficient time is allocated to discuss strategic issues, and agree and review programmes to update knowledge for each director, when circumstances so advise.

Complies ✓ Partially complies Explain

34. When there is an independent lead director, the Articles of Association or regulations of the Board of Directors, in addition to the powers legally entitled, attribute him/her the following: chairing the Board of Directors in the absence of the Chairman and Vice-Chairmen, if any; echoing the concerns of non-executive directors; maintaining contacts with investors and shareholders to ascertain their views in order to form an opinion about their concerns, particularly in relation to the corporate governance of the Company; and coordinate the Chair´s plan of succession.

Complies ✓ Partially complies Explain Non applicable

35. The Secretary to the Board of Directors shall also ensure that the Board of Directors is aware of recommendations on good governance that apply to the Company and that are part of the Code of Good Governance for listed companies.

Complies ✓ Explain

36. The complete Board of Directors should evaluate, once a year, and adopt, where applicable, an action plan to correct deficiencies identified with respect to:

a) The quality and efficiency of operation of the board of directors.

b) The operations and the composition of its committees.

c) The diversity of Board membership and competences.

d) The performance of the Chairman of the Board of Directors and the Chief Executive Officer of the Company.

e) The performance and contribution of each Director, paying particular attention to those who are in charge of the various board committees.

The evaluation of the various committees will be based on the reports they submit to the Board of Directors, and for the latter, evaluation will be based on the one submitted by the Appointments Committee.

Every three years, the Board of Directors will be assisted to carry out the evaluation by an external consultant, whose independence will be verified by the Appointments Committee.

Business relationships that the consultant or any Company in its group have with the Company or any Company of its group should be detailed in the annual corporate governance report.

The process and the evaluated areas will be further described in the annual corporate governance report.

Complies ✓ Partially complies Explain

37. When there is an executive committee, at least two non-executive directors should sit on it, at least one of whom should be independent; and its secretary should be the secretary of the board of directors.

Complies Partially complies Explain **Non applicable** ✓

38. The Board of Directors is always aware of matters dealt with and decisions adopted by the Executive Committee and all the members of the board receive a copy of the minutes of the meetings of the Executive Committee.

Complies   Partially complies   Explain   **Non applicable** ✓

39. The members of the audit committee as a whole, and especially its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management, both financial and non-financial.

Complies ✓   Partially complies   Explain

40. Under the supervision of the audit committee, there should be a unit that assumes the internal audit function to ensure the proper functioning of the information and internal control systems, which are functionally dependent on the non-executive Chairman of the Board or the Audit Committee.

Complies ✓   Partially complies   Explain

41. The head of the unit that assumes the internal audit function should present its annual work plan to the audit committee for approval by the latter or by the board, report to it directly on its execution, including any incidents and limitations on scope that may arise in its development, the results and follow-up of its recommendations, and submit an activities report at the end of each fiscal year.

Complies ✓   Partially complies   Explain   Non applicable

42. In addition to those as legally established, the Audit Committee is responsible for the following:

1. With regard to information systems and internal control:

a) Supervise and evaluate the preparation process and the integrity of financial and non-financial information, as well as the control and management systems for financial and non-financial risks relating to the company and, where appropriate, the group - including operational, technological, legal, social, environmental, political, reputational and corruption-related risks - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensure the independence and effectiveness of the internal audit processes, proposing the election, appointment, re-election and removal of the head of the internal audit division in addition to proposing the budget for this service, approving or propose the approval of both orientation and operating plans of the internal audit, ensuring that their activity is focused mainly on the risks that are relevant to the Company (including those related to reputation), receiving regular information on their activities and verifying that senior management is taking into account the conclusions and recommendations of the Committee's reports.

c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial and accounting irregularities, or any other type of irregularity they may notice within the company or its group. This mechanism should guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the complainant and the accused.

d) To generally ensure that established internal control policies and systems are effectively implemented in practice.

2. With regard to the external auditor:

a) Examine the circumstances behind the resignation of the external auditor, should this occur.

b) Ensure that the remuneration for the external auditor for his or her work does not compromise his or her integrity or independence.

c) Ensure that the Company notifies the change of auditor to the CNMV and that this notification is accompanied by a statement citing any disagreements the Company may have had with the outgoing auditor and, if there were such disagreements, to discuss them.

d) Ensure that the external auditor annually holds a meeting with the full Board of Directors to report on the work done and the evolution of the Company´s accounting and risk situation.

e) Ensure that the Company and the external auditor adhere to current regulations regarding the provision of non-audit services as well as the limits on the auditor's business concentration and, in general, the other rules on auditor independence.

Complies ✓   Partially complies   Explain

43. The Audit Committee may summon any employee or executive of the Company; this includes appearances without the presence of any other executive.

Complies ✓   Partially complies   Explain

44. The Audit Committee should be informed of the operations of structural and corporate changes that the Company plans to carry out, for analysis and preliminary report to the Board of Directors on their economic conditions and their accounting impact, and especially, if any, on the proposed swap equation.

Complies ✓   Partially complies   Explain   Non applicable

45. The control and risk management policy should specify or determine at least:

a) The different types of financial and non-financial risks (including operational, technological, legal, business, environmental, political and reputational, as well as those related to corruption) that the Company faces, including financial and economic risks, contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, of which a specialised risk committee shall form part when the sector regulations so provide or when the company deems it appropriate.

c) The level of risk that the company considers acceptable.

d) The measures planned to mitigate the impact of identified risks, should they materialise.

e) The information and internal control systems to be used to control and manage the abovementioned risks, including contingent liabilities or off-balance sheet risks.

Complies ✓   Partially complies   Explain

46. Under the direct supervision of the Audit Committee or, if any, of a specialised committee of the Board of Directors, there is an internal function of risk control and management exercised by a unit or internal department of the Company that has expressly attributed the following functions:

a) Ensure the proper functioning of the control and risk management systems and, in particular, that all the important risks affecting the Company are adequately identified, managed and quantified.

b) Actively participate in the development of a risk strategy and take part in the important decisions concerning risk management.

c) Ensure that the control and risk management systems in place adequately mitigate the risks within the framework of the policy defined by the Board of Directors.

Complies ✓ Partially complies Explain

47. Members of the Appointments and Remuneration Committee – or both Committees if they were separate – are designated by ensuring that they have the knowledge, skills and experience appropriate to the duties that they are to perform and that most of these members are independent directors.

Complies ✓ Partially complies Explain

48. Highly-capitalised companies have an Appointments Committee and a separate Remuneration Committee.

Complies Explain **Non applicable** ✓

49. The Appointments Committee should consult with the company's Chairman of the Board of Directors and chief executive, especially on matters relating to executive directors.

Any Director may request that the Appointments Committee take into consideration potential candidates to fill director vacancies if he/she feels that they are suitable.

Complies ✓ Partially complies Explain

50. The duties of the remuneration committee must be exercised with independence and include, in addition to those indicated by law, the following:

a) Propose to the Board of Directors the standard conditions for senior officers' employment contracts.

b) Check compliance with the remuneration policy set by the company.

c) Periodically review the remuneration policy applied to directors and senior officers, as well as the remuneration systems that include shares and how they are implemented, in addition to guaranteeing that their individual remuneration is proportional to that which is paid to other directors and senior officers of the Company.

d) Ensure that any conflicts of interest do not interfere with the independence of the external advice given to the committee.

e) Verify the information on directors' and senior officers' remuneration found in various corporate documents, including the annual report on directors' remuneration.

Complies ✓ Partially complies Explain

51. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies ✓ Partially complies Explain

52. The rules regarding the composition and proceedings of the supervisory and control committees should be listed in the Board Regulations and be consistent with those applicable to the legally mandatory committees under the foregoing recommendations, including the following:

a) They should be composed exclusively of non-executive directors, with a majority of independent directors.

b) The chairmen should be independent directors.

c) The board of directors should appoint the members of these committees, taking into account the knowledge, skills and experience of the directors and the responsibilities of each committee; deliberate on its proposals and reports; and, at the first plenary session of the board after their meetings, receive an account of their activity and a report on the work carried out.

d) The committees should seek external advice when they deem it necessary to perform their duties.

e) Minutes of meetings should be taken, and copies sent to all directors.

Complies ✓ Partially complies Explain Non applicable

53. The supervision of compliance with the company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct, should be assigned to one or more committees of the board of directors, which may be the audit committee, the appointments committee, a committee specialising in sustainability or corporate social responsibility or any other specialised committee that the board of directors, in exercise of its powers of self-organisation, has decided to create. This committee should only be made up of non-executive directors, the majority of whom should be independent, and should be specifically assigned the minimum functions indicated in the following recommendation.

Complies ✓ Partially complies Explain

54. The minimum functions referred to in the above recommendation are as follows:

a) Supervision of compliance with corporate governance rules and the company's internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.

b) The supervision of the application of the general policy relating to the communication of economic-financial, non-financial and corporate information as well as communication with shareholders and investors, proxy advisers and other stakeholders. The way in which the entity communicates and relates to small and medium-sized shareholders will also be monitored.

c) Regular assessment and review of the adequacy of the Company's corporate governance system and environmental and social policy, so that it may fulfil its mission of promoting its social activities and keep the legitimate interests of other stakeholders in mind.

d) Monitoring that the company's environmental and social practices are in line with the strategy and policy established.

e) Supervising and evaluating relations with different stakeholders.

Complies ✓ Partially complies Explain

55. That sustainability policies in environmental and social matters identify and include at least:

a) The principles, commitments, objectives and strategy with regard to shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conduct.

b) The methods or systems for monitoring compliance with policies, associated risks and their management.

c) Non-financial risk supervision mechanisms, including those related to ethical and business conduct issues.

d) The channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that prevent manipulation of information and protect integrity and honour.

Complies ✓ Partially complies Explain

56. Directors' remuneration is what is necessary to attract and retain directors with a desirable profile, to compensate them for the dedication, qualifications and responsibility that the position entails, and to ensure that the amount does not interfere with the independence of non-executive directors' decisions.

Complies ✓ Explain

57. Executive directors are restricted to variable remuneration linked to the performance of the Company and to their personal performance, as is the remuneration in the form of shares, stock options or rights to shares or instruments that are referenced to the value of the stock and long-term savings systems such as pension plans, retirement schemes or other social security systems.

Delivery of shares as remuneration can be contemplated for non-executive directors on condition that they hold them until they cease to be directors. The foregoing will not apply to shares that the director needs to dispose of, if appropriate, to meet the costs related to acquisition.

Complies ✓ Partially complies Explain

58. In the case of variable remuneration, remuneration policies should include precise limits and technical safeguards to ensure they reflect the professional performance of the recipients and not only the general progress of the markets or the company's activity sector or circumstances of this kind.

And in particular, the variable components of remunerations:

a) Should be linked to performance criteria that are predetermined and measurable, and these criteria should consider the risk taken to obtain a result.

b) Should promote the sustainability of the Company and include non-financial criteria that are suitable for creating long-term value, such as compliance with internal rules and procedures of the Company and its policies for control and risk management.

c) Should be configured on the basis of a balance between compliance with short-term, medium-term and long-term objectives, to remunerate output for continuous performance over a period of time that is sufficient to appreciate the contribution to the sustainable creation of value, in such a way that the items measuring this performance do not focus only on sporadic, occasional or extraordinary facts.

Complies ✓ Partially complies Explain Non applicable

59. The payment of variable components of remuneration should be subject to sufficient verification that the performance or other conditions set out above have been effectively met. The entities shall include in the annual directors' remuneration report the criteria regarding the time required and methods for such verification depending on the nature and characteristics of each variable component.

In addition, institutions should consider the establishment of a malus clause based on the deferral for a sufficient period of time of the payment of a portion of the variable components that entails their total or partial loss in the event that some event occurs prior to the time of payment that makes it advisable to do so.

Complies ✓ Partially complies Explain Non applicable

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Complies ✓ Partially complies Explain Non applicable

61. A significant percentage of the variable remuneration of executive directors should be linked to the delivery of shares or financial instruments referenced to their value.

Complies ✓ Partially complies Explain Non applicable

62. That once the shares, options or financial instruments corresponding to the remuneration systems have been attributed, executive directors may not transfer ownership or exercise them until at least three years have elapsed.

An exception is made in the case where the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice their annual fixed remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable opinion of the Appointments and Remuneration Committee, in order to deal with extraordinary situations that so require.

Complies ✓ Partially complies Explain Non applicable

63. Contractual agreements include a clause that allows the Company to claim reimbursement of variable components of remuneration when payment has not been adjusted to the return conditions or when they have been paid based on data that are subsequently credited with inaccuracy.

Complies Partially complies **Explain** ✓ Non applicable

No mechanisms are foreseen in this respect other than those included in the applicable mercantile regulations, although the content of this recommendation is included in the directors' remuneration policy.

64. Payments for contract resolution or termination do not exceed the established amount equivalent to two years of total annual remuneration and they are not paid until the Company has been able to verify that the director has met the criteria or requirements previously established to qualify for it.

For the purposes of this recommendation, termination or contractual termination payments shall include any payments whose accrual or payment obligation arises as a result of or in connection with the termination of the contractual relationship between the director and the company, including amounts not previously vested in long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Complies Partially complies **Explain** ✓ Non applicable

Severance payments for contract termination will be an amount equal to the accrued and vested part of the annual variable remuneration, as appropriate, and regarding the deferred part, the total amount of the deferred payment, and in the event of a resignation, the accrued and vested part of the annual variable remuneration, as appropriate, in accordance with the regulations, until the date of contract termination.

H. OTHER INFORMATION OF INTEREST

1. If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this report and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or group, explain briefly.

2. Any other information, clarification or observation related to the above sections of this report may be included in this section insofar as they are relevant and not repetitive.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different to that required by this report.

3. Also state whether the company voluntarily subscribes to other international, sectorial or other ethical principles or standard practices. If applicable identify the code and date of adoption. In particular, it will be specified whether the Company has adhered to the Code of Good Tax Practice of 20 June 2010:

C.1.12. The Company's Board Regulations do not specify a maximum number of boards on which the Company's directors may sit but such limit is set forth in the regulations applied to the Company as a credit entity. For this reason, the principle given by the recommendation is met. In other words, the directors should devote sufficient time to efficiently perform their duties and to know the Company's business and the governance rules that govern it and they meet its purpose despite not fully observing the recommendation and all the directors are aware of the limits set in the regulations in this regard.

D. 3: Details of Related Parties (list):

Name or name Name of the Company Link Nature of the transaction Amount Body that has approved it
MS. GEMA AZNAR CORNEJO RENTA 4 BANCO S.A. CONTRACTUAL ACCOUNTS 94 BANCO S.A. CONTRACTUAL TRANSFER OF THE ENTITY
MS. GEMA AZNAR CORNEJO RENTA 4 1 BANCO S.A. CONTRACTUAL TRANSFER 7 CONTRACTUAL TRANSFER OF THE ENTITY
MS. GEMA AZNAR CORNEJO RENTA 4 BANCO S.A. THE ENTITY
MS. GEMA AZNAR CORNEJO RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 4 BOARD OF ADMON.-GENERAL MEETING

MR. EDUARDO CHACON LOPEZ RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 6 BOARD OF ADMON.-GENERAL MEETING

MS. PILAR GARCIA CEBALLOS-ZUNIGA RENTA 4 BANCO S.A. CONTRACTUAL ACCOUNTS 65 ENTITY'S USUAL LINE OF BUSINESS

MS. PILAR GARCIA CEBALLOS-ZUNIGA RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 2 BOARD OF DIRECTORS.-GENERAL MEETING

MR. J. IGNACIO GARCÍA-JUNCEDA FDEZ. RENTA 4 SV S.A. CONTRACT AGREEMENTS FINANC.LOANS 23 ENTITY'S USUAL LINE OF BUSINESS
MR. J. IGNACIO GARCÍA-JUNCEDA FDEZ. RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 7 BOARD OF DIRECTORS.-GENERAL MEETING
MR. J. IGNACIO GARCÍA-JUNCEDA FDEZ. RENTA 4 BANCO S.A. CONTRACTUAL COMMITMENTS ACQUIRED 23 ENTITY'S USUAL LINE OF BUSINESS

MR. SANTIAGO JOSE GONZALEZ ENCISO RENTA 4 BANCO S.A. CONTRACT AGREEMENTS FINANC.LOANS 146 ENTITY'S USUAL LINE OF BUSINESS
MR. SANTIAGO JOSE GONZALEZ ENCISO RENTA 4 BANCO S.A. CONTRACT INT. LOANS PROVIDED 13 ENTITY'S USUAL LINE OF BUSINESS
MR. SANTIAGO JOSE GONZALEZ ENCISO RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 202 ADMON COUNCIL.-GENERAL MEETING
MR. SANTIAGO JOSE GONZALEZ ENCISO RENTA 4 BANCO S.A. CONTRACTUAL COMMITMENTS ACQUIRED 700 ENTITY'S USUAL LINE OF BUSINESS
MR. SANTIAGO JOSE GONZALEZ ENCISO RENTA 4 BANCO S.A. CONTRACTUAL WARRANTIES ACQUIRED 1300 ENTITY'S USUAL LINE OF BUSINESS

MS. INÉS JUSTE BELLOSILLO RENTA 4 BANCO S.A. CONTRACTUAL ACCOUNTS 17 ENTITY'S USUAL LINE OF BUSINESS DONA JUSTE BELLOSILLO RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 6 BOARD OF DIRECTORS.-GENERAL MEETING

MR JUAN LUIS LOPEZ GARCIA RENTA 4 BANCO S.A. CONTRACTUAL ACCOUNTS 61 ENTITY'S USUAL LINE OF BUSINESS MR JUAN LUIS LOPEZ GARCIA RENTA 4 BANCO S.A. CONTRACTUAL ACCOUNTS OTHER PAHO. LIABILITY 13 ENTITY'S USUAL LINE OF BUSINESS MR JUAN LUIS LOPEZ GARCIA RENTA 4 BANCO S.A. CONTRACTUAL PROVISION OF SERVICES 3 ENTITY'S USUAL LINE OF BUSINESS
MR JUAN LUIS LOPEZ GARCIA RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 52 BOARD OF DIRECTORS.-GENERAL MEETING

MR PEDRO ANGEL NAVARRO MARTINEZ RENTA 4 BANCO S.A. CONTRACTUAL SERVICES PROVIDE 2 ENTITY'S USUAL LINE OF BUSINESS
MR PEDRO ANGEL NAVARRO MARTINEZ RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 62 BOARD OF DIRECTORS.-GENERAL MEETING

MR RAFAEL NAVAS LANCHAS RENTA 4 BANCO S.A. CONTRACTUAL ACCOUNTS CURRENT 2 ENTITY'S USUAL LINE OF BUSINESS
MR RAFAEL NAVAS LANCHAS RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 2 BOARD OF DIRECTORS.-GENERAL MEETING

MR JOSÉ RAMON RUBIO LAPORTA RENTA 4 BANCO S.A. CONTRACTUAL ACCOUNTS 101 CONTRACTUAL TRAFFIC OF THE ENTITY MR JOSÉ RAMON RUBIO LAPORTA RENTA 4 BANCO S.A. CONTRACTUAL SERVICES PROVIDE 17
MR JOSÉ RAMON RUBIO LAPORTA RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 145 BOARD OF DIRECTORS.-GENERAL MEETING

MR JESUS SANCHEZ-QUINONES GONZALEZ RENTA 4 BANCO S.A. CONTRACTUAL ACCOUNTS 5 ENTITY'S USUAL LINE OF BUSINESS

MR JESUS SANCHEZ-QUINONES GONZALEZ RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 76 BOARD OF DIRECTORS.-GENERAL MEETING

MR JOSÉ SEVILLA ALVAREZ RENTA 4 BANCO S.A. CONTRACTUAL ACCOUNTS 2 ENTITY'S USUAL LINE OF BUSINESS
MR JOSÉ SEVILLA ALVAREZ RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 2 BOARD OF DIRECTORS.-GENERAL MEETING

MR JUAN CARLOS URETA DOMINGO RENTA 4 BANCO S.A. CONTRACTUAL SERVICES PROVIDE 61 ENTITY'S USUAL LINE OF BUSINESS

MR JUAN CARLOS URETA DOMINGO RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 1089 ADMON COUNCIL.-GENERAL MEETING

MR JUAN CARLOS URETA ESTADES RENTA 4 BANCO S.A. CONTRACT INT. LOANS DISPOSED 7 ENTITY'S USUAL LINE OF BUSINESS MR JUAN CARLOS URETA ESTADES RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 13 BOARD OF DIRECTORS.-GENERAL MEETING

MS. MARIA PINO VELAZQUEZ MEDINA RENTA 4 BANCO S.A. CONTRACTUAL ACCOUNTS 8 ENTITY'S USUAL LINE OF BUSINESS MARIA PINO VELAZQUEZ MEDINA RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 2 BOARD OF DIRECTORS.-GENERAL MEETING

MS. SONIA ALVAREZ NOZAL RENTA 4 BANCO S.A. CONTRACTUAL SERVICES PROVISION 1 ENTITY'S USUAL LINE OF BUSINESS SONIA ALVAREZ NOZAL RENTA 4 BANCO S.A. CONTRACTUAL ACCOUNTS 15 ENTITY'S USUAL LINE OF BUSINESS SONIA ALVAREZ NOZAL RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 7 ADMON COUNCIL.-BOARD GENERAL

MS. MARIA TERESA SANCHEZ ALONSO RENTA 4 BANCO S.A. CONTRACTUAL ACCOUNTS 31 ENTITY'S USUAL LINE OF BUSINESS

MS. MARIA TERESA SANCHEZ ALONSO RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 5 BOARD OF DIRECTORS.-GENERAL MEETING

MR CARLOS RUIZ SANCHEZ RENTA 4 BANCO S.A. CONTRACTUAL ACCOUNTS 6 ENTITY'S USUAL LINE OF BUSINESS
MR CARLOS RUIZ SANCHEZ RENTA 4 BANCO S.A. SOCIETARIA DIVIDENDS DISTRIBUTED 26 BOARD OF DIRECTORS.-GENERAL MEETING

This annual corporate governance report was approved by the Company's Board of Directors at its meeting held:

26/02/2024

List whether any directors voted against or abstained from voting on the approval of this Report.

Yes **No** ✓

05

Statement of Non-Financial Information 2023

05.1

Basis for the preparation of the non-financial information statement

In accordance with Law 11/2018 of 28 December on non-financial information and diversity, the Board of Directors of Renta 4 Banco, S.A. (the Parent Company) and its group subsidiaries, hereinafter Renta 4, issues this Statement of Non-financial Information for the financial year 2023 as an annex to the Consolidated Management Report presented with the consolidated annual accounts.

This report is public and can be consulted on the corporate website ***https://www.renta4banco.com/es***

Renta 4 has analysed the requirements of Law 11/2018, taking into account the opinion of its main stakeholders. To this end, the Group has identified the following stakeholders: customers, professionals, shareholders, the environment and suppliers.

The Renta 4 Group's business model, based on proximity and relationship with society, through the provision of products, services and investment solutions allows for continuous access to these stakeholders by all operating lines, control areas (risks, regulatory compliance, and internal audit), and, especially, senior management and members of the Board of Directors, who are fully aware of the most relevant aspects in the economic, social and environmental fields.

This continuous interrelationship means the company gets to know each stakeholder's needs to establish lines of action, responding to them in a timely manner.

The Board of Directors of Renta 4 Banco, S.A. is ultimately responsible for all aspects arising from the management and control of the risks inherent to the activity carried out by Renta 4. Thus, at the request of the Board of Directors, a Risk Appetite Framework, different risk management policies, and risk control structures have been set up to ensure their correct application.

The Risk Appetite Framework is a statement of the aggregate level of risk types that Renta 4 is willing to accept or avoid to achieve its business purposes. It is also a tool that uses metrics to monitor each of the risks, establishing different policies for appropriate risk management.

Therefore, the Risk Appetite Framework includes a commitment to economic and social sustainability, especially emphasising compliance with policies for the prevention of Anti-Money Laundering and Countering Financing of Terrorism, ESG, regulatory compliance, the code of conduct in stock markets (Internal Code of Conduct) and the handling of customers' complaints.

As shown in Annex I, *"Table of contents required by Law 11/2018, of 28 December"*, the NFIR has been prepared following the Global Reporting Initiative (GRI) Standards selected, for those requirements considered material for the business.

The scope of the information reported covers Renta 4 Banco, S.A. (the parent company) and its subsidiaries for the year 2023, both nationally and internationally.

05.2

General Information

Renta 4 is composed of a number of companies dedicated to the provision of investment and asset management services, and Renta 4 Banco S.A. is the parent company. The most representative companies in terms of income and services offered within the Group are the following:

- **Renta 4 Banco S.A.**
- **Renta 4 Gestora SGIIC S.A.**
- **Renta 4 Pensiones SGFP S.A.**
- **Renta 4 S.V. S.A.**
- **Renta 4 Corporate S.A.**

Renta 4 operates mainly in the national territory, although a non-significant part of its activity is carried out in Chile, Colombia, Peru, and Luxembourg with similar customers and products offered in all the countries. Apart from physical offices, the other channel through which Renta 4 provides services to its customers is the online broker.

The Group's main business lines are as follows:

- Brokerage: Activities of buying and selling securities and other financial instruments on national and international securities markets.
- Asset management and marketing: Management of CIIs, ECIs, ECRs and pension funds managed by the managing entities of the group; discretionary management of portfolios, either those of the managers of the group or of third party managers; and marketing of CIIs, ECIs, ECRs, alternative investments and pension funds, managed by the entity itself and third parties.
- Corporate and other services: Services to companies and other activities not included in the previous lines of business. This segment includes the activities of securities deposit, CII depository, corporate advice, assurance and placement of issues and public offers, and mergers and acquisitions.

The Renta 4 business model offers quality financial services to investors and savers by providing specialised independent advice and the best products available in the market, to meet their needs.

In December 2021, a new Strategic Plan called "Plan More" was communicated to the market with the aim of starting, from 2022, a new stage of growth in Renta 4 Banco. With the new Plan, there is an evolution in the activity of the Bank, which starts to offer traditional banking services (cards, payments and collections, direct debit, receipts, deposits, etc.) and that directly affects the management of the balance sheet itself, although without losing sight of the position acquired as a bank specialising in investment services.

The model expansion aims to access new segments of customers, essentially young and new savers who want to invest, but who are not only looking for an investment product provider, but are looking for a bank that meets all the basic needs of a commercial bank (direct debit of payroll and receipts, card, payments and collections, tax payments, etc.).

This plan incorporates a series of initiatives focused mainly on growing in the retail segment of customers. A specialised and "inclusive" bank model is proposed for all types of customers, incorporating "more" product and "more" service, covering a greater number and diversity of customers, as an essential element to generate growth and value in the long term. The idea, therefore, is not to renounce the competitive difference that Renta 4 Banco has acquired as a benchmark in specialised investment services, but to expand offering, in a complementary way, traditional banking services to strengthen the business model.

The model extension has had an effect on the organisation of the Group, which has led to the creation of new areas such as: management of payment methods, bank-insurance operator. In addition, the functions of the treasury department have been expanded. A new business unit has been formed focused on the development of the Plan More, the brand image has been changed to give visibility to the strategic change and, in parallel, significant investment has been made in computer resources and media in order to join various platforms and have all the necessary capabilities to provide banking services and maintain a high and sustainable pace of growth.

1. Group Structure

The activity of Renta 4 Banco, S.A. focuses mainly on the provision of investment and asset management services. The entity has a network of 67 offices, of which 63 are located in the main capitals and cities of the Spanish provinces, and the remaining 4 offices in the capital of each country listed above, with an average workforce of 657 workers in 2023.

The distribution network is complemented by sales agents and partners.

In addition, the Group has a website, www.r4.com,and an app for the main business unit, which make it possible for its customers to operate in national and international markets.

In addition, it has numerous customer support services, including; a telephone customer service with long customer service hours, permanent access to market news, analyst databases on companies from all major exchanges, alert services, access to technical comments and charting tools.

In the same way as the commercial area of the bank, other business units have their own websites, including:

www.renta4gestora.com, for Renta 4 Gestora

www.renta4pensiones.com, for Rent 4 Pensions

www.renta4banco.com, for institutional information and shareholders

corporate.r4.com, for the Renta 4 Corporate Finance website

wealth.r4.com, for the Renta 4 Wealth Management website

And other websites such as fundacionrenta4.org, blog.r4.com among others, for other areas and functions.

Internationally, Renta 4 also has physical offices in Peru and Chile, in addition to offering the possibility to customers in these two regions to contract Renta 4 products through its own website. Furthermore, a representative office and a company dedicated to the trust business are established in Colombia. The international business of Renta 4 is completed by the CII management company in Luxembourg.

Business units in international markets have their own websites:

www.renta4.cl, for the Renta4 website in Chile

www.renta4.pe, for the Renta website 4 in Peru

www.renta4global.com, for the Renta website 4 in Colombia

www.renta4.lu, for Renta 4 Luxembourg

2. History of the entity

Renta 4 started in 1986 as an investment services company. In the beginning, it was dedicated to the purchase and sale of public debt. In 1989, the entity became a Securities and Exchange Company, registered as number 1 before the National Securities Market Commission, expanding the investment range from Public Debt to Stock Exchange Intermediation. In 1987 Renta 4 Gestora SGIIC, S.A. was established, but it was not until 1991 that the CII management activity began, constituting the first investment fund. Renta 4 Pensiones S.G.F.P. was established in 1997.

In the 1990s a process of opening new offices throughout Spain began, starting from the 3 existing in 1990 and continuing until the current distribution network was formed. The last office that Renta 4 opened was in November 2023 in Madrid, at Avenida del General Peron No. 26.

In 1999, the strategy of territorial expansion and the multi-channel philosophy led to the development of the online platform www.renta4.com, which allowed the outsourcing of products and services through the network.

In 1999, a holding company was set up under the name of Renta 4 Servicios Financieros, S.L., which aligned the businesses of CII management and pension funds. In 2000, the intermediation business was integrated into the holding company.

From 2002 to 2004, Renta 4 began a process to rationalise the network through the acquisition and subsequent merger of several companies in which agents of the Renta 4 Group participated, giving rise to a fully integrated commercial structure.

In the same period, the product offering was expanded to include the marketing of ETFs and derivatives.

In 2004, as part of the company's growth policy, Renta 4 Corporate was established while Gesdinco and Padinco were acquired in 2006.

On September 29, 2007, Renta 4 became the first investment services company to float on the stock exchange.

In 2012, Renta 4 began to function as a bank by acquiring bank status from Banco Alicantino de Comercio, S.A. and establishing the company Renta 4 Banco, S.A. As a result, Renta 4 Sociedad de Valores, S.A. was partially spun off in favour of Renta 4 Banco, S.A.

Likewise, in 2012, the international expansion began in Chile, with Renta 4 Corredores de Bolsa, S.A. and, in 2013, it was expanded by opening offices in Peru and Colombia.

In 2014, there was another important milestone for the company by starting a process to make investment more accessible to citizens, moving all offices at street level and placing them in central streets of cities.

On June 25, 2015, the National Securities Market Commission (CNMV) appointed Renta 4 Gestora, SGIIC, S.A. as the Provisional Managing Company of the CIIs that, until then, had been managed by Banco Madrid Asset Management, SGIIC, S.A. and that no longer performs this management.

A management company for CIIs was established in Luxembourg in 2016.

At the beginning of 2020 Renta 4 Gestora adhered to the United Nations Sustainable Investment Programme, the so-called PRI (Principles for Responsible Investment), whereby it undertakes to incorporate environmental, social and governance factors (ESG) in investment decision-making.

In December 2021 it launched the strategic growth plan called Plan MORE, to grow in products and services, segments and, ultimately, customers. With this plan, the company also made a change of brand identity that spread to all its channels and offices. In this period Renta 4 was a team to work specifically in the field of artificial intelligence and robotisation, developing solutions both to optimise internal operations and to offer new experiences to customers in this area.

In January 2023 Renta 4 joined the PRI as a Group and signed up to its sustainability objectives and the goal of decarbonisation, also joining the NZBA (Net Zero Banking Alliance). An action with which it aligned itself with a large number of banks in the race for the neutrality of this industry in CO_2 emissions by 2030.

3. Purpose, mission and vision of the company

The purpose of Renta 4 Banco is to democratise investment so that every person, family, company or institution can benefit equally from a high-quality service to operate in financial markets and manage savings and investments. In other words, to offer an exclusive service with an inclusive approach to help customers protect and make the most of their savings and investments while managing risk.

In the current context of the financial markets and the uncertainty facing the sector, it connects with the Bank's mission as a Bank and as an investment company, which is to encourage investment to improve people's lives. We are moving towards a world of investors in which investment can and must play an essential role in moving towards a more sustainable and efficient world, and contribute to the progress of society. The company wants to play an important role in this new financial system that will finance innovation and the positive transformation of the economy. And it will do so as it has always done, by allocating resources well and managing risks well, helping customers invest well and helping companies find the best financial solutions for their growth.

This vision is translated into a slogan that is communicated and disseminated internally (employees) and externally (society): "PROMOTING INVESTMENT FOR THE PROGRESS OF PEOPLE AND SOCIETY".

To successfully accomplish its corporate purpose, Renta 4 has established a consistent business model, orchestrating strategies, structures, developments and activities, which can be summarised in two points:

1 **To be a specialised bank** (in savings, investment, wealth and corporate services): because to be able to offer quality and excellence of service in a scalable way, it is necessary to focus the activity. To be the best in an activity and, based on this, to be "A SPECIALISED INVESTMENT BANK"

2 **A bank devoted to its customers:** To establish a long-term relationship of trust based on an expert, efficient and personalised service for every investor. A premise that is expressed as "A BANK WHERE EVERY INVESTOR IS AN IMPORTANT CUSTOMER".

This business model with its brand allows Renta 4 to occupy a differential space on the map of banking or private banking entities.

Renta 4 is a "marketplace" for investments, but with a full banking license, that is its differential value. It differs from the large universal banks in that it specialises in wealth management and capital markets. It differs from smaller, boutique investment houses in that it offers the customer a much more comprehensive range of solutions to customers' financial needs. This makes it possible to target a very broad segment of savers, from high net worth individuals to more modest investors or millennials. In short, it is a Bank with all the advantages of being a Bank, but operating as a specialised investment firm. This is why Renta 4 is a marketplace that aggregates investment solutions for a wide range of customers. There is no other bank specialised in investment listed on the Spanish stock exchange.

The business model must reinforce this differentiation as a key to its consistency and competitiveness. A model that, when it comes to people's savings and investments, bases its success and condition of permanence on building TRUST.

Renta 4 has a slogan that conveys this idea: "At Renta 4 we are not investment managers, we are investor managers. The interests of their customers are paramount. An investor wants to know that there will always be someone to turn to if they have a problem, know that what they invest in is right for them, know that their advisers know what they are talking about, know the quality and reputation of the products and services that Renta 4 offers, know that they are charged fairly, know that they are offered what suits them and not the entity (we are not product placers). This TRUST is transmitted through:

1 **La cercanía: Accessibility:** The best way to transmit trust is through closeness, personal treatment, empathy, clear and transparent communication: knowing your customers WELL.

2 **Experience:** The experience that comes from being specialised and having spent more than 35 years dedicating ourselves exclusively to this on a day-to-day basis.

3 Quality of service: Because when it comes to money, every client wants to see that things are done well, with professionalism and experience, but also with caring and humanity. You have to be it and look like it.

And finally, these values must be surrounded by other aspects that in the current context are complementary, but fundamental for adapting to today's society: its habits and expectations.

1 Technology: A high-quality service requires a high level of efficiency, which is achieved only through technology, to make this model profitable, and therefore viable; but technology is also necessary to offer users convenient, fast and accessible experiences. Growth can only happen if integration between physical and digital channels is achieved.

2 Proactivity: Renta 4 believes in anticipating customers' needs. The greatest satisfaction comes when you notice that solutions and ideas are provided for you. Talking to customers to better interpret what they really need and thus make investment decisions easier.

3 Pedagogy: Considering the education and financial training of customers as a social responsibility and transferring it to all the contact points of the relationship. From the first communications to answering inquiries and providing information to in-person commercial processes at our offices.

4 Sustainability: Beyond the idea of sustainable investment, banks occupy an important space in society and, as such, Renta 4 must play a significant and committed role in improving the sustainability of the planet.

Commitment To Sustainability

Renta 4's commitment to sustainability is a fundamental pillar of its company strategy. Its activity, focused on the world of investment and spanning more than three decades, is based on the fundamental mission of promoting the development of society and people through investment

But the mission goes further; we have the responsibility and commitment to promote sustainable and socially responsible investment practices, regardless of the size of investors' wealth.

The fundamental values, rooted in closeness, specialisation, independence have been reinforced over the years with a strong commitment to social and environmental impact. These principles are reflected in every action that is carried out, in every relationship that is established and in every decision that is made.

Over the past few years, we have promoted concrete actions that reflect our firm intention to move forward on three priority aspects:

At the corporate level, policies have been strengthened to promote equality in selection and recruitment processes, as well as the creation of a specialised committee on ESG (environmental, social and governance) aspects, actively monitoring initiatives related to sustainable investment.

As far as our customers and financial products are concerned, Plan MORE has met with approval. This plan, among other objectives, focuses on promoting the development of themed and ESG investments. For Renta 4, each investor is unique, and the commitment goes beyond managing their investments; we want to understand their needs and aspirations to provide customised solutions that respond to the principles of responsible investment.

The commitment to society, which is reflected in actions that combine commercial pedagogy with the execution of training activities in financial education. These initiatives are designed to bring financial knowledge closer to the local community, empowering individuals with tools for more informed and responsible decision-making.

As a company, Renta 4 aspires to be agents of change in the financial system, allocating resources responsibly and managing risks effectively. Through actions, it seeks to finance innovation and contribute to a positive transformation of the economy. The commitment is to deliver the best financial solutions that drive business growth while promoting a positive impact on society and the environment.

Caring for the environment, social factors and good governance is not simply a part of the discourse; it is a fundamental pillar of business strategy. In every step that Renta 4 takes, it reaffirms its commitment to sustainability, not only with words, but with concrete actions and a positive impact that we seek to leave on society and the planet.

4. Main figures of the entity

At the end of 2023, Renta 4 obtained a net profit of 26.6 million euros, 21.9% higher than the previous year. The total assets of customers total 30,852 million euros, of which 19,155 million euros relate to its own network, while 11,697 million euros relate to the third-party network.

Latin America's subsidiaries continue to maintain a satisfactory level of business and activity, jointly contributing 10.2% of the result to the consolidated Group.

As of December 31, 2023, the total number of customers had reached 124,995.

The CET1 Fully Loaded capital ratio is around 18.62%, which is well above the regulatory requirement. Return on equity (ROE) is far higher than the sector average, reaching an 18.8% return on invested equity.

These high levels of profit, ROE and solvency ratios allow us to maintain a policy of satisfactory shareholder remuneration.

Commercial activity in 2023 registered a significant growth in the acquisition of assets and in the number of customers. The net uptake of new assets by the own network in this year has been 2,511 million euros.

The equity of customers in assets under management (investment funds, FCR, SICAVs, SILs, SCRs and pension funds) increased by 1,753 million euros compared to the same period of the previous year, reaching 12,228 million euros.

The assets managed in investment funds and CFRs amount to 4,050 million euros, increasing by 671 million euros during the 2023 financial year. There were 916 million euros managed in SICAVs, SILs and SCRs 21.5% more and in pension funds 3,909 million euros, representing a growth of 16.1% compared to the same period in 2022.

As a general assessment, 2023 was a very positive financial year for the Group, both from the point of view of the results achieved, and especially for the significant figure recorded in attracting new assets from customers in its own network.

All lines of business have evolved adequately, despite a negative environment in market volumes and corporate operations, especially regarding the growth of assets under management and the number of customers, reflecting a growing market confidence in our entity, validating our business model based on quality of service to customers and specialisation.

This good evolution, which continues and confirms the progress recorded in recent years, allows us to maintain a positive projection toward the future. "Our goal for 2024 is to continue on the path of profitable growth, maintaining high levels of return on equity (ROE) and solvency ratios that allow us to continue with a policy of satisfactory shareholder remuneration", confirms the chairman of the company.

COMPARATIVE TABLE OF MAIN OPERATIONAL FIGURES

Thousands of euro

	31/12/2023	31/12/2022	%
No. Customers Own Network	124,995	118,542	5.4%
Total assets (millions of euros)	30,852	26,370	17.0%
Stock exchange	14,100	12,170	15.9%
FIs and FCRs (own and third party)	7,403	6,354	16.5%
Pension Fund (*)	3,909	3,367	16.1%
SICAVs and SCRs	916	754	21.5%
Others	4,524	3,725	21.4%
Own network assets (millions of euros)	**19,155**	**16,299**	**17.5%**
Third-party network assets (millions of euros)	**11,697**	**10,071**	**16.1%**

COMPARATIVE TABLE OF COMMISSIONS AND NET PROFIT

Thousands of euro

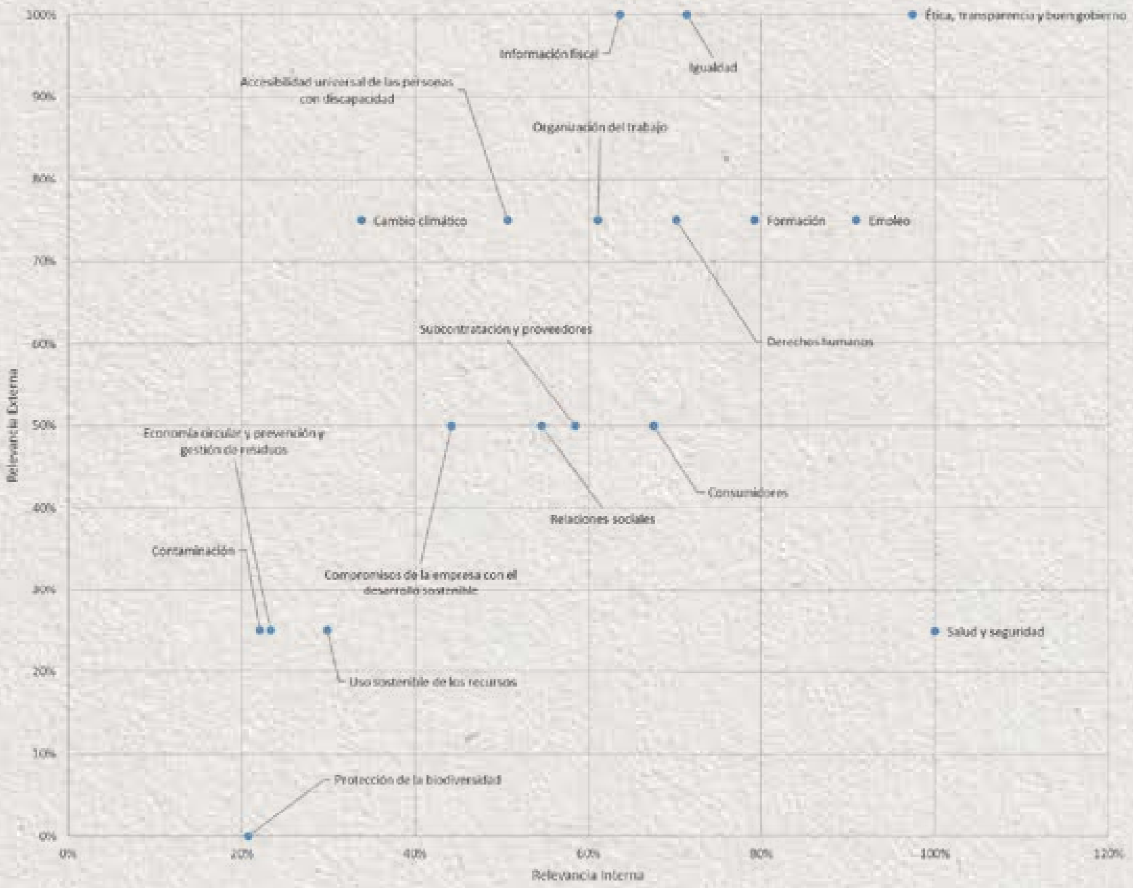
	31/12/2023	31/12/2022	Δ%
Net commissions	96,509	98,250	-1.8%
Comm. received and exch. diff.	172,879	181,169	-4.6%
Commissions paid	-76,370	-82,919	-7.9%
Operating expenses	-94,280	-82,785	13.9%
Financial margin	23,194	9,094	155.0%
Result of financial transactions and dividends	10,997	3,066	258.7%
Operating result	36,365	29,382	23.8%
Net profit	**26,563**	**21,782**	**21.9%**

5. Materiality analysis

Renta 4 has carried out a materiality analysis in order to identify the most significant issues for the company and thus, define its strategic priorities to make progress in the area of Corporate Social Responsibility. This analysis has been carried out from both the internal and external points of view.

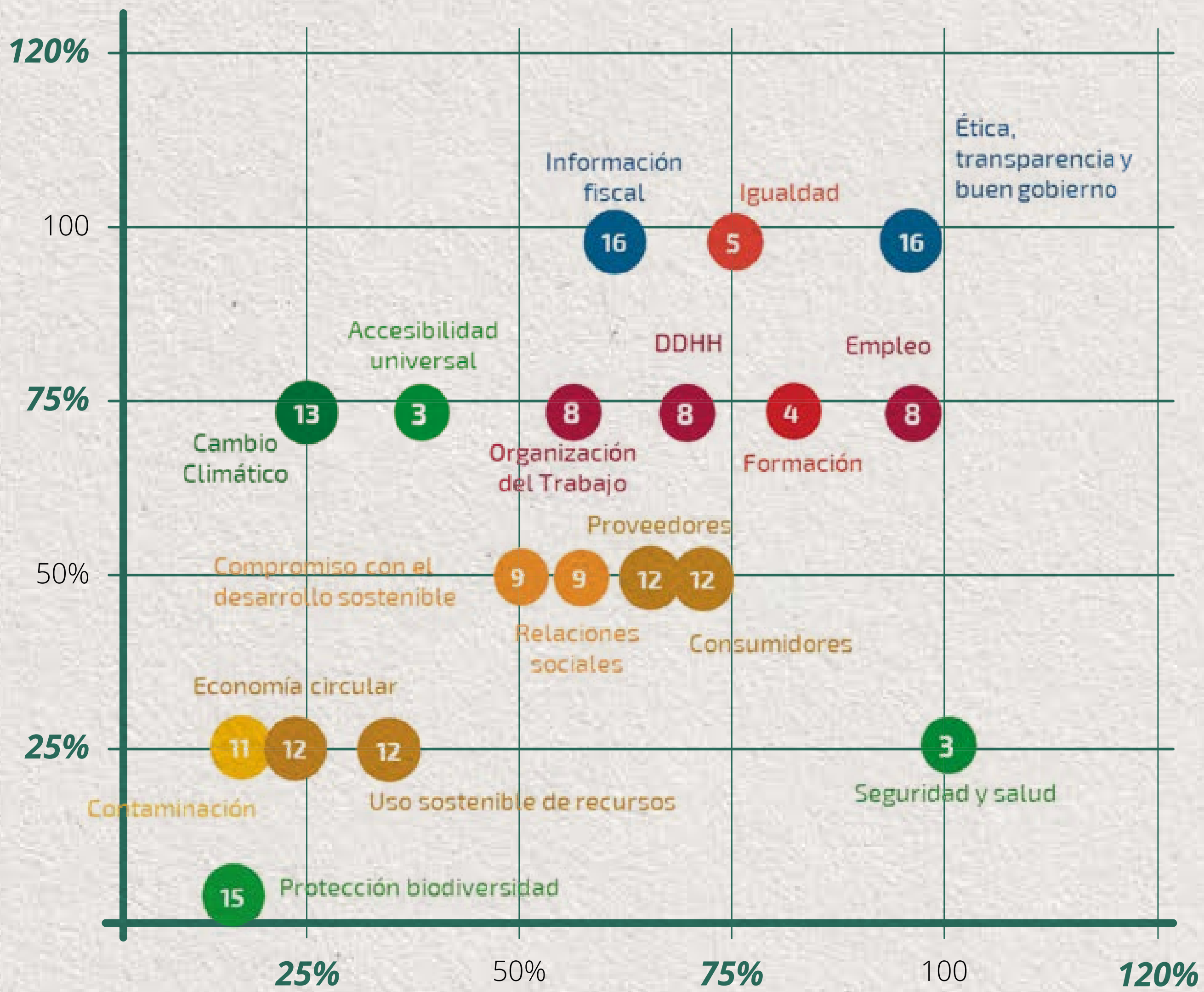
For the internal analysis, Renta 4 conducted interviews with the heads of the most relevant areas, and for the external analysis, the most relevant stakeholders for the bank were considered. The findings of this analysis are reflected in the following chart on Materiality:

MATERIALITY GRAPHIC



In addition, in order to better interpret the efforts of the entity to align with sustainable development objectives for external interest groups, an association exercise has been carried out in the previous chart, with the main sustainable development objectives identified internationally.

GRAPH OF ASSOCIATION OF MATERIALITY WITH THE MAIN SUSTAINABLE DEVELOPMENT GOALS



As the Materiality Matrix shows, the most significant aspects for external stakeholders are:

1. Ethics, transparency and good governance
2. Equality
3. Tax information
4. Climate change
5. Universal accessibility for people with disabilities
6. Work organisation
7. Human rights
8. Training
9. Employment

While the most significant aspects for the company are:

1. Health and safety
2. Ethics, transparency and good governance
3. Employment
4. Training
5. Equality

05.3

Environmental protection

Renta 4 continues to implement and improve the characteristics of the environmental policy it has developed over the years. It should be noted that pollution is not a material impact from Renta 4's activity. Rather, gas emissions, light and noise pollution should be considered. Likewise, that is why it is not necessary to make provisions or guarantees on environmental risks, nor would it be necessary to take any action to avoid food waste.

This document presents information relating to Renta 4 at national and international level, including its head office, national branches and branches in Latin America. The data is presented in aggregate form and by buildings/offices, provided that such information is available and of interest.

In terms of environmental protection, Renta 4 carries out multiple actions in the areas it wishes to influence, in the course of its activity. These areas are:

1. Efficient energy consumption
2. Water use efficiency
3. Efficiency of paper and toner consumption
4. Environmental waste management / circular economy.
5. Reduction of GHG emissions (calculation of carbon footprint)

[1] No se han podido incluir los datos de la oficina de Renta4 Chile

1. Efficient energy consumption

Total electricity consumption in 2022 was 1,912,795 kWh. In 2023, the total electricity consumption 2,087,372 kWh. This represents an increase in electricity consumption in 2023 of 9.13%.

Comparative Table of Electricity Consumption from 2021 to 2023

Electricity consumption (kWh)	2,023	%	2022*	2,022	2,021
Branches	1,082,017	-4.64%	1,134,618	1,122,744	1,173,680
Head office	841,788	17.27%	717,836	615,886	646,671
Total Spain	1,923,805	3.85%	1,852,454	1,738,630	1,820,351
Total International**	163,567	-	60,341	60,341	22,183
Total Renta 4	**2,087,372**	**9.13%**	**1,912,795**	**1,798,971**	**1,842,534**
Renta 4 workforce	670	5.85%	633	633	608
KWh/employee	3,115	3.10%	3,022	2,839	3,030

* Revision of the calculation of electricity consumption with respect to the one reported in the SNFI 2022 report, according to the invoices received in the period 2023 that relate to the period of the previous financial year.

** The international network includes in 2023 the electricity consumption of the Chilean office, the largest and with the highest number of employees in Latin America, compared to the rest of the offices that were already reported in 2022 and 2021. These data are described in more detail below.

Consumption in Spain

The total energy consumption in Renta 4 increased by 9.13% with a total consumption of 2,087,372 kWh. If we analyse the ratio of kWh/employee, we can identify a slight but positive growth in energy consumption per employee. The data obtained during the financial year are analysed in detail below.

If we analyse only consumption in Spain, in 2022 the total electricity consumption of the network of offices nationwide and the headquarters of Paseo de la Habana, was 1,852,453 kWh[1], while in 2023 this electricity consumption rose to 1,923,805 kWh, which represents an increase of 3.8% overall nationally. However, it should be noted that in branches consumption has been reduced by 4.6%.

The main reason for the 17% increase in electricity consumption at the headquarters is the renovation of the building located in Paseo de la Habana 63, whose consumption is attributed to the headquarters. This work began in May 2023 and is expected to be completed in spring 2024).

[1] These data differ from what was reported in SNFI 2022 because in 2023 invoices relating to consumption adjustments of periods in 2022 arrived, and also in order to calculate the consumption figures included in the billing period in both years, to specifically consider the electricity consumption carried out in 2023.

As a result of this assessment, the electricity consumption that was carried out in 2022 but that was billed in 2023 has been identified. This 2022 consumption has been included in the consumption data that were calculated in 2022 for adjustment.

Other causes that could explain this increase in the headquarters are:

· The growth of 3% of the average annual workforce in Spain;

· the return to a routine of teleworking and reconciliation with the more normalised working life, which is still much higher than the pre-pandemic period, but which has been significantly reduced compared to 2021 and 2022.

In the network of offices, however, initiatives to raise awareness of employees and progressive improvement of the consumption efficiency of the facilities that are being renovated year after year, have achieved a reduction in consumption in 2023 of 4.6%, offsetting even events that increase energy use, such as:

· The increase of 1.5% of the offices in Spain (a new office was opened in Madrid, General Peron);

· the supply for the works and increase of 5 square meters of the 63 existing offices (duplicate counters during the works and larger areas for new facilities);

The measures mentioned, to optimise the energy consumption in the facilities, are detailed below.

In addition to these measures that are a great help in ensuring that the growth of the organisation does not translate into a high demand for energy **it should be noted that, since April, in Spain, all the electrical energy that has been consumed has been 100% renewable energy.** This measure has been implemented for all of Spain throughout 2023 and will be maintained going forward. This point is detailed in paragraph 4.5 on GHG emission reductions.

International Network Consumption

Internationally, a consumption of 60,342 kWh[2] and a total of 163,567 kWh was reported in 2023. This data is not comparable to the figure of the previous year because in the 2023 report it was possible to add for the first time the electricity consumption of the office of Renta 4 Banco in Santiago de Chile (95,873 kWh). By adding this consumption, figures are now available for 100% of the electricity consumption in the international network of Renta 4, which in 2023 represented 7.83% of the total of the Renta 4 Group.

International network	2023 (kWh)	2022 (kWh)
Lima	44,192	37,545
Santiago de Chile	95,873	0
Bogotá	21,459	20,231
Luxembourg	2,043	2,566
Total international network	163,567	60,342

For comparison with the 2022 report, if we do not consider the consumption of the Santiago de Chile office, the total consumption of the international network grew by 11.2% in 2023.

In the international network there was no change in the number of offices during 2023, but there was a growth in staff that during the year grew by 8.86%, from 79 to 86 employees in 2022 and 2023 respectively. Therefore, the direct relationship between the increase in electricity consumption and the increase in the workforce, at the international level, is confirmed.

Measures to Optimise Energy Savings at Renta 4 Facilities

Continuing with the energy saving strategy applied in previous years both at the headquarters and in the new branches, existing lighting has been replaced with more energy efficient LED lighting, blinds have been installed and facility design has been modified to improve natural lighting and thermal comfort in the following branches:

· Headquarters at Paseo de la Habana, 74 in MADRID.

· Office space in Plaza de Santa Ana, 2 of AVILA.

· Office space in C/ miguel iscar, 5-7 of VALLADOLID.

· Office space in Rua Lepanto, 2 de VIGO.

· Office space in C/ Uria, 8 of OVIEDO.

· Office in C/ Jacinto, 2 of REAL CITY.

· Office space in Avda. Del General Peron, 26 de MADRID.

[2] The electricity consumption of the office of Renta 4 in Chile is not included since the consumption is included in the bill of community expenses in the SNFI 2022 nor could the consumption of Renta 4 in Peru be reported. However, this figure for the 2022 financial year has been corrected by adding this consumption.

In order to reduce energy consumption, in 2023, the existing conventional air conditioning system was replaced by a variable refrigerant flow control system (VRF systems) in these same four offices.

In this way, the performance of the systems has been significantly optimised with consequent energy consumption that are believed to be between 25% and 30% lower than the previous centralised ON/OFF systems.

During 2023 the energy improvement of the building of Paseo de la Habana, 63 in Madrid was studied, with the objective of obtaining an energy label with an A ranking. To do this, a project was drafted in two phases, that encompasses the integral action on the building itself and is based on the complete improvement of the covering, the design of facilities using the most efficient technology and the installation on the roof of photovoltaic panels for self-sufficiency, to produce a building that fulfils the defined sustainability and self-sufficiency standards. The completion of the works that will include all the actions defined in the project is scheduled for 2024.

2. Water use efficiency

In its strategy for the intelligent management of natural resources, Renta 4 continues to implement the improvements established previously, in order to implement a strategy and concrete objectives in this aspect of care and commitment to the environment.

In connection with this commitment, the water consumption of its office network has been monitored, although it should be noted that the data obtained from water consumption still include a high percentage of them calculated on the basis of estimates (detailed below). The following data was obtained during the 2023 financial year:

Summary Table of Water Consumption (m³)

	2023	%	2022[3]	2022	2021
Branches	1,958	5.71%	1,852	1,587	1,437
Head office	2,694	11.40%	2,418	2,418	1,749
International	780	-6.02%	830	312	133
Total	5,431	6.50%	5,100	4,317	3,319

· Branches with water included in the community 13

· Branches without invoices for meter breakdowns 2

· International with water included in the community Chile, Peru and Luxembourg

The total water consumption was measured by taking the meter readings indicated in the bills. In those cases where such readings were not available or when the counters do not provide a reliable reading for breakdowns, a consumption estimation model was used.

Thus, in 2023 there was an increase in the annual total water consumption of 5,431 m3, 6.5% more than in 2022 (5.100m3). This increase in consumption is explained considering the following aspects:

· The renovation work of the building located in Paseo de la Habana 63 (water consumption of construction, started in May and is scheduled to be completed in spring 2024).

· The growth of 3% of the average annual workforce in Spain (which grew from 554 to 571 between 2022 and 2023 respectively);

· The increase of 1.5% of the offices in Spain (a new office was opened in Madrid, General Peron);

· the supply of 5 of the 63 existing offices (8% of duplicate counters due to the construction of new facilities);

· the return to a routine of teleworking against a more regular working life, which is still much higher than the pre-pandemic period, but which has been significantly reduced compared to 2021 and especially to 2022.

[3] Revision of the calculation of water consumption compared to the 2022 SNFI. This review has been carried out using the same model for calculating the estimate of water consumption in offices that do not present data due to having damaged the meter or having the bill included in their community expenses. To do this, the average figure of m3 water per employee per year (8.1 m3/employee/year) x the number of employees in each office is used. In 2022 there were 11 offices in this situation in the Spanish Network and 3 offices in the International Network.

This same model for estimating consumption in offices without readings was applied to 15 offices in Spain and 3 in Latin America in 2023

Improvements in Water Consumption Efficiency

These causes of increased water consumption have been partially offset by the measures installed to optimise water consumption. Improvements are progressively being implemented to optimise efficiency in the use of this resource, both at headquarters and throughout the office network, such as the installation of timed taps, automatic hydroalcoholic gel dispensers and double tank toilets. In 2023, these improvements have been applied to the following offices:

· Headquarters at Paseo de la Habana, 74 in MADRID.

· Office space in Plaza de Santa Ana, 2 of AVILA.

· Office space in C/ miguel iscar, 5-7 of VALLADOLID.

· Office space in Rua Lepanto, 2 de VIGO.

· Office space in C/ Uria, 8 of OVIEDO.

· Office in C/ Jacinto, 2 of REAL CITY.

· Office space in Avda. Del General Peron, 26 de MADRID.

Measurement and Monitoring of Consumption

As in 2021 and 2022, a high level of collected information is maintained in 2023, but there are still a significant number of supply points that could not be included because the consumption of these is paid within the respective community bills.

In 2023, 13 branches were identified in Spain whose water consumption is included in community expenses. In 2022 this figure was 11 branches, to which has been added the new office of General Peron and the new office space of Avila.

The international network maintains the same situation as in 2022 and, for the moment, water consumption data is only obtained from the office in Colombia, while Chile, Peru and Luxembourg have the consumption included in their rental agreements.

In addition, in the monitoring of consumption it is necessary to consider other types of incidents such as breakdowns of water meters. This affects the current year's billing and, in its regularisation, probably the subsequent year's billing. In 2023 two offices were identified with meter failures (Toledo and Albacete).

3. Paper and toner consumption efficiency

The decision to digitise the office a few years ago was one of the most important measures that have been established in Renta 4 to reduce the consumption ratios of ink and paper. This is an effect that seeks a direct impact on the environment.

After the abnormal effects caused by the confinement and the pandemic, since 2022 teleworking has been normalised within the company's activity, increasing consumption of paper and toner compared to that period. Therefore, the comparison between 2022 and 2023 is more useful to analyse.

3.1. Paper consumption

Consumption in Spain

With regard to paper consumption in Spain, the consumption of paper was reduced considerably in 2023, reducing by 45.7% in the headquarters and 32.5% in the office network. In absolute terms it represents a reduction in total paper consumption in Spain from 1,891,723 sheets in 2022 to 1,173,091 sheets in 2023.

This reduction is the result of several actions carried out throughout the financial year, such as:

· Awareness-raising campaign: Internal communiqués, intranet posts and posters were displayed at printer points, with awareness-raising messages to reduce paper consumption and encourage the use of black toner instead of colour.

· Campaign messages aimed at promoting the different impact factors:

- Print in black and white: "Nature prefers it in black and white"

- Using the cloud instead of printing documents: "To print or not to print, that is the question"

- Use of double-sided printing (Duplex): "Batman is not the only one who has two faces"

· Configuring the printers in Duplex mode: Since August 2023, all printers in the office network and headquarters have been configured with the default Duplex mode functionality, so that double-sided sheets of paper are printed, unless users specify otherwise each time they print.

· This represents a direct saving in this resource in 2023 of 152,876 sheets of paper in the headquarters and 472,317 sheets in the office network, a total saving of paper of 625,193 sheets[4]. Paper savings represented 34.8% of total theoretical consumption (paper consumed + paper saved).

Paper consumption at headquarters	2022	2023	%
Printed pages	N/A	569,312	-
Pages in Duplex mode	N/A	290,512	-
Total paper consumption (pages)	781492	424,056	-45.7%
Sheets of paper saved*	N/A	152,876	-
Kg of paper (5g/unit)	3,907.5	2,120.3	-45.7%

Paper consumption in the office network	2022	2023	%
Printed pages	N/A	1,216,507	-
Pages in Duplex mode	N/A	934,944	-
Total paper consumption	1,110,231	749,035	-32.5%
Sheets of paper saved*	N/A	472,317	-
Kg of paper (5g/unit)	5,551.2	3,745.2	-32.5%

Total paper consumption in Spain	2022	2023	%
Total paper consumption (pages)	1,891,723	1,173,091	-38.0%
Kg of paper (5g/unit)	9,458.6	5,865.5	-38.0%
Sheets of paper saved*	N/A	625,193	-

[4] This amount does not represent the subtraction between prints and duplex because when the pages to be printed are odd, there is a page that does not affect the duplex mode. This number is therefore obtained directly by the information offered directly by the control panels of the printers, considering what they display

International Network

However, in the international network consumption shows a significant increase, but this is because in 2022 no figures were obtained from Chile or Luxembourg. In 2023, consumption figures were available from Chile, the largest office in the international network, which represented a total of 165,488 printed pages, 669.4%. If Peru and Colombia are considered exclusively for comparison with 2022, the increase represented 6.2%, mainly justified by the increase in staff in these offices.

International paper consumption (pages)	2022	2023	%
Paper consumption in Chile	N/A	142,653	-
Paper consumption in Peru	15,994	16,707	4.5%
Paper consumption in Colombia	5,516	6,128	11.1%
Paper consumption in Luxembourg	N/A	N/A	-
Total paper consumption	**21,510**	**165,488**	**669.4%**

In the absence of Luxembourg, which represents a negligible volume of printed pages per year compared to the total, sufficient metrics are now available for the adequate monitoring of this indicator.

Renta 4 Total Consumption

Renta 4 total paper consumption (pages)	2022	2023	%
Printed pages	N/A	1,785,819	-
Pages in Duplex mode	N/A	1,225,456	-
Total paper consumption	**1,913,233**	**1,338,579**	**-30.0%**
Kg of paper (5g/unit)	**9,566.2**	**6,692.9**	**-30.0%**

If we consider figures related to the number of sheets consumed per employee, the number was reduced from 3,022.5 in 2022 to 1,998 in 2023, a 33.9% decrease. A very positive trend, as a result of the actions carried out during the year.

Paper consumption per employee	2022	2023	%
Number of employees	633	670	5.8%
Total paper consumption (pages)	1,913,233	1,338,579	-30.0%
Paper consumption / employee	**3,022.5**	**1,997.9**	**-33.9%**

3.2. Toner consumption

The measurement of toner consumption in 2023 is an unrepresentative measure given that throughout the year all printers have been replaced in the facilities of Spain. At headquarters, 17 devices have been replaced, while 141 devices have been replaced in the office network. When replacing one device with another, it has not been possible to reuse the toner cartridges regardless of how used they were. In any case, the estimate has been made by taking the replacement data that have been identified in the devices in the periods that they were operating (both old and new) and adding 17 and 141 respectively for the headquarters and the network.

Considering this situation, in 2023 a total of 441 toner cartridges were replaced between B&N (Black and White) and Colour in Spain, 40.9% more than in the previous year. This figure, added to the 32 toner replacements in Latin America, adds a total of 473 toner cartridges.

It is important to emphasise that the data of the international network also has aspects that complicate the comparison, but that in order to have a figure with which to be able to maintain the annual monitoring, we consider it important to make the calculation. The aspects that influence the calculation for the international network are

· as described in the previous section, the fact that this year the values of printed pages are available in Chile and that these represent an increase of more than 100%

· compared to the previous calculation system counting the cartridges that were purchased, regardless of whether they were used or put into stock. This indicator was unreliable so it has been decided to take the volume of pages per toner of the network of offices in Spain, to make an estimate.

Toner units	2021	2022	2023*	2023	%
Headquarters	44	49	36	53	8.2%
Office network	223	264	247	388	47.0%
Total Spain	267	313	283	441	40.9%
International network	26	17	32	32	88.2%
Total Renta 4	293	330	315	473	43.3%

*For information purposes, 2023 consumption has also been indicated considering only the replacements identified in the devices.

If we analyse the data based on toner consumption per employee, logically, we see the same growth effect going from 0.521 cartridges per employee in 2022 to 0.706 in 2023, 35.4% more.

Toner units per Employee

	2021	2022	2023*	2023	%
Toner units	293	330	315	473	43.3%
Employees	595	633	670	670	5.8%
Toner unit per employee	**0.492**	**0.521**	**0.470**	**0.706**	**35.4%**

4. Environmental waste management / circular economy

Renta 4 remains committed to "reducing" the amount of waste generated, "reusing" existing products as much as possible and "recycling" those that are no longer useful.

Finally, we continue to use certified materials that ensure that their procurement, manufacture and recycling are subject to a series of environmental requirements, seeking to reduce the carbon footprint they generate and valuing environmentally friendly and social aspects in the use of the products and services contracted.

To give some examples, the purchase of paper for the printers is certified with the FSC (Forest Stewardship Council) seal, which guarantees responsible forest management; and Ecolabel, regulated by Regulation 66/2010 of the European Union that allows us to know if a product or service has been produced under the policy of sustainable production and consumption, reducing the negative impact on production and consumption on the environment, health, the climate and natural resources. This together with the collection and recycling of the paper and cardboard that is consumed in the entity.

FSC www.fsc.org

La marca de la gestión forestal responsable

FSC® C166432

EU Ecolabel www.ecolabel.eu

Likewise, water bottles for individual consumption, which are consumed by customers and at meetings, must always be identified with the 100% recyclable product seal.

In this regard, Renta4 continues to reuse most of the existing furniture, while the furniture that is no longer useful for the required purposes is donated to non-profit associations.

Computer Waste

During the 2023 financial year, Renta 4 has continued its commitment to secure IT waste management and destruction, following all the necessary procedures to ensure optimum security in the process. This avoids any kind of security breach with regard to the Group's information.

For this destruction, Renta 4 always relies on certified professionals in the sector to ensure the correct destruction of computer waste. In addition, the internal technical staff is always responsible for sending this waste for destruction once it has undergone a prior process of analysis, resetting and pre-destruction, thus ensuring that the waste is rendered unusable.

During 2023, Renta4 did not have to make use of the service of destruction of computer waste, and in the last quarter of 2023 we decided to add ValoraData as an alternative provider to the current provider. During the first months of 2024, a massive destruction will be carried out due to the updating of 210 computer devices in the workplace, carried out at the end of the year.

5. GHG emission reduction

A very important step toward reducing GHG emissions was taken in early 2022. Renta 4 has established a methodology for calculating the carbon footprint in accordance with the GHG Protocol, for the calculation of scopes 1, 2 and 3 in accordance with the definition established therein.

This model has been tested with the calculation of the carbon footprint for 2021 and, as MITECO data is updated, the footprint for 2022 will be recalculated. The results were added to the sustainability report published in mid-2022.

This detailed calculation of the carbon footprint will be carried out and reported on an annual basis in order to be able to diligently comply with the decarbonisation SDG established by the entity.

Result of the Carbon Footprint for 2023

The result of the calculation of the operational emissions carbon footprint calculated for 2023 was 1,024.95 of tCO2eq, 2.50% more than in 2022 (999.91 tCO2eq), relating to the total of Scope 1, 2 and Scope 3 operational emissions. As for the financial carbon footprint, it has been reduced by 41, 90%, going from 211,480 tCO2eq to 122,862 tCO2eq.

In total, the carbon footprint in 2023 was 123,887 tCO2eq, 41.69% less than in 2022.

Although this result is very positive, it is important to analyse the causes of the reduction obtained, understanding that the CO2 emissions relating to Scope 3 by financial activity represent 99% of the total emissions and their reduction in 2023 relates to the effect of the context.

The following sections detail all the calculations made for each of the scopes of the carbon footprint in 2023.

In addition, it should be noted that this year there have been significant corrections to the emissions reported in the previous year's report due to changes in the calculation methodology, adjustments of emissions received in 2023 that related to the 2022 period and greater detail of information available.

Operational GHG emissions	Emissions (t CO_2 eq) 2022	Emissions (t CO_2 eq) 2023	Change Emissions '22-'23 (%)
Scope 1	**87.02**	**98.49**	**13.19%**
Scope 2	**109.76**	**72.05**	**-34.36%**
Branches	85.11	28.04	-67.05%
Head office	13.85	3.95	-71.48%
Total Spain	98.95	32	-67.66%
International*	10.81	40.06	
Scope 3 operational	**803.13**	**854.40**	**6.38%**
1. Emissions from suppliers	303.27	199.74	-34.14%
2. Mobility emissions	331.88	361.98	9.07%
3. Travel emissions	167.99	292.68	74.23%
Total, operational GHG emissions	**999.91**	**1,024.95**	**2.50%**

* Increase mainly due to the incorporation of data from Chile, which was not available before, and its size in this region

Financial GHG emissions	Emissions (t CO_2 eq) 2022	Emissions (t CO_2 eq) 2023	Change Emissions '22-'23 (%)
Total financial GHG emissions	**211,480**	**122,862**	**-41.90%**
Quoted CF (S1-S2-S3")	7,156	4,739	-33.78%
Sovereign bonds*	200,405	116,142	-42.05%
CIIs	3,919	1,981	-49.45%

Total GHG emissions Renta 4	Emissions (t CO_2 eq) 2022	Emissions (t CO_2 eq) 2023	Change Emissions '22-'23 (%)
Total	**212,480**	**123,887**	**-41.69%**

5.1. Emissions by scope 1 – by direct emissions

If we consider the sources of CO2 produced by the direct consumption of fuels by Renta 4, we must evaluate three sources:

As in previous years, the first source to consider is that of the diesel generator at the headquarters. This generator is activated in case of power outage. In 2023, the generator has been disposed of for a total of 6.5h, which has involved a consumption of 147.25 l of fuel with its GHG emission effect of 0.37 t CO_2 eq.

	Consumption per % of load	Consumption per hour according to load (l/h)	Hours of consumption	Consumption (l)	Emissions (t CO_2 eq)
At 50% charge		23.10	5.50	134.75	0.34
At 25% charge		12.50	1	12.50	0.03
Total			6.50	147.25	0.37

PAlso, another source to consider is the corporate fleet. In this regard, the company does not have its own vehicles and therefore does not represent a generation of tCO_2eq.

Finally, scope 1 should consider the consumption of fluorinated gases in air conditioning systems. In 2023, in the renovations of offices, more air conditioning systems have been replaced by more efficient systems, specifically 8 units have been renovated, 2 air conditioning units more than in 2022, hence the increase in fluorinated gases in the period. In this section the contribution is 98.12 tCO_2eq, 12.76% more than in 2022.

Office	Name Gas	Reload (kg)	Emissions (t CO_2 eq)
Alicante	R-410A	2.50	4.81
Ciudad Real	R-410A	6.98	13.43
Madrid – Paseo de la Habana	R-407C	15.00	24.36
	R-410A	5.00	9.62
Madrid – Perón	R-410A	5.23	10.06
Oviedo	R-410A	4.91	9.45
Valladolid	R-410A	7.60	14.62
Vigo	R-410A	6.12	11.77
Total	Miscellaneous	53.34	98.12

Summary of total Scope 1 Emissions

Therefore, GHG emissions by Scope 1 in 2023 were 98.49 tCO_2eq, representing an increase of 13.18%

Scope	Emissions (t CO_2 eq) 2022	Emissions (t CO_2 eq) 2023	Variation 2022-2023 (%)
Scope 1 (Machinery)	-	0.37	100%
Scope 1 (fluorinated gases)	87.02	98.12	12.76%
Total Scope 1	87.02	98.49	13.18%

5.2. Scope 2 emissions – by indirect emissions (energy)

In 2023, the total electricity consumption of the entire office network including the Paseo de la Habana headquarters at national level was 1,923,805 kWh (as indicated in section 3.1), of which 93.9% (1,805,661 kWh) came from renewable energy sources, while in 2022 these only represented 80.2% of the total. In this context, a total of 32 tCO2eq were emitted in Spain in 2023, 67.7% less than in 2022.

Electrical energy (kWh)	2,023	%	2022*	%	2,022	2,021
Branches	1,082,017	-4.64%	1,134,618	-3.33%	1,122,744	1,173,680
Head office	841,788	17.27%	717,836	11.01%	615,886	646,671
Total Spain	1,923,805	3.85%	1,852,454	1.76%	1,738,630	1,820,351
International	163,568	171.07%	60,341	172.02%	60,341	22,183
Total	2,087,372	9.13%	1,912,795	3.81%	1,798,971	1,842,534

Distribution according to the origin of electrical energy (kWh)

Renewable kWh	2,023	% of total	2022*	% of total	2,022	2,021
Branches	978,404	90.42%	820,684	72.37%	834,785	131,172
Head office	827,257	98.27%	666,933	92.91%	564,984	599,867
Total Spain	1,805,661	93.86%	1,487,617	82.85%	1,399,769	731,039
International	2,043	1.25%	0	0.00%	0	0
Total	1,807,704	86.60%	1,487,617	77.77%	1,399,769	731,039

NON-renewable kWh	2,023	% of total	2022*	% of total	2,022	2,021
Branches	103,613	9.58%	313,394	27.63%	287,959	1,042,507
Head office	14,531	1.73%	50,902	7.09%	50,902	46,805
Total Spain	118,144	6.14%	313,861	17.42%	338,861	1,089,312
International	161,524	98.75%	60,341	100.00%	60,341	22,183
Total	279,668	13.40%	425,178	22.23%	399,202	1,111,495

tCO_2 emitted	2,023	%	2022*	%	2,022	2,021
Branches	28.04	-67.05%	85.11	51.57%	56.15	204.90
Head office	3.95	-71.46%	13.84	39.43%	9.93	12.08
Total Spain	31.99	-67.67%	98.95	-54.50%	66.08	216.98
International	40.06	270.72%	10.81	-8.20%	11.77	5.04
Total	72.05	-34.35%	109.76	40.99%	77.85	222.02

In the international network, Luxembourg has also transferred its contracts to renewable energy sources, so in 2023 the emissions of CO_2 for this international headquarters was 0 tCO_2eq.

There have been no changes in the Latin American network in this regard. The 2023 electricity consumption of 161,524 kWh resulted in an emission of 40.06 tCO_2eq, an increase compared to the 10.81 tCO_2eq reported in 2022, due to the fact that the electricity consumption of the Chilean office could not be measured in 2022. If we did not take this into account, emissions would be 11.23 tCO_2eq, 3.7% more than the previous year.

Considering the total consumption of electricity of Renta 4 in 2023 (2,087,372 kWh), consumption from renewable energy sources (1,807,704 kWh) represents 86.60% of the total consumed, and the CO2 emissions in the year were 72.05 tCO2eq, a decrease of 34.35% compared to 2022.

**Corrections of the 2022 Measurement Model*

The differences detected in the calculation used in 2022 are due to the fact that the figure used in the 2022 report was based on an approximation model that did not yet use the carbon footprint calculation model developed and applied for the sustainability report submitted in may 2023. This calculation is carried out in accordance with GHG Protocol and MITECO instructions. In addition, with regard to the consumption figures for 2023, an assessment was carried out to specifically consider the electricity consumption carried out in 2023. As a result of this assessment, the electricity consumption that was carried out in 2022 but that was billed in 2023 has been identified. This 2022 consumption has been included in the consumption data that were calculated in 2022 for adjustment. In addition, the emission factors for Luxembourg, Colombia, Chile and Peru obtained from their respective official sources have been adjusted.

Towards a 100% Sustainable Energy Consumption, With 0% Ghg Emissions

As indicated in the plan that was included in the 2022 Report, in early 2023 the company ALPE ENERGY was hired to avoid these possible changes in the electricity generation policy of the suppliers and to be able to guarantee an agile and immediate reaction in the renegotiation. A necessary partnership to achieve the goal of 100% sustainable energy consumption. This objective is part of the SDG established for decarbonisation of the entity by operational activity in 2025 and aligned with the accession to NZBA.

Two important milestones in this process were achieved in 2023:

The first milestone achieved is that, since April 2023, 100% of the energy consumed by all the activity of Renta 4 in Spain (headquarters and office network) has been of sustainable origin. That is, we emit 0 Tn of CO_2.

Similarly, the Luxembourg office has also achieved 0 emissions since January.

This positive effect on renewable energy consumption in Spain and Luxembourg is very significant since the effort to neutralise CO2 emissions is not the result of offsetting, but by directly not generating emissions.

To achieve this milestone, we must add that, at the beginning of the year, certain energy distribution companies switched their generation to a mix combined with other energy sources. Renta 4 reacted immediately and, together with ALPE ENERGY, contracts were renegotiated to recover electricity generation from renewable energy sources as soon as possible.

With regard to emissions generated by Scope 2 throughout the year, GHG neutrality has been achieved in the national territory and Luxembourg. The objective is to focus now on Latin America to achieve the same results as soon as possible.

5.3. Scope 3 emissions – by indirect emissions (rest)

The Renta 4 Group calculates the scope 3 of the carbon footprint according to the GHG Protocol.

In this scope, the following sources of emissions should be considered:

· Indirect operational emissions generated by

- services provided by suppliers,

- commuting of employees to work places,

- and business travel;

· Indirect financed emissions, which in turn are also classified into

- direct

- indirect.

a. Indirect Operational Emissions

Indirect operational emissions increased by 6.38% from 803.13 tCO_2eq in 2022 to 854.32 tCO_2eq in 2023. Employee mobility has not changed significantly, growing by only 9.07%. The largest variations were the growth in business travel emissions (+74.23%), and the fall in emissions from contracting goods and services to suppliers (-34.14%).

Indirect operational emissions (tCO_2eq)	2022	2023	Var (%)	% of total
1. Emissions from service providers	303.27	199.74	-34.14%	23.38%
2. Employee mobility emissions	331.87	361.98	9.07%	42.37%
3. Business travel emissions	167.99	292.68	74.23%	34.26%
Total	**803.13**	**854.32**	**6.38%**	

Below, we will describe in detail each of the categories of operational indirect emissions to better understand the causes of their variation, as well as the calculation methods and estimates applied for each case.

1. Indirect Operational Emissions from Service Providers

The footprint for the acquisition of goods and services decreased between 2022 and 2023 both in absolute terms (- 34%) and in relative terms compared to each million euro of expenditure in the year for supplies of goods and services (- 32%). In 2022, total emissions from purchases of goods and services amounted to 303.27 tons of CO_2 equivalent in 2022, while in 2023 they amounted to 199.74 tons of CO_2 eq.

Emissions related to supply expenditure decreased from 3.72 tons per million euro expenditure in 2022 to 2.52 tons per million euro expenditure in 2023.

It should be noted that the figures indicated for emissions and invoicing of 2022 suppliers were adjusted in 2024, so they are different from those indicated in the Sustainability Report published in May 2023 (compared to 2022 data). This adjustment has consisted in eliminating from the total invoicing of suppliers directed to Renta 4 those invoices that included items not related to the acquisition of goods and services (in particular, invoices related to commissions not related to the development of the Renta 4 activity). This approach will be maintained in the future.

Scope 3 – Operational Indirect Emissions by Suppliers, Classified by Sector

Sector	Suppliers	($t CO_2eq$)
C – Manufacturing industry	2	31.35
F – Construction	2	34.62
G – Wholesale and retail trade; repair of vehicles and motorcycles	2	1.42
H – Transport and storage	1	4.32
J – Information and communications	24	20.89
K – Financial and insurance activities	49	78.22
L – Real estate activities	3	8.75
M – Professional, scientific and technical activities	10	12.89
N – Administrative activities and auxiliary services	5	6.42
R – Artistic, recreational and entertainment activities	1	0.84
Total	**99**	**199.74**

The decrease in relative emissions from year to year is mainly due to:

· A decrease in the number of suppliers analysed in manufacturing (2 in 2023 compared to 3 in 2022), with manufacturing being a highly polluting sector (more polluting than all sectors included in the calculation). While turnover in this sector has decreased by 47% due to a 33% reduction in the number of suppliers, absolute emissions in this sector have been reduced by 60%.

· A decrease of 56% in absolute emissions in the construction sector, although there has been no decrease in the number of suppliers analysed (2) and the reduction in their turnover has been only 4%. This significant reduction in emissions from the construction sector is due to an improvement in data quality. All emissions for this sector have been calculated on the basis of sectoral data, information provided by the Eurostat database. Also, in line with the latest data update, emissions from the construction sector have been reduced by 44%.

· Decrease of 48% of the absolute emissions of the sector of professional, scientific and technical activities considering that the reduction in the number of suppliers in this sector is equivalent to 38% and that the reduction in their turnover has been 37%.

· Unlike 2022, no provider from the education sector has been included in the analysis, so emissions for this sector have been completely eliminated.

Scope 3 – Services and Acquired Goods | Absolute and Relative Emissions by Sector and Variation Compared to the Previous Year

	2022	2023	'22vs'23	2022	2023	'22vs23
Sector	Absolute emissions (tCO_2eq)		Variation (%)	Relative emissions ($kg CO_2$ eq / thousands €)		Variation (%)
C – Manufacturing industry	78.25	31.35	-59.93%	150.62	113.44	-24.69%
F – Construction	79.43	34.62	-56.41%	20.86	9.49	-54.50%
G – Wholesale and retail trade; repair of vehicles and motorcycles	1.53	1.42	-7.50%	2.86	2.77	-3.18%
H – Transport and storage	4.37	4.32	-1.06%	20.94	21.57	3.00%
J – Information and communications	24.36	20.89	-14.24%	3.56	2.50	-29.72%
K – Financial and insurance activities	68.6	78.22	14.03%	1.1	1.28	16.60%
L – Real estate activities	2.1	8.75	317.77%	9.71	13.02	34.13%
M – Professional, scientific and technical activities	24.73	12.89	-47.88%	4.39	3.63	-17.30%
N – Administrative activities and auxiliary services	6.71	6.42	-4.41%	6.48	6.71	7.73%
P – Education	11.55	-	-	90.28	-	-
R – Artistic, recreational and entertainment activities	1.63	0.84	-48.51%	11.34	2.95	-73.97%
Total	303.27	199.74	-34.14%	3.72	2.52	-32.26%

Calculation Method

Given the still novel nature of these indicators, we consider it appropriate to describe the calculation method applied.

For indirect Scope 3 emissions, which result from services provided by suppliers, Renta 4 allocated a portion of the emissions of each supplier in proportion to the service received, out of the total services provided by the emitting company.

· Therefore, the Scope 3 emissions related to the Renta 4 suppliers have been calculated using the information on the Scope Footprint 1 and 2 provided by the suppliers themselves or, failing that, estimated according to an average of emissions and billing by CNAE, following the hybrid method dictated by the GHG Protocol.

· The sources of the average emissions and turnover by CNAE have been obtained from Eurostat, Bank of Spain, Sabi and Osiris.

Throughout 2023 Renta 4 worked with more than 2,300 suppliers. For the calculation of the carbon footprint of this year, the same criterion applied in 2022 has been used to select those suppliers that impacted the most on the company's profit and loss account, thus choosing those suppliers that invoiced Renta 4 more than €100,000 in 2023.

Following the choice of this criterion, a total of 99 suppliers (compared to 98 in 2022) representing 86% of total expenditure on Renta 4 supplies in 2023 (compared to 75% covered in 2022) were analysed.

Of these 99 suppliers, the multiplier was calculated for 53 of them on the basis of actual 2022 or earlier carbon footprint and turnover data published for 2023, 2022 or earlier based on data availability, while for the remaining 46, the carbon footprint by turnover was estimated according to the sector average.

It can be observed that the methodology is more accurate in relation to the total estimated emissions, in particular 43% of the emissions have been estimated based on the information of carbon footprint and billing of suppliers (compared to 27% in 2022). This difference is due to the availability of data when searching for information.

2. Indirect Operational Emissions of Employee Mobility

The carbon footprint due to the mobility of employees increased between 2022 and 2023 by 9.07%, from 331.88 to 361.98 tons of CO_2 equivalent. In addition, regarding the tons of CO_2 eq emitted by each employee, these increased from 0.524 in 2022 to 0.538 in 2023 (2.63%).

Adjusted results with estimates	2022	2023	Var (%)
Emissions (t CO_2 eq)	331.88	361.98	9.07%
Emissions (t CO_2 eq / employee)	0.524	0.538	3.05%

This difference is due in absolute terms to the increase in the total number of employees from 633 in 2022 to 670 in 2023, and in relative terms with respect to each employee to the fact that the main means of transport used by the employees is their own vehicle, where:

· In general and within the category "own vehicle" the car is the medium that produces the most emissions as a whole (91% of the total emissions and 88% of the distance travelled by this category).

· In 2023, gasoline-powered vehicles accounted for a higher percentage of the kilometres travelled by all own vehicles, 40.12%, compared to 36.57% in 2022, representing an increase of 9.71%. In addition, the emission factor for gasoline fuel cars (0.196 kg CO_2/km) is higher than for diesel fuel (0.165 kg CO_2/km).

In addition, the carbon footprint in relative terms with respect to each kilometre of travel made by employees on journeys from home to workplaces increased only by 10.62%, from 0.197 kilograms of CO_2 eq/km to 0.218 kilograms of CO_2 eq/km.

Carbon footprint per km travelled	2022	2023	Var (%)
Emissions (kg CO_2 eq / km travelled)	0.197	0.218	10.62%

· This difference in emissions per kilometre of travel is due to the fact that employee travel patterns changed slightly between 2022 and 2023. Most employees continue to travel by car, which is the most polluting means of transport. The main difference between the two years is that in 2023 the proportion of kilometres taken by bus increased (from 6.90% to 9.35%), while the proportion of kilometres taken on foot or by bicycle (the least polluting means of transport) decreased (from 6.12% to 5.68%).

Results of the Mobility Survey and its Corresponding Carbon Footprint

Gross results of the survey, that is, exclusively on those answers considered valid, without applying the estimates for the entire organisation.

Means of transport	Distance travelled km	Distance travelled %	Emission factor (kg CO_2eq/km)	Emissions tCO_2eq	Emissions %
Walking, bicycle or scooter	80,200	5.68%	-	0	0%
Metro/train	288,474	20.43%	0.03*	18.36	5.96%
Bus	131,986	9.35%	0.05*	19.02	6.18%
Own vehicle	911,055	64.54%	Variable	270.57	87.86%
Car	797,427	56.49%		245.29	79.65%
Motorcycle	113,628	8.05%		25.28	8.21%
Total	**1,411,716**	**100%**	**-**	**307.95**	**100%**

*Figures for Spain

Results of the Mobility Survey According to use of Means of Transport

· The means of transport most chosen by Renta 4 workers, specifically by 56% (317 of the workers surveyed), is their own vehicle.

· 4% (23 workers) of those who choose this option, in addition to the private vehicle, use public transport.

· 11% of workers (37 workers) who come to their jobs in private vehicles share a vehicle with one or more people.

· 19% are exclusively on foot or by bicycle (106 of the employees surveyed).

· The least chosen transportation is the bus, by 12% of the workers (69 of the employees surveyed).

Means of transport	% employees per transport means out of total employees 2022	% employees per transport means out of total employees 2023
Walking, bicycle or scooter	35.52%	41.75%
Metro/train	17.16%	20.18%
Bus	10.30%	12.11%
Car	36.72%	42.98%
Motorcycle	35.52%	12.63%

Calculation Method

Given the still novel nature of these indicators, we consider it appropriate to describe the calculation method applied.

For the commuting from home to workplace of employees of Renta 4, whose offices are located in Spain, the average emission factors for each type of vehicle considered per kilometre travelled, published by MITECO and IDAE were used (Institute for Energy Diversification and Saving). For Chile, Colombia, Peru and Luxembourg, emission factors published by the relevant ministries of each country were used, provided that available and reliable emission factors could be found. Alternatively, for cases where information was not available, the same factors as Spain or those published by the Government of the United Kingdom were used in their absence.

A total of 570 valid responses and 55 invalid questionnaire responses were received from a total of 670 employees who were part of the company at the end of 2023. For the 47 employees who did not respond or whose answers were not validated (55), their activity data and associated emissions have been estimated using the average consumption of the valid answers. It should be noted that the percentage of employee participation in the survey increased significantly from 2022 to 2023, 63.2% to 92.9%

3. Indirect Operational Emissions from Business Travel

In 2023 business travel emissions increased by 74.23% from 167.99 tCO_2eq in 2022 to 292.68 tCO_2 eq in 2023.

Means of transport (tCO2eq)	2022	2023	Variation '22-'23 (%)
Air travel	164.05	288.99	76.17%
Train	3.94	3.59	-8.64%
Taxi		0.002	-
Bus		0.082	-
Total	**167.99**	**292.68**	**74.23%**

This is mainly due to:

· An 8% increase in the number of trips made compared to 2022 (749 trips in 2023, compared with 693 trips in 2022).

· Above all, however, there was a 14% increase in the number of air travel compared to 2022 (400 trips in 2023, compared with 351 trips in 2022). Air travel accounts for 87.64% of the kilometres travelled and 98.74% of total emissions. This is therefore the main emission factor in the category of business travel.

· And there is a corresponding increase of 17% in the number of kilometres travelled compared to 2022 (826,304 km in 2023, compared to 705,474 km in 2022).

It is interesting to note that the emissions relating to train travel have reduced by 9% since fewer trips have been made and fewer kilometres travelled in this means of transport (reduction of 9%, from 110,981 km in 2022 to 101,465 km in 2023).

Means of transport	Distance (km)	Emission factor (kg CO_2eq/km)	Emissions (t CO_2eq)	Distance (%)	Emissions (%)
Train	101,465	0.035	3.6	12.28%	1.23%
Air travel	724,133	Variable	289	87.64%	98.74%
Bus	690	0.118	0.08	0.08%	0.03%
Taxi	15.80	0.149	0	0.00%	0.00%
Total	**826,303**	**-**	**292.68**	**100%**	**100%**

Calculation Method

Business trips relate to journeys made by workers for work reasons (meetings, office visits, etc.) either by plane, train, bus or taxi. It should be noted that these last two means of transport (bus and taxi) have been included in the calculation of the carbon footprint of Scope 3 with regard to business trips in 2023, although they were not included in the calculation of 2022 due to the unavailability of data. With regard to these means of transport, both the distance travelled and the emissions of CO_2 are negligible.

Emission factors published by the British Government in June 2023 have been used for the calculations of emissions from business travel.

The activity data have been collected from the distances travelled in the aforementioned means of transport for the year 2023 thanks to the information provided by the travel agency that Renta 4 uses (Agencias de Viajes Marine S.L.).

b. Financed Indirect Emissions

As for the Scope 3 of the carbon footprint derived from financed emissions of the Renta Group 4, it comes from the following exposures:

· Direct financed emissions: These are those exposures that involve financing to counterparties through their exposure in the Group's own portfolio, mainly through the acquisition and maintenance on the balance sheet of debt securities and equity instruments.

· Indirect financed emissions: These are those exposures that involve counterparty financing derived from financial guarantees that support credit and guarantee transactions. For this purpose, financial guarantees are made up of liquid financial instruments pledged as security for financing operations. The financial guarantees are considered to indirectly guarantee the exposure to the carbon footprint of the creditor in the proportion that they respectively cover the amount provided in the loans.

The assets considered from Scope 3 - financed emissions of Renta 4 are as follows:

· Corporate Finance (investment in instruments that finance companies) by direct investment in companies in equity or debt

· Sovereign bonds (investment in fixed income from countries' debt)

· Indirect investment through CII (Collective Investment Institutions)

The carbon footprint relating to the financed emissions of Renta 4 considering Scope 1, 2 and 3 decreased in absolute terms between 2022 and 2023 from 211,480 tCO_2eq to 122,862 tCO_2 eq(-42%).

The carbon footprint relating to Scope 3 of financed emissions taking into account emissions of Scope 1, 2 and 3 of the companies in which it is invested, reduced by 12%, going from 174.4 tCO_2eq /M€ invested in 2022 to 153.3 tCO_2eq /M€ invested in 2023. Also, if we consider only the Scope 1 and 2 emissions of the companies in which it is invested, the reduction remains at 12% (from 170.8 tCO_2eq /M€ invested in 2022 to 149.5 tCO_2eq /M€ invested in 2023).

This decrease in the carbon footprint in absolute terms is mainly due to the fact that for this year the Renta 4 Portfolio changed considerably, which significantly reduced its investments in sovereign bonds, these being the main component of the carbon footprint of the company's financed emissions.

	No. of investments		M€ invested		Emissions (tCO_2eq)		Var	t CO_2eq/M€		Var
	2022	2023	2022	2023	2022	2023	(%)	2022	2023	(%)
Quoted CF (S1-S2-S3)	309	329	95.59	25.6	7,155.80	4,738.88	-33.8%	74.86	185.14	147.3%
Quoted CF (S1-S2)	309	317	95.59	20.59	2,801.19	914.87	-67.3%	29.31	44.42	51.6%
Sovereign bonds*	31	29	1,050.14	661.37	200,405.42	116,142.07	-42.0%	190.84	175.61	-8.0%
CIIs	1,629	1,273	67.21	114.49	3,919.22	1,981.18	-49.4%	58.32	17.3	-70.3%
Total (S1-S2-S3)	**1,969**	**1,631**	**1,212.93**	**801.46**	**211,480.44**	**122,862.12**	**-41.9%**	**174.35**	**153.3**	**-12.1%**
Total (S1-S2)	**1,969**	**1,619**	**1,212.93**	**796.46**	**207,125.83**	**119,038.11**	**-42.5%**	**170.76**	**149.46**	**-12.5%**

*Consumption emissions excluding the LULUCF sector

Regarding the carbon footprint in relative terms this is due to the decrease in the carbon footprint regarding investments in sovereign bonds and CIIs. In relation to sovereign bonds, the decrease is due to the fact that unlike 2022, in 2023 Renta 4 did not invest in German public debt (this being the country that issued the most in its sovereign bond portfolio). In addition, in relation to collective investment institutions the decrease could be due to a variation (probably improvement) in the quality of the fund footprint data provided by Clarity, so the Scope 1 and 2 emissions of the funds in which it has been invested decreased.

Comparison of Financed Emissions with the 2022 Financial Year

If we include the same sectors as in the 2022 calculation for Scope 1, 2 and 3 emissions of the companies in which it is invested, this makes it possible to compare the results of 2023 against those of 2022 considering the same category of sectors.

If we do this, the carbon footprint relating to the financed emissions of Renta 4 considering Scope 1, 2 and 3 is lower in absolute terms between 2022 and 2023 from 211,480 tCO_2eq to 123,117 tCO_2eq (-42%).

It should also be remembered that the calculations for this year considered fewer investments both in terms of investment numbers and in terms of sums invested. In particular, 1,969 investments included in the calculation of 2022 for a total amount of €1,213 million to the inclusion of 1,676 investments for an amount of €802 million in 2023.

The carbon footprint relating to Scope 3 of financed emissions taking into account Scope 1 emissions, 2 and 3 of the companies in which it is invested and considering the same sectors as in the calculation of 2022 decreased by 12% going from 174.4 tCO_2eq /M€ invested in 2022 to 153.6 tCO_2eq /M€ invested in 2023.

Therefore, whether we consider the same sectors that were included in the 2022 calculation or consider those recommended by the PCAF reporting standard for the funded emissions related to Scope 1, 2 and 3 of the companies in which it is invested, the results are similar.

	No. of investments		M€ invested		Emissions (tCO_2eq)		Var	t CO_2eq/M€		Var
	2022	2023	2022	2023	2022	2023	(%)	2022	2023	(%)
Quoted CF (S1-S2-S3””)	309	374	95.59	25.91	7,155.80	4,993.98	-30.21%	74.86	192.77	157.51%
Sovereign bonds*	31	29	1,050.14	661.37	200,405.42	116,142.07	-42.05%	190.84	175.61	-7.98%
CIIs	1,629	1,273	67.21	114.49	3,919.22	1,981.18	-49.45%	58.32	17.3	-70.34%
Total (S1-S2-S3””)	**1,969**	**1,676**	**1,212.93**	**801.77**	**211,480.44**	**123,117.23**	**-41.78%**	**174.35**	**153.55**	**-11.93%**

*Consumption emissions excluding the LULUCF sector

Next, we will analyse in detail each of the different types of Scope 3 financed emissions

1. Corporate Finance – Direct Investment in Equity or Debt Companies

Including Scope 1, 2 and 3 emissions from companies in which it is invested considering the most polluting sectors and those defined by the PCAF (see calculation method below):

· In 2023, 329 investments in companies through shares or bonds were considered (+20 compared to 2022) for a total of 25.6 million euros (-70 M€ compared to 2022). This decrease in data analysed has been reflected in a decrease in the carbon footprint in absolute terms that decreased by 34%, accumulating an emissions total of 4,738.88 tCO_2eq in 2023. However, it should be noted that in relative terms the carbon footprint increased by 147% from 75 tCO_2eq /M€ invested in 2022 to 185 tCO_2eq /M€ invested in 2023. The significance of this increase is due to the wide variety of methodologies applied by investment companies for the calculation of Scope 3 emissions.

Including Scope 1, 2 and 3 emissions from companies in which it is invested considering the same sectors as in 2022:

· In 2023, 374 investments in companies through shares or bonds were considered (+65 compared to 2022) for a total of 25.9 million euros (-70 M€ compared to 2022). In total, the investments of 69 different NACE codes have been analysed, 11 more than the analysis of 2022. This decrease in data analysed considering the total amount of investments has been reflected in a decrease in the carbon footprint in absolute terms that decreased by 30.2%, accumulating an emissions total of 4,993.98 tCO_2 eq in 2023. However, it should be noted that in relative terms the carbon footprint increased by 157% from 75 tCO_2 eq/M€ invested in 2022 to 192.77 tCO_2 eq/M€ invested in 2023. The significance of this increase is due to the wide variety in the methodology applied by the invested companies to calculate their Scope 3 emissions.

	No. of investments		M€ invested		Emissions (tCO_2eq)			t CO_2eq/M€		
	2022	2023	2022	2023	2022	2023	Var %	2022	2023	Var %
Quoted CF (S1-S2-S3)	309	329	95.59	25.6	7,155.80	4,738.88	-33.8%	74.86	185.14	147.3%
Quoted CF (S1-S2)	309	317	95.59	20.59	2,801.19	914.87	-67.3%	29.31	44.42	51.6%
Quoted CF (S1-S2-S34F)	309	374	95.59	25.91	7,155.80	4,993.98	-30.2%	74.86	192.77	157.5%

2. Corporate Finance – Indirect Investment Through Collective Investment Institutions

The amount invested in CIIs, mainly in funds, has increased substantially from year to year, however, carbon footprint values have decreased significantly. In the last year, the proportion of funds analysed fell, from covering 51% (1,629 investments) of total investments in 2022 to 46% (1,273 investments) of total investments in 2023 (-22%).

On the other hand, the amount invested considered increased from €67 million in 2022 to €114 million in 2023. Despite this increase in the amount invested, absolute emissions decreased from 3,919 t CO_2 eq in 2022 to 1,981 t CO_2 eq in 2023 (-49%). In addition, relative emissions decreased by 70% from 58 tCO_2eq /M€ in 2022 to 17 tCO_2eq /M€ in 2023.

In short, in this year more investment has been made in collective investment institutions, obtaining a lower footprint in both absolute and relative terms. The explanation for this phenomenon lies in the decrease in CII carbon footprint figures provided by Clarity AI and it is likely that this is due to an improvement in the quality of information available in the database.

	No. of investments		M€ invested		tCO_2eq		Var	t CO_2eq/M€		Var
	2022	2023	2022	2023	2022	2023	(%)	2022	2023	(%)
CIIs	1,629	1,273	67.21	114.49	3,919.22	1,981.18	-49%	58.32	17.30	-70%

[5] Scope 3 considering the same sectors as in the calculation of 2022

3. Emissions Financed by Sovereign Bonds

For the purposes of comparison of the results of sovereign emissions between one year and another, emissions by consumption are taken as a reference excluding the LULUCF sector, because based on the indications and recommendations of the PCAF this type of emission would reflect a more accurate picture regarding investment in sovereign bonds.

This category of investment decreased by 37% between 2022 and the end of 2023. Investment in sovereign debt accounted for 87% of the investment analysed and 95% of the financed emissions in 2022 for the respective amounts of 1,050 M€ and 200,405 tCO2eq. At the end of 2023, the investment of Renta 4 in these assets was €661 million representing 83% of the investment and the associated emissions were 116,142 tCO2eq representing 95% of the total financed emissions of 2023.

GHG Emissions Comparison Excluding LULUCF Sectors (PCAF Recommendation)

	Including sectors LULUCF (t CO_2eq)		Var	Excluding sectors LULUCF (t CO_2eq)		Var
Sovereign emissions	**2022**	**2023**	**(%)**	**2022**	**2023**	**(%)**
Emissions per production	153,431.90	91,302.50	-40.5%	169,326.59	97,912.71	-42.2%
Emissions per consumption	184,517.33	109,531.86	-41.6%	200,405.42	116,142.07	-42.1%

Distribution of Sovereign Bond Investment by Country

Investment (M€)	2022	2023
Germany	2.34%	-
Spain	15.17%	0.18%
Italy	80.04%	95.86%
Portugal	2.45%	3.96%

As regards emissions relative to tons of CO2 eq. emitted for every million euro invested, a reduction of 8% is observed if we consider the emissions by consumption excluding LULUCF. This reduction is due to the fact that, unlike 2022, in 2023 there was no investment in German public debt (only in Spain, Italy and Portugal), with Germany being the most polluting country of these four. In addition, the proportion of investment in Spanish public debt in 2023 was significantly reduced compared to 2022, this being the second most polluting country of the four considered.

Comparative Table GHG/M€ Emissions Excluding LULUCF Sectors (PCAF Recommendation)

	Including LULUCF sectors (t CO_2eq/M€)		Var	Excluding LULUCF sectors (t CO_2eq/M€)		Var
Sovereign emissions	**2022**	**2023**	**(%)**	**2022**	**2023**	**(%)**
Emissions per production	146.11	138.05	-5.51%	161.24	148.04	-8.19%
Emissions per consumption	175.71	165.61	-5.75%	190.84	175.61	-7.98%

Calculation Method – Considerations

As reflected throughout this Scope 3 - funded indirect emissions section, a number of changes in the calculation methodology described below have been implemented.

In line with the recommendations of the PCAF standard for the calculation of emissions related to investment in quoted CF, the following has been included for consideration:

· Scope 1 and 2 emissions from companies in which investment is made: As in the calculation of 2022, those assets that represented 70% of the investments in listed shares and corporate bonds have been selected and for the remaining 30% data have been sought for those assets belonging to highly polluting sectors.

· Scope 1, 2 and 3 emissions from companies in which investment is made: In addition to considering assets representing 70% of investments, data have been sought for sectors that the PCAF standard specifies should be included.

In addition, we have also chosen to calculate the results based on the same methodology used in 2022 for its best comparison.

	Calculation based on Scope 1 and 2 emissions of invested companies	Calculation based on Scope 1, 2 and 3 emissions of invested companies	
Quoted CF	**1. Consideration of more polluting sectors**	**2. Consideration of the sectors specified by the PCAF**	**3. Consideration of the same sectors as in the calculation of 2022**
A - Agriculture, livestock, forestry and fishing	✓	X	✓
B – Extractive industries	X	✓	✓
C – Manufacturing industry	✓	✓	✓
D - Electric power supply, gas, steam and air conditioning	✓	X	✓
E - Water supply, sanitation, waste management and decontamination	✓	X	✓
F – Construction	X	✓	✓
H – Transport and storage	✓	✓	✓
N – Administrative activities and auxiliary services	X	✓	✓

Investments in sovereign bonds are the main component of Renta 4 financed emissions.

In line with the reporting standards of the PCAF considering that countries treat emissions differently from the LULUCF sector (land use and forestry) in their mitigation objectives and taking into account that investors may have different perspectives on the potential compensatory role of land-use and forestry emissions, emissions related to sovereign bond investment have been calculated including and excluding this sector.

In addition, and following also the recommendations of the PCAF, both emissions by production and consumption (emissions by production plus emissions by import minus emissions by export) are also presented, emissions per consumption are those that reflect the share of demand for sovereign emissions and account for consumption patterns and trade impacts.

	Including sectors LULUCF ($t\ CO_2eq$)		Excluding sectors LULUCF ($t\ CO_2eq$)	
Sovereign emissions	Emissions per production	Emissions per consumption	Emissions per production	Emissions per consumption
2022	X	✓	X	X
2023	✓	✓	✓	✓

6. Biodiversity

Renta 4 Banco has no impact on biodiversity thanks to the nature of its business and its location in urban areas.

7. Risk analysis of environmental impact

Procedures to include ESG risk as a non-material risk in the Risk Appetite Framework are being established, defining its risk profile in the following terms:

· Commitment to reducing the Renta 4 carbon footprint: Generated directly and indirectly, as a result of the development of its activity. For this purpose, a model has been developed for the calculation of the carbon footprint considering Scope 1, 2 and 3.

· Supporting the green transition. Through the integration of ESG criteria into its investment decision-making processes, both on its own account and in the provision of services to third parties (portfolio management, financial advice and marketing of CIIs).

· Integration of ESG criteria into customer financing. To limit or deny financing to customers who may pose a material risk to the Group of not meeting its commitments with respect to ESG criteria.

· Regulatory requirements. Adaptation and improvement of processes to meet ESG regulatory requirements (SFDR, MiFID, solvency and other banking regulations).

8. Income from activities related to the environment

The following are the net income from environmental-related business activities classified as:

· Business activities with a risk of material transition

· Coal-related activities

· Oil-related activities

· Gas-related activities

Material transition risk is understood as those activities carried out by companies with high risk of transition to a low carbon economy. Renta 4 activities are not high-risk material transition activities and therefore there is no income from these activities.

Table of Income by Activities Related to Different Sectors

Income from activities related to the environment	
Net income from business activities with material transition risk	0
Net revenue from customers operating in coal-related activities	€6,572
Net revenue from customers operating in oil-related activities	€71,832
Net revenue from customers operating in gas-related activities	€105,489
Percentage of net revenue of customers operating in coal-related activities	0.02%
Percentage of net revenue of customers operating in oil-related activities	0.20%
Percentage of the net revenue of customers operating in gas-related activities	0.29%
Percentage of net income from business activities at risk of material transition	0
Expected cost savings from climate change mitigation actions	0
Expected cost savings thanks to climate change adaptation measures	0

A comparative table has not been added for the previous financial year, as this is a metric that started in the 2023 financial year. The comparison will be included in future reports.

Calculations have been made on the basis of the NCEAs applicable to the above-mentioned activities (oil, gas and coal). The % has been calculated from the net revenue of customers in each of the different activities indicated, divided by the total net income of Renta 4.

05.4

HR principles and values

Renta 4 As an entity specialising in investment banking; wealth management and advice, intermediation in capital markets and corporate advice to companies, focussing its mission on democratising investment by promoting sustainable and socially responsible investment practices. Among the fundamental values such as specialisation, independence and closeness, in a technological and digital environment, a commitment to social and environmental impact has been added in recent years.

Therefore, the Renta 4 HR policies are based on the following principles and values:

· **Customer Orientation – Trust:** Renta 4 is a bank for customers, where each investor is unique, it being essential that the professionals who are part of the entity have a deep knowledge of each customer, understanding their needs, allowing it to offer them the products and customised investment solutions that suit and meet customers' financial needs. This is the basis to provide the best investment and advisory service and thus establish a long-term relationship with the customer, based on trust and "a job well done".

Dicha confianza de los clientes se basa en el riguroso cumplimiento de la normativa y normas internas de la compañía por parte de los profesionales que forman Renta 4, con honestidad, profesionalidad y aplicando unas buenas prácticas, todo ello en el mejor interés de los clientes.

· **Sustainability:** Sustainability in recent years has become one of the strategic objectives for Renta 4 and therefore is among the values of HR policies, providing advice on sustainable and socially responsible investments, expanding the range of this type of products that Renta 4 offers its customers and training its professionals in ESG.

· **Accessibility:** Renta 4 Banco maintains 63 offices throughout the national territory, at least one per provincial capital, which allows it to have close contact with its customers. This commercial network consists of 241 highly qualified professionals.

Renta 4 also achieves this closeness to customers by providing them with different channels and technological platforms, where they can contract the products and services they need and receive the advice and/or help of the entity. To do this, Renta 4 must be at the forefront of a constantly changing technological and digital environment and have teams of professionals with the knowledge and technological skills in the field.

· **Training and high level of qualification:** Renta 4 is a specialised investment bank, therefore, another of the principles on which the Renta 4 HR policy is based is training. To do this, Renta 4 has professionals with a high level of qualification and training in their workplace, mainly in products and financial markets, as well as in any other subject or competence such as sustainable investments, financial planning, taxation, digital environments, etc., all this with the aim of providing a service of high quality and excellence.

The professionals of Renta 4 are also in a constant process of ongoing training that allows them to acquire all the necessary knowledge for the performance of their work and to be permanently updated.

· **Job security:** Job security is another of the fundamental pillars in the field of HR, promoting permanent contracts, in order to attract and retain the best professionals and establish long-term relationships with its employees, who can develop their professional career with the company.

· **Equality:** Renta 4 promotes equality between women and men, in an environment of equal treatment and opportunities, promoting at all times such equality in all areas of the company, including ensuring equal pay.

In this sense, Renta 4's HR policies are based on these principles and values that allow Renta 4 to provide a high-quality advisory service, based on trust and closeness, with a clear focus on customers and results, and sustainable investments, all as a strategic pillar of the company.

These policies are aimed at attracting and retaining the best professionals, who have deep financial knowledge, extensive experience in the sector and a great responsibility and rigour in providing their services, believing that the human capital that makes up Renta 4 guarantees quality in the banking services it offers to its customers, thus being able to establish a long-term relationship of trust.

1. Structure and evolution of the workforce

The Renta 4 group, as indicated above, is composed of the following companies:

· RENTA 4 BANCO, S.A. (Group parent company)

· RENTA 4 GESTORA SGIIC, S.A.

· RENTA 4 PENSIONES SGFP, S.A.

· RENTA 4 CORPORATE, S.A.

· RENTA 4 S.A.S.V.

Renta 4 has a presence abroad in Chile, Peru, Colombia and Luxembourg.

As of December 31, 2023, the Renta 4 Group has a workforce of 670 employees, which increased by 5.85% compared to 2022, a net growth of 37 people, that joined to reinforce those areas of activity and lines of business in growth in Renta 4 Banco, Renta 4 Gestora and the offices of Latin America, as well as to fill the vacancies caused by turnover in the company.

The distribution of staff in each of these companies during the years 2023 and 2022 was as follows:

Evolution of the Workforce by Companies

Company	No. of employees 31-12-22	No. of employees 31-12-23	% Total	Workforce Variation 2023-2022	Workforce Variation % 2023-2022
R4 SV	3	2	0.3%	-1	-33%
R4 Banco	445	462	69.0%	17	4%
R4 Management Company	78	90	13.4%	12	15%
R4 Pensions	14	14	2.1%	-	0%
R4 Corporate	13	13	1.9%	-	0%
Renta 4 Chile	33	35	5.2%	2	6%
Renta 4 Peru	21	25	3.7%	4	19%
Renta 4 Colombia	23	25	3.7%	2	9%
Renta 4 Luxembourg	3	4	0.6%	1	33%
Total workforce	**633**	**670**	**100%**	**37**	**6%**

Variation in the workforce of 5.85%

It should be noted that most of the workforce is concentrated in the company Renta 4 Banco, where its main activity as an investment bank is carried out, as of 31 December 2023 there being a total of 462 professionals, 66% of the total workforce. In the managing entities, companies responsible for the management of collective investment institutions of funds and pension plans, as well as other management products, there are 90 employees in Renta 4 Gestora and 14 in Renta 4 Pensions, while 15 people are dedicated to activities in the field of corporate and intermediation. The rest of the workforce, 89 employees provide their services in the offices that Renta 4 has in Chile, Peru and Colombia and in Luxembourg where the company has a manager.

As for the distribution of the Renta 4 workforce by geographical area, employees are distributed between Spain and internationally between the 3 offices that Renta 4 has in Latin America (Chile, Peru, Colombia) and Luxembourg, the details of which are shown in the following table:

Evolution of the Workforce by Geographical Area

		2015	2016	2017	2018	2019	2020	2021	2022	2023	% Workforce
National	Central	193	219	223	242	251	278	306	320	340	59%
	Network	204	198	204	214	214	219	228	233	241	41%
	National total	397	417	427	456	465	497	534	553	581	87%
International		31	44	42	49	57	63	74	80	89	13%
TOTAL		**428**	**461**	**469**	**505**	**522**	**560**	**608**	**633**	**670**	**100%**
Annual workforce variation		7.7%	1.7%	7.7%	3.4%	7.3%	8.6%	4.1%	5.8%		

Internationally, 89 employees provide their services, 13% of the total, in Chile 35, in Peru 25, the same figure in Colombia and 4 in Luxembourg.

Nationally, 87% of the total number of employees provide their services in Spain, a total of 581 professionals, 340 in the central services of the entity, 59%, while in the commercial network 241 professionals distributed in the 63 offices that exist in the national territory, representing 41% of the total.

As for the evolution of the workforce, since Renta 4 began its activity in 1986, it has grown moderately and steadily, always in line with the entity's own organic growth, seeking to make the increase in the workforce stable and structural. All this with the aim of maintaining job security, thus establishing a long-term professional relationship between the company and its employees.

Distribution of the Workforce at year-end 2022 - 2023 by Gender and Grade

		2022			2023			Workforce variation 2023/2022	
	Women	Total	Men	Women	Total	Men	Women	Total	Total
Address	11	2	13	11	2	13	0.0%	0.0%	0.0%
Technicians	386	157	543	417	189	606	8.0%	20.4%	11.6%
Administrative	23	54	77	18	33	51	-21.7%	-38.9%	-33.8%
TOTAL	**420**	**213**	**633**	**446**	**224**	**670**	**6.2%**	**5.2%**	**5.8%**

During 2023 Renta 4 increased its workforce by 5.85%, i.e. a net growth of 37 people, of whom 26 were men and 11 women, who joined to strengthen and improve growing business lines and fill vacancies caused by turnover. In particular, there have been 64 work losses, 49 of them voluntary, 77% of the total and 15 non-voluntary, representing 23%.

In 2023, 101 new employees were added, of whom 67 were men and 34 were women, 66% and 34% respectively, the details of which are shown in the following tables:

New Employees by Geographical Area

Geographical area		Men	Women	No. new employees	% Workforce
International total		18	11	29	29%
National territory	Central	42	16	58	81%
	Commercial network	7	7	14	19%
National total		49	23	72	71%
Total additions		**67**	**34**	**101**	
		66%	34%		

In terms of the distribution of new employees by geographical area, a total of 29 employees were added internationally, 29% of the total and 71% at the national level, i.e. 72 new professionals. 58 of them in the central services and 14 in the office network.

New Additions by Category

Category	Men	Women	No. new employees	% Workforce
Management	1		1	1%
Technical	63	31	94	93%
Administrative	3	3	6	6%
TOTAL	**67**	**34**	**101**	
	66%	34%		

New Additions by Age

Age bracket	Men	Women	No. new employees	% Workforce
<30	29	16	45	45%
[30-40]	23	6	29	29%
[40-50]	6	9	15	15%
>50	9	3	12	12%
TOTAL	**67**	**34**	**101**	

It should be noted that 45% of new entrants, 45 employees are under the age of 30 and 29 are between the ages of 30 and 40, i.e. 74 under the age of 40 have been added, and this allows Renta 4 to reduce the average age of the workforce and incorporate young professionals with new proposals and visions. On the other hand, it should be noted that during 2023 12 employees over 50 years of age have been added, providing experience and knowledge. This generational diversity brings enrichment to the organisation.

With regard to the type of recruitment, it should be noted that as of December 31, 2023, 99.7% of employees have a permanent employment relationship, if we include the two (2) temporary contracts arising from the partial retirement of two employees prior to their official retirement.

This level of permanent hiring has been maintained since its inception, thus complying with one of the fundamental principles established in the Renta 4 HR policy, job security. Renta 4 considers that, if employees have a permanent, secure employment relationship in which they can develop their professional career in the long term, they can acquire and gain extensive knowledge in investment products and services, and that this will guarantee the quality of advice on the banking service provided to customers, promoting another fundamental value for Renta 4, which is trust and a close relationship with its customers.

In addition, permanent employment allows the attraction and retention of talent, maintaining low levels of turnover.

The types of contracts, classified by gender, age and professional categories for 2023 and 2022, both at the end of the financial years and average number, are shown below:

Distribution by Type of Contract and Gender

	2023				2022			
Type of Contract	Men	Women	Total	% Total	Men	Women	Total	% Total
Permanent empl. contract	444	212	656	97.9%	418	199	617	97.5%
Permanent empl. contract		10	10	1.5%		11	11	1.7%
Temporary empl. contract	2		2	0.3%		2	2	0.3%
Temporary empl. contract	1	1	2	0.3%	2	1	3	0.5%
Total	**447**	**223**	**670**	**100.0%**	**420**	**213**	**633**	**100.0%**
% Total	67%	33%			66%	34%		

Distribution by Type of Contract and Category

	2023				2022			
Type of Contract	Management	Technical	Administrative	Total	Management	Technical	Administrative	Total
Permanent empl. contract	13	599	44	656	13	537	67	617
Permanent empl. contract		4	6	10		4	7	11
Temporary empl. contract		2		2		1	1	2
Temporary empl. contract		1	1	2		1	2	3
Total	**13**	**606**	**51**	**670**	**13**	**543**	**77**	**633**
% Total	2%	90%	8%		2%	86%	12%	

Distribution by Type of Contract and Age

	Age range									
	2023					2022				
Type of contract according to age range	<30	[30-40]	[40-50]	>50	TOTAL	<30	[30-40]	[40-50]	>50	TOTAL
Permanent empl. contract	108	166	231	151	656	104	170	210	133	617
Permanent empl. contract	2	2	1	5	10		5	3	3	11
Temporary empl. contract	1		1		2	1		1		2
Temporary empl. contract				2	2				3	3
Total	**111**	**168**	**233**	**158**	**670**	**105**	**175**	**214**	**139**	**633**
% Total	17%	25%	35%	24%		17%	28%	34%	22%	

Average Number of Contracts at 31-12-2023 by Gender

	Gender		
Type of Contract	Men	Women	TOTAL
Permanent empl. contract	435.25	202.75	638
Permanent empl. contract	-	12.50	12.5
Temporary empl. contract	1.67	1.33	3
Temporary empl. contract	1.83	1.00	2.83
Total	**438.75**	**217.58**	**656.33**

Average Contracts at 31-12-2023 per Category

	Categories			
Type of Contract	Management	Technical	Administrative	Total
Permanent empl. contract	13.00	579.33	45.67	638.00
Permanent empl. contract	-	5.58	6.92	12.50
Temporary empl. contract	-	2.00	1.00	3.00
Temporary empl. contract	-	1.67	1.16	2.83
Total	**13.00**	**588.58**	**54.75**	**656.33**

Average Contracts at 31-12-2023 by Age

	Age range				
Type of Contract	**<30**	**[30-40]**	**[40-50]**	**>50**	**TOTAL**
Permanent empl. contract	98.08	163.59	224.25	152.08	638
Permanent empl. contract	1.58	4.50	1.92	4.50	12.5
Temporary empl. contract	1.25	-	1.75	-	3
Temporary empl. contract	-	0.17	-	2.66	2.83
Total	**100.91**	**168.26**	**227.92**	**159.24**	**656.33**

* The annual average of contracts has been calculated as an average of the number of contracts at the end of each of the months

In addition, as of 31 December 2023, Renta 4 had 5 employees with proven disabilities, all with permanent contracts and full-time jobs.

Another of the indicators of job security at Renta 4 is the tenure of its workforce, in 2023 with an overall average tenure of 10 years, internationally this being less than 3 years, as it is a line of activity that Renta 4 has developed later and because these are labour markets with a high turnover level. Nationally, the average tenure is longer. In the commercial network it amounts to 14 years and in the central services it is 9 years, as shown in the following table.

Average Tenure 2023

		2023			2022		
Geographical area		**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
National	Central	8.9	9.3	9.1	9.1	8.7	9.0
	Network	12.9	16.6	14.0	12.4	16.8	13.7
International		3.2	2.9	3.1	3.1	2.8	3.0
Total average		**9.6**	**11.0**	**10.1**	**9.6**	**10.8**	**10.0**

In addition, the average age of the workforce as of 31 December 2023 is 42 years, in the commercial network it is 44 years and in the headquarters it is 41 years, while internationally the age is lower, 38 years, as follows:

Average age of the Workforce at 31-12-2023

		Men	**Women**	**TOTAL**
National	Central	41.5	39.9	40.9
	Network	43.7	46.3	44.5
International		39.2	37.5	38.7
TOTAL		**42.0**	**41.8**	**41.9**

The average age combined with the average tenure shows that a high percentage of employees develop their professional career at Renta 4.

Job Losses

With regard to job losses, in 2023, in the Renta 4 Group there were a total of 64 losses, of which 49 were voluntary, 77% of the total and 15 were non-voluntary, which represented 23%. In particular, 44 employees have left the entity nationally, of which 29 have been voluntary, including two (2) retirements, while 15 have been non-voluntary losses, 66% and 34%, respectively, figures similar to previous years in absolute terms.

Total Job Losses by Geographical Area

Geographical area		**No. job losses**	**Men**	**Women**	**% Type of losses**	
International	Voluntary	20	16	4	31%	77%
National	Voluntary	29	16	13	66%	
	Non-voluntary	15	10	5	34%	23%
National total		44	26	18	69%	
Total losses		**64**	**42**	**22**		
			66%	34%		

Total Job Losses by Category

Category	**Men**	**Women**	**No. job losses**	**% Workforce**
Management	1		1	0%
Technical	38	14	52	15%
Administrative	3	8	11	3%
Total	**42**	**22**	**64**	

Total Job Losses by Age

Age bracket	**Men**	**Women**	**No. job losses**	**% Workforce**
<30	14	7	21	33%
[30-40]	17	9	26	41%
[40-50]	3	3	6	9%
>50	8	3	11	17%
Total	**42**	**22**	**64**	

Non-voluntary Losses

A breakdown of non-voluntary losses by category, gender and age is included:

Comparison of Non-voluntary Losses by Category and Gender Between 2022 and 2023

	2023			2022			Variation %		
Category	Men	Women	TOTAL	Men	Women	TOTAL	Men	Women	TOTAL
Management			0			0			
Technical	9	3	12	5	6	11	80%	-50%	9%
Administrative	1	2	3		1	1		100%	200%
TOTAL	10	5	15	5	7	12	100%	-29%	25%

Non-voluntary Losses by Category and Age In 2023

	2023									
	<30		[30-40]		[40-50]		>50		TOTAL	
Category	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Management									0	0
Technical	1	1	4	2	1		3		9	3
Administrative	1					1		1	1	2
TOTAL	2	1	4	2	1	1	3	1	10	5

Non-voluntary Losses by Category and Age in 2022

	2022									
	<30		[30-40]		[40-50]		>50		TOTAL	
Category	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Management			0	0	0	0	0	0	0	0
Technical		1	1	1	2	3	2	1	5	6
Administrative			0	0	0	0	0	1	0	1
TOTAL	0	1	1	1	2	3	2	2	5	7

In addition, in 2023 the turnover level at Renta 4 was 2.30%, a figure similar to the year 2022 which was 1.93%, calculated with non-voluntary losses, as it is established as it should be included in this SNFI, this being a low turnover level and considered "healthy" in organisations.

On this point, we would also like to highlight that Renta 4 did not make any temporary lay-offs or dismissals during 2023.

2. Talent selection

In line with Renta 4's HR policy, Renta 4's recruitment process is based on recruiting professionals with a high level of qualifications, training and experience appropriate to each position, assessing the suitability of each candidate, their training and professional merits, thus ensuring the selection of the best professionals in the sector, in order to provide specialised, high-quality banking services.

This selection policy has as one of its fundamental principles the recruitment of candidates based on the suitability of the candidate to the position, promoting the selection of the best qualified professionals and those who have the best competences for each position, regardless of gender and not associating the skills required with gender, but with the worth of each professional and their suitability for the position.

Jobs are defined by focusing on the concrete definition of functions and tasks, aspects and technical knowledge, as well as skills and competencies appropriate for their performance. The model to be followed when defining the posts is:

· Defining the job position and professional profile in a neutral way, avoiding associating skills with gender, always identifying them as professional competences and not as innate personal skills.

· Description of the job requirements and professional profiles of the candidates associated with the posts, being as precise as possible and adjusted to the real needs of the post.

· To assess experience and other job-specific competencies.

In the selection processes, different sources of recruitment are used, on the one hand, platforms and social networks such as LinkedIn, Infojobs, etc., focused on the selection of professionals, these being channels that allow companies to post job offers, access candidate databases and thus select professionals that fit the profiles and requirements of the positions. Other sources of recruitment used by Renta 4 are applications received through the various online channels of the entity (corporate website, mail, etc.), universities and internal promotion.

In this sense, the selection processes are carried out mainly internally by the HR department of Renta 4 and only in those processes in which there is a high technical level or complexity when accessing certain types of profiles, the selection process is outsourced to companies specialising in recruitment consulting, although Renta 4 actively participates in all phases of the selection process.

During the 2023 financial year, a total of 71 selection processes were carried out internally, to fill 44 positions each with specific requirements, all of them to fill vacancies that had occurred as a result of the employees' departures due to the turnover of staff and in other cases to fill newly-created posts or as an addition to various departments and areas.

In these processes, a total of 519 candidates were selected, representing an average of 7 candidates per process, 402 of them male, 77% and 117 women, 23% of the candidates. Of these, a total of 285 professionals were interviewed, 216 men (76%) and 67 women (24%), and a total of 65 professionals were employed, of which 43 were men, 66% and 22 women, 34%.

It should be noted that, although Renta 4 applies equal criteria in the selection processes, selecting candidates who meet the specific requirements of the positions, regardless of gender, in recent years, in the selection processes, it has established the criterion of including a percentage of at least 50% of female candidates. However, in many of the selection processes, the number of female candidates who register in the job offers published by Renta 4 is less than 50% of all candidates or women candidates do not meet the requirements of the post, and this makes participation in the selection processes difficult for a larger number of female candidates and therefore difficult to recruit them.

Also, in relation to other sources of recruitment, Renta 4 has been collaborating with universities for many years, considering that training is a fundamental pillar in the field of HR. For this reason, Renta 4 maintains collaboration agreements with most universities throughout the country, as well as some international universities, in the United States, the United Kingdom and France. Annually, Renta 4 provides training internships in different departments, areas and offices of the entity, in which students carry out a period of curricular or extracurricular internships, in which they learn among other topics about markets and different financial products, taxation, the procedures of the department or office in which they perform the internship, as well as how an investment bank operates.

In 2023 Renta 4 formalised a total of 69 internships, 22 of them in the offices of the commercial network and 47 internships in the central services, in different departments such as asset management, analysis, corporate, internal control, etc. and with an average duration of between three (3) and six (6) months.

It should be noted that for those students who perform well during the internship period, their curriculum is added to the database of possible candidates, participating in the selection processes of positions that may arise, with internships being another of the sources of recruitment that Renta 4 uses for the selection of candidates in the selection processes.

3. Remuneration

The Remuneration Policy seeks to establish a remuneration scheme appropriate to the engagement and responsibility undertaken by the people to whom it applies, with the aim, first, of attracting, retaining and motivating the most outstanding professionals and, second, helping the company to meet its strategic objectives within the framework in which it carries out its activity.

This policy is based, inter alia, on the following principles:

· It will be compatible with the company's long-term business strategy, objectives, values and interests.

· The remuneration paid by the company in accordance with these principles follows criteria of moderation and proportionality to the group's results, and must encourage sound and effective risk management that prevents conflicts of interests.

· Remuneration shall establish an appropriate balance between fixed and variable components.

· The variable remuneration shall be determined by the achievement of objectives that are set periodically, not being linked to the assumption of high risks.

· The objectives to be evaluated will be individual and strategic. The evaluation of the objectives, their degree of achievement and performance will be analysed annually. The payment of the variable remuneration will depend on the degree of achievement of the objectives set, adjusted to the results obtained by the entity.

· The variable remuneration policy must be aligned with the company's results, being paid only if it is sustainable with the company's financial situation.

· Said policy shall be compatible with appropriate and effective management of risk, and fosters such management in all circumstances, without offering, consequently, incentives for a assuming a level of risk that exceeds the level of risk accepted by the company.

Renta 4's remuneration policy aims to attract and retain talent, incorporating highly-qualified professionals, applying remuneration levels in line with the market, depending, among other things, on the different job positions, level of responsibility, experience, qualifications and performance.

This remuneration policy is based, on the one hand, on criteria of equality and non-discrimination, pursuing pay equity, and on the other hand, on the individual evaluation of the performance of each employee, depending on the degree of achievement of objectives at individual and corporate level, therefore, based on the meritocracy and performance of each professional.

Likewise, their salary levels seek internal equity within the company and external equity with the market, in order to be competitive and attractive wages, as a tool of attraction and retention, in order to have the best professionals in the sector, to offer a service of quality and excellence.

Annually Renta 4 carries out a performance evaluation in which the degree of achievement of the quantitative and/or qualitative objectives established, which aim to evaluate and align them with the strategic objectives of the company and professional development is analysed.

It should be noted that Renta 4 at all times rigorously applies the legal regulations in force in each of the countries in which it operates and is established. In this sense, in general terms, more than 95% of 4-income employees are at wage levels higher than the minimum wages established in the applicable conventions and/ or regulations.

This NFIR uses the same classification of professional categories as is used in the Annual Accounts containing the Group's financial information and in the various financial statements reported to the supervisors.

Average Remuneration

The average remuneration of employees and its evolution is shown in the following tables according to geographical professional classification, gender and age:

Average Remuneration by Category and Geographical Area

Average Remuneration[6] - Category - Areas	2023	2022	Variation % Period
International	**50,322**	**41,707**	**21%**
Management	178,633	158,977	12%
Technical	49,215	41,362	19%
Administrative	**17,145**	**11,698**	**47%**
National	60,859	60,711	0%
Management	311,452	336,051	-7%
Technical	58,162	58,561	-1%
Administrative	31,650	31,936	-1%
Total average remuneration	**59,459**	**58,309**	**2%**

[6] Average Remuneration = Fixed and Variable Remuneration

Average Remuneration by Category, Gender and Geographical Area

Average Remuneration[7] - Category-Areas	2023 Men	2023 Women	2023 Difference Man vs Woman	2022 Men	2022 Women	2022 Difference Man vs Woman	Variation % Period 23/22 Men	Variation % Period 23/22 Women
International	**58,868**	**30,698**	**28,170**	**48,266**	**23,281**	**24,985**	**22%**	**32%**
Management	178,633	-	178,633	158,977	-	158,977	12%	
Technical	56,809	31,901	24,908	46,637	25,831	20,806	22%	23%
Administrative	18,140	15,652	2,488	14,487	7,980	6,507	25%	96%
National	**66,112**	**50,540**	**15,572**	**66,514**	**49,799**	**16,715**	**-1%**	**1%**
Management	317,254	285,345	31,909	342,535	306,870	35,665	-7%	-7%
Technical	61,406	50,979	10,427	61,191	52,261	8,930	0%	-2%
Administrative	28,693	33,082	-4,389	29,063	33,006	-3,943	-1%	0%
Average total remuneration	**65,107**	**48,137**	**16,970**	**63,951**	**47,184**	**16,767**	**2%**	**2%**

Average Remuneration by Age and Geographical Area

Average Remuneration[8] - Forks Age-Area	National 2023	National 2022	National Variation % period	International 2023	International 2022	International Variation % period
<30	31,051	29,512	5%	23,809	19,774	20%
[30-40]	46,820	45,184	4%	39,655	43,189	-8%
[40-50]	63,891	66,225	-4%	96,338	71,288	35%
>50	88,392	90,754	-3%	38,661	36,951	5%
Average total remuneration	**60,859**	**60,711**	**0%**	**50,322**	**41,707**	**21%**

Remuneration by Age, Gender and Geographical Area - National

National

Average Remuneration - Forks Age-Area	2023 Men	2023 Women	Difference Man vs Woman	2022 Men	2022 Women	Difference Man vs Woman	Variation % period Men	Variation % period Women
<30	31,685	29,806	1,879	30,000	28,604	1,396	6%	4%
[30-40]	47,393	45,755	1,638	46,083	43,591	2,492	3%	5%
[40-50]	68,546	53,344	15,202	72,702	53,658	19,043	-6%	-1%
>50	103,337	63,012	40,325	103,718	65,731	37,987	0%	-4%
Total average remuneration	**66,112**	**50,540**	**15,572**	**66,514**	**49,799**	**16,715**	**-1%**	**1%**

[7] Average Remuneration = Fixed and Variable Remuneration
[8] Average Remuneration = Fixed and Variable Remuneration

Remuneration by Age, Gender and Geographical Area - International

International

Average Remuneration - Forks Age-Area	2023 Men	2023 Women	Difference Man vs Woman	2022 Men	2022 Women	Difference Man vs Woman	Variation % period Men	Variation % period Women
<30	21,122	30,720	-9,598	20,520	17,784	2,736	3%	73%
[30-40]	44,691	32,101	12,591	53,157	25,245	27,912	-16%	27%
[40-50]	123,018	31,544	91,474	79,824	31,451	48,374	54%	0%
>50	42,327	23,996	18,331	40,453	17,693	22,760	5%	36%
Total average remuneration	**58,868**	**30,698**	**28,170**	**48,266**	**23,281**	**24,985**	**22%**	**32%**

First, it is evident that there are large pay differences in the labour markets where Renta 4 carries out its activity and is established; that is, between Spain and the countries of Latin America; Chile, Peru, Colombia and Luxembourg, these not being comparable for different reasons. On the one hand, they are very heterogeneous labour markets, where there are great differences in salary levels, and on the other hand, at the organisational level there is a diversity and variety of jobs and therefore different professional profiles, with different types of roles, experience, responsibilities and seniority. All this together with the high levels of turnover that exist in the Latin American countries in which Renta 4 operates and the exchange rate applied in each year, makes them not comparable as remunerations.

Internationally, as reflected in the average remuneration tables, in 2023, there was a 21% wage increase caused mainly by the increase in the workforce in Latin American countries, which was 19% and highlighting that the wage increase was higher in women's remuneration than in them men, thereby reducing the wage gap compared to 2022.

In contrast, at national level in 2023, the average total remuneration remained stable compared to 2022. In this regard, it should be noted that the total average remuneration includes both fixed and variable remuneration, not reflecting the variations produced in each type of remuneration. The following tables show separately the fixed and variable remuneration for the financial year 2023 and 2022, which shows that the change in average fixed wages was 4% nationally, while variable remuneration has been reduced by 23%, the average total remuneration has remained stable.

Fixed and Variable Remuneration, by Category and Geographical Area

Fixed remuneration * -Category-Areas	2023	2022	Variation % period
International	**34,307**	**29,014**	**18%**
Management	120,697	113,359	6%
Technical	33,285	28,360	17%
Administrative	16,513	11,547	43%
National	**54,879**	**52,874**	**4%**
Management	206,364	204,091	1%
Technical	53,781	52,615	2%
Administrative	31,162	30,854	1%
Total fixed remuneration	**52.146**	**49.858**	**5%**

Variable remuneration* -Category-Areas	2023	2022	Variation % period
International	**16,769**	**12,694**	**32%**
Management	57,936	45,618	27%
Technical	16,747	13,003	29%
Administrative	632	152	316%
National	**6,042**	**7,837**	**-23%**
Management	105,089	131,960	-20%
Technical	4,432	5,946	-25%
Administrative	488	1,082	-55%
Total variable remuneration	**7.424**	**8.451**	**-12%**

Also, there is a difference in the average remuneration nationally between men and women, specifically in the professional category of the Technical group, where the largest number of employees of the Group is concentrated, 90% of the staff, the reason for this difference being the wide variety of jobs that fall into this category, with different types of functions, responsibility, experience and seniority and, therefore, a wide range of remuneration.

Average Remuneration, by Category, Gender and Geographical Area

	2023			2022			Variation % Period 23/22	
Average Remuneration[9] - Category-Areas	**Men**	**Women**	**Difference Man vs Woman**	**Men**	**Women**	**Difference Man vs Woman**	**M**	**W**
International	**58,868**	**30,698**	**28,170**	**48,266**	**23,281**	**24,985**	**22%**	**32%**
Management	178,633	-	178,633	158,977	-	158,977	12%	
Technical	56,809	31,901	24,908	46,637	25,831	20,806	22%	23%
Administrative	18,140	15,652	2,488	14,487	7,980	6,507	25%	96%
National	**66,112**	**50,540**	**15,572**	**66,514**	**49,799**	**16,715**	**-1%**	**1%**
Management	317,254	285,345	31,909	342,535	306,870	35,665	-7%	-7%
Technical	61,406	50,979	10,427	61,191	52,261	8,930	0%	-2%
Administrative	28,693	33,082	-4,389	29,063	33,006	-3,943	-1%	0%
Average total remuneration	**65,107**	**48,137**	**16,970**	**63,951**	**47,184**	**16,767**	**2%**	**2%**

However, as stated above, these average remuneration includes, in addition to fixed remuneration, variable remuneration, meaning the data does not reflect reality. For this reason, the following table shows only the average fixed remuneration for the financial years 2023 and 2022. This information shows that the differences in fixed wages between the two genders are smaller than the differences shown in total wages and highlights that the overall wage increase for women has been 5%, higher than 4% for men. Internationally, the increase in women's wages has been even greater, being 33% compared to 17% for men and at the national level it has been 5% for women compared to 3% for men.

Fixed Remuneration, by Category, Gender and Geographical Area

	2023			2022			Variation % period	
Fixed remuneration - Category-Areas	**Men**	**Women**	**Difference Man vs Woman**	**Men**	**Women**	**Difference Man vs Woman**	**M**	**W**
International	**37,238**	**27,576**	**9,662**	**31,946**	**20,776**	**11,170**	**17%**	**33%**
Management	120,697		120,697	113,359		113,359	6%	
Technical	35,329	28,623	6,707	30,191	22,967	7,224	17%	25%
Administrative	17,864	14,488	3,376	14,487	7,626	6,861	23%	90%
National	**58,747**	**47,279**	**11,468**	**56,998**	**45,119**	**11,878**	**3%**	**5%**
Management	211,667	182,500	29,167	208,889	182,500	26,389	1%	0%
Technical	56,184	48,458	7,726	54,513	48,067	6,446	3%	1%
Administrative	28,693	32,357	-3,665	28,589	31,698	-3,108	0%	2%
Total fixed remuneration	**55,764**	**44,894**	**10,870**	**53,478**	**42,719**	**10,759**	**4%**	**5%**

[9] Average Remuneration = Fixed and Variable Remuneration

Also, it should be noted that in addition to the heterogeneity and type of positions that the categories cover, seniority is another factor that influences these results, taking into account salaries of professionals with a long career with Renta 4, along with junior profiles whose remuneration is lower and according to their professional experience.

Finally, it should be noted that in the category of managers the data may be altered because in addition to the members of the management committee, executive directors are included.

Wage Gap

Renta 4 has calculated the wage gap (the difference in % between the average salary of men and that of women) according to the average total remuneration that includes both fixed and variable remuneration for each of the various professional categories, differentiating between national and international levels, the results of which are shown in the following tables.

INTERNATIONAL WAGE GAP 2023-2022 – TOTAL AVERAGE REMUNERATION[10]

	AVERAGE			AVERAGE		
	2023			2022		
International	**Men**	**Women**	**Wage gap 2023**	**Men**	**Women**	**Wage gap 2022**
Management	178,633	-	-	158,977	-	-
Technical	23,325	28,442	-21.94%	25,975	20,615	20.64%
Administrative	13,820	15,652	-13.26%	10,634	5,901	44.51%
International total	**23,642**	**21,531**	**8.93%**	**25,975**	**17,919**	**31.01%**

BRECHA SALARIAL nacional 2023-2022 - REMUNERACION media TOTAL[11]

	AVERAGE			AVERAGE		
	2023			2022		
National	**Men**	**Women**	**Wage gap 2023**	**Men**	**Women**	**Wage gap 2022**
Management	313,093	285,345	8.86%	314,536	306,870	2.44%
Technical	49,250	46,500	5.58%	50,000	48,000	4.00%
Administrative	26,078	31,000	-18.88%	27,000	31,500	-16.67%
National total	**49,000**	**43,935**	**10.34%**	**48,000**	**40,500**	**15.62%**

[10] Total remuneration includes fixed remuneration and variable remuneration
[11] Total remuneration includes fixed remuneration and variable remuneration

INTERNATIONAL WAGE GAP 2023-2022 – FIXED TOTAL REMUNERATION11[12]

	AVERAGE			AVERAGE		
	2023			2022		
International	Men	Women	Wage gap 2023	Men	Women	Wage gap 2022
Management	120,697	.	.	113,359	.	.
Technical	23,235	24,239	-4.32%	24,113	20,615	14.51%
Administrative	13,527	14,488	-7.11%	10,634	5,901	44.51%
International total	**23,450**	**21,531**	**8.18%**	**24,113**	**17,195**	**28.69%**

NATIONAL WAGE GAP 2023-2022 - FIXED TOTAL REMUNERATION[13]

	AVERAGE			AVERAGE		
	2023			2022		
National	Men	Women	Wage gap 2023	Men	Women	Wage gap 2022
Management	200,000	182,500	8.75%	200,000	182,500	8.75%
Technical	45,500	43,500	4.40%	45,000	44,667	0.74%
Administrative	26,078	31,000	-18.88%	27,000	31,500	-16.67%
National total	**45,000**	**41,000**	**8.89%**	**45,000**	**38,481**	**14.49%**

As indicated above, Renta 4 has a Remuneration Policy in which there is no gender discrimination in remuneration matters, with equal remuneration for positions with the same roles and responsibilities, without any gender difference or discrimination; being a policy based on criteria of equality and non-discrimination between men and women.

Remuneration compensates for the type of job, the functions performed, the level of responsibility, the professional experience of the employee in each position, as well as professional merit.

To do this, the entity has a “map” of jobs in which the salary levels for each of the positions are established, depending on the responsibility, functions and professional experience, in which each new employee who joins the entity is framed, regardless of gender.

In addition, an individual performance evaluation is carried out annually in which quantitative and/or qualitative objectives are established for each department and area, thus determining the degree of achievement of these objectives, based on individual performance and similarly irrespective of gender.

The different factors that can influence the results of the wage gap, as explained above, are that in the same professional category a wide type of jobs are defined, being also heterogeneous among themselves, with disparate salary levels, that makes them not comparable and thus distorting the results of the gender gap. Coupled with this, the wage evolution of employees in Renta 4, which depending on factors such as; the degree of demand for the job in the labour market, changes in roles and responsibilities, as well as the evaluation of the individual performance of each worker, has made it possible to generate different wage developments, without, therefore, there being wage discrimination between men and women.

At the international level, the exchange rate and the different salary levels and differences in the labour markets in each of the countries in which Renta 4 has an international presence have an additional influence, although in all of them, Renta 4 applies the regulations and salary levels in force in each of them.

With regard to the evolution and results of the wage gap for the financial year 2023, it should be noted that internationally it was reduced by 71%, going from 31% in 2022 to 8.9% in 2023 and nationally the wage gap decreased from 15.6% in 2022 to 10.3% in 2023, falling by 34%.

Similarly, the wage gap calculated on the basis of fixed remuneration alone has been reduced by 71% internationally and nationally by 39%.

Remuneration of Members of the Board of Directors

The average remuneration in euros received in 2023 by the members of the Board of Directors of Renta 4 by gender is shown below:

	2023			2022			Variation Average Remuneration 2023/2022		
Average remuneration	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Directors	379,250	-	379,250	415,000	-	415,000	-8.6%		-8.6%
Non-Executive Directors[14]	90,000	95,000	92,000	80,000	80,000	80,000	12.5%	18.8%	15.0%
Total average remuneration	**205,700**	**95,000**	**174,071**	**214,000**	**80,000**	**176,000**	**-3.9%**	**18.8%**	**-1.1%**

Non-executive Directors receive remuneration for their being on the Board and, in addition, those who in turn are members of the Board committees receive additional remuneration in this respect.

The remuneration established for directors is the same for all non-executive directors, regardless of gender.

Executive directors do not receive any remuneration for their status as directors, but the remuneration is linked and associated with their executive functions in Renta 4.

[12] Total remuneration includes fixed remuneration and variable remuneration
[13] Total remuneration includes fixed remuneration and variable remuneration

[14] Total remuneration is the remuneration as a member of the Board and additionally, those non-executive directors who are members of one of the committees of the board will receive an additional remuneration.

4. Training

As indicated above, specialisation is another of the strategic values of Renta 4 and, therefore, another of the principles on which the HR Policy of Renta 4 is based is the high qualification of its employees.

To do this, training is one of the fundamental pillars, which allows professionals who form Renta 4 to have the knowledge of financial products and markets and provide customers with specialised and high quality advice, thus providing a differentiating value with other entities.

The digital environment and its constant transformation requires ongoing training to become a strategic tool, being a differentiating factor in the banking sector, allowing professionals to adapt to constant changes in products, markets, regulatory changes, etc. In addition, to be able to know the needs and aspirations of customers to offer personalised solutions, that add value and based on principles of sustainable investment.

For this reason, Renta 4 has an annual training plan that provides employees with the necessary technical knowledge, skills and competencies.

It should be noted that according to MiFID II regulations, professionals who advise and inform customers must have a certain level of qualification, and for this they must be duly certified. In this regard, at Renta 4 at 31 December 2023, 93% of the employees of the commercial network or who perform advisory functions to Renta 4 customers hold one of the qualifications considered valid by the CNMV to comply with said regulations.

In particular, 80% are in possession of the *European Financial Advisor (EFA),* European Financial Planner (EFP) and/or *European Information Planner (EIP)* qualifications, all of which certify compliance and issued by the *European Financial Planning Association (EFPA),* a prestigious European association, whose functions are to certify the level of qualification of professionals in the banking sector and provide ongoing training in financial matters. The remaining 20% are in possession of other types of qualifications; such as wealth manager, financial analyst or any other of the qualifications considered valid by CNMV in compliance with MiFID II.

In addition, every year Renta 4 provides all employees who are in possession of any of these qualifications and who provide advisory services to customers, with ongoing training so that they can perform the 30 hours of recertification required by said regulations. In 2023, the number of hours of ongoing training carried out by these employees was 6,597 hours.

In this regard, it should be noted that since 2006, many years before the MiFID II regulations came into effect, making it compulsory for professionals in the financial and banking sector to have certifications approved by the regulatory bodies, Renta 4 had been training all the professionals in its commercial network in order for them to obtain one of these qualifications, as it considered that this training in financial products, taxation, financial planning, regulations and other basic aspects of the markets was a guarantee of quality when advising customers.

In the 2023 financial year, in addition to training to obtain EFA and other similar qualifications validated by the CNMV, Renta 4 had an ongoing training plan, which included different training designed to provide employees with the knowledge, skills, and competences across every area and department of the company, depending on their training needs of a particular moment.

Specifically, during the 2023 financial year a total of 18,775.13 hours of training were given in the following training actions, including recertification hours and their distribution by category:

Training Action Name	No. of hours
Specialisation course in futures and equity options	66.00
Electric market course	8.00
Monographic Course on the Prevention of Money Laundering and the Financing of Terrorism	22.67
Education for access to insurance distribution level 2	6,013.75
Access Training for Insurance Distribution Level II IBIPS Module	50.00
ESG recertification hours (EFPA)	218.50
LCCI recertification hours (EFPA)	285.00
MIFID recertification hours (EFPA)	6,093.50
Hours recertification Insurance (EFPA)	1,188.00
Master in Double Degree (Blockchain Management and Blockchain Engineering) 2023	190.00
OTC'S Interest Rates - Structured Equity	446.00
Effective presentations	72.00
Prevention of money laundering and terrorist financing. Practical application of regulations	82.24
Investment products based on IBIP's insurance	342.75
MiFID Ongoing Training Programme (IEAF)	300.00
Family Group Strategic Framework Programme: Family Offices	986.10
Higher Programme in Wealth Management, Level I+II, PSGP. 2023	2,410.62
Total hours of training	**18,775.13**

Number of Training Hours by Professional Category

Professional category	No. of hours
Management	39.00
Technical	315.77
Administrative	18,420.36
Total	**18,775.13**

In terms of sustainability, ESG (Environmental, Social and Governance) since 2021 Renta 4 has been training its employees and currently more than 95% of them have this training.

Also, since the 2022 financial year, Renta 4 has offered its customers insurance products, specifically banking-insurance and for this it has given its employees a specific training, in order to obtain the qualification *of Access to Insurance Distribution Level 2,* which certifies the obtaining of said training and allows the marketing of these products to customers of Renta 4. Annually Renta 4 provides these employees with ongoing training of 25 hours, which certifies the recertification in said qualification in insurance, as required by the applicable regulations.

As of December 31, 2023, a total of 119 employees are in possession of the qualification *of Access to the Distribution of Insurance Level 2,* being able to market these insurance.

Also, every week Renta 4 electronically provides all its employees different knowledge pills on news in subjects such as; new investment products, market trends, taxation, as well as other issues such as money laundering prevention, technological risks, data protection, etc., all with the aim of keeping Renta 4 employees permanently trained and updated.

In this sense, it should be noted that in the last financial years Renta 4 considers technological risks one of the most important and of greatest risk for the company and its awareness is a strategic issue for the entity. For this reason, in recent years it has strengthened this area and has been carrying out ongoing training and awareness related to technological risks

Finally, it should be noted that there are areas and departments that regularly provide all employees with specific training in the subject matter of their field by regulatory requirement, awareness or strategic reasons of the company, such as in the area of money laundering prevention, regulatory compliance, data protection, etc. cybersecurity, etc., and the contents of which are detailed in each of the specific headings of this SNFI.

Importance of In-House Training on Technological Risks

During the last financial year, a series of activities associated with the process of training and raising awareness about matters related to technological risks have been carried out, apart from those provided by the Security office or the risk management office:

· Workshops on applicable regulations in the fields of Information Technology and Cybersecurity.

· Training courses specific for the Board of Directors on technological risk management and third-party risks.

· Preparing knowledge pills on security and third-party risks.

5. Company Relations

Renta 4 does not have a collective bargaining agreement at company level; however, the company applies the corresponding collective bargaining agreement to each of the companies and employees at the national level, according to their sector of activity, with the following agreements being applicable:

Company	Collective agreement
R4 Banco	Collective Agreement of the Banking Sector
R4 SV	Collective agreement Stock Market of Madrid
R4 Gestora	Madrid Offices Collective Agreement
R4 Pensiones	Madrid Offices Collective Agreement
R4 Corporate	Madrid Offices Collective Agreement
Renta 4 Chile	No Agreement
Renta 4 Peru	No Agreement
Renta 4 Colombia	No Agreement
Renta 4 Luxembourg	No Agreement

As of 31 December 2023, as shown in the following table, 86.7% of Renta 4's employees were covered by one of the aforementioned Spanish collective bargaining agreements, while the remaining 13.3% of the workforce is not covered by such agreements, as they provide their services in the companies abroad, in Chile, Peru, Colombia and Luxembourg, where there are no applicable collective agreements, although we should state that there are employment regulations. In this regard, it should be noted that Renta 4 complies and rigorously applies at all times with the regulations in force in each of these countries: Chile, Peru, Colombia and Luxembourg.

Agreement	No. of employees	% Employees	No. Employees subject to agreement	% Employees subject to agreement
Banking Agreement	461	68.81%	581	86.7%
Stock Market Agreement	5	0.75%		
Madrid Offices	115	17.16%		
No Agreement	89	13.28%	89	13.3%
TOTAL	**670**	**100.00%**	**670**	**100.00%**

Also, despite the heterogeneous nature of the applicable collective agreements, Renta 4 applies homogeneous criteria and measures regarding work organisation, always seeking the homogeneous benefit of Renta 4's employees based on internal and external equality in Spain and abroad.

Regarding social relations, Renta 4 does not have legal representation for workers. However, the Group keeps all its employees duly informed about the different policies and measures that the Company applies in the different areas, using the available communication channels, including an Employees' Portal, the company's intranet and various communications sent by email.

It should be noted that employees have channels that allow them a fluid and accessible communication, where suggestions, complaints and any type of proposals are collected, which the entity takes into consideration at all times, evaluating and studying each case.

Also, the Group has an Equality Plan, in accordance with the applicable Spanish law, to achieve equal treatment and opportunities for women and men, this being applicable through the adoption and implementation of various policies for this purpose, such as the promotion and guarantee of equal opportunities for selection and professional development at all levels of the company, and policies adapted to different social changes

As well, Renta 4 has a Protocol for the Prevention, Treatment, and Elimination of Sexual Harassment on the Grounds of Gender and Discrimination, in which it establishes the protocol for these types of issues. In particular, any employee can communicate these types of complaints through the electronic mailbox indicated in the protocol and created for that purpose or by presenting a letter in person.

Notwithstanding the foregoing, there is also a Complaints Channel in Renta 4, which in the event that the Renta 4 Compliance Unit detects the receipt of any complaint, would immediately transfer the information and documentation, complying with the strictest duty of confidentiality to the HR management.

In this sense, Renta 4 expresses its resounding rejection, in the face of any unwanted behaviour of a sexual character or connotation, that has the purpose or produces the effect of violating the dignity of a person, in particular when creating an intimidating, degrading or offensive environment, and it undertakes not to tolerate such behaviours and to collaborate effectively in the prevention, detection, correction and sanction of this type of behaviour in the field of the company. During the financial year 2023 Renta 4 did not receive or process any complaints regarding harassment.

6. Work organisation

With regard to the organisation of the work of the entity, Renta 4 has always aimed to improve the balance and reconcile the personal, family and work life of all its employees. Through this, it aims to improve the working environment, increase productivity and the attraction and retention of talent and for this have been implemented in recent years different measures, based on the flexibility and responsibility of professionals who form Renta 4, some of these measures are as follows:

· Working hours with an annual estimate of 1,700 hours that do not exceed the amount established in applicable collective agreements.

· Flexibility in check-in, check-out and meal rest times. There are flexibility measures in clocking in/out and in break or food times, for those employees whose job characteristics and work centre allow it.

· Adaptation of the working day duration and distribution, including remote working, duly justified and reasoned in these cases.

· Hybrid model of teleworking in the headquarters of Renta 4. During the 2023 financial year, a hybrid teleworking model was maintained in those central services of the bank and in those departments that, due to the type of work and systems used it is feasible, and where it has been confirmed that said model is efficient, to combine face-to-face and telematic work, without exceeding 30% of teleworking time. In this way, measures and policies of flexibility and reconciliation of personal and family life continue to be implemented and strengthened.

· Birth, adoption and foster care. All workers who make requests have the right to suspend their employment contract in case of birth, adoption, and fostering within the terms and means established by the Law, allowing the worker to enjoy such permits on a part-time basis, subject to agreement with the Company. Include the figures for 2023 and 2022, highlighting the number of permits enjoyed by parents

· Breastfeeding permit. Employees who make the relevant request have one hour of breastfeeding leave per day until their child reaches 9 months of age, which may be split into two periods, one at the beginning and one at the end of the working day. Similarly, those employees who request it replace the breastfeeding permit, accumulating it over a period of 15 working days, being able to extend it up to the age of 12 months of the minor, provided that they enjoy it simultaneously, with the proportional reduction of the salary.

· Reduction of working hours. Workers who make the relevant request shall have the right to reduce working hours to a maximum of half of the working day and a minimum of one-eighth of the working day for legal guardianship and/or direct care of a family member, and a proportional reduction in salary shall be considered following the specifications established in applicable collective agreements and regulations.

· Leaves of absence for different reasons. Employees may request leaves of absence for several reasons, including the care of children and direct family members, preserving their job or the same professional group, and the exercise of a public position that is incompatible with their job, following the regulations established in applicable collective agreements and regulations.

· Unpaid leave. Employees may request unpaid leave in case of, for example, duly accredited family needs, care of relatives up to the first degree of consanguinity or affinity, and the completion of higher education or PhDs.

· Renta 4 has a Digital Disconnection Policy.

Absenteeism - Leave for Birth and Care of Child

With regard to the absenteeism figures relating to suspensions for childbirth and childcare (maternity and paternity), as well as those relating to occupational accidents, the data on the number of absence hours during 2023 and 2022 are shown.

Hours of Absenteeism for Birth and Care of Child

The number of absence hours have been calculated considering the number of effective working hours per day (7.75 hours per day, full time, or its equivalent on a part-time basis) by the number of working days of absence

Leave type	2023	2022	Variation %
Birth and care of child	**12,777.81**	**11,524.25**	**11%**
Men	8,321.56	6,324.00	32%
Women	4,456.25	5,200.25	-14%
Birth and care of child part-time	**1,549.76**	**937.75**	**65%**
Men	1,240.00	705.25	76%
Women	309.76	232.50	33%
Total hours	**14,327.57**	**12,462.00**	**15%**

Absenteeism – Accidents at Work

During the 2023 financial year there were a total of six occupational accidents, one fewer than 2022, of which only three resulted in medical leave, those which occurred while commuting.

The following tables show the number of occupational accidents according to their classification, seriousness and frequency, as well as the number of absence hours due to these accidents, distributed by gender.

Type of occupational accident	2023	2022
Commuting	**237.34**	**-**
Men	-	-
Women	237.34	-
Rest	**-**	**1,655.11**
Men	-	1,348.50
Women	-	306.61
TOTAL	**237.34**	**1,655.11**

*The number of absence hours has been calculated considering the number of effective working hours per day (7.75 hours per day, full time, or its equivalent on a part-time basis) by the number of working days of absence

Number of Occupational Accidents

Type of occupational accident	2023			2022		
	Number of accidents	Severity Rate	Frequency Rate	Number of accidents	Severity Rate	Frequency Rate
commuting	**3**	**0.022**	**0.895**	**4**	**0.000**	**0.000**
Men	2	0.000	0.000	2	0.000	0.000
Women	1	0.022	0.895	2	0.000	0.000
Rest	**3**	**0.000**	**0.000**	**3**	**0.210**	**2.788**
Men	2	0.000	0.000	2	0.162	1.859
Women	1	0.000	0.000	1	0.048	0.929
TOTAL	**6**	**0.022**	**0.895**	**7**	**0.210**	**2.788**

Severity rate= (Days off*1000)/(No. of hours worked in period*average workers)

Frequency rate= (No. of occupational accidents with leave*1,000,000)/(No. of hours worked in the period*average number of employees)

It should be noted that Renta 4 continues to be an entity with a very low level of accidents and severity in accidents, being also periods of medical leave of very short duration.

On the other hand, it is appropriate to emphasise that in the year 2023 Renta 4 continues without having diagnosed any occupational disease associated with the professional activity.

7. Health and safety

Renta 4 considers as a fundamental principle for the proper functioning of the company the Safety, Health and Wellness at work and its employees. Therefore, Renta 4 strictly complies with the applicable regulations where it develops its activity.

In relation to occupational accidents and occupational diseases, in the 2023 financial year Renta 4 Banco, S.A. and Renta 4 Gestora SGIIC, S.A. had MAZ (0011) contracted as the Mutual Insurance Company for Occupational Accidents and had S.A., Renta 4 Pensiones, S.A., Renta 4 S.V., S.A. and Renta 4 Corporate contracted to Umivale Activa (0015).

The above mentioned insurance companies are responsible, for example, for the management of contingencies arising from occupational accidents and diseases, the provision of benefits derived from them, coverage and health care, management of occupational accident reports and preventive activities, as well as the management, control, and monitoring of economic benefits and temporary disability arising from common contingencies.

In the area of Occupational Risk Prevention Renta 4 has contracted a service of prevention of external risks, through the entity, VALUES PREVENTION, which carries out the provision of services of preventive activities of occupational risks in the field of health surveillance and technical specialities, thus complying with the regulations on prevention.

Specifically, VALORA PREVENCIÓN carries out the risk assessment in the facilities of the 63 offices it has nationwide, as well as the risk assessment of the different job positions that exist in the company.

Also, regarding health control, Renta 4 offers all its employees the possibility of having a complete medical examination on an annual basis, through VALORA PREVENCIÓN. Such medical examinations are voluntary and confidential and are intended, on the one hand, to enable the Company to confirm whether or not its employees are fit for the performance of work, not receiving any additional information on the results because they are confidential and, on the other hand, that employees can know their health status, in an agile manner and with extensive medical tests that allow to carry out a preventive medical activity of early detection of diseases.

In this sense, it should be noted that in recent years Renta 4 has incorporated additional tests in the analytical analysis with the aim of detecting in a preventive way possible pathologies and frequent diseases that could suffer employees, such as heart disease, prostate cancer, colon, diabetes, etc. In general, the number of employees who carry out such medical examinations annually exceeds 50% of the workforce and is highly valued by employees.

In addition, Renta 4 has, among others, the corresponding Risk Prevention Plan, Annual Activity Report and Emergency Plan. On the other hand, Renta 4 promotes other activities such as training, giving courses for employees on occupational risks in facilities and first aid. These courses are given by an external provider through the ORP contract and such training is given with the frequency recommended by the ORP regulations and according to the needs of each area or office in each financial year.

In addition, Renta 4, supplementing preventive activities and health care, has two (2) defibrillators called *AED PLUS (ZOLL) installed at its headquarters,* in order to be able to assist in case of need any cardiac type emergency that could occur in the facilities of Renta 4 and periodically these devices are reviewed and the corresponding maintenance is performed. Since its installation it has not been necessary to use it.

On the other hand, it should be noted that since 2017 the European Commission has been pointing out the importance of psychosocial risks, especially occupational stress, as one of the most complex and growing health problems at work. It has been recognised that this stress has harmful effects on both the health of the worker and the organisation of work and to him half of the days of lost work, reduces the performance and can lead to an increase in the work accidents.

For this reason, during the year 2023 Renta 4 has carried out a Psychosocial Risk Assessment (Climate Survey) by an external company, whose objective was to identify and measure the working conditions related to the organisation of work and that could represent a risk to health. The results treated collectively and anonymously serve to improve working conditions if necessary.

At this point it is necessary to highlight the wide participation of the employees of Renta 4 and the results that have been obtained from it have been satisfactory, without having detected any area in which the entity must act, considering that the working climate in Renta 4 in general is adequate.

In addition, Renta 4 promotes activities aimed at the health care of its employees, such as physical activity in the facilities of the central services of the entity, where employees have an adapted space for the realisation of directed sports activities, such as yoga, yoga, sports and sports activities. pilates and “Moreta Method” which is a type of postural gymnastics taught by physiotherapists. Activities co-financed by Renta 4.

In addition, during the last financial years Renta 4 has organised activities outside the workplace, on the one hand, a padel tournament for employees, which has been well received and has allowed in addition to practising a sport, encouraging the feeling of belonging and reinforcing the team building and a golf tournament. Annually Renta 4 has organised for the children of employees a children’s Christmas party, a Christmas contest and the construction by employees of a Christmas “Portal of Bethlehem” with recycled figures.

In addition, Renta 4 promotes solidarity and volunteering activities, such as collaboration in the preparation of Christmas baskets with the NGO AVANZA, blood donation campaigns with the Spanish Red Cross, as well as the organisation of a Christmas market for charitable purposes.

05.5

Human rights

Renta 4 shows a clear commitment to respect for human rights. To realise this involvement, it has internal policies and procedures that are applied in all activities and at all levels. This commitment is the basis for all the relationships that Renta 4's entities establish with their stakeholders (employees, customers, suppliers, public administration and official bodies and society as a whole).

1. Internal procedures and processes

This approach is implemented through:

1. internal procedures and processes;
2. monitoring mechanisms;
3. internal and external channels to strengthen risk identification.

Below is a summary of the main indicators reflecting this fundamental principle and the most important milestones that have been achieved during 2023.

1.1. Code of Conduct

There is a Code of Conduct, a top-level internal standard approved by the Board of Directors, consistent with international treaties, conventions and agreements (such as the United Nations Global Compact, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Declaration of Fundamental Principles and Rights at Work of the International Labour Organisation).

This standard establishes general guidelines for action, in addition to the mission and values of Renta 4. These include:

· Ethical behaviour.

· Equality and non-discrimination, with the consequent prohibition of all types of harassment, intimidation, offensive or improper behaviour (including sexual proposals or suggestions) and other actions that may affect a person's dignity.

· Work-life balance.

· Information security.

· Confidentiality.

· Respect for the right to privacy and personal data protection.

· Respect for intellectual property.

· Occupational risk prevention.

· Responsibility, which must also be reflected in accountability and the preservation of fair competition behaviours.

· Due diligence in the use of resources.

· Best practices in public tenders.

Likewise, the Code of Conduct describes the general guidelines to be taken into account in its relationships with stakeholders:

· Responsibility towards customers: Renta 4's relationship with its customers is based on transparency of information and acting in their best interests. These guidelines of conduct include investor protection, safeguarding assets and funds, financial responsibility and personal data protection.

· Responsibility towards employees: for Renta 4, the relationship with employees is fundamental to safeguard fundamental rights. Firstly, because corporate culture is reflected in its work and the way it interacts with stakeholders, that is, by protecting the rights of third parties. Secondly, because one of the Renta 4's maxims is to promote a work environment that fosters personal development.

· Responsibility with suppliers: in the processes of approval, selection and contracting of suppliers for the acquisition of goods and services, Renta 4 will ensure competition, avoiding any type of interference that could compromise both the impartiality and transparency of the supplier selection process, in accordance with the Outsourcing Policy. It also ensures that third parties comply with principles and values similar to those applied by Renta 4 in its activities, assessing non-financial risks in its approvals.

· Responsibility towards Public Administration and Official Bodies: Renta 4 Group is committed to collaborate and act with diligence in its relations with the competent authorities, to fiscal transparency and the prohibition of corruption and bribery. This matter is addressed in the 'Corruption and Bribery' section of this document.

1.2. Rules of conduct for investor protection

Current securities market regulations require investment firms to provide their services honestly, fairly and professionally, in the best interests of their customers. Furthermore, banking regulation is committed to the defence of the banking customer in two directions:

1. Through solvency requirements for credit institutions, aimed at market stability
2. Promoting transparency in entity-customer relationships.

These premises, as reflected in the section on the Code of Conduct, form the basis of the daily work of all the people who make up Renta 4. Respecting and safeguarding standards of conduct not only achieves positive results with customers, but also creates value for society as a whole. One of Renta 4's values, set out in the Code of Conduct, is worth mentioning: Renta 4 aims to promote investment to improve people's lives. To this end, it is committed to moving towards a more sustainable and efficient world that contributes to the progress of society. In the financial system, the Renta 4 seeks to participate in innovation and the positive transformation of the economy. This vision is translated into a slogan that is communicated and disseminated internally to employees and externally to society: "PROMOTING INVESTMENT FOR THE PROGRESS OF PEOPLE AND SOCIETY".

From a practical point of view, this maxim has materialised in this financial year in the following way:

· Through the analysis of regulatory obligations for investor protection and the internal development of projects to improve policies, procedures and processes.

· Through the incorporation of good practices in the sector.

· With the implementation of the supervisor's and auditors' recommendations and suggestions for improvement.

· Working on the revision of the Customer Service mail service, which is seen as fundamental in improving the quality of services.

· Implementing regulations and best practices related to sustainable finance in the area of investor protection, such as:

- Adapting the suitability assessment (a questionnaire prior to the provision of portfolio management and investment advisory services aimed at understanding investment objectives, time horizon and financial situation) has been adapted to include a block where the customer can indicate their sustainability preferences.

- Revising the information provided to customers prior to contracting products and services has been reviewed to incorporate sustainability features where appropriate.

- Monitoring standardised information on the target market for sustainable products in order to modify processes and provide the right information to customers. These developments progress as instrument manufacturers provide data in a standardised way, to marketers.

· Including the new requirements of the CNMV Guide on the assessment of suitability and good practices in the sector. The new processes have allowed for increased retail investor protection at various stages of the contracting process:

- Determining whether or not a product is appropriate in accordance with the knowledge and experience of the customer;

- Improving transparency in customer information

- Adjusting the distribution procedures for certain products.

1.3. Personal data protection and information security

The protection of personal data is a fundamental right recognised in Articles 18(4) of the Constitution, 8(1) of the Charter of Fundamental Rights of the European Union and 16(1) of the Treaty on the Functioning of the Union.

The work carried out by Renta 4 to protect the personal data of data subjects is based on the principles of proactive responsibility, continuous improvement and privacy through design and by default.

Renta 4, at the national level, has an Information Security Policy and Personal Data Protection, as well as different rules and procedures based on good practices and regulations whose objective is to safeguard the information assets of Renta 4, as well as to ensure the confidentiality, authenticity, security and security of information. traceability and availability of sensitive information of Renta 4 and its customers. In addition, on an annual basis or when a significant change or event occurs, the safety regulatory body is reviewed and relevant employees and third parties are reached out for adherence.

On the other hand, the top management of Renta 4 is highly committed to the security of the entity's information. That is why the Information Security Committee meets on a quarterly basis, which deals with, among others, the following topics: Changes in the environment, security incidents and security and privacy initiatives. In addition, at least once a year, the Security Committee sets the annual information security and privacy strategy and targets. And at least twice a year, the Board of Directors meets to regularly monitor cybersecurity, including this issue on the agenda of its meetings. The Group's security manager is responsible for preparing and presenting the main information security issues of Renta 4 through the preparation of periodic reports.

Renta 4 has standards applicable to all entities (national and foreign) that allow compliance with local regulations and the principles defined in internal regulations.

Regarding data protection, Renta 4 attempts to support transparency and to comply in a timely manner with the management of the rights of access, rectification, opposition, erasure ("the right to be forgotten"), restriction of processing, portability and not to be subject to automated decisions. The applications received in 2023 have been handled satisfactorily.

The Importance of Cybersecurity

Cybersecurity has become one of the most relevant concerns of the Renta 4 Group due to the fact that there is constant interconnection through telecommunications, which results in more vulnerabilities within information systems. To mitigate this risk, it is constantly working to raise awareness and train each and every one of its employees and customers. There is an annual training and awareness plan for employees, which is reviewed annually. In addition, training and awareness content has been created published on the web so that all customers in order to prevent them from being victims of possible fraud and / or scams. On the other hand, cybersecurity tips and best practices are regularly sent to customers through commercial channels.

Renta 4 Group is committed to the fight against cybercrime by ensuring proper information security management and continuous improvement of cybersecurity.

On an annual basis, Renta 4 reviews the Information Security and Personal Data Protection Policy, which is sent to all employees, along with security and privacy guidelines adjusted to the work position. In addition, all the standards and procedures that make up the Group's document system are reviewed and updated.

In the 2023 financial year Renta 4 carried out the following actions, inter alia:

· Quarterly meetings of the Information Security Committee.

· Collaborating in a coordinated manner with the privacy, risk and continuity departments to ensure adequate information security.

· Maintaining the entity's entire document system up to date, tailoring all its content to market security standards.

· Assessing, improving and maintaining the security of the data processing centre facilities.

· Drawing up Renta 4's asset inventory with the participation of all areas of Renta 4.

· Classifying Renta 4's assets using the five dimensions (authenticity, confidentiality, integrity, availability and auditability) and MAGERIT.

· Making improvements to the remote-work process.

· Preparing the annual training and awareness plan based on information security for Renta 4.

· Improving standards and procedures for event management and reporting.

It should be stated that within all these points of improvement Renta 4 works daily to maintain the security of its systems, also having security systems such as: protection mechanisms against Denial of Service attacks, with different levels of Firewall that protect the Group's network, anti-malware systems, etc. In addition to the above, it has the necessary information to prevent, protect and respond to security and operational events.

On the other hand, Renta 4 has implemented a labelling system through Microsoft's AIP solution that allows encrypting information according to the Renta 4 taxonomy preventing unauthorised use and leakage of sensitive information from the entity.

Finally, Renta 4 is implementing an event correlation solution that allows to improve the monitoring and detection of events that may affect Renta 4 cybersecurity. For these reasons, each year sets a series of objectives that are aligned with the needs of the Group. The next defined goals are:

· To continue to train and raise awareness of Information Security amongst all employees.

· To implement asset tagging throughout the Group using an automated tool.

· Initiating certification of the ISO 27001:2022 best practice standard.

· To implement all standards and procedures developed in the area of Information Security.

· Conducting ongoing information security assessments, identifying points of improvement, implementing action plans to improve the maturity of Renta 4 cybersecurity and constantly tracking cyber threats affecting the entity's assets.

· Being in constant coordination with all the countries where Renta 4 carries out its activity in order to achieve the correct level of Information Security.

· Performing tests of the Renta 4 technological contingency plan that includes events with cybersecurity components

The entity is committed to working with cybersecurity in order to achieve optimum and adequate levels of protection in its systems. To this end, it strives to constantly advance and improve its level of security.

1.4. Prevention of market abuse

Regulation indicates that market abuse damages the integrity of financial markets and public confidence and impedes transparency, which is essential for trading.

The way in which the work this year has contributed to the fight against market abuse were as follows:

· Have an Internal Rules of Conduct. These internal rules, which are no longer mandatory, are maintained and enhanced to disseminate to employees the internal procedures for (i) avoiding and managing conflicts of interest; (ii) personal transactions; or (iii) reporting indications of market manipulation and insider trading.

· Work has been done on improving the systems and processes for detecting and reporting suspicious transactions to the supervisor.

· Corporate Governance: information on corporate governance issues is mainly reflected in two documents:

- The Annual Report on Directors' Remuneration.

- The Annual Corporate Governance Report. Both documents are publicly available on the CNMV's website.

· All employees in the commercial network have been trained to raise awareness of the need to detect suspicious transactions and to communicate them to appropriate departments for analysis.

· Link: https://www.cnmv.es/Portal/Consultas/ee/informaciongobcorp.aspx?TipoInforme=1&nif=A82473018

· Identification of sensitive and prohibited activities and controls of the Renta 4 Group to prevent the risks of incurring in the offences regulated in articles 284 285, 285 bis, 285 ter and 285 quater of the Criminal Code.

1.5. Prevention of criminal risks

The Renta 4 Group has an effective model of organisation and management of criminal risks.

The model consists of the following elements:

· Code of Conduct,

· Procedure for dealing with breaches of the model,

· Regulatory procedure for the internal information system,

· Disciplinary system,

· Regulations of the Compliance Unit

· Map of criminal risks with associated controls.

Also included in the model are the other agreements, policies, codes and protocols approved by Renta 4 on the prevention of criminal offences and regulatory compliance, including internal rules of supervision and control derived from or relating to the Internal Rules of Conduct or any of the other procedures. All this without prejudice to the internal rules specifically approved by the subsidiaries of Renta 4 for the correct implementation of the model in its scope of action.

The model described is applicable to the companies that make up the Renta 4 Group in Spain.

Within the model, sensitive and prohibited activities in which Renta 4 entities may be involved have been identified and that could lead to crimes against moral integrity, sexual harassment or hatred and praise:

· Interpersonal relations between professionals of the same or different rank in the exercise of social activity of Renta 4.

· Interpersonal relations of the members of the Renta 4 Group with third parties in the exercise of the social activity of Renta 4.

· Public communications or through social networks and media by income staff 4.

In order to avoid these risks, general and specific mitigating controls are in place. The general controls are as follows: (i) Code of Conduct; (ii) 4 Income Structure; (iii) Complaints Channel; (iv) Regulatory Procedure of the Internal Information System; (v) Protocol of Action for Non-compliance with the Model; (vi) Disciplinary System; (vii) Regulations of the Compliance Unit; (viii) Audits; (ix) Training and Awareness; (x) Procedures for the selection and approval of suppliers.

For its part, the specific controls created to mitigate the risks exposed are: Policies on equality and non-discrimination; policies on the prevention of harassment at work; communication channel especially aimed at better treatment of harassment; in the selection of staff, the suitability of the candidate for the job required is determined as a determining factor, which is assessed solely on the basis of his or her previous experience and training; in internal promotion, an annual performance evaluation system is established based on objective criteria of merit and capacity.

1.6. Third party risk prevention

The entity has a series of risk prevention policies and, specifically, when outsourcing a service, it has drawn up the Outsourcing policy: this document defines the guidelines that must be taken into account in the decision-making, formalisation, management and control process when outsourcing to a third party the provision of the Renta 4 Group's own functions, both in normal and crisis situations.

Renta 4 Group entities go through the following phases in every outsourcing process: (I) Opportunity assessment; (II) Detailed analysis and approval; (III) Tendering and awarding; (V) Implementation; (V): Monitoring; (VI) Reporting; and (VII) Exit or Renewal.

The factors that Renta 4 considers when carrying out due diligence on a potential service provider relate to: the nature of the provider and its capabilities, its ethical principles, the processing of personal data that it may carry out and the security and internal control measures that it has in place.

In accordance with the above, among other aspects, the company evaluates whether the supplier: (i) complies with Renta 4's values and Code of Conduct; (ii) acts ethically and with social responsibility; (iii) respects international standards on human rights, environmental protection and appropriate working conditions, including the prohibition of child labour; (iv) has a reputation and culture compatible with Renta 4's standards; (v) has a liability prevention model and (vi) has high ethical, behavioural and Social Responsibility principles in accordance with its profession, sector and jurisdiction.

1.7. Awareness raising and training

During 2022, training and awareness-raising procedures on privacy and personal data protection were approved so that all Renta 4 employees internalise key aspects on this matter and integrate them into their daily work. Training employees as important as, for example, the procedure for an early resolution of events related to data security.

To this end, throughout 2023 the corporate intranet has continued to be updated and enriched with training security content through policies, standards, procedures and training videos.

The regular sending of newsletters, as awareness-raising pills, has also been maintained during the 2023 financial years, on aspects related to:

· Personal data protection;

· Procedures included in the ICN;

· Information security.

On the latter subject, the most important ones are related to safe Internet browsing, asset management, good practices on the different types of existing attacks, proper management of corporate social networks, social engineering, fraud and the use of corporate devices.

In terms of targets for 2024 the following is highlighted:

· A training and awareness plan on information security has been approved by the Security Committee in October 2023. Although it has already started, the goal is to launch it throughout 2024

· Personal data protection training for all employees.

2. Presence in the media

Throughout 2023, Renta 4 has been present 12,315 times in publications in the written press, web and print media, radio and television. It maintains a good presence both in volume and in the quality of the appearances.

In this way, Renta 4 is committed to fostering dialogue with its stakeholders and consolidating its position on the platforms as a stronghold of information and training.

As in previous years, the Group's reputation has been measured in order to detect potential sources of reputational risk, level of trust among users, identify more common topics and increase brand recognition and positioning. In this regard, it is worth mentioning:

· 2023 has been a positive year in terms of reputation and presence in media with specialised content in the sector and general media in which it has an increasing presence. Renta 4 continues to advance to become a reference for economic and market information, but, in addition, increases corporate information where it is not only a source of information, but "Renta 4" is the protagonist.

· Negative news appearances in the media have been very few and all of them with a "mild" rating in relation to reputational risk. The impacts of this news (21) classified as "mild negative" represent 0.016% of the total impacts of 2023. The rest is classified as neutral, positive or very positive.

· Again, in 2023 it is observed that the positive reputation of Renta 4 Banco continues to rise. It should be noted that the environment is becoming more complicated every year given the increase in controversial headlines in all media (clickbait, fake news...) and in a sector (banking/financial) punished by continuous reputation crises for more than a decade.

· In addition, 2023 has been a year in which, through the campaign of the Easy account, Renta 4 has doubled the annual investment in presence, through campaigns and paid content, to give greater visibility to the product and the brand. A product that democratises investment by being oriented toward the retail segment.

· Continuing with the previous point, throughout 2023, Renta 4 has installed the first giant canvas. This, covers the entire building, under construction, of Paseo de la Habana 63 since May 2023, with a message that indicates the following "A bank where any investor is a great customer". This same message has been used to cover the façades of the offices that have been under construction for remodelling of façade and interiors.

· Finally, the "Investment for All" campaign, which is developed with a 100% target aimed at raising awareness of society about the accessibility of investment for anyone. This communication action is one of the actions that are developed within the framework of the SDG to reduce inequality, acquired by the entity in this sense. A campaign that has impacted more than 300,000 unique users through social channels, with different versions of videos that demystify investment and direct them to a website (invertir-para-todos.com) with content.

3. Monitoring

Human rights monitoring seeks to gather information on the human rights situation in a country or region using available methods, with the aim of participating in advocacy activities against human rights violations.

To do this, various indicators are applied such as participation, self-identification, data breakdown, privacy, transparency and accountability.

In the scope of the action of Renta 4, work is carried out to monitor the application of the various rules of conduct and protection of the rights of people applying as principle the primary use of due diligence that is necessary to integrate improvements in it process.

This monitoring work allows: (i) identify risks to prevent and mitigate them promptly; (ii) assess the effectiveness of controls; and (iii) identify processes and procedures to be updated.

The main work carried out in 2023, separated by the indicators described in the previous section, is described below:

· Code of Conduct: In 2023, the Code of Conduct was extended to foreign affiliates: (i) all of them have formally adhered to through the approval of the document by their respective boards of directors, and (ii) have established internal procedures to strengthen communication to employees and obtain their signature.

· Standards of Conduct: Among the works carried out during 2023, the update of the policies of regulatory compliance, classification of customers, product governance, incentives, commercial communications, minimum records and recordings.

· Protection of personal data: During the year 2023 we have worked on the following objectives:

- Development of the tasks necessary to implement the recommendations and suggestions for improvement resulting from the voluntary data protection audit completed in December 2022.

- Advance in the review of risk analysis of data processing for which Renta 4 entities are responsible. In addition, a procedure has been approved for the review of data protection measures that aims to define the elements that trigger the review and updating of measures on the concept and design of the treatment, governance and policies, data protection by default and from the design, prevention and management of personal data breaches and security.

- Continuous monitoring of privacy area policies and procedures. It highlights the joint work between the parent company and foreign subsidiaries to bet on principles of personal data protection at the level of the Renta 4 Group.

- Training and awareness: From the area of privacy, the application of the principles of data protection is promoted by all employees of Renta 4. For this, all procedures are made available to workers, after explanation. In addition, work has been done on a new training for all employees, which will be launched in 2024.

· Information security: The main projects and works that have been carried out in 2023 have been described in section 5.1.3 Protection of personal data and information security, in the section The relevance of cybersecurity.

· Prevention of market abuse: In addition to the projects already described, a new revision of the Internal Rules of Conduct was carried out in 2023.

· Prevention of criminal risks: A comprehensive review of the organisation and control model for the prevention of criminal risks was carried out in 2023. Work has been done to update the inherent and residual risks of the Spanish entities integrated in the model, as well as the map that collects the controls that are available. As part of this project, all the procedures that make up the model have been strengthened: (i) Complaints channel procedure (with the news contained in Law 2/2023, of 20 February, regulating the protection of persons who report regulatory violations and the fight against corruption); (ii) protocol for action against breaches; (iii) Regulations of the Compliance Unit and (iv) the disciplinary system.

· In addition, a project has been initiated to update the model of prevention of criminal risks of foreign affiliates that complies with local regulations and income standards 4.

· Training and awareness-raising: During 2023, the following training and reminders were carried out to mitigate the risks described. In particular, it highlights:

- The formation of market abuse to the commercial network

- Training and awareness-raising in the prevention of money laundering and terrorist financing for all employees

- Information security training and awareness for all employees

- Awareness of outsourcing risks

- Awareness-raising on personal data protection

- Awareness of standards of conduct in the stock market

- Awareness of the complaints channel

Derived from the Monitoring Work, the Following Data Are Confirmed:

Material fines, penalties and compensation for damages resulting from violations of social and human rights factors	0
Number of serious human rights problems and incidents related to the labour force itself	0
Number of serious human rights problems and incidents related to the labour force itself that are cases of non-compliance with the United Nations Guiding Principles and the OECD Guidelines for Multinational Enterprises	0
Amount of material fines, sanctions and compensation for serious human rights problems and incidents Number of incidents of discrimination	0
Number of serious human rights problems and incidents related to the labor force itself that are cases of non-compliance with the United Nations Guiding Principles and the OECD Guidelines for Multinational Enterprises	0
Number of serious human rights cases in which the company played a role in obtaining redress for those affected	0

4. Internal and external channels

Communication mechanisms are a key element in improving internal processes and procedures. Renta 4 has, among others, the following channels:

· Customer Service: Responsible for handling all complaints and claims that customers may submit related to their legally recognised interests or rights.

· Complaints channel: Renta 4 has a reporting channel available to both employees and interest groups (customers, suppliers, administration, volunteers, professionals in the framework of an employment or statutory relationship already completed, family or any other third party). This channel, which allows anonymous communication, is available electronically, by telephone, by post and in person.

· Exercise of the rights associated with the protection of personal data: In compliance with the data protection regulations, Renta 4 offers to interested parties a channel for the exercise of the rights of access, rectification, opposition, portability, deletion, limitation to processing, withdrawal of consent and not to be subject to automated decisions.

Table of Relevant Data on the Information Received Through the Channels

Complaints channel: Number of complaints received	0
Number of rights associated with the protection of personal data	50
Number of complaints filed through channels for people in their own workforce to raise concerns	0
Number of complaints filed with OECD National Contact Points for Multinational Enterprises	0
Number of complaints filed with OECD National Contact Points for Multinational Enterprises	0

05.6

Corruption and bribery

Renta 4's Code of Conduct, the highest level of internal rules, establishes the following among its five general principles of conduct:

'No employee of the Entity shall offer, pay, request any payment, gift, promise or compensation with the purpose of obtaining favourable treatment in the commercial activity or in the decision-making process. Likewise, Group employees shall refrain from accepting gifts, hospitality or any type of compensation offered by other Group employees, customers, suppliers, counterparties, intermediaries or any third party with whom they have a relationship. For such purposes, payment, gift, promise or compensation shall be understood as anything given that exceeds the usual, social and courtesy practices, favours or services that imply privilege or unjustified advantage to natural persons or entities or that may condition the performance of functions. Renta 4 Group's employees shall not make donations on behalf of it or for its account, either directly or indirectly, to political parties or contribute in any way to their financing'.

Being considered one of the five most important for Renta 4, this behavioural guideline is intended to reflect that the entity's mission and objectives shall only be considered achieved within a framework of transparency and zero tolerance for corrupt practices.

Likewise, the following are included as general principles of conduct for all employees: (i) faithful accounting of transactions and their adequate reflection in the financial information published by Renta 4 and (ii) refraining from any action that compromises the entity's reputation, by carrying out unlawful practices when participating in public tenders.

Regarding the guidelines for dealing with the competent authorities and official bodies, the Renta 4 Group has established the following basic principles:

· For the exchange of information, the following premises, shall be taken into account, among others: (i) communications shall observe institutional respect and be developed under criteria of maximum collaboration and compliance with the Law; (ii) requests shall be processed with diligence; (iii) the delivery, promise or offer of any kind of payment, fee, gift or compensation to any authorities, public officials or employees or managers of companies or public bodies in Spain or any other country, whether made directly to them or indirectly through persons or companies related to them and whether it is addressed to the public official or the employee themselves or to another person indicated by them, shall be forbidden.

· Regarding tax obligations: (i) practices that imply illegally avoiding the payment of taxes to the detriment of the Treasury shall be avoided and (ii) professional activities in countries or territories classified as tax havens in accordance with the Spanish legislation, if ever developed, shall be identified and defined.

In this sense, Renta 4 has, among others, the following measures:

· The Internal Rules of Conduct (already described in the section on Human Rights). Revised and updated throughout 2023, this internal standard is intended to serve as a guide for managing conflicts of interest, as well as establishing guidelines for employee behaviour in the securities market.

· The model of organisation and control for the prevention of criminal risks: During 2023, with regard to corruption and bribery, the following crimes were updated:

- Business corruption, defined in article 286 bis of the Criminal Code: The following have been identified as sensitive and prohibited activities: (i) Contracting and commercial relations with customers, suppliers and other individuals; (ii) Accept or offer an unjustified benefit or advantage on behalf of Renta 4 entities as consideration to unduly favour another.

- The associated controls, in addition to those of a general nature, are: The Incentive Policy, updated in 2023 and the Remuneration Policy for Directors.

- The offence of bribery under article 424 of the Criminal Code: Sensitive and prohibited activities have been identified: (i) Relations in general with the Public Administration; (ii) Relations in general with foreign administrations; (ii) Management of administrative inspections (regulatory, tax, social security, working conditions, etc.); (iii) Management of gifts and donations to public authorities or officials; (iv) Management of public funds on deposit or (v) deposit of securities or other assets seized by public authority.

- To mitigate risks, the following specific mitigating controls are available: Policy on the prohibition of offering/accepting gifts expressly provided for in the Code of Conduct; procedure for justifying corporate expenses; disposition limits and authorisation levels for expenses incurred from Renta 4 Group funds: Publication of financial information; Audit of accounts.

- Offences against money-laundering and the financing of terrorism regulated by article 301 of the Criminal Code. As sensitive or prohibited activities have been identified all those marked as such in the current regulations. Specific controls mitigating the risk of committing these crimes are: (i) the Internal Manual on the Prevention of Money Laundering and Terrorist Financing; (ii) the internal structure for the prevention of money laundering and terrorist financing, articulated in three levels; (iii) the Committee on the Prevention of Money Laundering; (iv) the Operational Unit for the Prevention of Money Laundering (UOPBC); (v) the Representative to SEPBLAC; (vi) the Customer Knowledge and Admission Policy; (vii) the Risk Stratification Policy; (viii) the procedure for controlling the actions of agents; (ix) the procedure for controlling movements of cash means of payment; (x) the reporting procedure; (xi) the checklist verification process; (xii) the money laundering and terrorist financing risk self-assessment report; (xiii) the annual internal audit; (xiv) the annual report of the UOPBC; (xiv) annual review by external expert and (xv) the control procedure of subsidiaries in third countries.

· Outsourcing policy: although this internal regulation has already been described in the section on Human Rights, it is mentioned in this section in order to indicate that, in the process of approving third parties, aspects such as the following are taken into account: (i) whether the supplier has a criminal risk prevention model; (ii) whether it has a Corporate Responsibility Policy or (iii) whether its principles and values are in line with Renta 4's Code of Conduct.

1. Training and information

Renta 4 has adopted the necessary measures to ensure that employees are aware of the internal policies, procedures and controls established in the Anti-Money Laundering & Countering Financing of Terrorism Manual.

Consequently, Renta 4's employees must know and put into practice the prevention measures contemplated by internal regulations and examine those transactions which, due to their nature or the circumstances and characteristics of the clients, present indications of possible links with money laundering or terrorist financing activities, in order to adopt the additional prevention and communication measures defined from time to time. To this end, the Manual is always accessible and updated on the intranet.

With this objective, training has also been implemented, in which knowledge of financial sanctions has been reinforced, with a view to understanding the obligations to which the Group is subject. In 2023, this training has been directed as a priority to all employees of the Management of Collective Investment Institutions (CII) and Plans, as well as to foreign subsidiaries. In addition, it has been extended to new employees from all areas who joined after the last training session. This comprehensive approach reflects the organisation's commitment to continuously updating its teams, ensuring that all employees, both existing and new arrivals, are properly trained in best practices to know financial sanctions obligations. This initiative not only strengthens internal security, but also strengthens the company's position in promoting ethical and legal conduct at all levels of operation.

On the other hand, in relation to the training of Prevention and Detection of Corruption or Bribery, to indicate that the training provided in the field of money laundering prevention provided content related to the detection of crimes related to corruption and bribery, under the lens of the prevention of laundering. The training session was launched at the end of December and has remained active until the end of January 2024, as of 31/12/2024, 46% of the employees convened had been trained.

Main Indicators of this Activity in 2023

Number of pending court proceedings due to arrears	0
Number of confirmed incidents related to contracts with business partners that were terminated or not renewed due to corruption or bribery-related violations	0
Number of convictions for violation of anti-corruption and anti-bribery laws	0

2. Measures to prevent money laundering

The risk of financial crime originates from the actions or the use of means, products and services of Renta 4 in activities of a criminal or illegal nature. These activities include, inter alia, money laundering, terrorist financing, violation of international sanctions programmes, corruption, bribery and tax evasion. Given the universal and globalised nature of financial crimes, which take advantage of the international economy, their detection, deterrence and disruption require a coordinated response from both the international community and the financial sector.

In this context Renta 4 recognises the significance of this problem and the important role that financial institutions and other economic agents play in its prevention. Consequently, measures to combat money laundering and the financing of terrorism are based on three fundamental pillars: The adoption of the highest international standards, their adequacy and compliance through global policies, and the implementation of technological systems that enable such compliance. Renta 4 constantly strives to improve its control framework and maintains an uncompromising stance on non-compliance with financial crime regulations, both internationally and in the countries in which it operates.

The Renta 4 commitment is reflected by the establishment of mandatory rules and procedures, to ensure strict compliance with current regulations in relation to the prevention of money laundering. In addition, Renta 4 commits to follow the recommendations and guidelines issued by international bodies such as the International Financial Action Task Force (FATF) and the European Banking Authority (EBA), as well as relevant national and international authorities. These manuals comprehensively detail the internal control measures implemented by Renta 4, providing detailed information on policies related to due diligence, information management, document preservation, assessment and management of laundering risks, and the management of the risks of the company. communication and admission of customers and continuous monitoring of the business relationship.

These policies are kept updated and based on a prior risk analysis, a practical report adapted to the reality of the activity of Renta 4, which acts as an x-ray of the business from the perspective of anti-money laundering. Using this approach, Renta 4 identifies the potential risks of someone taking advantage of the activity carried out by the entity introduce, move or hide funds of suspicious origin. In order to mitigate these risks, group entities are classified, designing and implementing specific measures and controls. In addition, a specific risk analysis is performed and documented before the launch of a new product, the provision of a new service or a new distribution channel or the use of a new technology. This involves the implementation of appropriate measures to manage risk. Similarly, a risk analysis is carried out on the customer's own characteristics, classifying them into risk levels with the aim of designing and implementing measures and controls to mitigate risk.

The risk management model of money-laundering and terrorist financing prevention is under constant independent review. This evaluation is complemented by internal and external audits. In accordance with Spanish regulations, an external expert annually carries out a review of the money laundering and terrorist financing prevention programme implemented in Spain. For this reason, work has continued on the Action

Plan approved for the exercise in compliance with the recommendations issued by the external expert and the Supervisor in the field, as well as strengthening the process of updating the proceedings, no significant deficiencies were identified.

The organisational structure that Renta 4 has established for Anti-Money Laundering/Combating the Financing of Terrorism includes:

· An Internal Control Body, through the creation of the Committee for the Prevention of Money Laundering, a centralised body at the group level. This committee plays a crucial role in meeting monthly to address issues related to the prevention of money-laundering. One of its distinctive features is its composition, which includes representatives from all business areas, thus providing a deep understanding of the Renta 4 operating environment. This comprehensive approach ensures a unanimous commitment to the implementation of money laundering prevention regulations and ensures sustained effectiveness in the management of associated risks. The constant interaction and collaboration between the various departments, facilitated by the presence of their representatives on the committee, strengthens organisational cohesion and reinforces our commitment to the highest ethical and legal standards in all facets of our operations.

· An Anti-Money Laundering Technical Unit, centralised at Group level, with specialised staff, exclusive dedication and appropriate training in analysis. The main objective of this unit is to define and supervise the processes within the business, as well as to ensure compliance with the policy for the prevention of money laundering and the financing of terrorism.

· A representative before the SEPBLAC in charge of administration and appointed in turn by the Board of Directors, who is ultimately responsible for compliance with the reporting obligations established in Law 10/2010, of 28 April.

In the exercise of its management function and in line with its commitment to the fight against money-laundering and the financing of terrorism, the administrative body has designated one of its members as responsible for this matter. This designated, with sufficient knowledge and experience, stands as the main point of contact between the *Compliance Officer* and the management body. Distinguishing itself in this way by its firm commitment to the highest standards of regulatory compliance in the field of prevention. Proactively, it adapts quickly to the commitments made, demonstrating a continuous ability to quickly adjust to the new requirements set by the guidelines of the European Banking Authority (EBA). This flexibility and promptness in responding to emerging regulations not only reflect the entity's commitment to integrity and transparency, but also underscore its diligent approach to the constant evolution of regulatory frameworks. The agile adaptation to the EBA guidelines ensures that the entity not only meets current requirements, but also proactively anticipates future regulatory demands, thus strengthening its position as a committed and compliant actor in the financial field.

This organisational structure stands as an essential pillar to effectively manage the risk of regulatory non-compliance, which carries a relevant reputational risk. Said risk has the potential to have a significant negative impact on customer relationships, markets, employees and authorities. Specifically, non-compliance can trigger sanctions, cause damage or result in the cancellation of contracts, with detrimental consequences for the image projected by the entity.

As a financial group with subsidiaries in various jurisdictions, Renta 4 persists in implementing a uniform Money Laundering and Terrorist Financing Prevention Compliance Model (PBC/FT) in all the countries in which it operates. This effort results in the reinforcement of *reporting obligations* to the matrix, with the aim of obtaining relevant information with greater regularity and detail. Special attention is paid to critical areas, such as the detection of suspicious transactions, high-risk customer discharges, coincidences with lists of persons with public responsibility (PRP). Also, during 2023, controls in these countries have been strengthened, especially in the area of sanctions filtering, homogenising policy and lists to consult. This model adapts to the local regulations of the jurisdictions in which Renta 4 is present, incorporating the best practices of the international financial industry and the recommendations of international organisations such as the International Financial Action Task Force (FATF) or the European Banking Authority (EBA).

In the course of 2023, a new approach to the administration of the tools for the Prevention of Money Laundering and Financing of Terrorism (PBC&FT) has also been launched, in order to enhance the efficiency of these processes and strengthen the analytical and research capabilities. As a result of these efforts, Renta 4 has resolved a significant number of investigation files, culminating in the submission of multiple suspicious transaction communications to the relevant authorities.

In addition, Renta 4 has implemented an annual training plan on Prevention of Money Laundering (PBC) and Terrorist Financing (FT) for its employees, with the aim of raising awareness on this crucial matter. This training programme includes various actions, such as e-learning courses and videos, designed for both new entrants and established employees.

Within this plan, each training action is specifically adapted to the group to which it is directed. This ranges from general concepts derived from the regulation applicable in PBC/FT, both internal and external, to specific issues affecting the functions performed by each group. During 2023, a comprehensive training initiative on the Prevention of Money Laundering was carried out, divided into two sessions with specific contents and adapted to the different needs of the employees called.

In the first instance, a general training session was held for bank employees and subsidiaries abroad, addressing fundamental concepts and regulatory updates. Simultaneously, a second specific session was held for the Manager of Collective Investment Institutions (CII) and Plans. It highlights the achievement of completing 48% of general training and 36% of specific training for managers to date, evidencing a solid progress in the training of the employees called.

It is worth mentioning that the training was launched at the end of December and has been active until the end of January 2024, underlining our continued commitment to updating and strengthening knowledge on the prevention of money laundering in all areas of the organisation.

In addition, interactive methodology, continuous evaluation, digital resources, interdepartmental collaboration and continuous feedback are key elements that enrich the training experience, promoting participation, self-directed learning and constant improvement in the implementation of prevention policies. In short, training goes beyond the mere transmission of information, seeking to create an interactive learning environment that adapts to the specific needs of the organisation, fosters collaboration and promotes a culture of continuous prevention.

05.7

Company

Renta 4 believes that both sustainability risk and reputational risk would be mitigated by establishing policies and procedures with a view to Corporate Social Responsibility, with a vocation for permanence and a commitment to the highest level of business management, as well as shared value with the citizens in its sphere of action. The objective pursued with the appropriate management of these risks is to generate profit in a responsible manner, considering sustainable investment as one of the main levers for the progress of the entities and of society.

To achieve this aim, Renta 4 works to raise awareness and implement incremental measures in this area, by issuing a series of annual policies and reports to inform its stakeholders about the measures to manage and reduce these non-financial risks. These include:

· The establishment of an internal committee or ESG Committee was set up last year, which is responsible for supervising the reporting process and internal control systems in ESG matters, and for submitting the information in this respect to the Board of Directors for approval.

· The preparation of the Group's ESG policy, which establishes sustainability as a priority, integrating ESG aspects into its business strategy and corporate culture. On the other hand, publishing in turn ESG policy for Renta 4 Gestora, ESG policy of asset management

· The preparation and disclosure of PIAs or principal adverse impacts both at the level of marketer (Renta 4 Banco) and manager (Renta 4 Gestora), which will be updated periodically according to the evolution of the regulations.

· The publication of an information statement on non-financial risks, which is included in the annual report and which sets out the measures adopted and their annual improvement in accordance with the development of best practices and regulations.

· Additionally, the Group adapts to the ESG Taxonomy Regulation in accordance with regulatory requirements and deadlines by establishing the 'ESG Taxonomy Exposure Eligibility Assessment Procedure' in which both internal and external tools (Clarity AI) are used to report compliance with the eligibility of exposures under the taxonomy in the Statement of Non-Financial Information.

· It should be noted that in 2022 Renta 4 Banco began the inclusion of the ESG Risk framework in its Risk Appetite Framework. Internally, policies and procedures are prepared ad reviewed that identify, regulate and mitigate these ESG risks, although they are not a priori material.

· Alignment with international public objectives through the accession of Renta 4 as a group, since January 2023, to the Principles of Responsible Investment of the Unity Nations,

· Finally, it should be noted that Renta 4 Banco joined the NZBA commitment in January 2023. A methodology for calculating the carbon footprint of the Renta 4 Group has been developed in accordance with the GHG Protocol and progress is being made toward the first target set for neutrality in operational GHG emissions by the end of 2025.

The group continues the process of implementing the different regulations and updating regulations for implementing and disclosing information related to sustainability in the financial services sector, starting in past years and with the help of external experts to evolve and adapt adequately the policies, procedures and measures for the analysis of the current situation of the group with respect to what is required on the integration of ESG risks.

1. Contributions to industry associations

Renta 4 establishes alliances with associations from different sectors in the communities where it operates, relying on them to identify and try to respond to the needs of the local environment. The total contribution of Renta 4 to non-for-profit sector associations in 2023 amounted to €139,068.20.

These include the partnership with UNPRI, in line with the entity's commitment to the implementation of responsible investment policies, and NZBA, which joins forces with the banking industry to achieve greenhouse gas (GHG) emission neutrality.

Renta 4 Gestora SGIIC SA and Renta 4 Pensiones SGFP SA are ordinary members of INVERCO, the Association of Collective Investment Institutions and Pension Funds, the Spanish umbrella organisation for collective investment schemes. Its members are Spanish entities that manage investment funds and pension plans, as well as foreign entities that are duly registered and controlled by the Spanish Securities Market Commission (CNMV). The instalments paid in 2023 were 15,000 euros and 25,000 euros respectively.

2. Information on partnership or sponsorship activities

In the solidarity field, the Group's activities are mainly channelled through donations made to various associations. In particular, during the year 2023 Renta 4 has donated a total of €167,475 distributed as detailed in the following table:

Association	Amount (€)
Renta 4 Foundation	99,000
Donation Techo Foundation Constitution	2,308
Sports Club Cycle Tourist	45
Royal Theatre Foundation	64,377
Assoc. of entrepreneurs of the Costa Tropical	25
Ampao Foundation	600
Cofrad Penit of our Father Jesus Nazareth	325
Royal Economic Society Friends of the Country	360
University of Valladolid	125
Alfonso Sese Tena Foundation	310
Total	**167,475**

One of the main solidarity actions is carried out through the activity of the Renta 4 Foundation. Today, Renta 4 Banco represents 100% of the contributions received by the Renta 4 Foundation to carry out its activities. In 2023, this contribution was €99,000,00.

The Renta 4 Foundation donates annually to projects that promote education in the most vulnerable populations of Spain, Africa, and Latin America in order to ensure that high quality education reaches the greatest number of young people following transparency values.

The Renta 4 Foundation involves the Group's employees in the project proposals and associations that can participate in the selection process. The foundation's board of trustees analyses every proposed project/association and checks whether they meet the established requirements. Then, some projects and associations are validated and all employees vote to choose the ones with the most votes.

Currently, the foundation makes annual contributions of €6,000 euros to 14 projects. These assignments are revalidated on an annual basis, although 7 of them already have a continuity commitment, given the path shared with the projects developed in them.

Table of Details of the Contributions Made by the Renta 4 Foundation to Solidarity Associations

Item	Amount (€)
By employee vote	
Montemadrid Foundation	6,000
Love without Barriers Foundation	6,000
Juan Dreamador Foundation	6,000
Foundation Love without Barriers	6,000
Ramon Rey Ardid Foundation	6,000
Carpio Perez Association	6,000
Senara Foundation	6,000
By direct assignment of the Foundation's board of trustees	
Canary Martinez Foundation	5,000
Water of Coconut Foundation	6,000
Prodis Foundation	6,000
Agh Foundation	6,700
Procivism Foundation	10,000
Sustainable Development Foundation ADF	6,000
Granadown Foundation	6,000
Total	**87,700**

In addition, Renta 4 participates directly in solidarity actions, ensuring that they are always within the area of action that the Group has set itself: education and culture as vehicles for the development of society and people, with a special focus on social inclusion and the development of the most disadvantaged groups. Among these actions there are examples such as sponsorship of the Teatro Real (€64,377) or sponsorship of a flat for the reintegration of mentally disabled persons from the Techo Foundation (€2,308).

3. Company commitment to sustainable development through training society

Due to Renta 4's activity as a bank specialised in capital markets, an activity of a global nature and with a wide technological scope, the impact on suppliers and employment is usually broad.

In addition to the effects described above, the activity of Renta 4 consists in democratising intermediation and asset management, which has a positive effect on the financial situation, providing a value-added service with impact on the citizens' finances and savings. The dissemination and pedagogical work is a commitment that is embraced across the entire organisation, both in the branches and at headquarters.

These training and information events take place both in a framework of proximity, from the conference rooms available to each of the offices of the network, and in a national framework as face-to-face and online events, from the auditorium that has the headquarters.

Conferences from the Office Network

In 2023, 106 training and information courses on the different investment products were organised from the network of offices, 13.1% less than in 2022, but this concentration has better selected the topics and mobilised more registrations reaching 3,740, increasing these by 4.3% to the previous year. The average number of participants per course or seminar has increased from 29.4 to 35.3, an increase of 205.

Office courses	2021	2022	2023	%
Total courses completed	102	122	106	-13.1%
Total enrolments	3,902	3,586	3,740	4.3%
Average enrolments per course	38.3	29.4	35.3	20.0%

Conferences from the Headquarters

In the form of webinar and face-to-face, from the auditorium of the headquarters, 41 training and information events have been held, which represents 10.6% more than in 2020. These events have reached 13,217 registered, 20.8% less than in the previous year. This fall in attendance has been offset by the very high growth in the visualisations of the "on demand" events that amounts to 100.55 accumulating a total of 57,640 views. That is, events in webinar format are consuming a lot in deferred. The user is getting used to choosing the time he prefers to play it.

Webinars	2021	2022	2023	%
Total courses completed	24	37	41	10.8%
Total enrolments	7,814	16,691	13,217	-20.8%
Average enrolments per course	325.6	451.1	322.4	-28.5%
Total views on demand	**29,153**	**28,755**	**57,640**	**100.5%**

One of the training conferences with the greatest participation was the "Saver to Investor Cycle" that proposes conferences that go through the fundamentals of investment, funds, fixed income or the importance of financial planning, as well as financial planning. that begins in early October coinciding with the Day of Financial Education, and that accumulates 6,440 visualisations. The event with most total views.

Another cycle with great educational value is the "Invest in IT cycle", an open cycle that invites users to obtain profitability in their personal development, with lectures on culture, education, life experiences. This cycle has accumulated 12,975 views in 2023, almost 25% of the total.

In addition to conferences, multiple pieces of content are produced and disseminated throughout the year around the theme of sustainability in the form of blog posts, video shorts, conferences, webinars and courses...

4. Description of the relationships maintained with local communities

Renta 4's activities and events are advertised through the web, social networks, and local media (radio, newspapers, etc). Special emphasis is placed on offering specialised information in collaborative formats through local newspapers and radio stations.

The establishment of Renta 4 in the country through its wide network of offices in all provincial capitals generates an economic impact on employment and the outsourcing of suppliers for maintenance and several other service activities to sustain the branches that function locally.

Renta 4 is a national benchmark in investment services and capital markets. Its presence throughout Spain, in every provincial capital, is proof of its commitment to society as a whole to democratise investment, based on the belief that investment is one of the main engines for improving people's lives.

In addition, Renta 4 Banco has continued to work throughout 2023 to integrate information and operational tools that allow investors to carry out their investment activity considering sustainability factors in an increasingly detailed way. The purpose is to enter data and elements to filter and select the assets and agents that fit their SRI criteria.

The Corporate activity of Renta 4 includes the analysis and access to financing for small companies to support their growth and eventual IPO. This activity is combined with local offices to offer SMEs these possibilities, so we consider that it has a very positive impact on local areas.

The entity participates in the initiative for financial pedagogical education for young people "Your Finance, Your Future" promoted by the Spanish Association of Banking, in which employees volunteer in colleges or institutes nationwide giving financial training to students between 15 and 17 years old. Renta 4 has been actively collaborating in this initiative since its inception and in 2024, will continue to collaborate.

Renta 4 is a member of the Madrid Futuro programme, to work together with many other companies that want to collaborate in generating impact changes, to guarantee a better future for this society.

In addition, a large number of training activities on financial matters are carried out in order to bring these aspects of financial literacy closer to local citizens, as described above.

5. Outsourcing of suppliers

Renta 4 is firmly committed to carrying out supplier selection, outsourcing and sub-contracting activities following the principles of contribution to society and its sustainability. To this end, the supplier selection process takes into account the terms of financial due diligence, a number of internal policies and adaptability to future service needs.

To this end, a policy and procedure for outsourcing services and functions has been drawn up, which contemplates the set of analysis, monitoring and review activities to be carried out in order to ensure that the third parties contracted comply with the minimum conditions and requirements demanded to achieve adequate mitigation of the inherent risks associated with the function or activity to be performed by the third party.

In addition to the policy, it has developed a methodology on how to proceed with third parties in each of the phases of their life cycle (contracting, provision and end of service). Complementing the methodology, a tool has been defined for the evaluation of outsourcing, which allows an assessment to be made of the inherent risks associated with the services to be outsourced and to evaluate the suitability of the supplier from the point of view of risk minimisation, taking into account environmental, social and human rights protection criteria.

The Three Pillars of the Procedure for Assessing the Inherent Risks Associated with Outsourcing Services

1. Commitment to Prepare Request for Proposal (RFP)

The selection of suppliers is carried out using established procedures to mitigate the aforementioned risks and to have measures in place to control them, these procedures being dynamic, thus allowing them to be adapted to possible changes that may occur over time.

The procedures are grouped in the RFP (Request For Proposal)document, in which the requirements associated with the product or services are included, in order to have an objective reference as to the suitability of the suppliers assessed.

2. Transversal Impact Analysis

The selection of suppliers is always based on a transversal analysis of the various Renta 4 areas, represented in three functional verticals:

· Technology (security area)

· Business (Marketing, Digital Development, others)

· Compliance (Compliance, Risks, Continuity, Privacy, others)

These analyses are carried out by people responsible for each project or area, depending on how the activity is performed at any given time and through the corresponding meetings and reports, and they are supervised individually by the Management.

3. Internal Committees:

1. Security Committee

This is the body that evaluates recently developed projects or the continuity of activities from an information security point of view, related to how they are executed and what suppliers are engaged in it. It is one of the elements that guarantee compliance with the above-mentioned principles and the application of defined procedures.

2. Suppliers Committee

This is the body in charge of managing suppliers' IT risks, handling their approval and review, in coordination with the areas involved depending on the supplier or service.

3. ESG Committee

This is the body that approves the procedures related to ESG or similar matters, and that shall adopt decisions related to their possible non-compliance by third parties.

5.1. Description of supplier monitoring and audit systems

The correct development of Renta 4's activities through its processes depends, to a large extent, on the suppliers involved. The correct management of these directly affects operations, projects and, ultimately, both the non-financial and financial impact on society. A significant percentage of Renta 4's activities are carried out by outsourcing services to suppliers, as reflected in the percentage of expenditure and investment they represent.

The main risks affecting the organisation in terms of engagement with sub-contractors and suppliers are organised in two main blocks: IT risks (related to Information Technology) and non-IT risks.

IT Risks

Firstly, with regard to the **main IT risks**, the following three main areas with possible risk implications are distinguished and listed together with the potential impact that could result from them:

· Privacy: inadequate management of personal data by its suppliers whose data controller is Renta 4 could lead to claims and even significant sanctions from the AEPD, mainly derived from the possibility of non-compliance with current data protection regulations, especially the General Data Protection Regulation (GDPR), in addition to the potential reputational impact derived from this.

· Continuity: risks arising from inadequate management of processes related to the Group's operational resilience and effective incident management, the impact of which may be accentuated if there is no adequate framework for action agreed with suppliers/sub-contractors.

· IT security: risks of security incidents or breaches arising from the implementation of an incorrect selection of security measures associated with the provision of the different services.

Non-IT Risks

On the other hand, the main **non-IT risks** to which the organisation could be exposed are set out below:

· Quality and compliance risks: are those that arise in relation to the possibility that the supplier does not comply with the quality levels required by Renta 4, as well as the different SLAs established.

· Reputational risks: arising from the possibility of the supplier being involved in bad practices or illegal activities, as well as regulatory breaches which, due to being in the public domain, affect Renta 4's brand image.

· Financial risks: these are the risks that arise in the event that the relationship with the supplier generates a financial impact on the group that is not aligned with the service or product contracted, either due to incorrect compliance resulting from insolvency or due to the supplier's liquidity problems.

· Operational risks: resulting from the inadequacy or failure of internal processes, personnel and systems, or from external events. In particular, errors by information and pricing providers, or intrusions into technological systems that could jeopardise the security of the Group's infrastructure.

· Sustainability or ESG risks: include, as a non-financial risk, the losses associated with poor performance, or the lack of sufficient measures to achieve better environmental protection, social development with cohesion criteria and economic growth that generates equitable wealth under appropriate internal governance of the company.

5.2. Description of supplier monitoring and audit systems

Although Renta 4 does not have specific supervision systems or audits in environmental matters due to the low level of materialisation of this impact on the Group's financial activity, suppliers are periodically supervised and audited both by the various areas on a discretionary basis, and in accordance with Renta 4's transversal supervision systems. Given the growing importance of monitoring the security of suppliers, an outsourcing policy has been formalized that includes , a review and approval of suppliers prior to contracting, taking into account issues such as, inter alia, certifications, security, continuity, data protection, cloud resources, human resources, human rights, equality, etc. In this regard, the approval of suppliers is reviewed periodically, preferably annually, taking into account human rights and sustainability criteria, and being able to certify or audit compliance with them.

Moreover, a series of audits of the third-party risk management process have been carried out in accordance with the previously defined audit plan. As a result of these audit efforts, several points for improvement have been identified and action plans have been defined to remedy them.

With regard to the protection of customer assets, Renta 4's own processes and those of third-party suppliers are audited by external auditors on an annual basis, in order to demonstrate the correct safeguarding and protection of customer funds and assets. Furthermore, in accordance with regulations, Renta 4 has a person responsible for the asset protection function, who is responsible for monitoring the activity of third parties.

The main supplier supervision systems identified are the project or activity committees, which involve several areas and are ultimately overseen by the General Management, and other formally established committees, including the Security Committee, the Supplier Committee and the ESG Committee.

6. Consumers

The Renta 4 Group is an company specialised in the provision of investment services and high-quality asset management, whose principles are based on proximity to clients and specialisation, offering a wide range of products and high-quality advice for client satisfaction, one of the main purposes of Renta 4.

In accordance with Order ECO/734/2004, dated March 11, on the client departments and services of financial institutions, the Client Service Department of Renta 4, (hereinafter, CSD) has the **main function of processing and solving the complaints and claims submitted by clients.** To this end, Renta 4 has set up different channels for the effective submission of complaints and/or claims:

· Email: defensor@renta4.es

· Renta 4 website https://www.r4.com/ through the customer's logged-in account (with digital certificate)

· Postal address: Paseo de la Habana nº 74, 28036, Madrid

· In person at any of Renta 4's offices

· customers or users can also make complaints to the Consumer Affairs offices of their Town Council or Autonomous Community.

Complaints received through any of the channels mentioned are sent to the CSD to first determine whether or not they are to be processed. Then, once they have been accepted, we proceed to the study and detailed analysis of each of the issues raised, reviewing the procedures established by Renta 4 and finally issuing the corresponding resolution, or urging the parties to reach an agreement on the disputes raised.

The evolution in the number of claims submitted, admitted and processed by the CSD is shown below, classified by the type of resolution issued.

Evolution of Complaints Submitted to the Ccs - Classification by Type Of Resolution

	2023		2022		2021		2020	
Classification by type of resolution	Nº	%	Nº	%	Nº	%	Nº	%
Against the customer	11	37%	19	49%	23	61%	15	34%
In favour of the customer	6	20%	3	8%	4	11%	5	11%
Proposal for a compromise of the SAC (Agreement)	8	27%	13	34%	6	16%	15	34%
Withdrawal of the customer	3	10%	1	3%	3	8%	1	2%
Not admitted to processing / suspension	0	0%	1	2%	-	-	1	2%
Pending resolution	2	6%	2	5%	2	5%	7	16%
TOTAL	30		39		38		44	

In addition, it is reported that the Ombudsman has managed nine cases during 2023. Six have been resolved against the customer, two have been resolved in favour of the customer and one is pending processing.

7. Tax information

As regards tax information, according to the provisions of Law 11/2018, in its first section, two V, Renta 4 Banco SA operates in Spain, Chile, Peru, Colombia, and Luxembourg. Renta 4 Banco pays direct input taxes (own taxes) and collects others from third parties generated by economic activity and based on its role as a company collaborating with the tax authorities (third party taxes).

In relation to these countries, the profits obtained in each of them and the taxes on profits paid are specified in the following figures (in thousands of euros):

In thousands of euros

	Total	Luxembourg	Colombia	Chile	Peru	Spain
Profit before tax	36,365	-119	1,188	3,171	794	31,331
Income Tax[15]	-9,802		238	-378	-111	-9,551
Profit after tax	26,563	-119	1,426	2,793	683	21,780
Payable for the year 2022	1,895		-505	265	107	2,028

The Bank and the rest of the Group companies are subject to other taxes, besides income tax, the most important one is the tax on deposits in credit entities, which amounts to €528,000. During 2023, Renta 4 Banco S.A. did not receive any tax subsidies or public aid in this regard.

[15] or other similar

05.8

ESG Commitment

In line with the commitment to nationally and internationally recognised principles, Renta 4 Banco, at group level, joined the United Nations Sustainable Investment Programme in March 2023, and the Principles for Responsible Investment, whereby it undertakes to incorporate environmental, social and corporate governance factors (ESG) in corporate governance and investment decision-making. Renta 4 Gestora has been a member of UNPRI since 2021.

System of Government

Renta 4 is committed to complying with the various regulations that have emerged in the field of sustainability. To this end, Renta 4 has carried out the following actions:

· Assigning ESG functions to employees. In the different strategic areas of the entity to assume their responsibilities for defining and implementing policies and procedures.

· Establishment of an ESG committee. Responsible for the coordination and supervision of sustainable investment initiatives.

· Hiring an external consultant specialised in ESG in the financial sector. To make checkpoints of documentation and regulatory requirements, reports and, at the same time, train the areas.

· Definition and periodic review of an ESG policy at the group level and, where necessary, ESG policies at the business unit or department level, as well as the definition of investment procedures aligned with these policies.

ESG Policy

Renta 4 has an ESG policy, the aim of which is to provide a global framework in which the general principles and procedures for the incorporation of ESG criteria are set out in a standardised and homogeneous way. Additionally Renta 4 Gestora and Asset Management have their own policy.

· Strategy and business. Renta 4 is committed to promoting investments that minimise negative impacts, and to promoting the integration of ESG criteria in the development of its activity at corporate level.

· Products and services. Development of a catalogue of sustainable products and services to complement its current offer and to respond to current market demands within the ESG field.

· Risk management. Integration of ESG risks into Renta 4's strategic or investment decision-making.

· Transparency. Towards both our clients and stakeholders, communicating Renta 4's positioning and performance in the ESG area.

· Governance. Integration of ESG criteria into Renta 4's strategy, decision-making, roles and responsibilities.

The integration of ESG criteria into the group's policies contributes to the care of the planet, society and our customers' investments. In addition to financial criteria, Socially Responsible Investment (ESG) criteria are applied, which follow investment strategies based on exclusionary and valuation criteria.

From the Perspective of Renta 4 Banco as a Marketer of Financial Products,

Renta 4 offers its customers a series of responsible investment products selected through a qualitative analysis on the application of ESG criteria (both at the management level and at the investment fund level) and quantitative information provided by external suppliers. Renta 4 is in the process of integrating ESG and sustainable risk criteria for services offered to the public, such as portfolio management and advisory services, in which they are asked about their preferences for sustainable investment.

From the Perspective of Renta 4 Gestora as Creator of Financial Products,

Through materiality maps, provided by external suppliers, the criteria that are most relevant in each of the sectors are analysed. These analyses are complemented by a dialogue between managers and analysts with the companies in which they invest. 100% of the funds managed by Renta 4 integrate the ESG criteria.

Regulatory Compliance

During 2022 and 2023, Renta 4 has worked to comply with the following regulatory requirements as the different milestones set by regulatory bodies were reached.

· Sustainability Annexes: Required by the CNMV to the managers for each fund that promotes or aims for sustainable investments.

· Calculation of the carbon footprint: A methodology has been established for the calculation of the carbon footprint (scopes 1, 2 and 3) according to the GHG Protocol. The carbon footprint calculation model for 2021 has been developed and has already been applied for the calculation of 2022 and 2023,

· Training and awareness: a series of training and awareness-raising sessions have been promoted for the board of directors as well as for the staff of the organisation. These sessions are repeated periodically with updated regulations and requirements.

· Suitability test: Implementation of the required changes in the information to customers, implementation of the processes to meet the regulatory requirements that, with the available information, can be fulfilled.

· EU taxonomy: The consistency and traceability of the databases has been improved, and the systems have been adapted to the taxonomy changes (eligibility and alignment of companies).

· Main adverse incidents: Timely reporting of the main adverse incidents on financial assets is made, both from Renta 4 Banco and Renta 4 Gestora.

1. SDG 1 – Provide quality education

One of the objectives of sustainable development to which the entity has committed itself is to provide quality education. Renta 4 has been committed to this goal for many years, convinced that there are two levers that favour the progress of society and people:

· one is investment, capital markets, as sources of financing for private companies to develop and thrive, and when the business fabric progresses, societies progress

· the other is education, training and preparation of people from the most fundamental levels of education to the most advanced and specialised.

Renta 4 wants to create an impact in both dimensions and while one is inherent in its own business activity, the other is acquired as a social commitment.

Thus, in 2023 the Board of Directors approved the SDG proposed by the ESG Committee to progressively increase the donation to cultural or educational projects to the most disadvantaged groups to reach 0.7% of net benefits in 2025.

In 2023, the total amount donated to projects that promote culture or education amounted to 167,475.00 euros, with net profits in the year of 26.6 Mn €. This represents 0.63% of the net profit.

2. SDG 2 – GHG emission neutrality

ACCIÓN POR EL CLIMA

In its commitment to environmental protection, the Board of Directors of Renta 4 approved the SDG throughout 2023 to achieve operational GHG emission neutrality by 2025.

A model was developed in 2022 to calculate the carbon footprint of Scopes 1 and 2 and of the activities relevant to Renta 4 in Scope 3. The calculation was based on emissions data for the entities that comprise the Renta 4 Group and its controlled operations.

The methodology implemented in the calculation of Renta 4's carbon footprint is based on:

· GHG Protocol according to the ECCR standard (Corporate Accounting and Reporting Standard)

· The indications of the MITECO (Ministry for Ecological Transition and the Demographic Challenge)

· The Partnership for Carbon Accounting Financials (PCAF) guidance: The Global GHG Accounting and Reporting Standard for the Financial Industry.

Each year, with the results obtained in terms of carbon emissions, a final report is produced with the conclusions and key points, at a high level, and possible actions to be to be taken in an action plan for the following year, in order to encourage the reduction of the footprint.

A more detailed summary on the calculation of the carbon footprint can be found in the environment section of this document.

The result of the calculation of the operational emissions carbon footprint calculated for 2023 was 1,046.86 of tCO2eq, 4.7% more than in 2022 (999.91 tCO2eq), corresponding to the sum of Scope 1 emissions, 2 and scope 3 operational.

Despite this small growth, the results of the first phase of the SDG for 2023, focusing on those emissions generated by Scope 2, have been very positive. These are described below.

Summary Table of the Variation in the Calculation of the Carbon Footprint Between 2022 and 2023

Operational GHG emissions	Emissions (t CO_2 eq) 2022	Emissions (t CO_2 eq) 2023	Change Emissions '22-'23 (%)
Scope 1	**87.02**	**98.49**	**13.19%**
Scope 2	**109.76**	**72.05**	**-34.36%**
Branches	85.11	28.04	-67.05%
Head office	13.85	3.95	-71.48%
Total Spain	98.95	32	-67.66%
International	10.81	40.06	270.58%
Scope 3 operational	**803.13**	**854.40**	**6.38%**
1. Emissions from suppliers	303.27	199.74	-34.14%
2. Mobility emissions	331.88	361.98	9.07%
3. Travel emissions	167.99	292.68	74.23%
Total, operational GHG emissions	**999.91**	**1,024.95**	**2.50%**

Throughout 2023, the electricity supply contracts necessary for consumption in Spain and Luxembourg have been modified to be 100% renewable. This is one of the most satisfactory measures since they seek neutrality not by GHG compensation but directly by the non-emission of CO_2.

This initiative shows that GHG emissions in Spain have been reduced by 67.66% compared to 2022. In Luxembourg this reduction has been 100% since the change has been made since the beginning of the year. In total, Scope 2 has reduced emissions by 34.36% in 2023.

This has succeeded in overcoming the first milestone on the decarbonisation route. In 2024, it is planned to launch actions to try to achieve GHG neutrality of full operational scopes 1 and 2, leaving by 2025 the last operational decarbonisation target, generated by Scope 3.

3. SDG 3 – Democratisation of investment

REDUCCIÓN DE DESIGUALDADES

Another SDG to which Renta 4 has made a firm commitment is to reduce inequalities.

Consequently, with the entity's vision "PROMOTING INVESTMENT FOR THE PROGRESS OF PEOPLE And SOCIETY", that is, the belief that investment is a lever of social and individual progress, in Renta 4 it is believed that precisely society and people should be able to access investment without the knowledge, time or size of their savings being an impediment, "DEMOCRATISING INVESTMENT".

This is why, over the course of this year, it has been added among the objectives to have a cumulative impact until 2025, at least 7% of the workforce, with the message that access to investment services and products is available to all.

During the 2023 financial year, an "INVESTMENT FOR ALL" campaign has been launched with a media plan on the main social networks with video formats, posts, etc.

In the Facebook Meta campaign, 342,000 users have been reached with a CTR of 1%. According to Facebook Ads in this type of campaigns is considered a good CTR between 0.6% and 1.2% in its ad network.

In the campaign on Youtube a total of 804,000 views were obtained with a % of viewing of the spot more than 60%. 3 different pieces have been produced.

https://www.youtube.com/watch?v=GG98eLjTyUA

https://www.youtube.com/watch?v=pVqD5bNGZ8s

https://www.youtube.com/watch?v=mBPCFg3IUTM

This campaign will be extended throughout 2024, reinforcing it with a new budget and updating some of the creatives.

05.9

Taxonomy

1. EU ESG taxonomy

Delegated Regulation EU 2178/2021 and its subsequent amendment to Delegated Regulation EU 2486/2023 in development of Regulation EU 852/2020, specify the content and presentation of the information to be disclosed by financial and non-financial undertakings subject to the reporting obligation of the Non-Financial Reporting Statement (in Avanten SNFI.) in the framework of environmentally sustainable activities.

This regulatory requirement is based on the ESG taxonomy established in EU Regulation 852/2020. The ESG taxonomy establishes a regulatory framework with the aim of harmonising at European level the consideration of sustainable economic activities in relation to the following climate objectives:

1. Climate change mitigation.
2. Adaptation to climate change.
3. Sustainable use and protection of water and marine resources.
4. Transition to a circular economy.
5. Prevention and control of pollution.
6. Protection and recovery of biodiversity and ecosystems.

The technical criteria for considering that an economic activity contributes substantially to meeting the objectives of mitigation and adaptation to climate change are defined in Delegated Regulation EU 2139/2021 and extended in Delegated Regulation EU 2485/2023. The technical criteria for considering that an economic activity contributes substantially to the fulfilment of each of the other objectives are regulated in Delegated Regulation EU 2486/2023. These regulations also specify the criteria to be met by economic activities in order to consider that they do not cause significant harm to each of the climate objectives.

In this way, the ESG taxonomy establishes the relationship of environmental objectives with the economic activities eligible for each of the climate objectives, and the requirements to evaluate the alignment of the economic activities carried out by companies with the aforementioned objectives

For these purposes, an economic activity eligible as environmentally sustainable (aligned with the taxonomy) is considered to the extent that it meets the following requirements:

1. Contribute substantially to one or more environmental objectives.
2. It does not cause significant harm to any of the environmental objectives.
3. The minimum guarantees laid down in the regulations are complied with.
4. It conforms to the technical criteria established in the regulations.

Each company subject to publication of the SNFI shall assess and disclose to what extent it carries out and is exposed to the economic activities eligible for each of the objectives, and to what extent these activities are considered environmentally sustainable and therefore taxonomy-aligned.

For the aforementioned evaluation, the nature of the economic activity, its orientation to meet some of the climate objectives, and the impact it implies for the company using the key performance indicators indicated in the aforementioned regulation. In particular, the extent to which activities considered as transitional or facilitative activities are aligned, in accordance with the regulations, shall also be disclosed.

For these purposes, the Renta 4 Group as a banking group is subject to the preparation and disclosure of quantitative and qualitative information, as defined in Annexes V and VI, X of the Delgado EU 2178/2021 Regulation and subsequent developments.

According to this regulation, depending on the implementation schedule, and considering the limitations indicated in the “qualitative information”, credit institutions must measure and evaluate the degree of eligibility and alignment of economic activities (including breakdown of transition and facilitative activities). from eligible counterparties to their operations, in relation to climate change mitigation and climate change adaptation objectives. To do this, the different key performance indicators defined by the regulations for each type of asset must be taken into account.

This assessment shall be reflected in the breakdown and calculation of the key performance indicators of credit institutions, generically referred to as Green Asset Ratios (hereinafter referred to as GAR) with respect to the balance sheet exposures in current and flow terms (i.e. new transactions), off-balance sheet exposures, revenue and commissions of certain services and the trading book. The latter two categories are not required until the financial year 2026.

In order to obtain and process the necessary quantitative and qualitative information, the Renta 4 Group’s “Procedure for assessing the eligibility and alignment of exposures in accordance with the ESG taxonomy” has been followed. This procedure describes mainly the internal processes for the evaluation of eligibility and alignment of income exposures 4 Banco S.A., both inside and outside the balance sheet.

In order to comply with this procedure, internal databases have been reviewed, prioritised and updated, and processes have been further automated, allowing for better control and monitoring of these processes. The database has also been enriched by external information providers of recognised prestige in the field.

Quantitative Information

In relation to the quantitative information required by the aforementioned regulation, the Renta 4 Group has completed the templates listed in Annex VI, following the instructions set out in Annex V of Delegated Regulation EU 2178/2021, 2021 as well as in subsequent developments, as referred to above Delegated Regulation EU 2139/2021, Delegated Regulation EU 2485/2023 and Delegated Regulation EU 2486/2023,

The following are templates reflecting quantitative information related to the GARs and key outcome indicators:

Template 0: Summary of key Performance Indicators

This table includes a summary of key performance indicators described in the following headings, which develop the following data:

· The total of environmentally sustainable assets/activities broken down climate objectives and globally.

· Results of the GAR considering as key indicators of exposures performance, the turnover indicator and the CAPEX indicator.

· The percentage of hedging for each key profit or loss indicator on the Group’s total assets.

Summary of key outcome indicators

		Total environmentally sustainable assets	KPI	KPI	% coverage (over total assets)	% de activos excluidos del numerador de la GAR	% de activos excluidos del denominador de la GAR
Main KPI	Green asset ratio (GAR) stock	0,04650	0,0080%	0,0085%	4,338%	22,100%	73,562%

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% de activos excluidos del numerador de la GAR	% de activos excluidos del denominador de la GAR
Additional KPIs	Green asset ratio (GAR) stock	0,02540	0,0298%	0,0323%	0,381%	72,747%	19,342%
Additional KPIs	Trading book*	0,00000	0,0000%	0,0000%			
Additional KPIs	Financial guarantees	0,00000	0,0000%	0,0000%			
Additional KPIs	Assets under managementa	22,37371	2,8235%	4,5177%			
Additional KPIs	Fees and commissions income**	0,00000	0,0000%	0,0000%			

Template 1: Assets for the Calculation of the Green Asset Ratio (G.A.R.)

In this table, with data relating to the financial year 2023, exposures are classified by accounting sectorisation, type of product, and eligibility in the calculation of the ratio of green assets (G.A.R.). The objective of this calculation is to obtain the amount of eligibility and the actual alignment of exposures, both on and off the balance sheet with respect to the taxonomy for each climate change mitigation and adaptation objective, based, separately, on the basis of the in the key performance indicators of turnover and CAPEX of counterparties to operations.

It should be noted that the assets covered by the GAR numerator represent 4.34% of the total assets, while the assets excluded from the numerator, and those excluded from the numerator and denominator, represent respectively 22.10% and 73.56%.

Likewise, the degree of alignment with the taxonomy of those exposures to economic activities considered as facilitators or transition is indicated.

Assets for the calculation of the GAR based on the key profit or loss indicator of the turnover.

Million EUR	Total gross carrying amount	31/12/23 Climate Change Mitigation (CCM) Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	Climate Change Adaptation (CCA) Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which enabling	TOTAL (CCM + CCA) Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator															
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	95,3307	0,0647	0,0431	-	0,0002	0,0272	0,0156	0,0034	-	0,0034	0,0803	0,0465	-	0,0002	0,0306
Financial corporations	94,3277	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	14,6217	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	7,2803	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	7,3411	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	0,0003	-	-		-	-	-	-		-	-	-		-	-
Other financial corporations	79,7060	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-
of which management companies	0,0462	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	0,0462	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-
of which insurance undertakings	0,0206	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	0,0206	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-
Non-financial corporations	1,0030	0,0647	0,0431	-	0,0002	0,0272	0,0156	0,0034	-	0,0034	0,0803	0,0465	-	0,0002	0,0306
Loans and advances	0,2078	0,0647	0,0431	-	0,0002	0,0272	0,0156	0,0034	-	0,0034	0,0803	0,0465	-	0,0002	0,0306
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	0,7952	-	-		-	-	-	-	-	-	-	-		-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which motor vehicle loans	-	-	-	-	-	-		-	-	-	-	-	-	-	-
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets excluded from the numerator for GAR calculation (covered in the denominator)	484,1998														
Non-financial corporations	136,8623														
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	125,7296														
Loans and advances	120,8417														
of which loans collateralised by commercial immovable property	-														
of which building renovation loans	-														
Debt securities	0,7935														
Equity instruments	4,0944														
Non-EU country counterparties not subject to NFRD disclosure obligations	11,1327														
Loans and advances	9,8613														
Debt securities	1,0303														
Equity instruments	0,2411														
Derivatives	-														
On demand interbank loans	198,0752														
Cash and cash-related assets	-														
Other assets (e.g. Goodwill, commodities etc.)	149,2623														
Total GAR assets	579,5305	0,0647	0,0431	-	0,0002	0,0272	0,0156	0,0034	-	0,0034	0,0803	0,0465	-	0,0002	0,0306
Other assets not covered for GAR calculation	1.610,9755														
Sovereigns	661,5300														
Central banks exposure	900,0567														
Trading book	49,3888														
Total assets	2.190,1760	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations															
Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets under management	792,4126	133,4388	21,9332		1,7273	10,2667	15,0000	0,4405		0,4372	148,4388	22,3737		1,7273	10,7039
Of which debt securities	118,9044	24,3484	4,0379		0,1528	1,9740	2,0000	0,2533		0,2533	26,3484	4,2912		0,1528	2,2274
Of which equity instruments	673,5083	109,0904	17,8953		1,5745	8,2926	13,0000	0,1872		0,1839	122,0904	18,0825		1,5745	8,4765

Assets for the calculation of the GAR based on the CAPEX key performance indicator.

Million EUR	Total gross carrying amount	31/12/23 Climate Change Mitigation (CCM) Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	Climate Change Adaptation (CCA) Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which enabling	TOTAL (CCM + CCA) Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator															
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	95,3307	0,0647	0,0431	-	0,0002	0,0272	0,0156	0,0034	-	0,0034	0,0803	0,0465	-	0,0002	0,0306
Financial corporations	94,3277	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	14,6217	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	7,2803	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	7,3411	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	0,0003	-	-		-	-	-	-		-	-	-		-	-
Other financial corporations	79,7060	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-
of which management companies	0,0462	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	0,0462	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-
of which insurance undertakings	0,0206	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	0,0206	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-
Non-financial corporations	1,0030	0,0647	0,0431	-	0,0002	0,0272	0,0156	0,0034	-	0,0034	0,0803	0,0465	-	0,0002	0,0306
Loans and advances	0,2078	0,0647	0,0431	-	0,0002	0,0272	0,0156	0,0034	-	0,0034	0,0803	0,0465	-	0,0002	0,0306
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	0,7952	-	-		-	-	-	-		-	-	-		-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which motor vehicle loans	-	-	-	-	-	-		-	-	-	-	-	-	-	-
Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets excluded from the numerator for GAR calculation (covered in the denominator)	484,1998														
Non-financial corporations	136,8623														
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	125,7296														
Loans and advances	120,8417														
of which loans collateralised by commercial immovable property	-														
of which building renovation loans	-														
Debt securities	0,7935														
Equity instruments	4,0944														
Non-EU country counterparties not subject to NFRD disclosure obligations	11,1327														
Loans and advances	9,8613														
Debt securities	1,0303														
Equity instruments	0,2411														
Derivatives	-														
On demand interbank loans	198,0752														
Cash and cash-related assets	-														
Other assets (e.g. Goodwill, commodities etc.)	149,2623														
Total GAR assets	579,5305														
Other assets not covered for GAR calculation	1.610,9755														
Sovereigns	661,5300														
Central banks exposure	900,0567														
Trading book	49,3888														
Total assets	2.190,1760	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet exposures - Corporates subject to NFRD discln previstas en la DINF															
Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets under management	792,4126	133,4388	21,9332		1,7273	10,2667	15,0000	0,4405		0,4372	148,4388	22,3737		1,7273	10,7039
Of which debt securities	118,9044	24,3484	4,0379		0,1528	1,9740	2,0000	0,2533		0,2533	26,3484	4,2912		0,1528	2,2274
Of which equity instruments	673,5083	109,0904	17,8953		1,5745	8,2926	13,0000	0,1872		0,1839	122,0904	18,0825		1,5745	8,4765

Template 2: GAR: Information by Sector.

In this table, the degree of exposure and alignment of the operations of the balance sheet of Renta Group 4 are disclosed for the financial year 2023, against sectors covered in the taxonomy for each of the objectives of mitigation and adaptation to climate change. For this purpose, the relevant NACE codes are used according to the main activity of the counterparty. The degree of alignment with the taxonomy is broken down, separately, based on the key indicators of turnover and CAPEX results:

GAR: Information by sector based on the key performance indicator of vol. on business

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
1	6190-Otras actividades de telecomunicaciones	0,0125	-			-	-			0,0125	-		
2	6820-Alquiler de bienes inmobiliarios por cuenta propia	-	-			-	-			-	-		
3	4110-Promoción inmobiliaria	-	-			-	-			-	-		
4	6201-Actividades de programación informática	0,0036	0,0001			-	-			0,0036	0,0001		
5	7112-Servicios técnicos de ingeniería y otras actividades relacionadas con el asesoramiento técnico	-	-			-	-			-	-		
6	4399-Otras actividades de construcción especializada n.c.o.p.	-	-			-	-			-	-		
7	7711-Alquiler de automóviles y vehículos de motor ligeros	-	-			-	-			-	-		
8	4121-Construcción de edificios residenciales	0,0566	0,0237			-	-			0,0566	0,0237		
9	6810-Compraventa de bienes inmobiliarios por cuenta propia	-	-			-	-			-	-		
10	6831-Agentes de la propiedad inmobiliaria	-	-			-	-			-	-		
11	6209-Otros servicios relacionados con las tecnologías de la información y la informática	-	-			-	-			-	-		
12	6832-Gestión y administración de la propiedad inmobiliaria	-	-			-	-			-	-		
13	2363-Fabricación de hormigón fresco	-	-			-	-			-	-		
14	6202-Actividades de consultoría informática	-	-			0,0189	0,0034			0,0189	0,0034		
15	2891-Fabricación de maquinaria para la industria metalúrgica	-	-			-	-			-	-		
16	4339-Otro acabado de edificios	-	-			-	-			-	-		
17	6110-Telecomunicaciones por cable	-	-			-	-			-	-		
18	2740-Fabricación de lámparas y aparatos eléctricos de iluminación	-	-			-	-			-	-		
19	2511-Fabricación de estructuras metálicas y sus componentes	-	-			-	-			-	-		
20	3512-Transporte de energía eléctrica	0,0214	0,0170			-	-			0,0214	0,0170		
21	4333-Revestimiento de suelos y paredes	-	-			-	-			-	-		
22	2370-Corte, tallado y acabado de la piedra	-	-			-	-			-	-		
23	3513-Distribución de energía eléctrica	-	-			-	-			-	-		
24	4211-Construcción de carreteras y autopistas	-	-			-	-			-	-		
25	6311-Proceso de datos, hosting y actividades relacionadas	-	-			-	-			-	-		
26	4941-Transporte de mercancías por carretera	-	-			-	-			-	-		
27	4932-Transporte por taxi	-	-			-	-			-	-		
28	4122-Construcción de edificios no residenciales	-	-			-	-			-	-		
29	2670-Fabricación de instrumentos de óptica y equipo fotográfico	-	-			-	-			-	-		
30	4331-Revocamiento	-	-			-	-			-	-		
31	2630-Fabricación de equipos de telecomunicaciones	-	-			-	-			-	-		
32	2332-Fabricación de ladrillos, tejas y productos de tierras cocidas para la construcción	-	-			-	-			-	-		
33	7219-Otra investigación y desarrollo experimental en ciencias naturales y técnicas	-	-			-	-			-	-		
34	7211-Investigación y desarrollo experimental en biotecnología	-	-			-	-			-	-		
35	2611-Fabricación de componentes electrónicos	-	-			-	-			-	-		
36	6203-Gestión de recursos informáticos	-	-			-	-			-	-		
37	6120-Telecomunicaciones inalámbricas	-	-			-	-			-	-		
38	4329-Otras instalaciones en obras de construcción	-	-			-	-			-	-		
39	7111-Servicios técnicos de arquitectura	-	-			-	-			-	-		
40	9521-Reparación de aparatos electrónicos de audio y vídeo de uso doméstico	-	-			-	-			-	-		
41	2229-Fabricación de otros productos de plástico	-	-			-	-			-	-		
42	4321-Instalaciones eléctricas	0,0022	0,0022			-	-			0,0022	0,0022		
43	2561-Tratamiento y revestimiento de metales	-	-			-	-			-	-		
44	2420-Fabricación de tubos, tuberías, perfiles huecos y sus accesorios, de acero	0,0015	0,0002			-	-			0,0015	0,0002		
45	3530-Suministro de vapor y aire acondicionado	-	-			-	-			-	-		
46	4299-Construcción de otros proyectos de ingeniería civil n.c.o.p.	-	-			-	-			-	-		
47	9522-Reparación de aparatos electrodomésticos y de equipos para el hogar y el jardín	-	-			-	-			-	-		
48	4332-Instalación de carpintería	-	-			-	-			-	-		
49	3811-Recogida de residuos no peligrosos	-	-			-	-			-	-		
50	3600-Captación, depuración y distribución de agua	-	-			-	-			-	-		
51	4322-Fontanería, instalaciones de sistemas de calefacción y aire acondicionado	-	-			-	-			-	-		
52	2572-Fabricación de cerraduras y herrajes	-	-			-	-			-	-		
53	4213-Construcción de puentes y túneles	-	-			-	-			-	-		
54	4391-Construcción de cubiertas	-	-			-	-			-	-		
55	1621-Fabricación de chapas y tableros de madera	-	-			-	-			-	-		
56	2562-Ingeniería mecánica por cuenta de terceros	-	-			-	-			-	-		

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
57	1623-Fabricación de otras estructuras de madera y piezas de carpintería y ebanistería para la construcción	-	-			-	-			-	-		
58	2790-Fabricación de otro material y equipo eléctrico	-	-			-	-			-	-		
59	2512-Fabricación de carpintería metálica	-	-			-	-			-	-		
60	2733-Fabricación de dispositivos de cableado	-	-			-	-			-	-		
61	5020-Transporte marítimo de mercancías	-	-			-	-			-	-		
62	4939-tipos de transporte terrestre de pasajeros n.c.o.p.	-	-			-	-			-	-		
63	1712-Fabricación de papel y cartón	0,0000	-			-	-			0,0000	-		
64	2573-Fabricación de herramientas	-	-			-	-			-	-		
65	2680-Fabricación de soportes magnéticos y ópticos	-	-			-	-			-	-		
66	5221-Actividades anexas al transporte terrestre	-	-			-	-			-	-		
67	2822-Fabricación de maquinaria de elevación y manipulación	-	-			-	-			-	-		
68	2361-Fabricación de elementos de hormigón para la construcción	-	-			-	-			-	-		
69	4931-Transporte terrestre urbano y suburbano de pasajeros	-	-			-	-			-	-		
70	4311-Demolición	-	-			-	-			-	-		
71	2825-Fabricación de maquinaria de ventilación y refrigeración no doméstica	-	-			-	-			-	-		
72	3011-Construcción de barcos y estructuras flotantes	-	-			-	-			-	-		
73	2571-Fabricación de artículos de cuchillería y cubertería	-	-			-	-			-	-		
74	4910-Transporte interurbano de pasajeros por ferrocarril	-	-			-	-			-	-		
75	2829-Fabricación de otra maquinaria de uso general n.c.o.p.	-	-			-	-			-	-		
76	3900-Actividades de descontaminación y otros servicios de gestión de residuos	-	-			-	-			-	-		
77	2824-Fabricación de herramientas eléctricas manuales	-	-			-	-			-	-		
78	7120-Ensayos y análisis técnicos	-	-			-	-			-	-		
79	5010-Transporte marítimo de pasajeros	-	-			-	-			-	-		
80	1629-Fabricación de otros productos de madera; artículos de corcho, cestería y espartería	-	-			-	-			-	-		
81	1622-Fabricación de suelos de madera ensamblados	-	-			-	-			-	-		
82	5320-Otras actividades postales y de correos	-	-			-	-			-	-		
83	4334-Pintura y acristalamiento	-	-			-	-			-	-		
84	2910-Fabricación de vehículos de motor	-	-			-	-			-	-		
85	2453-Fundición de metales ligeros	-	-			-	-			-	-		
86	4312-Preparación de terrenos	-	-			-	-			-	-		
87	2221-Fabricación de placas, hojas, tubos y perfiles de plástico	-	-			-	-			-	-		
88	2331-Fabricación de azulejos y baldosas de cerámica	-	-			-	-			-	-		
89	8532-Educación secundaria técnica y profesional	-	-			-	-			-	-		
90	8543-Educación universitaria	-	-			-	-			-	-		
91	8720-Asistencia en establecimientos residenciales para personas con discapacidad intelectual, enfermedad mental y drogodependencia	-	-			-	-			-	-		
92	8531-Educación secundaria general	-	-			-	-			-	-		
93	5920-Actividades de grabación de sonido y edición musical	-	-			-	-			-	-		
94	8559-Otra educación n.c.o.p.	-	-			-	-			-	-		
95	6512-Seguros distintos de los seguros de vida	-	-			-	-			-	-		
96	8560-Actividades auxiliares a la educación	-	-			-	-			-	-		
97	8520-Educación primaria	-	-			-	-			-	-		
98	9003-Creación artística y literaria	-	-			-	-			-	-		
99	6020-Actividades de programación y emisión de televisión	-	-			-	-			-	-		
100	8551-Educación deportiva y recreativa	-	-			-	-			-	-		
101	5915-Actividades de producción cinematográfica y de vídeo	-	-			-	-			-	-		
102	8553-Actividades de las escuelas de conducción y pilotaje	-	-			-	-			-	-		
103	5916-Actividades de producciones de programas de televisión	-	-			-	-			-	-		
104	9106-Actividades de archivos	-	-			-	-			-	-		
105	9004-Gestión de salas de espectáculos	-	-			-	-			-	-		
106	9002-Actividades auxiliares a las artes escénicas	-	-			-	-			-	-		
107	9001-Artes escénicas	-	-			-	-			-	-		
108	8552-Educación cultural	-	-			-	-			-	-		
109	5912-Actividades de postproducción cinematográfica, de vídeo y de programas de televisión	-	-			-	-			-	-		
110	8710-Asistencia en establecimientos residenciales con cuidados sanitarios	-	-			-	-			-	-		
111	8731-Asistencia en establecimientos residenciales para personas mayores	-	-			-	-			-	-		
112	6010-Actividades de radiodifusión	-	-			-	-			-	-		
113	8510-Educación preprimaria	-	-			-	-			-	-		
114	2453-Fundición de metales ligeros	-	-			-	-			-	-		
115	4312-Preparación de terrenos	-	-			-	-			-	-		
116	7219-Otra investigación y desarrollo experimental en ciencias naturales y técnicas	-	-			-	-			-	-		

GAR: Information by sector based on the CAPEX Key Performance Indicator.

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
1	6190-Otras actividades de telecomunicaciones	0,0125	-			-	-			0,0125	-		
2	6820-Alquiler de bienes inmobiliarios por cuenta propia	-	-			-	-			-	-		
3	4110-Promoción inmobiliaria	-	-			-	-			-	-		
4	6201-Actividades de programación informática	0,0036	0,0000			-	-			0,0036	0,0000		
5	7112-Servicios técnicos de ingeniería y otras actividades relacionadas con el asesoramiento técnico	-	-			-	-			-	-		
6	4399-Otras actividades de construcción especializada n.c.o.p.	-	-			-	-			-	-		
7	7711-Alquiler de automóviles y vehículos de motor ligeros	-	-			-	-			-	-		
8	4121-Construcción de edificios residenciales	0,0566	0,0305			-	-			0,0566	0,0305		
9	6810-Compraventa de bienes inmobiliarios por cuenta propia	-	-			-	-			-	-		
10	6831-Agentes de la propiedad inmobiliaria	-	-			-	-			-	-		
11	6209-Otros servicios relacionados con las tecnologías de la información y la informática	-	-			-	-			-	-		
12	6832-Gestión y administración de la propiedad inmobiliaria	-	-			-	-			-	-		
13	2363-Fabricación de hormigón fresco	-	-			-	-			-	-		
14	6202-Actividades de consultoría informática	-	-			0,0189	0,0005			0,0189	0,0005		
15	2891-Fabricación de maquinaria para la industria metalúrgica	-	-			-	-			-	-		
16	4339-Otro acabado de edificios	-	-			-	-			-	-		
17	6110-Telecomunicaciones por cable	-	-			-	-			-	-		
18	2740-Fabricación de lámparas y aparatos eléctricos de iluminación	-	-			-	-			-	-		
19	2511-Fabricación de estructuras metálicas y sus componentes	-	-			-	-			-	-		
20	3512-Transporte de energía eléctrica	0,0214	0,0164			-	-			0,0214	0,0164		
21	4333-Revestimiento de suelos y paredes	-	-			-	-			-	-		
22	2370-Corte, tallado y acabado de la piedra	-	-			-	-			-	-		
23	3513-Distribución de energía eléctrica	-	-			-	-			-	-		
24	4211-Construcción de carreteras y autopistas	-	-			-	-			-	-		
25	6311-Proceso de datos, hosting y actividades relacionadas	-	-			-	-			-	-		
26	4941-Transporte de mercancías por carretera	-	-			-	-			-	-		
27	4932-Transporte por taxi	-	-			-	-			-	-		
28	4122-Construcción de edificios no residenciales	-	-			-	-			-	-		
29	2670-Fabricación de instrumentos de óptica y equipo fotográfico	-	-			-	-			-	-		
30	4331-Revocamiento	-	-			-	-			-	-		
31	2630-Fabricación de equipos de telecomunicaciones	-	-			-	-			-	-		
32	2332-Fabricación de ladrillos, tejas y productos de tierras cocidas para la construcción	-	-			-	-			-	-		
33	7219-Otra investigación y desarrollo experimental en ciencias naturales y	-	-			-	-			-	-		
34	7211-Investigación y desarrollo experimental en biotecnología	-	-			-	-			-	-		
35	2611-Fabricación de componentes electrónicos	-	-			-	-			-	-		
36	6203-Gestión de recursos informáticos	-	-			-	-			-	-		
37	6120-Telecomunicaciones inalámbricas	-	-			-	-			-	-		
38	4329-Otras instalaciones en obras de construcción	-	-			-	-			-	-		
39	7111-Servicios técnicos de arquitectura	-	-			-	-			-	-		
40	9521-Reparación de aparatos electrónicos de audio y vídeo de uso doméstico	-	-			-	-			-	-		
41	2229-Fabricación de otros productos de plástico	-	-			-	-			-	-		
42	4321-Instalaciones eléctricas	0,0022	0,0016			-	-			0,0022	0,0016		
43	2561-Tratamiento y revestimiento de metales	-	-			-	-			-	-		
44	2420-Fabricación de tubos, tuberías, perfiles huecos y sus accesorios, de	0,0015	0,0002			-	-			0,0015	0,0002		
45	3530-Suministro de vapor y aire acondicionado	-	-			-	-			-	-		
46	4299-Construcción de otros proyectos de ingeniería civil n.c.o.p.	-	-			-	-			-	-		
47	9522-Reparación de aparatos electrodomésticos y de equipos para el hogar y el jardín	-	-			-	-			-	-		
48	4332-Instalación de carpintería	-	-			-	-			-	-		
49	3811-Recogida de residuos no peligrosos	-	-			-	-			-	-		
50	3600-Captación, depuración y distribución de agua	-	-			-	-			-	-		
51	4322-Fontanería, instalaciones de sistemas de calefacción y aire	-	-			-	-			-	-		
52	2572-Fabricación de cerraduras y herrajes	-	-			-	-			-	-		
53	4213-Construcción de puentes y túneles	-	-			-	-			-	-		
54	4391-Construcción de cubiertas	-	-			-	-			-	-		
55	1621-Fabricación de chapas y tableros de madera	-	-			-	-			-	-		
56	2562-Ingeniería mecánica por cuenta de terceros	-	-			-	-			-	-		
57	1623-Fabricación de otras estructuras de madera y piezas de carpintería y ebanistería para la construcción	-	-			-	-			-	-		

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
58	2790-Fabricación de otro material y equipo eléctrico	-	-			-	-			-	-		
59	2512-Fabricación de carpintería metálica	-	-			-	-			-	-		
60	2733-Fabricación de dispositivos de cableado	-	-			-	-			-	-		
61	5020-Transporte marítimo de mercancías	-	-			-	-			-	-		
62	4939-tipos de transporte terrestre de pasajeros n.c.o.p.	-	-			-	-			-	-		
63	1712-Fabricación de papel y cartón	0,0000	-			-	-			0,0000	-		
64	2573-Fabricación de herramientas	-	-			-	-			-	-		
65	2680-Fabricación de soportes magnéticos y ópticos	-	-			-	-			-	-		
66	5221-Actividades anexas al transporte terrestre	-	-			-	-			-	-		
67	2822-Fabricación de maquinaria de elevación y manipulación	-	-			-	-			-	-		
68	2361-Fabricación de elementos de hormigón para la construcción	-	-			-	-			-	-		
69	4931-Transporte terrestre urbano y suburbano de pasajeros	-	-			-	-			-	-		
70	4311-Demolición	-	-			-	-			-	-		
71	2825-Fabricación de maquinaria de ventilación y refrigeración no doméstica	-	-			-	-			-	-		
72	3011-Construcción de barcos y estructuras flotantes	-	-			-	-			-	-		
73	2571-Fabricación de artículos de cuchillería y cubertería	-	-			-	-			-	-		
74	4910-Transporte interurbano de pasajeros por ferrocarril	-	-			-	-			-	-		
75	2829-Fabricación de otra maquinaria de uso general n.c.o.p.	-	-			-	-			-	-		
76	3900-Actividades de descontaminación y otros servicios de gestión de residuos	-	-			-	-			-	-		
77	2824-Fabricación de herramientas eléctricas manuales	-	-			-	-			-	-		
78	7120-Ensayos y análisis técnicos	-	-			-	-			-	-		
79	5010-Transporte marítimo de pasajeros	-	-			-	-			-	-		
80	1629-Fabricación de otros productos de madera; artículos de corcho, cestería y espartería	-	-			-	-			-	-		
81	1622-Fabricación de suelos de madera ensamblados	-	-			-	-			-	-		
82	5320-Otras actividades postales y de correos	-	-			-	-			-	-		
83	4334-Pintura y acristalamiento	-	-			-	-			-	-		
84	2910-Fabricación de vehículos de motor	-	-			-	-			-	-		
85	2453-Fundición de metales ligeros	-	-			-	-			-	-		
86	4312-Preparación de terrenos	-	-			-	-			-	-		
87	2221-Fabricación de placas, hojas, tubos y perfiles de plástico	-	-			-	-			-	-		
88	2331-Fabricación de azulejos y baldosas de cerámica	-	-			-	-			-	-		
89	8532-Educación secundaria técnica y profesional	-	-			-	-			-	-		
90	8543-Educación universitaria	-	-			-	-			-	-		
91	8720-Asistencia en establecimientos residenciales para personas con discapacidad intelectual, enfermedad mental y drogodependencia	-	-			-	-			-	-		
92	8531-Educación secundaria general	-	-			-	-			-	-		
93	5920-Actividades de grabación de sonido y edición musical	-	-			-	-			-	-		
94	8559-Otra educación n.c.o.p.	-	-			-	-			-	-		
95	6512-Seguros distintos de los seguros de vida	-	-			-	-			-	-		
96	8560-Actividades auxiliares a la educación	-	-			-	-			-	-		
97	8520-Educación primaria	-	-			-	-			-	-		
98	9003-Creación artística y literaria	-	-			-	-			-	-		
99	6020-Actividades de programación y emisión de televisión	-	-			-	-			-	-		
100	8551-Educación deportiva y recreativa	-	-			-	-			-	-		
101	5915-Actividades de producción cinematográfica y de vídeo	-	-			-	-			-	-		
102	8553-Actividades de las escuelas de conducción y pilotaje	-	-			-	-			-	-		
103	5916-Actividades de producciones de programas de televisión	-	-			-	-			-	-		
104	9106-Actividades de archivos	-	-			-	-			-	-		
105	9004-Gestión de salas de espectáculos	-	-			-	-			-	-		
106	9002-Actividades auxiliares a las artes escénicas	-	-			-	-			-	-		
107	9001-Artes escénicas	-	-			-	-			-	-		
108	8552-Educación cultural	-	-			-	-			-	-		
109	5912-Actividades de postproducción cinematográfica, de vídeo y de programas de televisión	-	-			-	-			-	-		
110	8710-Asistencia en establecimientos residenciales con cuidados sanitarios	-	-			-	-			-	-		
111	8731-Asistencia en establecimientos residenciales para personas mayores	-	-			-	-			-	-		
112	6010-Actividades de radiodifusión	-	-			-	-			-	-		
113	8510-Educación preprimaria	-	-			-	-			-	-		
114	2453-Fundición de metales ligeros	-	-			-	-			-	-		
115	4312-Preparación de terrenos	-	-			-	-			-	-		
116	7219-Otra investigación y desarrollo experimental en ciencias naturales y	-	-			-	-			-	-		
117	3522-Distribución por tubería de combustibles gaseosos	-	-			-	-			-	-		

Template 3: G.A.R. Key Performance Indicator in Terms of Stock.

In this table, the level of exposure, eligibility and actual alignment (including breakdown of transition and facilitative activities) of the balance sheet exposures, with taxonomy for each of the climate change mitigation and adaptation objectives, is reported for the financial year 2023. on the total assets covered by the GAR as defined in template 1.

The degree of alignment with the taxonomy is exposed, separately, based on the key indicators of turnover and CAPEX results.

GAR Key Performance Indicator in terms of stock based on the turnover Key Performance Indicator.

% (compared to total covered assets in the denominator)	12/31/2023														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)									Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
GAR - Covered assets in both numerator and denominator															
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,0112%	0,0074%	0,0000%	0,0000%	0,0047%	0,0027%	0,0006%	0,0000%	0,0006%	0,0139%	0,0080%	0,0000%	0,0000%	0,0053%	16,4496%
Financial corporations	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	16,2766%
Credit institutions	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	2,5230%
Loans and advances	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	1,2562%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	1,2667%
Equity instruments	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0001%
Other financial corporations	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	13,7535%
of which investment firms	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Loans and advances	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Equity instruments	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%
of which management companies	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0080%
Loans and advances	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0080%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Equity instruments	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%
of which insurance undertakings	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0036%
Loans and advances	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0036%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Equity instruments	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%
Non-financial corporations	0,0112%	0,0074%	0,0000%	0,0000%	0,0047%	0,0027%	0,0006%	0,0000%	0,0006%	0,0139%	0,0080%	0,0000%	0,0000%	0,0053%	0,1731%
Loans and advances	0,0112%	0,0074%	0,0000%	0,0000%	0,0047%	0,0027%	0,0006%	0,0000%	0,0006%	0,0139%	0,0080%	0,0000%	0,0000%	0,0053%	0,0359%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Equity instruments	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,1372%
Households	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
of which loans collateralised by residential immovable property	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
of which building renovation loans	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
of which motor vehicle loans	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%										
Local governments financing	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Housing financing	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Other local government financing	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Collateral obtained by taking possession: residential and commercial immovable properties	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Total GAR assets	0,0112%	0,0074%	0,0000%	0,0000%	0,0047%	0,0027%	0,0006%	0,0000%	0,0006%	0,0139%	0,0080%	0,0000%	0,0000%	0,0053%	16,4496%

GAR Key Performance Indicator in terms of stock based on CAPEX Key Performance Indicator.

% (compared to total covered assets in the denominator)	12/31/2023														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					Proportion of total new assets covered
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)									Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
GAR - Covered assets in both numerator and denominator															
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**0,0114%**	**0,0084%**	**0,0000%**	**0,0000%**	**0,0039%**	**0,0034%**	**0,0001%**	**0,0000%**	**0,0001%**	**0,0148%**	**0,0085%**	**0,0000%**	**0,0000%**	**0,0040%**	**16,4496%**
Financial corporations	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**16,2766%**
Credit institutions	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	2,5230%
Loans and advances	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	1,2562%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	1,2667%
Equity instruments	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0001%
Other financial corporations	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	13,7535%
of which investment firms	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Loans and advances	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Equity instruments	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%
of which management companies	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0080%
Loans and advances	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0080%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Equity instruments	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%
of which insurance undertakings	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0036%
Loans and advances	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0036%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Equity instruments	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%
Non-financial corporations	**0,0114%**	**0,0084%**	0,0000%	**0,0000%**	**0,0039%**	**0,0034%**	**0,0001%**	**0,0000%**	**0,0001%**	**0,0148%**	**0,0085%**	**0,0000%**	**0,0000%**	**0,0040%**	**0,1731%**
Loans and advances	0,0114%	0,0084%	0,0000%	0,0000%	0,0039%	0,0034%	0,0001%	0,0000%	0,0001%	0,0148%	0,0085%	0,0000%	0,0000%	0,0040%	0,0359%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Equity instruments	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,0000%		0,0000%	0,0000%	0,1372%
Households	**0,0000%**	**0,0000%**	0,0000%	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	0,0000%	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**
of which loans collateralised by residential immovable property	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
of which building renovation loans	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
of which motor vehicle loans	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%										
Local governments financing	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**	**0,0000%**
Housing financing	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Other local government financing	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Collateral obtained by taking possession: residential and commercial immovable properties	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
Total GAR assets	**0,0114%**	**0,0084%**	**0,0000%**	**0,0000%**	**0,0039%**	**0,0034%**	**0,0001%**	**0,0000%**	**0,0001%**	**0,0148%**	**0,0085%**	**0,0000%**	**0,0000%**	**0,0040%**	**16,4496%**

Template 4: G.A.R. Key Performance Indicator in Terms of Flow.

In this table, for the financial year 2023, the degree of exposure, eligibility and actual alignment (including breakdown of transition and facilitative activities) of the new balance sheet exposures with the taxonomy for each of the climate change mitigation and adaptation objectives is indicated, on the total assets covered by the GAR as defined in template 1.

The degree of alignment with the taxonomy is reported, separately, based on the key indicators of turnover and CAPEX results. For the purposes of these tables, to assess the degree of eligibility and alignment for each of the environmental objectives for mitigation and adaptation to climate change of exposures representing new net lending for the financial year 2023, the proportion they represent on the total eligible new net loans for that year is calculated.

It should be noted that new assets covered by the GAR numerator represent 7.91% of total new assets, while new assets excluded from the numerator, and those excluded from the numerator and denominator, respectively represent 72.45% and 19.34%.

GAR key performance indicator in terms of flow based on the turnover key performance indicator.

% (compared to flow of total eligible assets)	12/31/2023															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					Proportion of total new assets covered
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
GAR - Covered assets in both numerator and denominator															
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,0384%	0,0295%	0,0000%	0,0002%	0,0237%	0,0016%	0,0004%	0,0000%	0,0004%	0,0401%	0,0298%	0,0000%	0,0002%	0,0241%	9,81%
Financial corporations	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	9,81%
Credit institutions	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	9,75%
Loans and advances	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	8,49%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	8,49%
Equity instruments	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Other financial corporations	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
of which investment firms	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	1,27%
Loans and advances	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Equity instruments	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
of which management companies	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Loans and advances	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Equity instruments	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
of which insurance undertakings	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Loans and advances	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0002%	0,0002%	0,0000%	0,0000%	0,00%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Equity instruments	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Non-financial corporations	0,0384%	0,0295%	0,0000%	0,0002%	0,0237%	0,0016%	0,0004%	0,0000%	0,0004%	0,0401%	0,0298%	0,0000%	0,0002%	0,0241%	0,00%
Loans and advances	0,0384%	0,0295%	0,0000%	0,0002%	0,0237%	0,0016%	0,0004%	0,0000%	0,0004%	0,0401%	0,0298%	0,0000%	0,0002%	0,0241%	0,05%
Debt securities, including UoP	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,05%
Equity instruments	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Households	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
of which loans collateralised by residential immovable property	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
of which building renovation loans	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
of which motor vehicle loans	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Local governments financing	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Housing financing	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Other local government financing	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%
Collateral obtained by taking possession: residential and commercial immovable properties	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%	0,00%

GAR Key Outcomes Indicator in terms of flow based on CAPEX Key Outcomes Indicator.

	31/12/2023														Millones de euros
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)t				TOTAL (CCM + CCA)				
	Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator															
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**95,3307**	**0,0661**	**0,0488**	**-**	**0,0002**	**0,0224**	**0,0196**	**0,0005**	**-**	**0,0005**	**0,0857**	**0,0493**	**-**	**0,0002**	**0,0229**
Financial corporations	**94,3277**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	14,6217	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	7,2803	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	7,3411	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	0,0003	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	79,7060	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which management companies	0,0462	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	0,0462	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which insurance undertakings	0,0206	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	0,0206	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	**1,0030**	**0,0661**	**0,0488**	**-**	**0,0002**	**0,0224**	**0,0196**	**0,0005**	**-**	**0,0005**	**0,0857**	**0,0493**	**-**	**0,0002**	**0,0229**
Loans and advances	0,2078	0,0661	0,0488		0,0002	0,0224	0,0196	0,0005		0,0005	0,0857	0,0493	-	0,0002	0,0229
Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	0,7952	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

GAR Key Outcomes Indicator in terms of flow based on CAPEX Key Outcomes Indicator.

31/12/2023 — Millones de euros

	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)t				TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling
Local governments financing	-														
Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Activos excluidos del numerador para el cálculo de la GAR (incluidos en el denominador)	484,1998														
Non-financial corporations	136,8623														
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	125,7296														
Loans and advances	120,8417														
of which loans collateralised by commercial immovable property	-														
of which building renovation loans	-														
Debt securities	0,7935														
Equity instruments	4,0944														
Non-EU country counterparties not subject to NFRD disclosure obligations	11,1327														
Loans and advances	9,8613														
Debt securities	1,0303														
Equity instruments	0,2411														
Derivatives	-														
On demand interbank loans	198,0752														
Cash and cash-related assets	-														
Other assets (e.g. Goodwill, commodities etc.)	149,2623														
Total GAR assets	579,5305	0,0661	0,0488	-	0,0002	0,0224	0,0196	0,0005	-	0,0005	0,0857	0,0493	-	0,0002	0,0229
Other assets not covered for GAR calculation	1.610,9755														
Sovereigns	661,5300														
Central banks exposure	900,0567														
Trading book	49,3888														
Total assets	2.190.176	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations															
Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets under management	792,4126	125,0872	35,7988	-	2,7767	14,8793	0,7677	-	-	0,0036	125,8549	35,7988	-	2,7767	14,8830
Of which debt securities	118,9044	26,8797	6,7621	-	0,2843	3,1303	0,0313	-	-	0,0014	26,9110	6,7621	-	0,2843	3,1317
Of which equity instruments	673,5083	98,2076	29,0367	-	2,4924	11,7490	0,7363	-	-	0,0023	98,9439	29,0367	-	2,4924	11,7513

Template 5: Key Performance Indicator for off-Balance Sheet Exposures.

In these tables, information on the key performance indicators of off-balance sheet assets of the Renta 4 Group is disclosed. In accordance with the above, the degree of eligibility and alignment of the assets managed and deposited in group companies will be evaluated for the financial year 2023, with respect to each of the objectives of mitigation and adaptation to climate change, based on: separately in the key performance indicators of turnover and CAPEX.

Key profit or loss indicator for off-balance sheet exposures based on the key profit or loss indicator of turnover.

% (compared to total eligible off-balance sheet assets)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling
Financial guarantees (FinGuar KPI)	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%
Assets under management (AuM KPI)	16,840%	2,768%	0,000%	0,218%	1,296%	1,893%	0,056%	0,000%	0,055%	18,733%	2,823%	0,000%	0,218%	1,351%

Key Outcome Indicator for off-balance sheet exposures based on the CAPEX Key Outcome Indicator.

% (compared to total eligible off-balance sheet assets)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling
Financial guarantees (FinGuar KPI)	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%	0,000%
Assets under management (AuM KPI)	15,786%	4,518%	0,000%	0,350%	1,878%	0,097%	0,000%	0,000%	0,000%	15,882%	4,518%	0,000%	0,350%	1,878%

Qualitative Information

The subjective scope of application of the ESG taxonomy reaches the entire prudential consolidable group and prudential consolidable group.

In addition to the quantitative information presented below, we include information that completes and allows a greater understanding of the evaluation of the degree to which the economic activities of the Renta 4 Group are eligible and aligned with the ESG taxonomy.

In this regard, the following qualitative aspects should be highlighted:

· Business model of Renta 4

Renta 4's business model is mainly based on the provision of intermediation and management of asset services to customers, meaning that demand deposits from our customers mainly take the form of the following assets: short and medium-term debt issues of central and regional governments, as well as in Eurosystem deposits and in current accounts of Credit Institutions, subject to prudential supervision and domiciled in States belonging to the European Union, which are high-liquidity and low-risk assets with the aim of preserving the economic value of the sums deposited by customers.

Thus, at the end of 2023 approximately 73% of the exposures on the balance sheet are excluded for the purposes of calculating the numerator and denominator of the GAR, representing exposures to central banks by 41%, exposures to central administrations and supranational issuers by 30%, and exposures classified as trading book by 2%.

In addition, the Renta 4 Group, in a less relevant way, provides financing activities, mainly materialised in the granting of credit for investment, supported practically entirely by the creation of collateral considered effective. This financing operation, since it does not aim to finance the economic activities of the accredited person, does not constitute one of the economic activities considered eligible, nor aligned with the European taxonomy.

Therefore, in accordance with this regulation, all the financing activity carried out by the Group is considered to have a generic objective, assigning the degree of eligibility and alignment of operations to each of the climate objectives required according to the relative weight represented by the exposures to counterparties over the total eligible and aligned activities according to each key risk indicator used.

· Data sources and taxonomy implementation calendar

In the search for data relating to the assessment of the degree of eligibility and alignment of counterparty exposures with respect to the climate objectives of the taxonomy, both the search for public sources of counterparty information has been used, as well as external suppliers specialised in the matter.

With regard to the limitation in these public sources, it should be noted that, according to the calendar for the application of the taxonomy, at the end of 2022, only non-financial companies were obliged to disclose the degree of eligibility and alignment of their economic activities. All other financial companies will be obliged to disclose this information in this financial year.

In addition, it should be noted that, until this year, only the eligibility requirements for environmental objectives for climate change mitigation and adaptation had been established. In the 2023 financial year, through Delegated Regulation EU 2486/2023, the requirements of economic activities to be their eligibility in relation to the rest of the environmental objectives were regulated, as well as the technical criteria for considering those economic activities as environmentally sustainable (aligned with the taxonomy).

In this regard, taking into account the lack of mandatory reporting of financial institutions, the absence of the possibility of temporary comparability of information reported by non-financial companies, and the limitation of this to only two previously regulated climate objectives, it makes it difficult to properly assess the contribution of companies to achieving the objectives.

In the case of external information providers, it should be noted that they also suffer from the limited availability of information from public sources for the reasons mentioned above.

· Limitations in the target area

The Renta 4 Group does not have financial guarantees supporting debt instruments, therefore, according to the regulations, they fall outside the scope of this document

In addition, the underlying assets managed by managers will not be broken down in this financial year in view of the operational difficulties involved.

Therefore, the scope of the assessment of the degree of eligibility and alignment of off-balance sheet assets will be limited to assets managed and deposited in Group companies that are managers.

· Additional information regarding the estimated eligibility for the four environmental objectives regulated in the financial year 2023, and the first two objectives for companies other than non-financial corporations

In this table, the potential degree of eligibility of the economic activities of counterparties is estimated for each of four environmental objectives covered by Delegated Regulation EU 2486/2023, by matching the NACE of the counterparty and the eligible activities in the taxonomy for each of the objectives.

Also derived from the taxonomy implementation schedule, it is included in the following table.

Potential degree of eligibility of financial counterparts' economic activities, with respect to climate change mitigation and adaptation objectives

	Million EUR (ndicador volumen de negocio)	Elegibles para el objetivo de "Mitigación de Cambio Climático" (excepto sociedades no financieras)	Elegibles para el objetivo de Adaptación al Cambio Climático (excepto sociedades no financieras)	Elegibles para el objetivo de "Uso sostenible y protección de los recursos hídricos y marinos"	Elegibles para el objetivo de "Transición hacia una económica circular"	Elegibles para el objetivo de "Prevención y control de la contaminación"	Elegibles para el objetivo de "Protección y recuperación de la biodiversidad y los ecosistemas"
	GAR - Activos incluidos tanto en el numerador como en el						
1	**Préstamos y anticipos, valores representativos de deuda e instrumentos de capital no elegibles para el cálculo de GAR**	-	**0,0204**	**0,0239**	**0,1696**	-	-
2	**Empresas financieras**	-	**0,0204**	-	-	-	-
3	Entidades de crédito	-	-	-	-	-	-
4	Préstamos y anticipos	-	-	-	-	-	-
5	Valores representativos de deuda, incluida declaración sobre el uso de los fondos	-	-	-	-	-	-
6	Instrumentos de capital	-	-	-	-	-	-
7	Otras sociedades financieras	-	0,0204	-	-	-	-
8	de las cuales: empresas de servicios de inversión	-	-	-	-	-	-
9	Préstamos y anticipos	-	-	-	-	-	-
10	Valores representativos de deuda, incluida declaración sobre el uso de los fondos	-	-	-	-	-	-
11	Instrumentos de capital	-	-	-	-	-	-
12	de las cuales: sociedades de gestión	-	-	-	-	-	-
13	Préstamos y anticipos	-	-	-	-	-	-
14	Valores representativos de deuda, incluida declaración sobre el uso de los fondos	-	-	-	-	-	-
15	Instrumentos de capital	-	-	-	-	-	-
16	de las cuales: empresas de seguros	-	0,0204	-	-	-	-
17	Préstamos y anticipos	-	0,0204	-	-	-	-
18	Valores representativos de deuda, incluida declaración sobre el uso de los fondos	-	-	-	-	-	-
19	Instrumentos de capital	-	-	-	-	-	-
20	**Empresas no financieras**			**0,0239**	**0,1696**	-	-
21	Préstamos y anticipos			0,0239	0,1696	-	-
22	Valores representativos de deuda, incluida declaración sobre el uso de los fondos			-	-	-	-
23	Instrumentos de capital						
24	**Hogares**	-	-	-	-	-	-
25	De los cuales: Préstamos garantizados por bienes inmuebles residenciales						
26	De los cuales: Préstamos de renovación de edificios						
27	De los cuales: Préstamos para automoviles						
28	**Financiación de administraciones locales**						
29	Financiación de viviendas						
30	Financiación de administraciones locales						
31	**Garantias reales obtenidas mediante la toma de posesión: bienes inmuebles residenciales y comerciales.**						
32	Garantias financieras						
33	Activos gestionados			-	0,3915	-	-
34	**De los cuales: Valores representativos de deuda**			-	0,0893	-	-
35	**De los cuales: instrumentos de capital**			-	0,3022	-	-

· Trading portfolio

The trading book, as noted above, accounts for 2% of the total balance sheet, and mainly focuses on investments in collective investment institutions, venture capital funds.

The criteria, limits and controls of the trading book are defined in “Balance Sheet Financial Investment Policy”.

· Framework of financial principles, procedures and strategies in relation to sustainable finance

There is an ESG Commitment Policy, the aim of which is to provide a global framework in which the general principles and procedures for the incorporation of ESG criteria are set out in a standardised and homogeneous way:

- Governance: Integration of ESG criteria into the Renta 4 Group’s strategy, decision-making, roles and responsibilities.

- Strategy and business: the Renta 4 Group is committed to promoting investments that minimise negative impacts and to promoting the integration of ESG criteria in the development of its activity at corporate level. In particular, the processes of investment decisions on the group’s own account or for the provision of services integrate ESG criteria.

- Products and services to be marketed: development of a catalogue of sustainable products and services to complement its current offer and to respond to current market demands within the ESG field.

- Risk management: integration of ESG risks in the Renta 4 Group’s strategic or investment decision-making.

- Transparency: towards both our clients and stakeholders, communicating the Renta 4 Group’s positioning and performance in the ESG area.

In addition, the Renta 4 Group Credit Risk Management Policy highlights the integration of ESG criteria, allowing to limit or deny financing to customers who may pose a material risk for the Group in sustainability aspects.

Annex 1

Index Of Requirements of Law 11/2018

Information required by Law 11/2018	Page or section of the report	Reporting criteria: GRI selected *
A brief description of the business model including context, organisation, and structure	7 - 15	GRI 2-6 (2021)
Markets in which it operates	7 - 13	GRI 2-1 (2021) GRI 2-6 (2021)
Organisational purposes and strategies	11 - 13	GRI 2-1 (2021) GRI 2-22 (2021)
Main factors and trends that may affect its future development	14 - 15	GRI 3-3 (2021) GRI 2-22 (2021)
Reporting framework used	3 – 4	GRI 1 (2021)
Principle of materiality	16 - 19	GRI 3-1 (2021) GRI 3-2 (2021)
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities	52 - 53	GRI 3-3 (2021)
Detailed information on current and foreseeable effects of the company's activities on the environment and, when relevant, on health and safety	52 - 53	GRI 3-3 (2021)
Environmental assessment or certification procedures	20 - 21	GRI 3-3 (2021)
Resources for environmental risk prevention	20 - 53	GRI 3-3 (2021)
Application of the precautionary principle	20 - 53	GRI 2-23 (2021)
Number of provisions and guarantees for environmental risk coverage	20 - 53	GRI 3-3 (2021)
Measures to prevent, reduce, or remedy emissions that seriously affect the environment, taking into account any activity-specific form of air pollution, including noise and light pollution	32 – 51	GRI 3-3 (2021) GRI 305-7
Measures for prevention, recycling, reuse, other forms of recovery and waste disposal	31 – 32	GRI 306-1 GRI 306-2 GRI 306-3 a 306-5
Actions to prevent food waste	---	GRI 3-3 (2021) GRI 306-4
Water consumption and water supply according to local constraints	24 – 27	GRI 303-1 a 303-3 GRI 303-5
Consumption of raw materials and measures taken to improve the efficiency of their use	24 – 31	GRI 301-1 GRI 301-2 GRI 301-3
Direct and indirect energy consumption	21 - 23	GRI 302-1 GRI 302-3
Measures taken to improve energy efficiency	21 - 23	GRI 3-3 (2021) GRI 201-2
Use of renewable energies	21 – 23 32 - 51	GRI 302-1
Emissions of greenhouse gases generated as a result of the company's activities, including the use of goods and services it produces	32 – 51	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4
Measures taken to adapt to the consequences of climate change	20 - 53	GRI 3-3 (2021) GRI 201-2
Voluntary medium and long-term reduction targets set to reduce greenhouse gas emissions and means implemented to achieve them	32 - 51	GRI 3-3 (2021) GRI 305-5
Measures taken to preserve or restore biodiversity	52	GRI 3-3 (2021) GRI 304-3
Impacts caused by activities or operations in protected areas	---	GRI 3-3 (2021) GRI 304-1 GRI 304-2
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities	54 - 55	GRI 3-3 (2021)
Total number and distribution of employees by country, gender, age and job classification	55 - 63	GRI 405-1
Total number and distribution of types of employment contracts and the annual average of permanent, temporary, and part-time contracts classified by gender, age and job classification	55 - 63	GRI 2-7 (2021)
Number of dismissals by gender, age and job classification	55 - 63	GRI 3-3 (2021) GRI 401-1
Average remuneration and its evolution broken down by gender, age and job classification or equal value	55 - 63	GRI 3-3 (2021)
Salary gap, remuneration for equal or average jobs in society	55 - 63	GRI 3-3 (2021) GRI 405-2
Average remuneration of directors and managers, including variable remuneration, allowances, compensations, payment to long-term savings schemes, and any other payment broken down by gender	55 - 63	GRI 3-3 (2021)
Implementation of right to disconnect policies	55 - 63	GRI 3-3 (2021)
Number of employees with disabilities	55 - 63	GRI 3-3 (2021) GRI 405-1
Working time organisation	82 - 84	GRI 3-3 (2021)
Number of absence hours	85 - 87	GRI 3-3 (2021) GRI 403-9
Measures to facilitate the enjoyment of work and life balance and to promote the shared responsibility of both parents	82 - 84	GRI 3-3 (2021) GRI 403-3
Health and safety conditions at work	85 - 87	GRI 3-3 (2021) GRI 403-1 a 403-8
Occupational accidents, particularly their frequency and severity, as well as occupational diseases; broken down by gender	85 - 87	GRI 403-9 GRI 403-10

Information required by Law 11/2018	Page or section of the report	Reporting criteria: GRI selected *
Organisation of social dialogue including procedures for information provision, consulting, and negotiation	80 - 82	GRI 3-3 (2021)
Mechanisms and procedures that the company has in place to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	54 - 87	GRI 3-3 (2021)
Percentage of employees covered by collective bargaining agreements by country	55 - 64	GRI 2-30 (2021)
Balance of collective agreements, particularly in the field of health and safety at work	85 - 87	GRI 3-3 (2021) GRI 403-4
Policies implemented in the field of training	76 - 80	GRI 404-2
Total number of training hours by professional category	76 - 80	GRI 3-3 (2021) GRI 404-1
Universal accessibility for people with disabilities	80 - 85	GRI 3-3 (2021)
Measures taken to promote equal treatment and opportunities between women and men	80 - 85	GRI 3-3 (2021)
Equality plans, measures taken to promote employment, protocols against sexual harassment on the grounds of gender and discrimination	80 - 85	GRI 3-3 (2021)
Policy against all forms of discrimination and, where appropriate, diversity management	80 - 85	GRI 3-3 (2021)
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities	88 - 102	GRI 3-3 (2021)
Application of human rights due diligence procedures, prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage, and redress possible abuses	88 - 97	GRI 2-23 (2021) GRI 2-26 (2021) GRI 410-1 GRI 412-1 a 412-3
Allegations of human rights violations	101 - 102	GRI 3-3 (2021) GRI 406-1 (2016)
Measures implemented for the promotion and fulfilment of the provisions of the fundamental ILO conventions concerning respect for freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour	88 - 102	GRI 3-3 (2021) GRI 407-1 GRI 408-1 GRI 409-1
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities	88 - 102	GRI 3-3 (2021)
Measures taken to prevent corruption and bribery	103 - 109	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-26 (2021) GRI 205-1 a 205-3
Measures to prevent money laundering	103 - 109	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-26 (2021) GRI 205-1 a 205-3

Information required by Law 11/2018	Page or section of the report	Reporting criteria: GRI selected *
Contributions to foundations and non-profit organisations	110 - 112	GRI 2-28 (2021) GRI 201-1 GRI 415-1
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities	110 - 122	GRI 3-3 (2021)
The impact of the company's activities on employment and local development	115 - 116	GRI 3-3 (2021) GRI 203-2 GRI 204-1
The impact of the company's activities on local populations and the territory	115 - 116	GRI 3-3 (2021) GRI 413-1 GRI 413-2 GRI 411-1
Relationships maintained with local community people and dialogue approaches	115 - 116	GRI 2-29 (2021) GRI 413-1
Partnership or sponsorship actions	111 - 112	GRI 3-3 (2021) GRI 201-1
Inclusion of social, gender equality and environmental issues in the procurement policy	116 - 119	GRI 3-3 (2021)
Consideration in relationships with suppliers and sub-contractors of their social and environmental responsibility	116 - 119	GRI 2-6 (2021) GRI 308-1 GRI 414-1
Monitoring and audit systems and results	110 - 122	GRI 2-6 (2021) GRI 308-2 GRI 414-2
Measures for the health and safety of consumers	88 - 109	GRI 3-3 (2021) GRI 416-1
Systems to manage complaints received and their resolution	101 - 102	GRI 3-3 (2021) GRI 418-1
Benefits obtained by country	121 - 122	GRI 3-3 (2021) GRI 207-4
Taxes on profits paid	121 - 122	GRI 3-3 (2021) GRI 201-1 GRI 207-4
Public subsidies received	121 - 122	GRI 201-4
ESG Commitment	123 - 128	
Renta 4 2022 EU Taxonomy of Sustainable Finance	129 - 148	

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ARR

Annual Report on the Remuneration of the Directors of Listed Corporations

End date of the reference year:
31/12/2023

Dentifying data of the issuer
CIF: A-82473018
Company name:
RENTA 4 BANCO, S.A.
Registered office:
PS. DE LA HABANA N.74 (MADRID)

A. REMUNERATION POLICY OF THE COMPANY FOR THE YEAR IN PROGRESS

A.1.1 To explain the current policy for the remuneration of directors applicable to the year in progress. Where relevant, certain information may be stated in relation to the remuneration policy approved by the general meeting of shareholders, provided the addition is clear, specific and concrete.

The specific determinations for the current year shall be described, both of the remuneration of directors for their status as such and for the performance of executive functions that the board has carried out in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the general shareholders' meeting.

The following aspects, as a minimum, must be reported in any case:

a) Description of the procedures and bodies of the company involved in determining and applying the remuneration policy and their conditions.

b) State and where appropriate explain whether consideration have been given to comparable companies for the purposes of establishing the company's remuneration policy.

c) Information as to whether an external advisor was involved and, should this be the case, the identity of the advisor.

d) Procedures under the existing directors' remuneration policy for applying temporary exceptions to the policy, the conditions under which such exceptions may be used and the components that may be subject to exception under the policy.

The purpose of the remuneration policy (the "RP") on directors of Renta 4 Banco, S.A. (the "Company" or "Renta 4") is to align the interests of the shareholders with those of the Company, seeking prudent management of the activity and minimizing the risks inherent in it, rewarding the work of the Company's personnel in achieving this purpose and ensuring that remuneration is adjusted to the market conditions of credit institutions that are comparable in terms of their size, and to criteria of moderation and adaptation to the Company's results. All of the above, in accordance with the Regulations of the Board of Directors (the "BoD") of Renta 4, and in order to contribute to the Company's ability to meet its strategic objectives within the framework in which it carries out its activity.

In this regard, and within the framework of the provisions of the Byelaws, the Regulations of the BoD of the Company assign to this body the power to adopt the decisions to be proposed to the General Meeting (GMS) regarding the remuneration of directors. In accordance with the best corporate governance practices, the Board of Directors ("BoD") of the Company has, for the best performance of its duties, established Committees that assist it in matters within its remit. Of these, the Appointments and Remuneration Committee (the "ARC") is the body that advises and informs the BoD on remuneration issues, among others, assigned to it in the Board Regulations, ensuring compliance with the remuneration policy established by the Company's GMS and proposing, where appropriate, any modifications it deems appropriate.

For this reason, the BoD, in the exercise of its functions, shall approve, at the proposal of the ARC, the RP for the next 3 years and submit it to the Company's GMS for approval.

Pursuant to the provisions of Article 32 of the Board of Directors Regulations, the ARC is currently made up of three members appointed by the Board of Directors, Ms. Gema Aznar Cornejo, Mr. Jose Ramon Rubio Laporta, as independent directors and Mr. Pedro Ángel Navarro Martínez, as other external director. This ARC meets as often as is necessary for the performance of its duties, convened by its Chairman or, as the case may be, by the Chairman of the BoD, at least once a quarter.

In 2023, the ARC met three times to discuss issues within its remit.

Without prejudice to other duties assigned to it by the BoD, the ARC has, in relation to matters of remuneration, the following powers:

- to ensure that the remuneration policy established by the Company is observed and, in particular, review it on a regular basis and propose to the BoD the RP for directors, senior executives, executive committees, executive directors and, where appropriate, categories of employees who, owing to the duties they perform, are included in the remuneration policy by virtue of the applicable regulations, the application thereof, including share-based remuneration systems and their application, as well as to guarantee that individual remuneration is proportional to that paid to directors and senior executives;

- to propose the individual remuneration and the terms and conditions of the contracts of executive directors and the basic conditions of the contracts of senior executives, all in accordance with the RP approved by the GMS;

- to oversee the transparency of remuneration and the observance of the remuneration policy established by the Company.

In this sense, the ARC will propose, if appropriate, the corresponding modifications of the RP to the BoD, for its submission and subsequent approval, if necessary, by the GMS.

The Regulations of the BoD, both with regard to the ARC itself and for directors in general, establish that all of them may request external advice on any matters they consider necessary. In this regard, it should be noted that in the 2023 financial year neither the ARC nor the BoD have requested and, therefore, have not had the assistance of external advisers to establish this remuneration policy.

The Company's Corporate Governance rules have been configured so that proposals submitted for consideration by the BoD in remuneration matters originate from the ARC, which analyses them beforehand, relying on the Company's internal services and external experts when necessary. In addition, all remuneration decisions affecting the directors have been submitted (or will be submitted) to an advisory vote of the Company's GMS, which ensures the appropriate decision-making process in relation to remuneration.

A.1.2 Relative importance of items of variable remuneration in relation to the fixed items (remuneration mix) and the criteria and objectives taken into account to determine them and to guarantee a proper balance between the fixed and variable components of remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and align it with the company's objectives, values and long-term interests, including, where appropriate, a reference to measures envisaged to ensure that the remuneration policy addresses the company's long-term performance of the company, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the entity's risk profile and measures envisaged to avoid conflicts of interest.

Also indicate whether the company has established any vesting or consolidation period for certain variable remuneration items, in cash, shares or other financial instruments, a period of deferral in the payment of amounts or delivery of financial instruments already vested and consolidated, or whether any clause has been agreed to reduce deferred remuneration not yet consolidated or that obliges the director to the reimbursement of remuneration received when such remuneration has been based on data has subsequently been proven to be manifestly inaccurate.

The Remuneration Policy seeks to establish a remuneration scheme appropriate to the engagement and responsibility undertaken by the people to whom it applies, with the aim of attracting, retaining and motivating the most outstanding professionals as well as contributing to the Company so that it is able to meet its strategic objectives within the framework in which it carries on its activity. For this reason, and as established in the Regulations of the Board of Directors, the remuneration will be adjusted to the market conditions of credit institutions of a size similar to Renta 4 and based on criteria of moderation and proportionality to the results of the Company.

Therefore, the remuneration policy is based, among other things, on the following principles:

(a) The Remuneration Policy applies both to executive and non-executive members of the Board of Directors, to senior executives, as well as to categories of employees of the Company whose professional activities have a material impact on the Company's risk profile and those who exercise control functions, as well as categories of employees of the Company who receive a global remuneration that includes them in the same scale of remuneration as that of senior executives and employees who take on risks, whose professional activities have a material impact on the Company's risk profile.,in accordance with the applicable regulations.

(b) The Remuneration Policy is compatible with appropriate and effective management of risk, and fosters such management in all circumstances, without offering, consequently, incentives for a assuming a level of risk that exceeds the level of risk tolerated by the Company.

(c) The Remuneration Policy is aligned and compatible with the Company's business strategy, objectives, values and long-term interests, and is subject to annual review, with the Board proposing, as appropriate, any modifications it deems appropriate.

(d) The remuneration paid by the Company in accordance with these principles follows criteria of moderation and proportionality to the Group's results, and favours sound and effective risk management that prevents conflicts of interests.

(e) In this sense, remuneration establishes an appropriate balance between the fixed and variable items, and takes into consideration the responsibility and level of commitment of each individual, as well as all types of current and future risks.

(f) The variable remuneration has sufficient flexibility that enables its modulation to the point that it is possible to completely eliminate variable remuneration.

(g) EIt assesses performance in order to calculate the variable items of remuneration or the funds to pay for these items; an adjustment is made for all types of current and future risks, and the cost of capital and liquidity required is taken into account.

(h) Variable remuneration is only paid if it is sustainable with the situation of the Company, and if it is justified based on the results of the Company, the business unit and the employee in question, and the Company may, for these purposes, retain part or even all of it.

This assessment is part of a multi-year framework ensuring that the assessment process is based on long-term results and that the actual payment of variable items is spread over the period covered by the Remuneration Policy.

(i) Payments for early termination of a contract are based on the results obtained over time, established in such a way that they do not reward poor performance.

(j) The pension policy is compatible with the Company's business strategy, objectives and values and long-term interests of the Company.

(k) Any scheme for rights of widowhood, orphanhood and death that is established is consistent with the market and the provisions of applicable regulations.

Furthermore, in relation to the relative weight of variable remuneration items in relation to fixed ones, the principles on which the Remuneration Policy is based state that it will establish an appropriate balance between the fixed and variable items, always taking into consideration the responsibility and level of commitment involved in the role that each individual is called upon to play, as well as all types of current and future risks, an aspect that is covered in the Policy. In this regard, the Company's executive directors currently receive variable remuneration based on the performance of their executive duties, as indicated in section A.1.6 below.

In relation to the measures established in the Remuneration Policy that takes into account the results of the Company, according to provisions of section A.1.6. below that includes the objective criteria relating to the evolution of the Company's results for determining directors' variable remuneration. Furthermore, the Company's Remuneration Policy provides for an adequate balance between the fixed and variable components of remuneration for, as noted in section A.1.6, variable compensation depends on the achievement of objective criteria established by the CA and linked mainly to the objective results of the Company, level of delinquency and ESG policies.

On the other hand, in relation to the clawback formulae or clauses to claim back variable components of remuneration, it is envisaged that in the event that the assessments conclude that performance has been deficient, the Company may reduce the deferred variable remuneration and/or claim the reimbursement of the variable remuneration already paid, up to a maximum of 100%, in either case. These assessments will analyse subsequent performance according to the criteria (indicated in section A.1.6 below), which contributed to achieving the objectives, comparing it with the initial performance assessment and will be approved by the Board of Directors at the end of the year to which said variable remuneration refers.

A.1.3 The amount and nature of any fixed components expected to accrue in the course of the year to directors in their capacity as such.

Non-Executive Directors shall receive annual remuneration appropriate to market standards for the performance of their duties as members of the Board of Directors, taking into account the duties and responsibilities exercised by each of the directors within the Board itself or its Committees.

The amount of the remuneration that the Company may pay to the entirety of its Non-Executive Directors for these items shall not exceed the maximum amount set for this purpose by the General Meeting.

In this sense, the remuneration of the Non-Executive Directors will consist of a fixed annual amount for the performance of their duties as members of the Board of Directors, amounting to €80,000 gross per annum for each of them.

In addition, those non-executive Board Members who are members of any of the Board Committees, whether as Chairman or member, shall receive 20,000 euros gross per year, in addition to the remuneration they receive in their capacity as non-executive directors. As a rule of good governance, the committees shall be composed solely of Non-Executive Directors.

The maximum overall amount shall be €920,000, at the rate of €80,000 gross for each of the ten (10) Non-Executive Directors currently forming the Board, increased by an additional €120,000, €20,000 for each member of the two (2) existing Board committees, which are currently made up of three (3) members in each.

If the number of members of each of the two (2) commissions is increased, up to a maximum of four (4) members, i.e. up to a maximum of eight (8) members in total, the maximum overall amount would be €960,000 for all Non-Executive Directors. This amount includes both the annual fixed remuneration for the performance of their duties as members of the Board of Directors, as well as the remuneration corresponding to the membership of the commissions of up to a maximum of eight (8) members in total.

The Executive Directors will not receive any remuneration for their position as Company Directors, and their remuneration will only be that received for their executive functions, as indicated in the following sections, the scheme of which is set out in section A.1.item 4 below.

A.1.4 The amount and nature of any fixed components that will accrue in the year to directors for performance of senior management functions of the executive directors.

It should be noted that the remuneration system established by the company for executive directors takes into account the specific characteristics of each position, the duties attributed, the level of responsibility, the level of commitment taken on and engagement required, all for the purpose of the ARC establishing, determining and/or updating remunerations in order to be competitive in the market in equivalent posts in competing companies.

The executive directors whose appointment as directors is associated with their executive functions are:

- Chairman with executive functions: Mr Juan Carlos Ureta Domingo.
- CEO: Mr Juan Luis López García.
- Director and General Manager: Mr Jesús Sánchez-Quiñones González.
- Director and Regional Manager: Mr Santiago González Enciso.

The compensation of executive directors, based on their responsibility, attributed duties and level of commitment, in terms of fixed remuneration for financial year 2024 will be as follows:

i. Chairman: Mr Juan Carlos Ureta Domingo, Executive Chairman received a fixed annual remuneration of €300.000 gross, to be paid in 12 equal monthly instalments.

ii. The CEO of the Company Mr Juan Luis López García will have fixed annual remuneration of €275,000 gross.

iii. Director and General Manager Mr Jesús Sánchez-Quiñones González, will have a fixed annual compensation of €275,000 gross.

iv. Director and General Manager Mr Santiago González Enciso, will have a fixed annual compensation of €95,000 gross.

In relation to the estimation of the fixed annual remuneration, given that the amounts indicated are fixed and will not depend on any objective or variable aspect, there is no estimation in this regard, where said amount are the fixed remuneration each of them will receive during the year 2024 for their positions.

A.1.5 Amount and nature of any remuneration in kind component that will be accrued in the year, including, but not limited to, insurance premiums paid on behalf of the director.

The Company has taken out a group liability insurance policy that covers any liability of any kind for acts and conduct of the Executive Officers (Executive Chairman, Chief Executive Officer, General Manager and Regional Director), as well as those of the Non-Executive Directors of the Company, as a result of the performance of the activities inherent to their functions.

A.1.6 The amount and nature of the variable components, with a distinction made between those established in the short term and in the long term. Financial and non-financial parameters, including social, environmental and climate change parameters, selected to determine variable remuneration in the current year, explaining the extent to which such parameters are related to the performance of both the director and the company and its risk profile, and the methodology, time required and techniques envisaged to determine, at the end of the year, the effective degree of compliance with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in terms of the time required and methods for verifying that the performance conditions or any other type of conditions to which the accrual and consolidation of each component of the variable remuneration was linked have been effectively met.

Specify the range in monetary terms of the different variable components depending on the level of compliance with the objectives and parameters established, and whether there is any maximum monetary amount in absolute terms exists.

The variable remuneration of the directors of Renta 4 according to their responsibility, attributed functions and level of commitment is structured as follows:

1. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Non-executive directors do not currently have a Variable Remuneration Plan.

2. REMUNERATION OF EXECUTIVE DIRECTORS

Executive directors currently have the following Variable Remuneration Plan:

2.1. Variable Remuneration of the Chairman for his executive functions:

Mr Juan Carlos Ureta Domingo, as Executive Chairman, in 2024 will receive an Annual Variable Remuneration ("AVR") determined by the corresponding amount accrued according to the level of compliance with the year's targets linked to the Net Profit of the Group ("NP"), which will be set in accordance with the responsibilities and functions of the position, as well as any others that are specifically assigned by the Board of Directors ("BoD") to the Chairman.

In line with the principles, the Remuneration Policy, in addition to applying moderation and adequacy criteria to the results of the Renta 4 Group, favours a solid and effective risk management. For this reason, AVR will be received provided that the levels of default or bad debt losses of the Renta 4 Group during the financial year are less than 5% of the Net Profit ("NP") at the end of the year and when these levels do not occur as a result of actions by the Company, in which the risk levels and limits permitted and established by the European Banking Authority (EBA) or any other competent entity for this purpose are exceeded, due to defects in the control systems of the Renta 4 Group, as well as any other cause attributable to omission or poor practices by the Company.

On the other hand, the Remuneration Policy considers sustainability as an essential element in terms of remuneration of the group and links it to non-financial objectives on the integration of sustainability criteria and ESG policies. The components of remuneration contribute to the promotion of environmental, social and governance (ESG) actions in order to make the business strategy sustainable and socially responsible. Therefore, the Remuneration Policy shall also be linked to non-financial objectives on the integration of sustainability criteria and ESG policies. In this regard, the Annual Variable Remuneration will be received if, in addition to the Annual Targets set above, the targets set annually by the Board of Directors in ESG matters are adequately met. All of the above will be included in the annual performance evaluation carried out by the Company's Appointments and Remuneration Committee.

The annual targets will be calculated on the basis of the NP and for the year 2024, they have been established according to the following scale:

- Net Profit: x < €18M = 0% of Fixed Annual Remuneration, hereinafter, "FAR".
- Net Profit: €[18– 19) million = 14 % of "FAR"
- Net Profit: €[19– 20) million = 28 % of "FAR"
- Net Profit: €[20- 21) million = 42 % of "FAR"
- Net Profit: €[21- 22) million = 56 % of "FAR"
- Net Profit: €[22- 23) million = 70% of "FAR"
- Net Profit: €[23- 24) million = 84 % of "FAR"
- Net Profit: €[24- 25) million = 98 % of "FAR"
- Net Profit: €[25- 26) million = 112 % of "FAR"
- Net Profit: €[26- 27) million = 126 % of "FAR"
- Net Profit: €[27- 28) million = 140 % of "FAR"
- Net Profit: €[28- 29) million = 154 % of "FAR"
- Net Profit: €[29- 30) million = 168 % of "FAR"
- Net Profit: €[30- 31) million = 182 % of "FAR"
- Net Profit: €[31- 32) million = 196 % of "FAR"
- Net Profit: > €32 million = 200 % of "FAR"

In order to determine the AVR to be received by the President in each year, an assessment shall be carried out (i) of the proper management of the integration of sustainability risks and ESG policies, as well as (ii) of the achievement of the annual profit targets, once all the necessary figures that have been established as objectives are known.

2.2. Remuneration of CEO and of Director and General Manager

The Chief Executive Officer, Mr. Juan Luis López García and the Director and General Manager, Mr. Jesús Sánchez-Quiñones González will receive an AVR that will be determined by the corresponding amount accrued depending on the level of compliance with the Year's Targets, linked to the Net Profit of the Group ("NP"), to be established annually.

In line with the principles, the Remuneration Policy, in addition to applying moderation and adequacy criteria to the results of the Renta 4 Group, favours a solid and effective risk management. For this reason, AVR will be received provided that the levels of default or bad debt losses of the Renta 4 Group during the financial year are less than 5% of the Net Profit ("NP") at the end of the year and when these levels do not occur as a result of actions by the Company, in which the risk levels and limits permitted and established by the European Banking Authority (EBA) or any other competent entity for this purpose are exceeded, due to defects in the control systems of the Renta 4 Group, as well as any other cause attributable to omission or poor practices by the Company.

On the other hand, the Remuneration Policy considers sustainability as an essential element in terms of remuneration of the group and links it to non-financial objectives on the integration of sustainability criteria and ESG policies. The components of remuneration contribute to the promotion of environmental, social and governance (ESG) actions in order to make the business strategy sustainable and socially responsible. Therefore, the Remuneration Policy shall also be linked to non-financial objectives on the integration of sustainability criteria and ESG policies. In this regard, the Annual Variable Remuneration will be received if, in addition to the Annual Targets set above, the targets set annually by the Board of Directors in ESG matters are adequately met. All of the above will be included in the annual performance evaluation carried out by the Company's Appointments and Remuneration Committee.

The Year's Targets will be calculated on the basis of the NP and for the year 2024, they have been established according to the following scale:

- Net Profit: x < €18M = 0% of "FAR"
- Net Profit: €[18– 19) million = 14 % of "FAR"
- Net Profit: €[19– 20) million = 28 % of "FAR"
- Net Profit: €[20- 21) million = 42 % of "FAR"
- Net Profit: €[21- 22) million = 56 % of "FAR"
- Net Profit: €[22- 23) million = 70% of "FAR"
- Net Profit: €[23- 24) million = 84 % of "FAR"
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- Net Profit: €[27- 28) million = 140 % of "FAR"
- Net Profit: €[28- 29) million = 154 % of "FAR"
- Net Profit: €[29- 30) million = 168 % of "FAR"
- Net Profit: €[30- 31) million = 182 % of "FAR"
- Net Profit: €[31- 32) million = 196 % of "FAR"
- Net Profit: > €32 million = 200 % of "FAR"

The provisions of article 34.1.g of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit entities, shall be applied to determine the Annual Variable Remuneration to be received by the Chief Executive Officer and the Director and General Manager for each financial year.

2.3. Variable Remuneration of the Director and Regional Manager.

The Regional Director shall receive an AVR determined by the corresponding amount accrued based on the extent to which annual Group Net Profit ("GNP") targets are met.

The Year's Targets will be calculated on the basis of the NP and for the year 2024, they have been established according to the following scale:

- Net Profit: x < €18M = 0% of "FAR"
- Net Profit: €[18– 19) million = 14 % of "FAR"
- Net Profit: €[19– 20) million = 28 % of "FAR"
- Net Profit: €[20- 21) million = 42 % of "FAR"
- Net Profit: €[21- 22) million = 56 % of "FAR"
- Net Profit: €[22- 23) million = 70% of "FAR"
- Net Profit: €[23- 24) million = 84 % of "FAR"
- Net Profit: €[24- 25) million = 98 % of "FAR"
- Net Profit: €[25- 26) million = 112 % of "FAR"
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- Net Profit: €[27- 28) million = 140 % of "FAR"
- Net Profit: €[28- 29) million = 154 % of "FAR"
- Net Profit: €[29- 30) million = 168 % of "FAR"
- Net Profit: €[30- 31) million = 182 % of "FAR"
- Net Profit: €[31- 32) million = 196 % of "FAR"
- Net Profit: > €32 million = 200 % of "FAR"

The provisions of article 34.1.g of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit entities, shall be applied to determine the Annual Variable Remuneration. of credit companies.

The AVR will be paid as long as the levels of default or bad debt losses of the Renta 4 Group during the year remain below 5% of the E at the end of year and when these levels do not occur as a result of the Company's actions, in which the risk levels and limits allowed and established by the EBA or any other competent body are exceeded, due to deficient control systems used by the Renta 4 Group, as well as any other cause attributable to the Company's inaction or poor practices.

Furthermore, the Remuneration Policy considers sustainability as an essential element of the Group's remuneration. Remuneration components contribute to the promotion of environmental, social and governance (ESG) actions in order to make the business strategy sustainable and socially responsible.

Therefore, the Remuneration Policy shall also be linked to non-financial objectives on the integration of sustainability criteria and ESG policies. In this regard, the Annual Variable Remuneration will be received if, in addition to the Annual Targets set above, the targets set annually by the Board of Directors in ESG matters are adequately met. All of the above will be included in the annual performance evaluation carried out by the Company's Appointments and Remuneration Committee.

In order to determine the accrued Annual Variable Remuneration corresponding to the Executive Chairman, CEO, General Manager and Regional Manager, an assessment shall be made i) on the appropriate management of ESG policies and sustainability risk integration, as well as ii) of the degree of compliance with the annual objectives ('AO'), once all the figures linked to said objectives are known and the provisions of article 34.1.g of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit entities, shall be applied.

If the accrued Annual Variable Remuneration that each of them would be entitled to receive is between 0% and 100% of "FAR", 60% shall be paid within a maximum period of 15 days following the completion of the assessment, and in any case, prior to the end of March of the calendar year following the corresponding financial year in which it has accrued.

The remaining 40% will be subject to a deferral period of four years, with the accrual and payment being perfected at a maximum rate of 10% in each of the four deferral periods. The payment due must be made before the end of the corresponding month of March of the calendar year following each of the years in which the deferral has taken place.

In order to perfect the accrual and payment of the 40% of the deferred AVR, the Board, at the proposal of the ARC, will carry out an assessment at the end of each year of the deferral period, based on maintaining the profitability of the results of the Renta 4 Group, taking into account the circumstances of the sector during the period evaluated and will adapt to the circumstances relating to the operations of Renta 4, to the risks assumed by it and to the activity of each of these Executive Directors, and provided that the assessment made of each one concludes that their performance was adequate and in line with the Company's targets.

On the other hand, if the accrued Annual Variable Remuneration is between 100% and 200% of the AVR, it will be considered as a "particularly high amount" in accordance with letter m) of Article 34.1 of Law 10/2014, of 26 June, on the regulation, supervision and solvency of Credit Companies and 40% of the amount of this "especially high amount" AVR shall be paid, within a maximum period of 15 days following the completion of the assessment, and in any case, prior to the finalization of the month of March of the calendar year following the fiscal year in which it has accrued.

The remaining 60% of the "particularly high" AVR will be subject to a deferral period of four years, with the accrual and payment being perfected at a rate of 15% of the total of this AVR in each of the deferral years.

In order to perfect the accrual and payment of the 40% of the deferred AVR, the Board, at the proposal of the ARC, will carry out an assessment at the end of each year of the deferral period, based on maintaining the profitability of the results of the Renta 4 Group, taking into account the circumstances of the sector during the period evaluated and will adapt to the circumstances relating to the operations of Renta 4, to the risks assumed by it and to the activity of each of these Executive Directors, and provided that the assessment made of each one concludes that their performance was adequate and in line with the Company's targets.

The payment of the Total AVR will be made 50% in cash and the remaining 50% in shares, both the AVR accrued between 0% and 100% of "FAR", whose payment is 60% in the first quarter of the calendar year following the year in which it has accrued, deferring the 40% in the following 4 calendar years, as in the case of the "particularly high amount" AVR accrued that is between 100% and 200% of the FAR, whose payment is 40% in the first quarter of the calendar year following the year in which it has accrued, varying the 60% in the following 4 calendar years at a rate of 15% per year.

In order to calculate the number of accrued shares to be delivered, for each payment year the share's average market value during the last 20 business days of the previous year shall be taken into consideration, the shares being non-transferable for a period of 3 years from delivery, unless (i) there is, at the time of transmission or financial year, a net economic exposure to a change in the share price for a market value equivalent to an amount of at least 2 times its annual fixed remuneration through share ownership; or (ii) in respect of the actions that need to be disposed of to meet the costs related to their acquisition or, after favourable assessment by the Commission of Appointments and Remunerations, to deal with extraordinary situations which arise.

In any case, the Company may claim the reimbursement of the variable components of the remuneration paid, when payment has not been in accordance with the conditions established for its accrual, provided that this is due to justifiable reasons and they are duly accredited or when they have been paid based on data whose inaccuracy is subsequently accredited. Likewise, the Company may not proceed with the payment, in whole or in part, of the deferred remuneration corresponding to a specific period if, when payment is due, an extraordinary event were to occur that made it advisable to do so.

The total amount of the AVR obtained as a result of the application of the AVR system, depending on the level of fulfilment of the NP and objectives set for the Executive Chairman, CEO, General Manager and Regional Manager, may not involve the Group's NP falling below €18M by 2024. Otherwise, the Total VR Amount will have to be adjusted proportionally until the 2024 NP is at least €18 million.

Likewise, and to estimate the total amount of the variable remunerations to which the current system would give rise, depending on the level of fulfilment with the assumptions or objectives taken as a benchmark, the Company considers that it could be determined in the following maximum amounts:

- Chairman with executive functions: Mr Juan Carlos Ureta Domingo would receive a maximum of €600,000 gross.
- CEO: -The CEO, Mr Juan Luis López García will receive a maximum of €550,000 gross.
- General Manager: Mr Jesús Sánchez-Quiñones González €550.000 gross.
- Regional Manager: Mr Santiago González Enciso €190,000 gross.

A.1.7 Main characteristics of long-term savings systems. Among other information, it shall indicate the contingencies covered by the system, whether it is a contribution or defined benefit system, the annual contribution to be made to the defined contribution systems, the benefit to which the beneficiaries are entitled in the case of defined benefit systems, the conditions for consolidation of the economic rights in favor of the directors and their compatibility with any type of payment or indemnity for termination or early termination, or derived from the termination of the contractual relationship, under the terms provided, between the company and the Director.

It must be specified whether the accrual or consolidation of any long-term savings plans are linked to the achievement of certain objectives or parameters relating to the short-term and long-term performance of the director.

The Company has not undertaken any pension, retirement or similar obligations for non-executive directors.

With regard to the executive directors, since 2007 the Company has been covering the contingencies of retirement, work disability, death, severe dependency or major dependency by setting up systems of defined contribution employment plans with the coverage and vesting in accordance with the regulations for Pension Plans, to which €600 are currently contributed annually, as well as the insurance premium to cover these contingencies for each of them, all of which are compatible with the compensations included in A.8. The contributions made in 2023, as well as the accumulated amounts, are included in C.1.a) iii).

The accrual or vesting of long-term savings plans is not linked to the fulfilment of the targets set for the directors.

A.1.8 CAny type of payment or indemnification for early termination or early dismissal resulting from ending the contractual relationship under the terms established between the company and the director, whether the termination is at the will of the company or of the director, as well as any type of agreed covenants, such as exclusivity, post-contractual non-competition and permanence or loyalty, which entitle the director to any type of payment.

The Company's non-executive directors are not contractually entitled to receive any compensation in the event of resignation or dismissal.

For executive directors, Renta 4 has established compensation in the event of dismissal, unfair dismissal or termination of the employment relationship for reasons beyond the Director's control. In this sense, this compensation are compatible with the long-term savings plans explained in section A.7. above, the figures for which are included in C.1.a.iii. and are implemented for executive directors as follows:

- Executive Chairman: In the event of termination for reasons beyond the Chairman's control, or due to his/her removal or non-reelection as a member of the Board of Directors (BoD) by the General Meeting (GM) or due to his/her removal or non-reelection as Chairman in the BoD, he/she shall be entitled to receive compensation equal to the legal compensation provided for unfair dismissal under the ordinary employment law.

- CEO: In the event of his/her removal as Chief Executive Officer (CEO) for causes beyond his/her will; due to his/her removal or non-reelection as a member of the Board of Directors by the Board of Directors or due to his/her removal or non-reelection as a member of the Board of Directors in the Board of Directors, he/she shall be entitled to receive compensation equal to the legal compensation provided for unfair dismissal under the ordinary employment law for the period in which he/she held the position of CEO. In the event of a dismissal that is declared to be unfair, the CEO would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment law.

Director and General Manager: In the event of unfair dismissal, the DC, the Director and General Manager shall be entitled to compensation equal to the legal compensation provided for unfair dismissal by employment law for the period in which they have practised as a Director.

- Regional Director: there is no agreement relating to compensation or a golden parachute.

On the other hand, in addition to the envisaged compensation, and in relation to the AVR indicated in section A.1.6 above, the executive directors will be entitled to the Members of the Board shall have the following rights:

The Executive Chairman, in the event that the Board of Directors decides to remove him as Executive Chairman, or the GM resolves to remove him as a Director, shall be entitled to receive the accrued and vested part of the AVR as appropriate, and in relation to the deferred part, shall forfeit any right to receive any such amount. However, in the event of termination of his or her post due to (i) permanent or severe disability, (ii) death, (iii) retirement, (iv) pre-retirement, or (v) early retirement, the Executive Chairman shall be entitled to receive the accrued and vested portion of the AVR, as applicable, and in relation to the deferred portion, the full amount of the deferred payment shall be deemed to have accrued and vested.

For executive directors holding the positions of Chief Executive Officer and Director and General Manager, the Board of Directors has established that they will be entitled to receive the accrued and vested portion of the AVR, as appropriate, and in relation to the deferred part, the total amount of the deferred payment will be understood to have been accrued and vested, in the event of: (i) business withdrawal; (ii) dismissal declared unfair by the Courts or recognised as unfair by the Company; (iii) dismissal declared null and void by the Courts; (iv) termination of the employment relationship requested by the Chief Executive Officer or the General Manager, pursuant to Article 10.3 of Royal Decree 1382/1985, of 1 August, which regulates the special employment relationship of senior management personnel or the termination of the employment relationship requested by the worker, in the case of the Director General under the provisions of Article 50 of the Workers' Statute; (v) disability; (vi) death; (vii) retirement; (viii) pre-retirement; (ix) early retirement or (x) mutual agreement to suspend the relationship, provided that the evaluation concludes that the performance of the Chief Executive Officer and/or Director and General Manager has been correct and aligned with the Company's objectives. However, in the event of (i) resignation or voluntary discharge; (ii)withdrawal of the CEO or General Manager; (iii)voluntary leave and/or forced leave; or (iv)dismissal declared appropriate by the Courts, shall have the right to receive the accrued and perfected part of the AVR, as appropriate, losing any right to receive any amount of the deferred payment part of the AVR.

Finally, with regard to the Executive Director and Regional Manager, the Board of Directors has established that the latter shall be entitled to receive the accrued and vested portion of the AVR, as appropriate, and with regard to the deferred part, the total amount of the deferred payment shall be understood to have been accrued and vested, in the event of the following: (i) dismissal declared unfair by the Courts or recognized as unfair by the Company; (ii) dismissal declared null and void by the Courts; (iii) termination of the employment relationship requested by the worker under the provisions of the article 50 of the Workers' Statute; (iv) change in job classification; (vi) disability; (vii) death; (viii) retirement; (ix) pre-retirement; (x) early retirement or (xi) mutual agreement to suspend the relationship, provided that the evaluation concludes that the performance of the Director has been correct and aligned with Company's objectives.

However, in the event of (i) resignation or voluntary resignation; (ii) voluntary leave and/or compulsory leave of absence; or (iii) dismissal declared fair by the Courts, they shall be entitled to receive the accrued and vested part of the AVR, as applicable, waiving any right to receive any amounts for the deferred payment.

A.1.9 Specify the conditions to be observed by the contracts of individuals who exercise senior management functions as executive directors. Among others, information will be provided on the duration, limits to the amounts of compensation, permanence clauses, notice periods, as well as payment in lieu of the aforementioned notice period, and any other clauses relating to contract premiums, as well as indemnities or golden parachutes for early termination or termination of the contractual relationship between the company and the customer, and any other clauses relating to contract premiums, as well as indemnities or golden parachutes for early termination or termination of the contractual relationship between the company and the executive director. Include, inter alia, any covenants or agreements not to compete and exclusivity, long-service or loyalty and post-contractual non-competition agreements, unless these have been explained in the preceding section.

The Board Regulations assign to this body the power to adopt decisions on the conditions that the contracts of executive directors must observe. In addition, the ARC's functions include reviewing and proposing to the Board of Directors the remuneration policy for directors and senior executives and, where appropriate, categories of employees who, owing to the functions they perform, are included in the remuneration policy by virtue of the applicable regulations, the individual remuneration and the terms and conditions of the contracts of executive directors and the basic conditions of the contracts of senior executives, all in accordance with the remuneration policy approved by the General Meeting.

The contracts arranged with each of the executive directors determine their related remuneration, economic rights and rewards, which include those items included in the Company's bylaws and described in this report. The relevant terms and conditions of the contracts of Mr Juan Carlos Ureta Domingo (as Executive Chairman), Mr Juan Luis López García (CEO), Mr Jesús Sánchez-Quiñones González (Director and General Manager) and of Mr Santiago González Enciso (as Director and Regional Manager) are specified below:

a) Term: The contracts are of an indefinite term.

b) Limits on the amounts of termination benefits: The limitations on the maximum amounts of compensation for each of the executive directors are set out below:

- Executive Chairman: He would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment laws subject to the conditions shown in A.1 table 8 above. In this respect, the maximum amount of such compensation would be, in 2024, €2,069,000.

- CEO: He would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment laws subject to the conditions shown in A.1 table 8 above. In this respect, the maximum amount of such compensation would be, in 2024, €553,000.

- Director and General Manager: He would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment laws subject to the conditions shown in A.1 table 8 above. In this respect, the maximum amount of such compensation would be, in 2024, €562,000.

- Regional Director: he would receive the legal compensation envisaged for unfair dismissal under the ordinary employment law. In this respect, the maximum amount of such compensation would be, in 2024, €109,000.

c) Prior notice: Those set out in the applicable collective agreement.

d) Non-competition, exclusivity, permanence or loyalty and post-contractual non-competition covenants or agreements:

In the contracts signed with each of the executive directors, a declaration is made by both parties stating that the positions they hold in the Company are full time, with exclusive dedication to the Company. Likewise, these contracts (clause on the scope) highlight this exclusivity. There are no specific agreements in the aforementioned contracts relating to non-competition, length of service or loyalty and post-contractual non-competition.

In relation to these matters, the Regulations of the Board of Directors establish that no director may engage, on his own account or on behalf of others, in an activity that is the same, similar or a supplementary to that which constitutes the corporate purpose of the Company, unless expressly authorised to do so by the Company in the form of an agreement of the GSM, for which purpose they must make the communication indicated in the aforementioned Regulation. The director shall consult the ARC before accepting any executive position or position on the board of directors of another company or entity.

With regard to possible conflicts of interest, the Board Regulations establish that directors must notify the Board of Directors of any situation of conflict, direct or indirect, that they may have with the interest of the Company. The director concerned shall refrain from participating in resolutions or decisions relating to the transaction giving rise to the conflict. Likewise, the directors must report any the direct or indirect stake either they or related persons, as defined in the Spanish Limited Liability Companies Law, hold in the capital of a company with the same, similar or complementary type of activity to that which constitutes the corporate purpose, and they must also report any posts or functions they hold in it.

In addition, the Board Regulations establish that directors must observe the regime of incompatibilities that is legally established at any given time.

A.1.10 The nature and estimated amount of any other additional remuneration that will be accrued by directors during the year in progress by way of a consideration for services provided other than those inherent in their posts.

The directors of the Company did not accrue any remuneration in this regard.

A.1.11 Other items of remuneration such as any arising from provision for the director by the company of advances, loans and guarantees and other remuneration.

Loans granted to directors or related parties are as follows:

On 30 June 2021, Mr.Santiago González Enciso was granted a loan of €700,000 having borrowed at year-end closing €146,000, with a guarantee value of €1,300,000 and with a repayment term of 3 years, whose completion is expected on 29 June 2024. In addition, it should be noted that on 23 April 2021, a loan was granted to Ms. Matilde Fernández de Miguel, spouse of Mr. Santiago González Enciso for the amount of €100,000, with a guarantee value of €193,000, having not borrowed any amount at year-end and whose repayment period finishes on 22 April, 2024.

Furthermore, during the 2023 financial year, the Company granted Mr. Santiago González-Enciso Fernández, Ms. Cristina González-Enciso Fernández, Mr. Ignacio González- Enciso Fernández, Ms. Matilde González- Enciso Fernández and Ms. María González-Enciso Fernández, descendants of the director Mr. Santiago González Enciso, a loan to the amount of €280,000 to each of them and whose repayment period ends between September and October 2026. At the end of the 2023 financial year, the holders Mr. Santiago Gonzalez- Enciso Fernandez, Mr. Ignacio González- Enciso Fernández, Ms. Matilde González- Enciso Fernández and Ms. Maria Gonzalez- Enciso Fernandez had borrowed €236,000, while Ms. Cristina Gonzalez- Enciso Fernandez still has €235,000 borrowed. The value of guarantees as of 31 December 2023 amounted to €511,000 for the loan granted to Mr. Santiago Gonzalez-Enciso Fernandez, €525,000 for the loans granted to Mr. Ignacio Gonzalez-Enciso Fernandez and Ms. Maria Gonzalez- Enciso Fernandez, €509,000 for the loan granted to Ms. Cristina Gonzalez- Enciso Fernandez and €523,000 for the loan granted to Ms. Matilde González- Enciso Fernández.

In addition, on 7 April 2022, the Company granted Mr. Ignacio González-Enciso Fernández an additional loan for the amount of €20,000, whose repayment term ends on 6 April 2025 and which has been borrowed during the year 2023. The value of the guarantees linked to this contract amounted to €35,000 as at 31 December 2023. Finally, during the 2023 financial year , the Company granted a loan to I.G.E., S.L., an entity controlled by the director Mr. Santiago Gonzalez Enciso, due in April 2026, for an amount of €1,000,000 and a guarantee value of €1,875,000. At year-end 2023, no portion has been drawn.

On the other hand, during the 2023 financial year, the loans granted to the descendants of Juan Carlos Ureta Domingo; Ms. Dona. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades, current non-executive director of the Company, for an amount of €170,000 each, were finalised without being renewed.

With regard to the interest rate, the loans were granted at an interest margin of 12-month Euribor plus 1%. The specifics and the liabilities taken therefor by way of collateral and the interest rate are those set in section C.1.a.iv) below.

A.1.12 The nature and estimated amount of any other anticipated supplementary remuneration not included in foregoing sections, whether satisfied by the entity or another group entity, which will accrue to the directors in the current year.

The directors of the Company have not accrued any remuneration for any other additional remuneration not included in previous sections.

A.2. Explain any relevant changes in the remuneration policy applicable during the year in progress arising from:

a) A new policy or an amendment to the policy already approved by the General Meeting.

b) Relevant changes in the specific determinations established by the board for the year in progress in the current remuneration policy in relation to those applied during the previous year.

c) Any proposals that the board of directors agreed to present to the general meeting of shareholders to which this annual report will be submitted, proposing that they should apply to the year in progress.

During the year 2022, the Company GSM approved, at the proposal of the Board of Directors, a new remuneration policy applicable for the years 2022, 2023 y 2024, complying with article 529 new provisions of the Capital Company Act, applicable to the Directors, both in the performance of their duties as an administrative body and those of the Directors who perform executive functions.

A.3. Identify the direct link to the document that figures the current remuneration policy of the company, which must be available on the company's website.

https://www.renta4banco.com/es/accionistas/politicas-e-informes

A.4. Explain, in due consideration of the data supplied in section B.4, how the voting of shareholders at the general meeting to which the annual remuneration report for the previous year was submitted for and advisory vote was taken into account.

The annual remuneration report for the 2023 fiscal year was approved by the General Meeting by 99.999% of votes in favor, 0.001% abstentions and with no votes against, as reflected in section B.4. Consequently, the Company has considered it appropriate to continue with a policy of remuneration for directors whose purpose is to continue to be aligned with the interests of shareholders, seeking prudent management of activity minimizing inherent risks to the same, and rewarding the work of Company personnel in achieving this purpose. All this in order to contribute to the Company meeting its strategic objectives within the framework in which it carries out its activity.

B. OVERVIEW OF THE APPLICATION OF THE REMUNERATION POLICY IN THE COURSE OF THE PREVIOUS YEAR

B.1.1 Explain the process carried out to apply the remuneration policy and determine the individual remuneration set out in section C of this report. This information shall include the role played by the remuneration committee, the decisions taken by the board of directors and, if applicable, the identity and role of the external advisors whose services have been used in the process of application of the compensation policy in the year ended.

The Board of Directors, at its meeting held on 22 February 2022 and at the proposal of the ARC, resolved, under point nine of the Agenda, to approve the Remuneration Policy for 2022, 2023 and 2024 and, in turn, to submit it for approval by the General Meeting of Shareholders, which approved this policy with 99.99% in favor and 0.001% abstentions of those present or representing share capital, in accordance with the responsibility, functions attributed and level of commitment taken on by the Renta 4 directors.

Likewise, the Board of Directors, at its meeting of 26 February 2024, and pursuant to the process of assessment of the Board, its Committees, the Chairman, the CEO and the Coordinating Director, as well as the performance of the Company in 2023 through the results included in the financial statements, has determined, in accordance with the Remuneration Policy in force, the variable remuneration due to directors with executive functions specified in section C below.

B.1.2 Explain any deviations from the established procedure for the application of the remunerations policy that have occurred during the fiscal year.

There have been no deviations from the procedure established for the application of the remuneration policy during the financial year 2023.

B.1.3 Indicate whether any temporary exceptions have been applied to the remuneration policy and, if applied, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity considers that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact that the implementation of these exceptions has had on the compensation of each director during the year.

There have been no temporary exceptions to the compensation policy during the financial year.

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and aligning it with the company's objectives, values and long-term interests, including a reference to the measures that have been taken to ensure that the remuneration accrued has addressed the long-term performance of the company and achieved an appropriate balance between the fixed and variable components of remuneration, what measures have been taken in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the entity, and what measures have been taken to avoid conflicts of interest, if any.

In relation to the measures envisaged to guarantee that the Remuneration Policy takes into account the long-term results of the Company, section A.1. below includes the objective criteria relating to the Company's results applied to determine directors' variable remuneration.

Furthermore, the Company's Remuneration Policy finds a suitable balance between the fixed and variable items in the remuneration considering that, as shown in section A.1. above, the variable remuneration set for 2023 is based on the fulfilment of the objective criteria defined by the Board, always linked to the objective results of the Company and subject to the Remuneration Policy approved at the Ordinary General Meeting of 30 March 2022.

Lastly, in relation to the clawback formulae or clauses to claim back the variable remuneration items, it is envisaged that, should the assessments conclude a deficient performance, or when they have been paid on the basis of data subsequently found to be inaccurate, the Company may reduce the deferred variable remuneration and/or claim the reimbursement of the variable remuneration already paid, up to a maximum of 100%, in either case. These evaluations analyse the evolution of the subsequent performance according to the criteria (indicated in section A.1 above, as they are the same for the current year and the reported year), which contributed to achieving the objectives, comparing it with the initial performance assessment and will be approved by the Board of Directors at the end of the year such variable remuneration refers to.

B.3. Explain how the remuneration accrued during the year meets the provisions of the remuneration policy in force and, in particular, how it contributes to the sustainable and long-term performance of the company.

Also report on the relationship between the remuneration obtained by the directors and the results or other short and long term performance measures of the entity, explaining, if applicable, how variations in the company's performance may have had an impact on the change in directors' remuneration, including accruals for which payment has been deferred, and how they contribute to the short- and long-term results of the company.

Based on the Company's director remuneration policy for 2023 indicated in section B.7 below, the executive directors' remuneration is linked to the results produced by the Company. In this regard, and taking into account what is indicated in said section, certain variable remuneration is conditional upon fulfilment of the indicators also included in section B.7. below.

In 2023, the total remuneration paid to the Company's directors in their capacity as such was €920,000, in observance of the maximum amount of €960,000 for this item as established in the Remuneration Policy and approved by the GSM. Individual remuneration of each Director in his capacity as such, consisted of an annual fixed amount, as established in said policy and those non-executive directors who were part of any of the committees, received an additional annual remuneration under this item, the amount being proportional to the time in which each director was on the Board and/or on the committee. Executive directors did not receive remuneration for their membership of the Board of Directors or of its committees; nor did they receive any annual fixed amounts, or of attendance fees for meetings of the Board of Directors. In this regard, the executive directors received remuneration in the amounts to which they were entitled by virtue of their respective contracts drawn up with the Company, pursuant to the Remuneration Policy.

At a meeting on 26 February 2024, at the behest of the ARC, the Board of Directors determined the sums of the annual variable remuneration of Executive Directors accrued in the fiscal year 2023.

For the purposes of determining the variable remuneration accrued to the executive directors, consideration was given to professional engagement and excellence, the level of achievement of the targets of the annual budget, investment targets, and the result of assessment of the performance of their duties, in relation to which a variable remuneration of 126% was determined in relation to the fixed annual remuneration to which each director is entitled. Section B7 of this report contains more information in connection with these conditions.

B.4. Indicate the result of the advisory vote at the general meeting on the annual report on remuneration from the previous year, showing the number of abstentions and the number of negative, blank and affirmative votes cast:

	Number	% of total
Votes cast	33,443,807	82.34
	Number	**% of votes cast**
Dissenting votes	463	0.00
Affirmative votes	33,443,344	99.99
Blank Votes		0.00
Abstentions		0.00

Observations

B.5. Explain how the fixed items accrued during the financial year by the directors in their capacity as such have been determined, their proportion by director and how they have varied with respect to the previous financial year.

The Board of Directors, at its meeting held on 22 February 2022 and at the proposal of the ARC, resolved, under point nine of the Agenda, to approve the Remuneration Policy for 2022, 2023 and 2024 and, in turn, to submit it for its approval by the General Meeting of Shareholders, which approved the policy at its ordinary meeting on 30 March 2022, taking into account the market standards to determine the fixed annual remuneration for the performance of their duties as members of the Board of Directors.

In this regard, each non-executive director, as such, during the financial year 2023 has received a fixed annual amount for the performance of their functions as a member of the Board of Directors of €80,000.00 per year, and those who form part of any of the Board's commissions have received an additional annual remuneration of €20,000.

B.6. Explain how the salaries accrued during the year to each of the executive directors for carrying out management functions were determined, and how they changed compared to the previous year.

In accordance with the Remunerations Policy approved at the ordinary general meeting of 26 March 2022, the remuneration paid to thee Executive Directors during the 2023 fiscal year was:

• Mr Juan Carlos Ureta Domingo, Executive Chairman received a fixed annual remuneration of €300,000 gross.

• Mr Juan Luis López García, CEO received a fixed annual remuneration of €275,000 gross.

• Mr Jesús Sánchez-Quiñones González, Director and General Manager, received a fixed annual remuneration of €275,000 gross.

• The Director and Regional Manager Mr Santiago González Enciso received a fixed annual remuneration of €95,000 gross.

It should be noted that the fixed remuneration paid to the Executive Directors during the 2023 fiscal year amounted to 945,000, the same amount received by all of them, as fixed remuneration in 2022, 2021 and 2020, except for Mr. Enciso for whom an increase in remuneration was approved in 2021 to an annual gross amount of €95,000, from the €75,000 he had been receiving in previous fiscal years.

B.7. Explain the nature and main characteristics of the variable components of the remuneration systems accrued in the course of the year.

In particular:

a) Identify each of the compensation plans that have determined the different variable compensation accrued by each of the directors during the fiscal year ended, including information on their scope, date of approval, date of implementation, vesting conditions, if any, vesting periods and term, criteria used for performance evaluation and how this has impacted on the setting of the variable amount accrued, as well as the measurement criteria used and the time required to be able to adequately measure all conditions and criteria should be explained in detail in terms of the time required and methods for verifying that the conditions and criteria have been effectively met performance conditions or any other type of conditions to which the accrual and vesting of each component of variable compensation was linked.

b) In the case of stock option plans or other financial instruments, the general characteristics of each plan shall include information on the conditions both to acquire unconditional ownership (vesting) and to be able to exercise such options or financial instruments, including the exercise price and term.

c) Each of the directors, and their category (executive directors, external proprietary directors, independent external directors or other external directors), who are beneficiaries of remuneration systems or plans that include variable remuneration.

d) Where appropriate, information will be provided in relation to any periods established for the accrual or deferral of payment that may have been applied, and/or retention/non-availability periods for shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems:

The Remuneration Policy establishes that non-executive directors shall not have a Variable Remuneration Plan.

As regards the executive directors, the variable remuneration model established in the financial year 2023 is as follows:

1) Variable remuneration of Mr Juan Carlos Ureta Domingo, as Executive Chairman.

Mr. Juan Carlos Ureta Domingo will receive an Annual Variable Remuneration ("AVR"), consisting of up to a maximum of 200% of the Annual Fixed Remuneration ("AFR").

The Annual Variable Remuneration is determined by the amount corresponding to the amount accrued in accordance with the fulfilment of year's targets linked to the Net Profit of the Group, ("Year's Targets") that have been fixed in accordance with the responsibilities and functions of the position, as well as any others that the Board of Directors has specifically assigned to the Chairman.

In line with the principles of the Renta 4 Remuneration Policy, in addition to applying the criteria of moderation and proportionality to the results of the Renta 4 Group, solid and effective risk management is fostered. For this reason, the Annual Variable Remuneration will be received if the levels of default or bad debt losses of the Renta 4 Group during the year remain below 5% of the Equity at year end, and when such levels are not attributed to the Company's actions, when the risk levels and limits allowed and established by the EBA (European Bank Authority) or any other competent organization are exceeded, due to deficient control systems used by the Renta 4 Group or any other cause attributed to the Company's inaction or poor practices. Furthermore, the Remuneration Policy considers sustainability as an essential element of the Group's remuneration. Remuneration components contribute to the promotion of environmental, social and governance (ESG) actions in order to make the business strategy sustainable and socially responsible. Therefore, this Remuneration Policy will also be linked to non-financial objectives on the integration of sustainability criteria and ESG policies. In this regard, the Annual Variable Remuneration will be received if, in addition to the Annual Targets set above, the targets set annually by the Board of Directors in ESG matters are adequately met.

The year's targets are calculated on the basis of the Renta 4 Group's Net Profit ("NP") calculated as shown in the following chart:

- Net Profit: x < €18M = 0% of Fixed Annual Remuneration
- Net Profit: €[18 – 19)M = 14% of Fixed Annual Remuneration
- Net Profit: €[19 – 20)M = 28% of Fixed Annual Remuneration
- Net Profit: €[20 - 21)M = 42% of Fixed Annual Remuneration
- Net Profit: €[21 - 22)M = 56% of Fixed Annual Remuneration
- Net Profit: €[22 - 23)M = 70% of Fixed Annual Remuneration
- Net Profit: €[23 - 24)M = 84% of Fixed Annual Remuneration
- Net Profit: €[24 - 25)M = 98% of Fixed Annual Remuneration
- Net Profit: €[25 - 26)M = 112% of Fixed Annual Remuneration
- Net Profit: €[26 - 27)M = 126% of Fixed Annual Remuneration
- Net Profit: €[27 - 28)M = 140% of Fixed Annual Remuneration
- Net Profit: €[28 - 29)M = 154% of Fixed Annual Remuneration
- Net Profit: €[29 - 30)M = 168% of Fixed Annual Remuneration
- Net Profit: €[30 - 31)M = 182% of Fixed Annual Remuneration
- Net Profit: €[31 - 32)M = 196% of Fixed Annual Remuneration
- Net Profit: > €32M = 200% of Fixed Annual Remuneration

2) Variable Remuneration of CEO and of the Director and General Manager

The 2023 Remuneration Policy establishes that the Chief Executive Officer, Mr. Juan Luis López García and the Director and General Manager, Mr. Jesús Sánchez-Quiñones González receive an AVR, consisting of up to 200% of the FAR. The amount of this is accrued based on the fulfilment of year's targets set in accordance with the responsibilities and functions of the position or those assigned.

The AVR is determined by the amount accrued depending on the level of fulfilment of the year's targets linked to the Group's Net Profit (hereinafter, the "Year's Targets") that were set taking into account the responsibilities and functions attached to the position, as well as any others that the Board of Directors may have assigned to the CEO and Director and General Manager.

The AVR is received if the Renta 4 Group's levels of delinquency or "bad debt" during the year are less than 5% of Net Assets at the end of the year, and when such levels do not arise as a result of actions by the Company in which the levels and limits are exceeded the Company's risk management systems, as well as any other cause attributable to a lack of action or malpractice on the part of the Company, are subject to the risk limits permitted and established by the EBA (European Banking Authority) or any other competent body for this purpose.

Furthermore, the Remuneration Policy considers sustainability as an essential element of the Group's remuneration. Remuneration components contribute to the promotion of environmental, social and governance (ESG) actions in order to make the business strategy sustainable and socially responsible. This Remuneration Policy shall also be linked to non-financial objectives on the integration of sustainability criteria and ESG policies. In this regard, the Annual Variable Remuneration will be received if, in addition to the Annual Targets set above, the targets set annually by the Board of Directors in ESG matters are adequately met.

The year's targets are calculated on the basis of the Renta 4 Group's Net Profit ("NP") calculated as shown in the following chart:

- Net Profit: x < €18M = 0% of Fixed Annual Remuneration
- Net Profit: €[18 – 19)M = 14% of Fixed Annual Remuneration
- Net Profit: €[19 – 20)M = 28% of Fixed Annual Remuneration
- Net Profit: €[20 - 21)M = 42% of Fixed Annual Remuneration
- Net Profit: €[21 - 22)M = 56% of Fixed Annual Remuneration
- Net Profit: €[22 - 23)M = 70% of Fixed Annual Remuneration
- Net Profit: €[23 - 24)M = 84% of Fixed Annual Remuneration
- Net Profit: €[24 - 25)M = 98% of Fixed Annual Remuneration
- Net Profit: €[25 - 26)M = 112% of Fixed Annual Remuneration
- Net Profit: €[26 - 27)M = 126% of Fixed Annual Remuneration
- Net Profit: €[27 - 28)M = 140% of Fixed Annual Remuneration
- Net Profit: €[28 - 29)M = 154% of Fixed Annual Remuneration
- Net Profit: €[29 - 30)M = 168% of Fixed Annual Remuneration
- Net Profit: €[30 - 31)M = 182% of Fixed Annual Remuneration
- Net Profit: €[31 - 32)M = 196% of Fixed Annual Remuneration
- Net Profit: > €32M = 200% of Fixed Annual Remuneration

3) Variable Remuneration of the Director and Regional Manager

The Director and Regional Director will receive an AVR, consisting of up to 200% of the FAR. The amount of this is accrued based on the fulfilment of year's targets set in accordance with the responsibilities and functions of the position or those assigned.

The AVR will be determined by the amount corresponding to the amount accrued in accordance with the fulfilment of annual objectives linked to the Group's Net Profit (the "Year's Targets"), which will be set in accordance with the responsibilities and functions of the position, as well as any others that may be specifically assigned by the Board of Directors to the Director and Regional Director.

The AVR will be paid provided that the levels of default or bad debt losses of the Renta 4 Group during the financial year are lower than 5% of the Equity at year-end and when these levels do not occur as a result of the Company's actions, in which the risk levels and limits allowed and established by the European Banking Authority (EBA) or any other competent entity are exceeded, due to deficient control systems used by the Renta 4 Group, as well as any other cause attributable to the Company's inaction or poor practices.

Furthermore, the Remuneration Policy considers sustainability as an essential element of the Group's remuneration. Remuneration components contribute to the promotion of environmental, social and governance (ESG) actions in order to make the business strategy sustainable and socially responsible. This Remuneration Policy shall also be linked to non-financial objectives on the integration of sustainability criteria and ESG policies. In this regard, the Annual Variable Remuneration will be received if, in addition to the Annual Targets set above, the targets set annually by the Board of Directors in ESG matters are adequately met.

The year's targets are calculated on the basis of the Renta 4 Group's Net Profit ("NP") calculated as shown in the following chart:

- Net Profit: x < €18M = 0% of Fixed Annual Remuneration
- Net Profit: €[18 – 19)M = 14% of Fixed Annual Remuneration
- Net Profit: €[19 – 20)M = 28% of Fixed Annual Remuneration
- Net Profit: €[20 - 21)M = 42% of Fixed Annual Remuneration
- Net Profit: €[21 - 22)M = 56% of Fixed Annual Remuneration
- Net Profit: €[22 - 23)M = 70% of Fixed Annual Remuneration
- Net Profit: €[23 - 24)M = 84% of Fixed Annual Remuneration
- Net Profit: €[24 - 25)M = 98% of Fixed Annual Remuneration
- Net Profit: €[25 - 26)M = 112% of Fixed Annual Remuneration
- Net Profit: €[26 - 27)M = 126% of Fixed Annual Remuneration
- Net Profit: €[27 - 28)M = 140% of Fixed Annual Remuneration
- Net Profit: €[28 - 29)M = 154% of Fixed Annual Remuneration
- Net Profit: €[29 - 30)M = 168% of Fixed Annual Remuneration
- Net Profit: €[30 - 31)M = 182% of Fixed Annual Remuneration
- Net Profit: €[31 - 32)M = 196% of Fixed Annual Remuneration
- Net Profit: > €32M = 200% of Fixed Annual Remuneration

Of the accrued Annual Variable Remuneration that the Executive Chairman, the CEO, the Director, and the General Manager, as well as an assessment on the Director and Regional Director would be entitled to receive, 60% shall be paid within a maximum period of 15 days following the completion of the assessment, and in any case, prior to the end of March of the calendar year following the corresponding financial year in which it has accrued. The remaining 40% will be subject to a deferral period of four years, and the accrual and payment will be perfected at a maximum rate of 10% for each of the four years of deferral. The payment due must be made before the end of the month of March of the calendar year following each of the years in which the deferral has taken place. i.e.in March 2025, 2026, 2027 and 2028.

For the vesting of the accrual and payment of 40% of the deferred AVR, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, will conduct an assessment at the end of each year of the deferral period, based on keeping up the profitability of Renta 4 Group results, taking into account the sector's circumstances during the evaluation period and adapting Renta 4's activities to the risks assumed by it and to the activity of each of these Executive Directors, and provided that the evaluation carried out on each of them concludes that their performance has been correct and aligned with the Company's objectives.

Also, if the accrued Annual Variable Remuneration is between 100% and 200% of the AUM, it will be considered as "especially high amount" according to letter m) of Article 34.1 of Law 10/2014, of June 26, on the regulation, supervision and solvency of Credit Companies and therefore, 40% of the amount of this "particularly high amount" AVR shall be paid, within a maximum period of 15 days following the completion of the assessment, and in any case, prior to the end of the month of March of the calendar year following the fiscal year in which it was accrued. And the remaining 60% of this "particularly high amount" AVR will be subject to a deferral period of four years, with the accrual and payment being perfected at a rate of 15% of the total of this AVR in each of the years of deferral.

In order to perfect the accrual and payment of the 40% of the deferred AVR, the Board, at the proposal of the ARC, will carry out an assessment at the end of each year of the deferral period, based on maintaining the profitability of the results of the Renta 4 Group, taking into account the circumstances of the sector during the period evaluated and will adapt to the circumstances relating to the operations of Renta 4, to the risks assumed by it and to the activity of each of these Executive Directors, and provided that the assessment made of each one concludes that their performance was adequate and in line with the Company's targets.

The payment of the Total AVR will be made 50% in cash and the remaining 50% in shares, both the AVR accrued between 0% and 100% of the Annual Fixed Remuneration, the payment of which is 60% in the first quarter of the calendar year following the fiscal year in which it has accrued, with 40% being spread over the following four calendar years, as in the case of the "particularly high amount" AVR accrued that is between 100% and 200% of the AFR, the payment of which is 40% in the first quarter of the calendar year following the fiscal year in which it has accrued, with 60% being spread over the following four calendar years at a rate of 15% per annum. To calculate the number of accrued shares to be delivered, for each payment year the share's average market value during the last 20 business days of the previous year shall be taken into consideration, the shares being non-transferable for a period of three years from delivery, unless (i) there is, at the time of transmission or financial year, a net economic exposure to a change in the share price for a market value equivalent to an amount of at least two times its annual fixed remuneration through share ownership; or (ii) in respect of shares that it needs to dispose of order to meet the costs related to their acquisition or, dependent on the prior favorable opinion of the Appointments and Remuneration Committee, to meet extraordinary situations that arise and require it.

Therefore, as the Group's Net Profit in 2023 was €26,127 million and the default level was less than 5% and the ESG targets have been met, consequently the level of fulfilment of the year's targets set in the 2022-2023-2024 Remuneration Policy establishes that executive directors are entitled to receive a global AVR for 2023 of a global amount of €1,190,700 for all Executive Directors. Specifically, the total AVR for the Executive Chairman for 2023 amounts to €378,000; for the CEO, €346,500; this same figure is also for the Director and General Manager, and for the Regional Director the amount is €119,700.

Of the resulting total AVR for 2023, up to 100% of this amount will be paid during the first quarter of 2024 and the remaining 60% will be deferred to the following four financial years; 2025, 2026, 2027 and 2028, with the accrual and payment being a maximum of 10% each year for the four deferred years. The annual variable remuneration accrued that is between 100% and 200% of the Annual Fixed Remuneration, will be considered as "especially high amount" according to letter m) of article 34.1 of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, and 40% of the amount of this AVR of "especially high amount" will be paid during the first quarter of 2024 and the remaining 60% of said Annual Variable Remuneration of "especially high amount", will be deferred in the following 4 years; 2025, 2026, 2027 and 2028, improving the accrual and payment at the rate of a maximum of 15% each of the four years of deferral.

The payment of the AVR, both the deferred and non-deferred part, will be paid 50% in cash and the other 50% in shares.

Therefore, during the first quarter of 2024, of the resulting total AVR for 2023, the Company will pay the Executive Directors 60% up to 100% of the Annual Fixed Remuneration and 40% of the Accrued Annual Variable Remuneration which is between 100% and 200% of the Annual Fixed Remuneration, being 50% in cash and the other 50% in shares, for a total amount of €665,280. Specifically, the Executive Chairman will receive €211,200 (€105,600 in cash and €105,600 in shares), the CEO €193,600 (€96,800 in cash and €96,800 in shares), the General Manager €193,600 (€96,800 in cash and €96,800 in shares) and the Regional Manager €66,880 (€33,440 in cash and €33,440 in shares).

The remaining amounts will be paid in the following four years (2025, 2026, 2027 and 2028), as established in the Remuneration Policy 2022-2023-2024.

On the other hand, in relation to the AVR accrued in the previous 2022, 2021 and 2020 financial years, 60% of which was paid during the first quarter of the financial year following the accrual (years 2023, 2022, and 2021, respectively), deferring the remaining 40% of each AVR in the 3 years following the accrual in the 2021 and 2020 AVR and the four following AVR accrued in 2022. In this regard, the Board, at the proposal of the ARC, during the first quarter of 2024, has carried out a performance assessment on the Executive Chairman, the CEO, the Director, and the General Manager, as well as an assessment on the Director and Regional Director, based on the profitability maintenance of Renta 4 Group, taking into account the circumstances of the industry during the assessed period. The assessment results were positive for all of them.

For this reason, during the first quarter of 2024, the Company will pay the Executive Directors, on the one hand, the first quarter (1/4) of 40% of deferred AVR corresponding to fiscal year 2022, on the other hand, the second third (2/3) of the deferred 40% of the AVR corresponding to fiscal year 2021, and finally, the third and last third (3/3) of the deferred 40% of the AVR corresponding to the fiscal year 2020, being in all cases, with 50% in cash and the other 50% in shares.

Specifically, the amount corresponding to the first quarter (1/4) of the deferred 40% of the AVR corresponding to 2022, which amounts to the total of €52,920, of which Mr. Juan Carlos Ureta Domingo, the Executive Chairman, will receive the amount of €16,800, 50% in cash (€8,400) and the other 50% in shares (€8,400), Mr. Juan Luis López García, the Chief Executive Officer and Mr. Jesús Sanchez-Quiñones González, Director and General Manager will each receive €15,400, 50% in cash (€7,700) and the other 50% in shares (€7,700) and finally, Mr. Santiago González Enciso, Director and Regional Manager will receive the amount of €5,320, (€962.75) in cash and (€962.75) in shares.

On the other hand, the second third (2/3) of the deferred 40% of the AVR corresponding to the year 2021, amounts to the total amount of €126,000, of which Mr. Juan Carlos Ureta Domingo, the Executive Chairman, will receive the amount of €40,000, 50% in cash (€20,000) and the other 50% in shares (€20,000), Mr. Juan Luis López García, the Chief Executive Officer and Mr. Jesús Sanchez-Quiñones González, Director and General Manager will each receive €36,666.67, 50% in cash (€18,333.34) and the other 50% in shares (€18,333.33) and finally, Mr. Santiago González Enciso, Director and Regional Manager will receive the amount of €12,666.67, (€6,333.34) in cash and (€6,333.33) in shares.

And finally, the total amount corresponding to the last third (3/3) of the deferred 40% of the AVR corresponding to the fiscal year 2020 amounts to €67,833.33, of which, Mr. Juan Carlos Ureta Domingo, the Executive Chairman, will receive the amount of €22,000, 50% in cash (€10,000) and the other 50% in shares (€10,000), Mr. Juan Luis López García, the CEO and Mr. Jesús Sanchez-Quiñones González, Director and General Manager will each receive €20,166.67, 50% in cash (€10,083.34) and the other 50% in shares (€10,083.33) and Mr. Santiago González Enciso, Director and Regional Manager will receive the amount of €2,521.49 (€1,260.75) in cash and (€1,260.74) in shares.

Consequently, of the deferred 2021 and 2022 AVR, two quarters (2/4) of the 40% of the deferred AVR, i.e. one quarter (1/4) for each of the years, should be paid in the following years, 2025 and 2026, if the annual assessment and the results of the Company so allow it. And of the deferred 2021 AVR, one third (1/3) of the 40% of the deferred AVR will be pending payment in the following year, 2025.

Regarding the decisions taken by the Board for the application of these items, the Board of Directors proceeded at its meeting of 26 February 2024, at the proposal of the ARC, to approve the Annual Report on Directors' Remuneration for the year ended 31 December 2023, to be submitted, on a consultative basis, to the General Shareholders' Meeting.

Likewise, and taking into account the performance of the Company's activity and volume of business, the Board of Directors agreed on the variable remuneration of the executive directors for 2023, in accordance with the Remuneration Policy 2022-2023-2024, at the same above-mentioned meeting.

Explain the long-term variable components of the remuneration systems:

B.8. Indicate whether certain accrued variable components have been reduced or claimed back when, in the first case, the payment of unconsolidated amounts has been deferred or, in the second case, consolidated and paid, based on data whose accuracy has subsequently been proven to be manifestly incorrect. Describe the amounts reduced or refunded due to the application of the clauses the Company's financial statements include the malus or clawback provisions, why they have been executed and the years to which they correspond.

No variable components have been reduced or clawed back from any director

B.9. Explain the main characteristics of the long-term savings systems whose amount or equivalent annual cost is shown in the tables in Section C, including retirement and any other survivor's benefits, which are financed, partially or totally, by the company, whether internally or externally funded, indicating the type of plan, whether it is a contribution or defined benefit plan, the contingencies it covers, the conditions of consolidation of the economic rights in favor of the directors and its compatibility with any type of indemnity for early termination or termination of the contractual relationship between the company and the board of directors.

The Company has not undertaken any pension, retirement or similar obligations for the directors.

In relation to executive directors, since 2007 the Company has been covering the contingencies of retirement, incapacity for work, death, severe dependence or serious dependence by putting in place defined contribution employment system plans, i.e. for which the Company is obliged to make fixed contributions to a third party, being externalized, by putting in place Pension Plans and the formalization, by virtue of these, of insurance policies with an entity not related to the Company.

With regard to coverage and consolidation in accordance with the regulations on Pension Plans, to which during the 2023 fiscal year, 600 euros were contributed annually for each of the Executive Directors, being compatible with the indemnities included in points A.8 and A.9. (with the same content both for the current year and for the year ended to which this report refers), the contributions made during fiscal year 2023, as well as the amounts accrued are shown in point C.1.a) iii. below.

B.10. Explain, if applicable, the indemnities or any other type of payment derived from the early termination, whether the termination is at the will of the company or of the director, or from the termination of the contract, in accordance with the terms set forth in the the same, accrued and/or received by them during the year ended.

The Company's directors have not earned or received any remuneration for this item during the financial year.2023.

B.11. Indicate whether there have been significant changes in the contracts of those who perform senior management functions as executive directors and, if so, explain them. Likewise, explain the main conditions of the new contracts signed with executive directors during the year, unless they have already been explained in section A.1.

During the 2023 financial year, there have been no changes in any of the contracts of the executive directors.

B.12. Explain any supplementary remuneration accrued to directors in consideration for the services rendered other than those inherent to their position.

During 2023, no director has received any additional remuneration for services rendered other than those inherent to their position.

B.13. Explain any remuneration resulting from the granting of advances, loans and guarantees, indicating the interest rate, their key characteristics and any amounts repaid, as well as the obligations assumed by them as assumed on their behalf by way of guarantee.

Loans granted to directors or related parties are as follows:

On 30 June 2021, Mr.Santiago González Enciso was granted a loan of €700,000 having borrowed at year-end closing €146,000, with a guarantee value of €1,300,000 and with a repayment term of 3 years, whose completion is expected on 29 June 2024. In addition, it should be noted that on 23 April 2021, a loan was granted to Ms. Matilde Fernández de Miguel, spouse of Mr. Santiago González Enciso for the amount of €100,000, with a guarantee value of €193,000, having not borrowed any amount at year-end and whose repayment period finishes on 22 April 2024.

Furthermore, during the 2023 financial year, the Company granted Mr. Santiago González-Enciso Fernández, Ms. Cristina González-Enciso Fernández, Mr. Ignacio González- Enciso Fernández, Ms. Matilde González- Enciso Fernández and Ms. María González-Enciso Fernández, descendants of the director Mr. Santiago González Enciso, a loan to the amount of €280,000 to each of them and whose repayment period ends between September and October 2026. At the end of the 2023 financial year, the holders Mr. Santiago Gonzalez- Enciso Fernandez, Mr. Ignacio González- Enciso Fernández, Ms. Matilde González- Enciso Fernández and Ms. Maria Gonzalez- Enciso Fernandez had borrowed €236,000, while Ms. Cristina Gonzalez- Enciso Fernandez still has €235,000 borrowed. The value of guarantees as of 31 December 2023 amounted to €511,000 for the loan granted to Mr. Santiago Gonzalez-Enciso Fernandez, €525,000 for the loans granted to Mr. Ignacio Gonzalez-Enciso Fernandez and Ms. Maria Gonzalez-Enciso Fernandez, €509,000 for the loan granted to Ms. Cristina Gonzalez- Enciso Fernandez and €523,000 for the loan granted to Ms. Matilde González- Enciso Fernández.

In addition, on 7 April 2022, the Company granted Mr. Ignacio González-Enciso Fernández an additional loan for the amount of €20,000, whose repayment term ends on 6 April 2025 and which has been borrowed during the year 2023. The value of the guarantees linked to this contract amounted to €35,000 as at 31 December 2023.

Finally, during the 2023 financial year , the Company granted a loan to I.G.E., S.L., an entity controlled by the director Mr. Santiago Gonzalez Enciso, due in April 2026, for an amount of €1,000,000 and a guarantee value of €1,875,000. At year-end 2023, no portion has been drawn.

On the other hand, during the 2023 financial year, the loans granted to the descendants of Juan Carlos Ureta Domingo; Ms. Dona. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades, current non-executive director of the Company, for an amount of €170,000 each, were finalised without being renewed.

With regard to the interest rate, the loans were granted at an interest margin of 12-month Euribor plus 1%. The specifics and the liabilities taken therefor by way of collateral and the interest rate are those set in section C.1.a.iv) below.

B.14. Provide details of the in-kind remuneration accrued by directors during the year, briefly explaining the nature of the different salary components.

The directors of the Company have not accrued any remuneration for this item, except for that indicated in section B.9 above.

B.15. Explain the remuneration accrued by the director by virtue of payments made by the listed company to a third party in which the director provides services, when such payments are intended to remunerate the latter's services in the company.

The directors of the Company did not accrue any remuneration in this regard.

B.16. Explain and provide details on the amounts accrued during the year regarding any other remuneration item other than those listed above, regardless of its nature or the group entity paying it, including all benefits in any form, such as when it is considered a related-party transaction or, in particular, when it significantly affects the true and fair view of the total remuneration accrued by the director, explaining the amount granted or pending payment, the nature of the remuneration received and the reasons why it would have been considered, where appropriate, that it does not constitute remuneration to the director in their capacity as such or in consideration for the performance of their executive duties, and whether or not it has been considered appropriate to include it among the amounts accrued in section C. "other items".

The Company's directors have not earned any remuneration other than that described above.

C. DETAILS OF INDIVIDUAL REMUNERATION FOR EACH OF THE DIRECTORS

Name	Classification	Accrual period 2023
Mr Eduardo Chacón López	Proprietary director	From 01/01/2023 to 31/12/2023
Ms Inés Juste Bellosillo	Independent Director	From 01/01/2023 to 31/12/2023
Mr Pedro Ángel Navarro Martínez	Director Other External	From 01/01/2023 to 31/12/2023
Mr José Ramón Rubio Laporta	Independent Director	From 01/01/2023 to 31/12/2023
Ms Gema Aznar Cornejo	Independent Director	From 01/01/2023 to 31/12/2023
Ms María del Pino Velázquez Medina	Independent Director	From 01/01/2023 to 31/12/2023
Ms Pilar García Ceballos-Zúñiga	Independent Director	From 01/01/2023 to 31/12/2023
Mr Juan Luis López García	CEO	From 01/01/2023 to 31/12/2023
Mr Jesús Sánchez-Quiñones González	Executive Director	From 01/01/2023 to 31/12/2023
Mr Juan Carlos Ureta Domingo	Chairman	From 01/01/2023 to 31/12/2023
Mr Santiago González Enciso	Executive Director	From 01/01/2023 to 31/12/2023
Mr Juan Carlos Ureta Estades	Proprietary director	From 01/01/2023 to 31/12/2023
Mr José Sevilla Álvarez	Independent Director	From 01/01/2023 to 31/12/2023
Mr Rafael Navas Lanchas	Proprietary director	From 01/01/2023 to 31/12/2023

C.1. **Complete the following tables concerning the individual remuneration of each of the directors (including remuneration for the exercising of executive functions) accrued during the year.**

a) Remuneration of the company covered by this report:

i) Remuneration accrued in cash (in thousands of euros)

Name	Fixed remuneration	Allowances	Remuneration for members of committees of the board	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other	Total year 2023	Total year 2022
Mr Eduardo Chacón López	80								80	75
Ms Inés Juste Bellosillo	80		20						100	90
Mr Pedro Ángel Navarro Martínez	80		20						100	90
Mr José Ramón Rubio Laporta	80		20						100	97
Ms Gema Aznar Cornejo	80		20						100	90
Ms María del Pino Velázquez Medina	80								80	75
Ms Pilar García Ceballos-Zúñiga	80		20						100	88
Mr Juan Luis López García	276				97	76			449	353
Mr Jesús Sánchez-Quiñones González	276				97	76			449	353
Mr Juan Carlos Ureta Domingo	300				106	83			489	384
Mr Santiago González Enciso	95				34	26			155	122
Mr Juan Carlos Ureta Estades	80								80	60
Mr José Sevilla Álvarez	80		20						100	68
Mr Rafael Navas Lanchas	80								80	60

Observations

In this IRC 2023, information on directors' remuneration based on the accrual criterion has been collected, which is why the information collected in this IRC 2023 on the financial year 2022 has been amended to follow the same accrual criterion and thus be comparable.

ii) Table of movements in remuneration systems based on shares and gross profit on consolidated shares or financial instruments.

		Financial instruments at the beginning of financial year 2023		Financial instruments granted during the financial year 2023		Financial instruments consolidated within the financial year				Expired instruments and	Financial instruments at the end of financial year 2023	
Name	**Name of the Plan**	**No. instruments**	**No. of equivalent shares**	**No. instruments**	**No. of equivalent shares**	**No. instruments**	**No. of equivalent/ consolidated shares**	**Consolidated share price**	**Gross profit on consolidated shares or financial instruments (thousands of euros)**	**No. instruments**	**No. instruments**	**No. of equivalent shares**
Mr Eduardo Chacón López	Plan							0.00				
Ms Inés Juste Bellosillo	Plan							0.00				
Mr Pedro Ángel Navarro Martínez	Plan							0.00				
Mr José Ramón Rubio Laporta	Plan							0.00				
Ms Gema Aznar Cornejo	Plan							0.00				
Ms María del Pino Velázquez Medina	Plan							0.00				
Ms Pilar García Ceballos-Zúñiga	Plan							0.00				
Mr Juan Luis López García	Variable Remuneration in Shares (2023)			173	9,522	173	9,522	10.24	173			
Mr Jesús Sánchez-Quiñones González	Variable Remuneration in Shares (2023)			173	9,522	173	9,522	10.24	173			
Mr Juan Carlos Ureta Domingo	Variable Remuneration in Shares (2023)			189	10,338	189	10,338	10.24	189			
Mr Santiago González Enciso	Variable Remuneration in Shares (2023)			60	3,650	60	3,650	10.24	60			
Mr Juan Carlos Ureta Estades	Plan							0.00				
Mr José Sevilla Álvarez	Plan							0.00				
Mr Rafael Navas Lanchas	Plan							0.00				

Observations

The variable remuneration ("VR") accrued for 2023 to the Executive Directors; Juan Carlos Ureta Domingo, Juan Luis Lopez Garcia, Mr. Jesus Sanchez-Quinones Gonzalez and Mr. Santiago Gonzalez Enciso, amounts to a total amount of €1,190,700. Specifically, in the 2023 financial year the VR paid to Mr. Juan Carlos Ureta Domingo amounted to €378,000, €189,000 in shares and €189,000 in cash, to Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González the amount of €346,500 to each of them, 50% in cash and the other 50% in shares and €119,700 to Mr. Santiago González Enciso, €59,850 in shares and the same amount in cash.

In relation to the VR in shares accrued in 2023, as established in the Company's Remuneration Policy, for the calculation of the number of shares to be subscribed, the average market value of the share during the last 20 business days of the previous year is taken, with the average value of the share during the last 20 business days of 2023 being 10.2350 euros per share. In this sense, the number of shares associated with variable remuneration in accrued shares in 2023 amounts to a total of 33,032 shares, being 10,338 shares for Mr. Juan Carlos Ureta Domingo, and to Mr. Juan Luis Lopez Garcia and Mr. Jesus Sanchez-Quinones Gonzalez correspond 9,522 shares to both of them and 3,650 shares to Mr. Santiago Gonzalez Enciso. However, as of the date of this report, the actual purchase of these shares has not been made.

iii) Long-term savings schemes.

Name	Remuneration from consolidation of rights to savings systems
Mr Eduardo Chacón López	
Ms Inés Juste Bellosillo	
Mr Pedro Ángel Navarro Martínez	
Mr José Ramón Rubio Laporta	
Ms Gema Aznar Cornejo	
Ms María del Pino Velázquez Medina	
Ms Pilar García Ceballos-Zúñiga	
Mr Juan Luis López García	1
Mr Jesús Sánchez-Quiñones González	1
Mr Juan Carlos Ureta Domingo	1
Mr Santiago González Enciso	1
Mr Juan Carlos Ureta Estades	
Mr José Sevilla Álvarez	
Mr Rafael Navas Lanchas	

	Company's contribution for the year (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
Name	Financial year 2023	Financial year 2022	Financial year 2023	Financial year 2022	Financial year 2023	Financial year 2022	Financial year 2023	Financial year 2022
Mr Eduardo Chacón López								
Ms Inés Juste Bellosillo								
Mr Pedro Ángel Navarro Martínez								
Mr José Ramón Rubio Laporta								
Ms Gema Aznar Cornejo								
Ms María del Pino Velázquez Medina								
Ms Pilar García Ceballos-Zúñiga								
Mr Juan Luis López García	1	1			21		17	
Mr Jesuús Sánchez- Quiñones González	1	1			21		17	
Mr Juan Carlos Ureta Domingo	1	1			21		17	
Mr Santiago González Enciso	1	1			15		13	
Mr Juan Carlos Ureta Estades								
Mr José Sevilla Álvarez								
Mr Rafael Navas Lanchas								

Observations

iv) Detail of other items

Name	Item	Amount of remuneration
Mr Eduardo Chacón López	Item	
Ms Inés Juste Bellosillo	Item	
Mr Pedro Ángel Navarro Martínez	Item	
Mr José Ramón Rubio Laporta	Item	
Ms Gema Aznar Cornejo	Item	
Ms María del Pino Velázquez Medina	Item	
Ms Pilar García Ceballos-Zúñiga	Item	
Mr Juan Luis López García	Item	
Mr Jesús Sánchez-Quiñones González	Item	
Mr Juan Carlos Ureta Domingo	Item	
Mr Santiago González Enciso	Item	
Mr Juan Carlos Ureta Estades	Item	
Mr José Sevilla Álvarez	Item	
Mr Rafael Navas Lanchas	Item	

Observations

Loans granted to directors or related parties are as follows:

Regarding loans granted to directors or related parties, on 30 June 2021 a loan of €700,000 was granted to Mr. Santiago González Enciso, having drawn down €146,000, with a guarantee of €1,300 and with a repayment period of three years, which is scheduled to expire on 29 June 2024. In addition, it should be noted that on 23 April 2021, a loan was granted to Ms. Matilde Fernández de Miguel, spouse of Mr. Santiago González Enciso for the amount of €100,000, with a guarantee value of €193,000, having not borrowed any amount at year-end and whose repayment period finishes on 22nd April 2024.

Furthermore, during the 2023 financial year, the Company granted Mr. Santiago González-Enciso Fernández, Ms. Cristina González- Enciso Fernández, Mr. Ignacio González- Enciso Fernández, Ms. Matilde González- Enciso Fernández and Ms. María González-Enciso Fernández, descendants of the director Mr. Santiago González Enciso, a loan to the amount of €280,000 to each of them and whose repayment period ends between September and October 2026. At the end of the 2023 financial year, the holders Mr. Santiago Gonzalez- Enciso Fernandez, Mr. Ignacio Gonzalez- Enciso Fernandez, Ms. Matilde González- Enciso Fernández and Ms. Maria Gonzalez- Enciso Fernandez had borrowed €236,000, while Ms. Cristina Gonzalez- Enciso Fernandez still has €235,000 borrowed. The value of the guarantees as of December 31, 2023 amounted to €511,000 for the credit granted to Mr. Santiago Gonzalez-Enciso Fernandez, €525,000 for the credits granted to Mr. Ignacio Gonzalez-Enciso Fernandez and Mrs. Maria Gonzalez- Enciso Fernandez, €509,000 for the loan granted to Ms. Cristina Gonzalez- Enciso Fernandez and €523,000 for the loan granted to Ms. Matilde González- Enciso Fernández.

In addition, on 7 April 2022, the Company granted Mr. Ignacio González-Enciso Fernández an additional loan for the amount of €20,000, whose repayment term ends on 6 April 2025 and which has been borrowed during the year 2023. The value of the guarantees linked to this contract amounted to €35,000 as at 31 December 2023. Finally, during the financial year 2023, the Company granted a loan to I.G.E., S.L., an entity controlled by the director Mr. Santiago Gonzalez Enciso, due in April 2026, for an amount of €1,000,000 and a guarantee value of €1,875,000. At the end of the 2023 financial year, no portion has been drawn.

On the other hand, during the 2023 financial year, the loans granted to the descendants of Juan Carlos Ureta Domingo; Ms. Dona. Inés Asunción Ureta Estades, Ms. Matilde Ureta Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades, current non-executive director of the Company, for an amount of €170,000 each. With regard to the interest rate, the loans were granted at an interest margin of 12-month Euribor plus 1%.

b) Remuneration of directors in the listed company for their seats on the administrative bodies of its subsidiaries:

i) Remuneration accrued in cash (in thousands of euros)

Name	Fixed remuneration	Allowances	Remuneration for members of committees of the board	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other	Total year 2023	Total year 2022
Mr Eduardo Chacón López										
Ms Inés Juste Bellosillo										
Mr Pedro Ángel Navarro Martínez										
Mr José Ramón Rubio Laporta										
Ms Gema Aznar Cornejo										
Ms María del Pino Velázquez Medina										
Ms Pilar García Ceballos-Zúñiga										
Mr Juan Luis López García										
Mr Jesús Sánchez-Quiñones González										
Mr Juan Carlos Ureta Domingo										
Mr Santiago González Enciso										
Mr Juan Carlos Ureta Estades										
Mr José Sevilla Álvarez										
Mr Rafael Navas Lanchas										

Observations

ii) Table of movements in remuneration systems based on shares and gross profit on consolidated shares or financial instruments.

		Financial instruments at the beginning of financial year 2023		Financial instruments granted during the financial year 2023		Financial instruments consolidated within the financial year				Expired instruments and not exercised	Financial instruments at the end of financial year 2023	
Name	**Name of the Plan**	**No. instruments**	**No. of equivalent shares**	**No. instruments**	**No. of equivalent shares**	**No. instruments**	**No. of equivalent/ consolidated shares**	**Consolidated share price**	**Gross profit on consolidated shares or financial instruments (thousands of euros)**	**No. instruments**	**No. instruments**	**No. of equivalent shares**
Mr Eduardo Chacón López	Plan							0.00				
Ms Inés Juste Bellosillo	Plan							0.00				
Mr Pedro Ángel Navarro Martínez	Plan							0.00				
Mr José Ramón Rubio Laporta	Plan							0.00				
Ms Gema Aznar Cornejo	Plan							0.00				
Ms María del Pino Velázquez Medina	Plan							0.00				
Ms Pilar García Ceballos-Zúñiga	Plan							0.00				
Mr Juan Luis López García	Plan							0.00				
Mr Jesús Sánchez- Quiñones González	Plan							0.00				
Mr Juan Carlos Ureta Domingo	Plan							0.00				
Mr Santiago González Enciso	Plan							0.00				
Mr Juan Carlos Ureta Estades	Plan							0.00				
Mr José Sevilla Álvarez	Plan							0.00				
Mr Rafael Navas Lanchas	Plan							0.00				

Observations

iii) Long-term savings schemes.

Name	Remuneration from consolidation of rights to savings systems
Mr Eduardo Chacón López	
Ms Inés Juste Bellosillo	
Mr Pedro Ángel Navarro Martínez	
Mr José Ramón Rubio Laporta	
Ms Gema Aznar Cornejo	
Ms María del Pino Velázquez Medina	
Ms Pilar García Ceballos-Zúñiga	
Mr Juan Luis López García	
Mr Jesús Sánchez-Quiñones González	
Mr Juan Carlos Ureta Domingo	
Mr Santiago González Enciso	
Mr Juan Carlos Ureta Estades	
Mr José Sevilla Álvarez	
Mr Rafael Navas Lanchas	

	Company's contribution for the year (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
Name	Financial year 2023	Financial year 2022	Financial year 2023	Financial year 2022	Financial year 2023	Financial year 2022	Financial year 2023	Financial year 2022
Mr Eduardo Chacón López								
Ms Inés Juste Bellosillo								
Mr Pedro Ángel Navarro Martínez								
Mr José Ramón Rubio Laporta								
Ms Gema Aznar Cornejo								
Ms María del Pino Velázquez Medina								
Ms Pilar García Ceballos-Zúñiga								
Mr Juan Luis López García								
Mr Jesús Sánchez- Quiñones González								
Mr Juan Carlos Ureta Domingo								
Mr Santiago González Enciso								
Mr Juan Carlos Ureta Estades								
Mr José Sevilla Álvarez								
Mr Rafael Navas Lanchas								

Observations

iv) Details of other items

Name	Item	Amount of remuneration
Mr Eduardo Chacón López	Item	
Ms Inés Juste Bellosillo	Item	
Mr Pedro Ángel Navarro Martínez	Item	
Mr José Ramón Rubio Laporta	Item	
Ms Gema Aznar Cornejo	Item	
Ms María del Pino Velázquez Medina	Item	
Ms Pilar García Ceballos-Zúñiga	Item	
Mr Juan Luis López García	Item	
Mr Jesús Sánchez-Quiñones González	Item	
Mr Juan Carlos Ureta Domingo	Item	
Mr Santiago González Enciso	Item	
Mr Juan Carlos Ureta Estades	Item	
Mr José Sevilla Álvarez	Item	
Mr Rafael Navas Lanchas	Item	

Observations

c) Summary of remuneration (in thousands €):

The summary must include the amounts corresponding to all remuneration items included in this report that have been accrued by the director, in thousands of euros.

	Remuneration accrued at the Company					Remuneration accrued at group companies					
Nombre	**Total Cash remuneration**	**Gross profit on consolidated shares or financial instruments**	**Remuneration from savings systems**	**Remuneration from other concepts**	**Total year 2023 company**	**Total Cash remuneration**	**Gross profit on consolidated shares or financial instruments**	**Remuneration from savings systems**	**Remuneration from other concepts**	**Total year 2023 group**	**Company + group total financial year 2023**
Mr Eduardo Chacón López	80				80						80
Ms Inés Juste Bellosillo	100				100						100
Mr Pedro Ángel Navarro Martínez	100				100						100
Mr José Ramón Rubio Laporta	100				100						100
Ms Gema Aznar Cornejo	100				100						100
Ms María del Pino Velázquez Medina	80				80						80
Ms Pilar García Ceballos-Zúñiga	100				100						100
Mr Juan Luis López García	449	173	1		623						623
Mr Jesús Sánchez-Quiñones González	449	173	1		623						623
Mr Juan Carlos Ureta Domingo	489	189	1		679						679
Mr Santiago González Enciso	155	60	1		216						216
Mr Juan Carlos Ureta Estades	80				80						80
Mr José Sevilla Álvarez	100				100						100
Mr Rafael Navas Lanchas	80				80						80
TOTAL	**2,462**	**595**	**4**		**3,061**						**3,061**

Observations

C.2. Indicate the evolution over the last five years of the amount and percentage variation of the remuneration accrued by each of the listed company's directors who have been directors during the year, of the consolidated results of the company and of the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Financial year 2023	% Variation 2023/2022	Financial year 2022	% Variation 2022/2021	Financial year 2021	% Variation 2021/2020	Financial year 2020	% Variation 2020/2019	Financial year 2019
Executive Directors									
Mr Jesús Sánchez-Quiñones González	623	44.88	430	-21.96	551	29.04	427	14.78	372
Mr Juan Carlos Ureta Domingo	679	44.78	469	-21.96	601	28.97	466	14.78	406
Mr Juan Luis López García	623	44.88	430	-21.96	551	29.04	427	14.78	372
Mr Santiago González Enciso	216	44.97	149	-21.99	191	63.25	117	14.71	102
External directors									
Mr Eduardo Chacón López	80	6.67	75	25.00	60	0.00	60	0.00	60
Ms Gema Aznar Cornejo	100	11.11	90	50.00	60	0.00	60	300.00	15
Ms Inés Juste Bellosillo	100	11.11	90	50.00	60	0.00	60	0.00	60
Mr José Sevilla Álvarez	100	47.06	68	-	0	-	0	-	0
Mr José Ramón Rubio Laporta	100	3.09	97	61.67	60	0.00	60	0.00	60
Mr Juan Carlos Ureta Estades	80	33.33	60	-	0	-	0	-	0
Ms María del Pino Velázquez Medina	80	6.67	75	400.00	15	-	0	-	0
Mr Pedro Ángel Navarro Martínez	100	11.11	90	50.00	60	0.00	60	0.00	60
Ms Pilar García Ceballos-Zúñiga	100	13.64	88	n.s	6	-	0	-	0
Mr Rafael Navas Lanchas	80	33.33	60	-	0	-	0	-	0
Consolidated Company Results									
	26	18.18	22	-12.00	25	38.89	18	0.00	18
Consolidated income of the company									
	59	1.72	58	7.41	54	1.89	53	0.00	53

Observations

In this IRC 2023, information on directors' remuneration based on accrual criteria has been collected, which is why the information collected in this IRC 2023 for previous years; 2022; 2021; 2020 and 2019 have been amended to follow the same accrual criterion and thus be comparable information.

D. OTHER INFORMATION OF INTEREST

If there is any relevant aspect regarding the remuneration of the directors that could not be included in the rest of the sections of this report, but which is necessary to include in order to gather more complete and reasoned information on the structure and remuneration practices of the company in relation to its directors, please provide a brief description of such aspects here briefly.

The Company's directors have not accrued any remuneration other than that indicated in Section B of this report, without prejudice to the amounts indicated in section D.3 of the Annual Corporate Governance Report concerning related-party transactions between entities owned by the directors and the Company itself.

On the other hand, the figures included in sections C.1.a.i.,C.1.a.ii, C.1.a.iii and C.1.c refer to the amounts accrued in 2023 for all the directors, not having accrued any variable remuneration during financial year 2023 other than those included in section B above.

Likewise, as explained in section B.7, of the variable remuneration paid to the executive directors during 2023, part of the variable remuneration paid to the executive directors; Mr. Juan Carlos Ureta Domingo, Mr. Juan Luis López García, Mr. Jesús Sánchez- Quiñones González and Mr. Santiago Gonzalez Enciso, corresponds to the variable remuneration accrued in 2019 and 40% of which was deferred in thirds in the following three financial years (2021, 2022 and 2023). Specifically, the total variable remuneration corresponding to 2019, deferred and paid in 2023 amounted to €43,166.67, with 50% paid in cash and 50% in shares. Specifically, the variable remuneration paid to Mr. Juan Carlos Ureta Domingo amounted to €14,000, to Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González €12,833.33 each, and to Mr. Santiago González Enciso, €3,500.

Another part of the variable remuneration paid in 2023 to executive directors Mr. Juan Carlos Ureta Domingo, Mr. Juan Luis López García, Mr. Jesús Sánchez-Quiñones González, and Mr. Santiago Gonzalez Enciso corresponds to the variable remuneration accrued in the 2020 financial year, 40% of which was deferred in thirds over the following three financial years (2022, 2023 and 2024). Specifically, the total variable remuneration for 2020, deferred and paid in 2023 amounted to €67,833.33, paid 50% in cash and 50% in shares. Specifically, the variable remuneration paid to Mr. Juan Carlos Ureta Domingo amounted to €22,000, to Mr. Juan Luis Lopez Garcia and Mr. Jesus Sanchez-Quinones González the amount of €20,166.67 to each of them, and finally to Mr. Santiago González Enciso, €5,500, in all cases, 50% in cash and the other 50% in shares.

On the other hand, of the variable remuneration paid to the executive directors during 2023, another part corresponds to the variable remuneration accrued in financial year 2021, in which it was agreed that 60% of the remuneration would be paid during the first quarter of 2022, deferring the remaining 40% over the following three years; 2023, 2024 and 2025, the amount to be paid being one third (1/3) of the total amount each year, 50% in cash and 50% in shares. As a result, one third of the 40% variable remuneration accrued in the financial year 2021 was paid in 2023, amounting to €126.000, specifically, Mr. Juan Carlos Ureta Domingo was paid an amount of €40,000, Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González the amount of €36,666.67 each and finally Mr. Santiago González Enciso, €12,666.67, in all cases, 50% in cash and the other 50% in shares.

Lastly, of the variable remuneration paid to the executive directors during 2023, another part corresponds to the variable remuneration accrued in financial year 2022, in which it was agreed that 60% of the remuneration would be paid during the first quarter of 2023, deferring the remaining 40% over the following four years; 2024, 2025, 2026 and 2027, the amount to be paid being 1/4 of the total amount each year, 50% in cash and 50% in shares. Therefore, in 2024, 60% of the variable remuneration accrued in the financial year 2022 was paid out for a total amount of €317,520, €158,760 in cash and the same amount in shares. Specifically, to Mr. Juan Carlos Ureta Domingo the amount of €100,800 (€50,400 in cash and €50,400 in shares), to Mr. Juan Luis López García and to Mr. Jesús Sánchez-Quiñones González the amount of €92,400 each, 50% in cash (€46,200) and 50% in shares (€46,200) and finally to Mr. Santiago González Enciso was paid €31,920, 50% in cash (€15,960) and 50% in shares. (€15,960).

Regarding the VR in shares, to calculate the number of shares to be awarded in the financial year 2023, the average market value of the share during the last 20 business days of the previous year has been taken, as established in the Remuneration Policy. In the financial year 2022, the average share value over the last 20 business days was €9,715 per share. In February and March of 2023, each of the executive directors subscribed to a number of shares corresponding to the remuneration to be paid in 2023 , taking the average price (€9.715 /share) for the calculation and taking into account the interim payment associated with this remuneration in kind. In this regard, a total of 5,639 shares were subscribed to Mr. Juan Carlos Ureta Domingo, 5,179 shares were subscribed to Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González, and a total of 2,199 shares were subscribed to Mr. Santiago González Enciso. The difference between the purchase price of the shares on the market and the average share price during the last 20 business days (€9.715 /share), together with the interim payment associated with the remuneration in kind, gave rise to a total additional cost of €8,309.43; €2,679.02 corresponding to Mr. Juan Carlos Ureta Domingo, €2,460.52 to Mr. Juan Luis Lopez, €2,433.22 to Mr. Jesus Sánchez-Quiñones González and €736.67 correspond to Mr. Santiago González Enciso.

Finally, in the GSM to be held in 2024, the Board of Directors will propose for approval a new remuneration policy for the years 2025, 2026 and 2027, in compliance with article 529 new provisions of the Capital Company Act policy which has maintained the principles, characteristics and concepts of the policies of the previous years, applicable to the Directors, both in the performance of their functions as an administrative body, as well as that of those Directors who perform executive functions.

This annual remuneration report was approved by the company's board of directors at their meeting held on session date:

26/02/2024

List whether any directors voted against or abstained from voting on the approval of this report.

Yes **No** ✓