Independent Audit Report

RENTA 4 BANCO, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended December 31, 2015

(Free translation from the original in Spanish)

Building a better working world

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(Translation of a report and consolidated financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails, see Note 25)

INDEPENDENT AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Renta 4 Banco, S.A.:

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Renta 4 Banco, S.A. (the parent company) and its subsidiaries (the Group), which comprise consolidated balance sheet at December 31, 2015, 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 notes thereto for the year then ended.

Directors' responsibility for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the consolidated equity, the consolidated financial position and the consolidated results of Renta 4 Banco, S.A. and its subsidiaries, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit. We conducted our audit in accordance with prevailing audit regulations in Spain. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of consolidated financial statements by the directors of the parent company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of Renta 4 Banco, S.A. and its subsidiaries at December 31, 2015, and its consolidated results and consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards, as adopted by the EU, and other provisions in the regulatory framework for financial information applicable in Spain.

Report on other legal and regulatory requirements

The accompanying consolidated 2015 management report contains such explanations as the directors of the parent company consider appropriate concerning the situation of the Group, the evolution of its business and other matters; however, it is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2015 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of Renta 4 Banco, S.A. and its subsidiaries.

ERNST & YOUNG, S.L.

(Signed in the original in Spanish)

Roberto Diez Cerrato

March 17, 2016

Renta 4 Banco, S.A. and Subsidiaries Comprising the Renta 4 Group
CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheets of
Renta 4 Banco, S.A. and Subsidiaries

Renta 4 Banco S.A. and subsidiaries

Consolidated balance sheets at December 31

ASSETS	Note	Thousands of euros 2015	2014
Cash and balances with central banks	**8**	**6,432**	**3,729**
Financial assets held for trading	**9**	**926**	**1,764**
Due from credit institutions		-	-
Loans and advances to customers		-	-
Debt securities		8	97
Equity instruments		460	1,217
Trading derivatives		458	450
Memorandum item: Loaned or advanced as collateral		-	-
Other financial assets at fair value through profit or loss		-	-
Due from credit institutions		-	-
Loans and advances to customers		-	-
Debt securities		-	-
Equity instruments		-	-
Memorandum item: Loaned or advanced as collateral		-	-
Available-for-sale financial assets	**10**	**495,249**	**626,628**
Debt securities		459,111	593,879
Equity instruments		36,138	32,749
Memorandum item: Loaned or advanced as collateral		*299,228*	433,179
Loans and receivables	**11**	**511,040**	**797,884**
Due from credit institutions		426,686	748,626
Loans and advances to customers		84,354	49,258
Debt securities		-	-
Memorandum item: Loaned or advanced as collateral		-	-
Held-to-maturity investments		-	-
Memorandum item: Loaned or advanced as collateral		-	-
Changes in the fair value of hedged items in portfolio hedges of interest rate risk		-	-
Hedging derivatives		-	-
Non-current assets held for sale		-	-
Investments	**12**	**421**	**5,880**
Associates		421	5,880
Jointly controlled entities		-	-
Insurance contracts linked to pensions		-	-
Reinsurance assets		-	-
Property and equipment	**13**	**40,133**	**35,171**
Property and equipment		36,051	30,958
For own use		36,051	30,958
Leased out on operating lease		-	-
Assigned to welfare projects		-	-
Investment properties		4,082	4,213
Memorandum item: Acquired under finance leases		*1,225*	14,421
Intangible assets	**14**	**17,545**	**17,861**
Goodwill		15,291	15,420
Other intangible assets		2,254	2,441
Tax assets	**20**	**2,859**	**2,092**
Current		-	-
Deferred		2,859	2,092
Other assets	**15**	**751**	**826**
Inventories		-	-
Other		751	826
TOTAL ASSETS		**1,075,356**	**1,491,835**

Renta 4 Banco, S.A. and subsidiaries

Consolidated balance sheets at December 31

LIABILITIES	Note	Thousands of euros 2015	2014
Financial liabilities held for trading		**266**	**360**
Due to central banks		-	-
Due to credit institutions		-	-
Customer deposits		-	-
Debt certificates including bonds		-	-
Trading derivatives		266	360
Short positions		-	-
Other financial liabilities		-	-
Other financial liabilities at fair value through profit or loss		**-**	**-**
Due to central banks		-	-
Due to credit institutions		-	-
Customer deposits		-	-
Debt certificates including bonds		-	-
Subordinated liabilities		-	-
Other financial liabilities		-	-
Financial liabilities at amortized cost	**16**	**986,275**	**1,404,287**
Due to central banks		201,318	306,974
Due to credit institutions		6,864	6,353
Customer deposits		699,014	1,024,014
Marketable debt securities		-	-
Subordinated liabilities		-	-
Other financial liabilities		79,079	66,946
Changes in the fair value of hedged items in portfolio hedges of interest rate risk		**-**	**-**
Hedging derivatives		**-**	**-**
Liabilities under insurance contracts		**-**	**-**
Liabilities associated with non-current assets held for sale			
Provisions	**17**	**200**	**130**
Provisions for pensions and similar obligations		-	-
Provisions for tax and other legal contingencies		200	130
Provisions for contingent exposures and commitments		-	-
Other provisions		-	-
Tax liabilities	**20**	**4,511**	**4,162**
Current		3,120	2,674
Deferred		1,391	1,488
Welfare fund		**-**	**-**
Other liabilities	**15**	**2,009**	**2,018**
Capital repayable on demand		**-**	**-**
TOTAL LIABILITIES		**993,261**	**1,410,957**

Renta 4 Banco S.A. and subsidiaries

Consolidated balance sheets at December 31

	Note	Thousands of euros 2015	2014
EQUITY			
Own funds	**18**	**82,816**	**79,630**
Capital or endowment fund		18,312	18,312
Issued capital		18,312	18,312
Less: Uncalled capital		-	-
Share premium		8,496	8,496
Reserves		47,769	44,269
Retained earnings		47,358	43,930
Reserves (losses) of entities accounted for using the equity method		411	339
Other equity instruments		-	142
Equity component of compound financial instruments		-	-
Non-voting equity units and associated funds		-	-
Other equity instruments		-	142
Less: Treasury shares		(334)	(2,400)
Profit (loss) attributable to the parent		14,019	13,369
Less: Dividends and remuneration		(5,446)	(2,558)
Valuation adjustments	**18**	**(768)**	**(304)**
Available-for-sale financial assets		(353)	(148)
Cash flow hedges		-	-
Hedges of net investments in foreign operations		-	-
Exchange differences		(415)	(156)
. Non-current assets held for sale		-	-
Companies accounted for using the equity method		-	-
Other valuation adjustments		-	-
Non-controlling interests	**18**	**47**	**1,552**
Valuation adjustments		-	-
Other		47	1,552
TOTAL EQUITY		**82,095**	**80,878**
TOTAL EQUITY AND LIABILITIES		**1,075,356**	**1,491,835**
MEMORANDUM ITEMS			
Contingent exposures	**19**	**31**	**13**
Contingent commitments	**19**	**3,501**	**565**
		3,532	**578**

Consolidated Income Statements of
Renta 4 Banco, S.A. and Subsidiaries

Renta 4 Banco, S.A., and subsidiaries

Consolidated income statements for the years ended December 31

	Note	2015	2014
		Thousands of euros	
Interest and similar income	**22.a**	**4,191**	**7,533**
Interest and similar expense	**22.a**	**(811)**	**(1,509)**
Interest on capital repayable on demand		**-**	**-**
NET INTEREST INCOME		**3,380**	**6,024**
Returns on equity instruments		**119**	**165**
Share of profit (loss) of entities accounted for using the equity method	**12**	**(662)**	**(771)**
Fee and commission income	**22.b**	**127,767**	**104,971**
Fee and commission expense	**22.b**	**(64,703)**	**(54,314)**
Gains / (losses) on financial assets and liabilities (net)	**22.a**	**1,444**	**8,229**
Financial assets and liabilities held for trading		953	7,196
Other financial instruments measured at fair value through profit or loss		-	-
Other financial instruments not measured at fair value through profit or loss		491	1,033
Other			
Exchange differences (net)		**1,597**	**1,787**
Other operating income	**22.c**	**294**	**294**
Income from issued insurance and reinsurance contracts		6	8
Sales and income from the provision of non-financial services		282	280
Other operating income		6	6
Other operating expense	**22.c**	**(770)**	**(1,235)**
Expenses from issued insurance and reinsurance contracts		-	-
Changes in inventories		-	-
Other operating expense		(770)	(1,235)
GROSS MARGIN		**68,466**	**65,150**
Administrative expenses		**(42,929)**	**(40,328)**
Personnel expenses	**22.d**	(24,128)	(24,134)
Other administrative expenses	**22.e**	(18,801)	(16,194)
Depreciation and amortization	**13 & 14**	**(4,348)**	**(3,871)**
Provision expense (net)		**(200)**	**47**
Impairment losses (net) on financial assets	**22.f**	**(546)**	**(1,447)**
Loans and receivables		(360)	(517)
Other financial instruments not measured at fair value through profit or loss		(186)	(930)
OPERATING PROFIT		**20,443**	**19,551**
Impairment losses (net) on other assets	**22.g**	**(919)**	**(40)**
Goodwill and other intangible assets		(919)	(40)
Other assets		-	-
Gains / (losses) on disposal of assets not classified as non-current assets held for sale		**421**	**(1)**
Negative difference on business combinations		**-**	**-**
Gains / (losses) on non-current assets held for sale not classified as discontinued operations		**-**	**-**
PROFIT (LOSS) BEFORE TAX		**19,945**	**19,510**
Income tax	**20**	**(5,925)**	**(5,807)**
Mandatory transfer to welfare funds			**-**
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**14,020**	**13,703**
Profit (loss) from discontinued operations (net)			**-**
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR		**14,020**	**13,703**
Profit (loss) attributed to the parent		14,019	13,369
Profit (loss) attributed to non-controlling interests		1	334
EARNINGS PER SHARE			
Basic earnings per share (euros)	**18.i**	0,35	0,33
Diluted earnings per share (euros)	**18.i**	0,35	0,33

Consolidated Statements of recognised income and expense of Renta 4 Banco, S.A. and subsidiaries

Renta 4 Banco, S.A. and subsidiaries

Consolidated statement of recognized income and expense for the years ended December 31, 2015 and 2014.

	Note	Thousands of euros 2015	2014
A) CONSOLIDATED PROFIT/(LOSS) OF THE YEAR		**14,020**	**13,703**
B) OTHER RECOGNIZED INCOME AND EXPENSES		**(464)**	**601**
B.1) Items that will not be reclassified to profit or loss		**-**	**-**
1. Actuarial gains / (losses) on defined benefit pension plans		-	-
2. Non-current assets held for sale		-	-
3. Income tax related to items that will not be reclassified to profit or loss		-	-
B.2) Items that may be reclassified to profit or loss		**(464)**	**601**
Available-for-sale financial assets		**(293)**	**818**
Valuation gains (losses)		12	921
Amounts transferred to income statement		(305)	(103)
Other reclassifications		-	-
Cash flow hedges		**-**	**-**
Valuation gains (losses)		-	-
Amounts transferred to income statement		-	-
Amounts transferred to initial carrying amount of hedged items		-	-
Other reclassifications		-	-
Hedges of net investments in foreign operations		**-**	**-**
Valuation gains (losses)		-	-
Amounts transferred to income statement		-	-
Other reclassifications		-	-
Exchange differences		**(259)**	**28**
Valuation gains (losses)		(259)	28
Amounts transferred to income statement		-	-
Other reclassifications		-	-
Investments accounted for using the equity method		**-**	**-**
Valuation gains (losses)		-	-
Amounts transferred to income statement		-	-
Other reclassifications		-	-
Actuarial gains / (losses) on pension plans		**-**	**-**
Investments accounted for using the equity method		**-**	**-**
Valuation gains / (losses)		-	-
Amounts transferred to income statement		-	-
Other reclassifications		-	-
Other recognized income and expense		**-**	**-**
Income tax		**88**	**(245)**
C) TOTAL RECOGNIZED INCOME AND EXPENSE (A+B)		**13,556**	**14,304**
Own funds		13,555	14,058
Non-controlling interests		1	246

Consolidated Statements of total changes in equity of Renta 4 Banco, S.A. and subsidiaries

Renta 4 Banco, S.A. and subsidiaries

Consolidated statement of total changes in equity for the year ended December 31, 2015

	Thousands of euros									
	Own funds									
	Capital / endowment fund	Share premium and reserves	Other equity instruments	Less: Treasury shares	Profit (loss) attributed to the parent	Less: Dividends and remuneration	Total own funds	Valuation adjustments	Non-controlling interests	Total equity
Closing balance at December 31, 2014	**18,312**	**52,765**	**142**	**(2,400)**	**13,369**	**(2,558)**	**79,630**	**(304)**	**1,552**	**80,878**
Restatement for changes in accounting criteria	-	-	-	-	-	-	-	-	-	-
Restatement for prior-year errors	-	-	-	-	-	-	-	-	-	-
Restated opening balance	**18,312**	**52,765**	**142**	**(2,400)**	**13,369**	**(2,558)**	**79,630**	**(304)**	**1,552**	**80,878**
Total recognized income / (expense)	**-**	**-**	**-**	**-**	**14,019**	**-**	**14,019**	**(464)**	**1**	**13,556**
Other changes in equity	**-**	**3,500**	**(142)**	**2,066**	**(13,369)**	**(2,888)**	**(10,833)**	**-**	**(1,506)**	**(12,339)**
Increases / (decreases) in capital / endowment fund	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-	-	-
Increases in other equity instruments	-	-	-	-	-	-	-	-	-	-
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities	-	-	-	-	-	-	-	-	-	-
Dividends paid / shareholder remuneration (Notes 2.10 and 18.h)	-	(4,127)	-	-	-	(5,446)	(9,573)	-	-	(9,573)
Transactions with own equity instruments (net) (Note 18.g)	-	16	(77)	1,727	-	-	1,666	-	-	1,666
Transfers between equity accounts	-	10,811	-	-	(13,369)	2,558	-	-	-	-
Increase / (decrease) for business combinations(note 3 and 18 l)	-	(3,228)	-	-	-	-	(3,228)	-	(1,506)	(4,734)
Discretionary allocation to welfare projects and funds	-	-	-	-	-	-	-	-	-	-
Share-based payments (Note 18.f and 18.g)	-	28	(65)	339	-	-	302	-	-	302
Other increases / (decreases) in equity	-	-	-	-	-	-	-	-	-	-
Closing balance at December 31, 2015	**18,312**	**56,265**	**-**	**(334)**	**14,019**	**(5,446)**	**82,816**	**(768)**	**47**	**82,095**

Renta 4 Banco, S.A. and subsidiaries

Consolidated statement of total changes in equity for the year ended December 31, 2014

	Thousands of euros									
	Own funds									
	Capital / endowment fund	Share premium and reserves	Other equity instruments	Less: Treasury shares	Profit (loss) attributed to the parent	Less: Dividends and remuneration	Total own funds	Valuation adjustments	Non-controlling interests	Total equity
Closing balance at December 31, 2013	**18,312**	**45,473**	**1,027**	**(2,448)**	**10,554**	**(1,941)**	**70,977**	**(993)**	**1,311**	**71,295**
Restatement for changes in accounting criteria	-	-	-	-	-	-	-	-	-	-
Restatement for prior-year errors	-	-	-	-	-	-	-	-	-	-
Restated opening balance	**18,312**	**45,473**	**1,027**	**(2,448)**	**10,554**	**(1,941)**	**70,977**	**(993)**	**1,311**	**71,295**
Total recognized income / (expense)	**-**	**-**	**-**	**-**	**13,369**	**-**	**13,369**	**689**	**246**	**10,753**
Other changes in equity	**-**	**7,292**	**(885)**	**48**	**(10,554)**	**(617)**	**(4,716)**	**-**	**(5)**	**(4,721**
Increases / (decreases) in capital / endowment fund	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into equity (Notes 16.d, 18.g)	-	(439)	(308)	-	-	-	(747)	-	-	(747)
Increases in other equity instruments	-	-	-	-	-	-	-	-	-	-
Reclassification of financial liabilities to other equity instruments	-	-	-	-	-	-	-	-	-	-
Reclassification of other equity instruments to financial liabilities (Note 16.d)	-	-	(577)	-	-	-	(577)	-	-	(577)
Dividends paid / shareholder remuneration (Note 18.h)	-	(854)	-	-	-	(2,558)	(3,412)	-	-	(3,412)
Transactions with own equity instruments (net) (Note 18.g)	-	-	-	48	-	-	48	-	-	48
Transfers between equity accounts	-	8,613	-	-	(10,554)	1,941	-	-	-	-
Increase / (decrease) for business combinations(Note 18.l)	-	-	-	-	-	-	-	-	-	-
Discretionary allocation to welfare projects and funds	-	-		-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-	-	-
Other increases / (decreases) in equity	-	(28)	-		-	-	(28)	-	(5)	(33)
Closing balance at December 31, 2014	**18,312**	**52,765**	**142**	**(2,400)**	**13,369**	**(2,558)**	**79,630**	**(304)**	**1,552**	**80,878**

Consolidated Statements of Cash Flow
Renta 4 Banco, S.A. and Subsidiaries

Renta 4 Banco, S.A. and subsidiaries

Consolidated statements of cash flow for the years ended December 31

	Note	Thousands of euros 2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		**83,336**	**144,227**
Consolidated profit (loss) for the year		**14,020**	**13,703**
Adjustments to obtain cash flows from operating activities		**4,362**	**7,003**
Amortization and depreciation	**13**	4,348	3,871
Other adjustments		14	3,132
Net increase / decrease in operating assets		**379,753**	**(393,512)**
Financial assets held for trading		838	(727)
Other financial assets at fair value through profit or loss		-	-
Available-for-sale financial assets		133,452	(219,528)
Loans and receivables		246,155	(173,110)
Other operating assets		3,499	7,386
Interest received		(4,191)	(7,533)
Net increase / decrease in operating liabilities		**(308,872)**	**522,005**
Financial liabilities held for trading		(94)	(12)
Other financial liabilities at fair value through profit or loss		-	-
Financial liabilities at amortized cost		(310,020)	524,791
Other operating liabilities		1,242	(2,774)
Income tax receipts (payments)		**(5,927)**	**(4,972)**
CASH FLOWS FROM INVESTING ACTIVITIES		**(4,372)**	**(10,152)**
Payments		**(9,540)**	**(11,236)**
Property and equipment	**13**	(8,106)	(5,404)
Intangible assets	**14**	(1,087)	(1,720)
Investments	**12**	(347)	(4,112)
Other business units		-	-
Non-current assets and associated liabilities held for sale		-	-
Held-to-maturity investments		-	-
Other payments related to investing activities		-	-
Collections		**5,168**	**1,084**
Property and equipment		70	-
Intangible assets		-	-
Investments		4,979	919
Other business units		-	-
Non-current assets and associated liabilities held for sale		-	-
Held-to-maturity investments		-	-
Other collections related to investing activities		119	165
CASH FLOWS FROM FINANCING ACTIVITIES		**(116,331)**	**47,838**
Payments		**(1,067,076)**	**(1,074,551)**
Dividends	**2.10 & 18**	(9,573)	(3,412)
Subordinated liabilities		-	-
Redemption of own equity instruments		-	(8,434)
Acquisition of own equity instruments	**18.g**	(521)	(6,216)
Other payments related to financing activities		(1,056,171)	(1,054,980)
Interest paid		(811)	(1,509)
Collections		**950,745**	**1,122,389**
Subordinated liabilities		-	-
Issuance of own equity instruments	16.c	-	-
Disposal of own equity instruments		745	1,089
Other collections related to financing activities		950,000	1,121,300
EFFECT OF EXCHANGE RATE CHANGES		**(259)**	**28**
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS		**(37,626)**	**181,941**
Cash and cash equivalents at beginning of period	**8**	**288,135**	**106,194**
Cash and cash equivalents at end of period	**8**	**250,509**	**288,135**
MEMORANDUM ITEM			
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		**250,509**	**288,135**
Cash		115	121
Cash equivalents at central banks		6,317	3,608
Other financial assets (note 11.a)		244,077	284,406
Less: Overdrafts repayable on demand		-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Renta 4 Banco, S.A. and subsidiaries

Renta 4 Banco, S.A. and Subsidiaries
Notes to the consolidated financial statements
for the year ended
December 31, 2014

1. GENERAL INFORMATION

Renta 4 Banco, S.A. (hereinafter referred to indistinctly as the Entity, the Company, the Bank or the parent) is the entity resulting from the merger by absorption, closed on March 30, 2011, of Renta 4 Servicios de Inversión, S.A. (transferee company) and Renta 4 Banco, S.A. (transferor company), the latter formerly called Banco Alicantino de Comercio, S.A. (the change of registered name having been filed with the Companies Register on June 8, 2011). Additionally, in connection with the merger, a number of changes were made to the bylaws of the transferee company, which changed its registered business name from Renta 4 Servicios de Inversión, S.A. to Renta 4 Banco, S.A. and expanded the corporate purpose of Renta 4 Servicios de Inversión S.A. to include banking activities and the delivery of the investment and auxiliary services that are typical of investment service providers. The Bank is registered with the Companies Register and in the Bank of Spain's so-called Special Register of Credit Institutions under code number 0083.

On December 19, 2011, Spain's Ministry of Finance approved the partial spin-off of the business of Renta 4, S.A., Sociedad de Valores in favor of Renta 4 Servicios de Inversión, S.A., and the amendment of the business activities of Renta 4, S.A., Sociedad de Valores.

As a result of this spin-off, Renta 4, S.A., Sociedad de Valores transferred to Renta 4, Servicios de Inversión, S.A. all of the equity associated with certain lines of business of the company spun out, which constitute an "economic unit". The economic unit was transferred *en bloc* and by way of universal succession to Renta 4 Servicios de Inversión, S.A.; the latter, as beneficiary of the spin-off, acquired, also by universal succession, all of the assets, liabilities, rights and obligations comprising the capital so spun off.

The balance sheet of Renta 4, S.A., Sociedad de Valores at December 31, 2010 was used for transaction accounting purposes. All the transactions performed by the economic unit spun out from Renta 4, S.A., Sociedad de Valores are deemed to have been performed by Renta 4 Servicios de Inversión, S.A. from January 1, 2011, inclusive, for accounting purposes.

As a result of the spin-off, Renta 4, S.A., Sociedad de Valores transferred net assets to Renta 4 Servicios de Inversión, S.A. in the amount of 13,630 thousand euros, an amount equivalent to 48.418% of Renta 4, S.A., Sociedad de Valores' total equity prior to the transaction. Accordingly, Renta 4, S.A., Sociedad de Valores decreased its capital by 2,944,826.61 euros by cancelling the shares numbered 1,047,869 to 2,031,485, both inclusive.

The Bank's corporate purpose consists of the activities typical of credit institutions in general, including the provision of investment services, the acquisition, holding, exploitation, administration and disposal of all manner of transferable securities, including specifically those itemized in article 175 of Spain's Code of Commerce and other prevailing legislation governing entities of this nature. Its corporate purpose also extends to the provision of all manner of services, including advisory services, such as those of an economic, financial, tax, stock market, organizational or IT nature, the performance of company valuations, and the placement and trading of all classes of third-party movable and immovable property.

The activities comprising the corporate purpose may also be performed in whole or in part on an indirect basis through the ownership of shares or equity investments in other companies with an identical or similar core business.

The Entity's registered office address is Paseo de la Habana 74. The Board has authorized changes in registered office within the town of incorporation. Similarly, the Entity may create, close or move its Spanish and foreign branches, agencies or sales offices as deemed necessary or advisable in the ordinary course of its business.

The Bank is the parent company of a consolidable group of credit institutions (the "Group"). The businesses pursued by the Group's subsidiaries and associates are listed in Appendix I.

The activities carried out by some of the Group companies are regulated by Spain's Securities Market Act (Law 24/1988, of July 28), as amended by Spanish Laws 37/1998, of November 16, 44/2002, of November 22, 26/2003, of July 17, Ministerial Order ECO/734/2004, of March 11 and Royal Decree 217/2008, of February 15, which establishes the legal regime governing investment service providers. In addition, undertakings for collective investment management are regulated by Law 35/2003, of November 4, as subsequently amended (by Law 31/2011 of October 4) and by Royal Decree 1309/2005, of November 4, which enacted Law 35/2003. Also, the pension fund management business is regulated by Royal Decree 1/2002, of November 29, which enacts the consolidated text of the act regulating pension plans in Spain, and subsequent enacting regulations (Royal Decree 304/2004, of February 20, enacting the pension plan and fund regulations) and amendments.

In keeping with prevailing legislation, the Bank's directors authorized the consolidated annual financial statements of Renta 4 Banco, S.A. and its subsidiaries for issue at a meeting held on March 25, 2015.

As a credit institution, Renta 4 Banco, S.A. is subject to specific legislation which regulates the following matters, among others:

- Maintenance of a minimum level of funds in a central bank of a eurozone country to cover the minimum reserve requirement. In December 31, 2015 and December 31, 2014 Renta 4 Banco, SA, met the minimum requirements.

- Maintenance of a minimum level of capital. The prevailing legislation stipulates that sufficient equity must be maintained to cover the risks assumed (note 18.j). In December 31, 2015 and December 31, 2014 Renta 4 Banco, SA, met the minimum requirements.

- Article 412 of Regulation (EU) No. 575/2013, of June 26, 2013, on prudential requirements for credit institutions and investment firms (hereinafter the CRR), requires compliance with a liquidity coverage requirement, which is developed in Delegated Regulation (EU) 2015/61. This requirement is applicable to credit institutions at individual level (Article 6.4 of the CRR) and at the consolidated level of the Parent institution (Article 11.3 of the CRR) from October 1, 2015.

  This requirement has been adopted in accordance with the following time table:

  - 60% of the liquidity coverage requirement by October 1, 2015.

  - 70% by January 1, 2016.

  - 80% by January 1, 2017.

  - 100% by January 1, 2018.

The liquidity ratio at December 31, 2015 at the entity's individual level was over 100%, which is not required until January 1, 2018

- Annual contribution to the Deposit Guarantee Fund, as a guarantee additional to that provided by the Entity's capital to its creditors, intended to guarantee customer deposits up to the sum of 100,000 euros pursuant to the provisions of current law (Note 22.c). In the wake of publication of Spanish Royal Decree-Law 19/2011 (of December 2, 2011), the annual contribution to the Deposit Guarantee Fund has been set at 0.2% of eligible guaranteed deposits. Royal Decree-Law 6/2013, of March 22, 2013, stipulated an exceptional contribution to the Deposit Guarantee Fund of 0.3% of the deposits held by the member entities at December 31, 2012, stipulating the contribution of the first instalment (two-fifths of the total) within the first 20 business days of 2014, net of any deductions provided for under the scope of this same piece of legislation. In order to structure the payment of this first tranche, the Management Committee of the Deposit Guarantee Fund, in a meeting held on November 22, 2013, agreed the above-mentioned deductions, as so empowered, specifically approving a deduction of up to 50% of contributions for member entities whose calculation base is less than 5 billion euros, this being the case of the parent. The second tranche of this extraordinary payment amounts to 699 thousand euros in the case of the parent.

  In a meeting held on June 10, 2014, the Management Committee agreed to schedule the first instalment of this second tranche for September 20, 2014 in an amount equivalent to one-seventh of the total balance due. This payment was made on September 30, 2014 in the sum of 100 thousand euros (which is one-seventh of the 699 thousand euros due under the second tranche). In addition, in its meeting of December 17, 2014, the Committee agreed to structure the settlement of the remainder of the said second tranche into two equal instalments, payable on June 30, 2015 and June 30, 2016.

  On December 2, 2015, the Management Committee of the FGDEC determined the annual contribution to be made at 1.6 per thousand of the calculation basis for the part relating to the guarantee of deposits and at 2 per thousand for the part relating to the guarantee of securities. Accordingly, the amount accrued at December 31, 2015, was 637 thousand euros (2014: 1,065 thousand euros), which excludes the expense recognized in 2014 of 117 thousand euros under "Other operating expenses" in the accompanying consolidated income statement.

  It also created the National Resolution Fund (NRF, administered by the FROB), funded with annual contributions by credit institutions and investment firms. Its financial resources must reach at least 1% of the deposits guaranteed by all the institutions no later than December 31, 2024. The NRF will be combined with the rest of the EU Member State's national funds into a Single Resolution Fund in 2016.

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

  Royal Decree 1012/2015 stipulates that the FROB will determine the annual contributions to the NRF, adjusting them to institution's risk profile. In 2015, a contribution to the NRF was made of 147 thousand euros (2014: 0 euros), along with related fees of 4 thousand euros, recognized under "Fee and commission expense" in the accompanying consolidated income statement.

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

2. OTHER RELEVANT INFORMATION

2.1 Basis of presentation of the consolidated annual financial statements

The Group's consolidated financial statements for 2015 were approved for issue by the Directors of the Bank at their Board meeting on March 17, 2016. It is expected that the consolidated financial statements will be approved at the General Shareholders' Meeting without modification. The 2014 consolidated financial statements of Renta 4, Banco, S.A. and subsidiaries were authorized for issue on March 25, 2015 and were ratified at the Annual General Meeting held on April 28, 2015.

In keeping with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002, all companies governed by the law of a European Union member state whose securities are admitted to trading on a regulated market of any member state must prepare their consolidated accounts for all years beginning on or after January 1, 2005 in conformity with the International Financial Reporting Standards, as adopted by the European Union ("IFRS-EU").

The Group's consolidated financial statements for 2015 are presented in accordance with the provisions of the International Financial Reporting Standards adopted by the European Union and in due consideration of the provisions of Bank of Spain Circular 4/2004 of December 22 concerning credit institutions, on public and confidential financial reporting rules and formats ("Circular 4/2004"), and its subsequent modifications, constituting the implementation and adaptation to the Spanish credit institution sector of the International Financial Reporting Standards approved by the European Union.

The Group's consolidated financial statements for 2015 were prepared in due consideration of all accounting principles and regulations and the mandatory measurement criteria which have a significant impact thereon to give a true and fair view of the equity and financial position of the Group at December 31, 2015, and its financial performance and the changes in equity and in cash flows during the period then ended, from the date of incorporation of the Group.

Note 4 summarize the major accounting principles and regulations and measurement criteria applied to the preparation of the Group's consolidated financial statements for 2015. Note 2.9 below provide a summary of the major changes in accounting regulations during financial year 2015.

The figures provided in these consolidated financial statements are presented in thousands of euros, unless otherwise indicated.

2.2 Comparison of information

In accordance with company law, the directors of the parent present, for comparative purposes, for each of the headings included in the consolidated balance sheet, consolidated income statement, consolidated statement of recognized income and expense, consolidated statement of total changes in equity, consolidated statement of cash flows and the notes to the consolidated financial statements, the figures for 2014 in addition to those of 2015.

The information contained in the consolidated financial statements for 2014 is presented solely for comparison with the information for 2015 and, accordingly, it does not constitute the Group's 2014 consolidated financial statements.

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

The information in these consolidated financial statements is the responsibility of the Bank's directors.

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

- Impairment losses on financial assets (note 4.h).

- Impairment and useful lives of property and equipment and intangible assets (note 4.j).

- Goodwill impairment tests (note 4.i)

  When measuring goodwill, estimates must be made to determine its fair value in order to assess whether it may have become impaired. To determine fair value, the Company's directors estimate the expected cash flows from the cash-generating unit to which the goodwill is allocated, applying an appropriate discount rate to calculate the present value of these cash flows. These future cash flows depend on delivery of the Bank's five-year forecasts and projections, while the discount rates depend on the interest rate and risk premium associated with each cash-generating unit. Note 4.i analyzes the assumptions used to calculate the cash-generating units' value in use and note 14.a analyzes how sensitive the outcome is to changes in these assumptions.

- The measurement of equity instruments used in share-based payment plans for directors and employees (note 4.p).

- The fair value of certain financial assets that are not traded on official OTC markets (note 6).

- The measurement of financial risks to which the Group is exposed in carrying out its business (note 5).

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

2.4 Equity investments in credit institutions

The Group did not hold any equity investments in other Spanish or foreign credit institutions at either year-end 2015 or 2014.

2.5 Consolidation basis

The Group classifies its investments in subsidiaries and associates using the following criteria:

- Subsidiaries are entities over which the Group has control. An investor 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.

  Specifically, the Group controls an investee if, and only if, it has:

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

  b. Exposure, or rights, to variable returns: an investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. The investor's returns can be only positive, only negative or both positive and negative.

  c. Link between power and returns: an investor controls an investee if the investor not only has power over the investee and exposure or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor's returns from its involvement with the investee.

  Subsidiaries are fully consolidated, which implies the inclusion of all the rights and obligations comprising these entities' equity in the Group's balance sheet and of all items of income and expense used to determine profit or loss of the year in the Group's income statement.

  Consolidation is discontinued upon loss of control by the Group. When this happens, the consolidated annual financial statements reflect the deconsolidated investees' earnings for the portion of the year in which the Group did have control.

- "Associates" are investees in which the parent holds a direct or indirect investment over which it has the power to exercise significant influence, but not control or joint control. The power to exercise significant influence is usually associated with holdings of 20% or more of an investee's voting rights.

2.6 Non-controlling interests

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

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

2.7 Uniform accounting policies

Measurement criteria have been adjusted as necessary to ensure that those followed by the subsidiaries are consistent with those used by the parent.

2.8 Elimination of intercompany transactions

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

2.9 New accounting regulations

A) New mandatory standards, amendments and interpretations applicable in the annual period beginning on January 1, 2015

The following standards were applied in the consolidated financial statements, but did not have a significant impact on the reported figures, or on the presentation and disclosures therein.

- **Amendments to IAS 19 "Defined Benefit Plan: Employee Contributions"**

  The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

- **Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle**

  These two documents are the fifth and sixth collection of amendments to IFRSs in response to seven issues addressed during the 2010-2012 cycle and four issues addressed during the 2011-2013 cycle. The IASB uses the Annual Improvements process to make necessary, but non-urgent, amendments to IFRSs that will not be included in part of any other project. The most significant amendments affect IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38 and IAS 40.

  – IFRS 2 *Share-based Payment*: Amends the definitions of “vesting condition” and “market condition” and adds definitions for “performance condition” and “service condition.”

  – IFRS 3 "Business Combinations": Contingent consideration classified as assets or liabilities should be subsequently measured at fair value through profit or loss at each reporting date whether or not they entail a financial asset or a financial liability. Clarifies that this standard excludes the formation of joint arrangements in the financial statements of the joint venture or joint arrangement itself.

  – IFRS 8 "Operating Segments": The amendment requires entities to disclose the factors that are used by Management to identify its reportable segments when operating segments have been aggregated. In addition, the total of the reportable segments’ assets must reconcile with the entity’s total assets.

  – IFRS 13 "Fair Value Measurement": The basis for conclusions of IFRS 13 is amended to clarify that the issue of IFRS 13 does not remove the ability to measure short-term receivables and payables with no stated interest rate without discounting, when the effect of not discounting is immaterial. Amends the scope exception for measuring the fair value of a group of financial assets and liabilities on a net basis, which includes all contracts that are within the scope of IAS 39 or IFRS 9, even if they do not meet the definitions of financial assets or financial liabilities in IAS 32.

- IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets": The amendment clarifies the requirements when an item of property, plant and equipment or an intangible asset is revalued, the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount. The accumulated depreciation is the difference between the gross and the carrying amount after the revaluation.

- IAS 24 "Related Party Disclosures": Amounts paid or payable to management entities or entities that provide management personnel service should be disclosed, as these are deemed to be related parties.

- IAS 40 "Investment Property": The amendment clarifies that IAS 40 and IFRS 3 are not mutually exclusive and that both can be applied. Therefore, when an entity acquires investment property, it has to determine whether it acquires investment property as defined in IAS 40 or whether the transaction is the acquisition of a business combination

B) New mandatory standards, amendments and interpretations applicable in the years subsequent to the calendar year beginning on January 1, 20015 (applicable as of 2016) approved by the European Union.

Following is a list of standards, amendments and interpretations issued by the International Accounting Standard Board ("IASB") and endorsed by the European Union effective for annual periods beginning on or after 1 January 2015. Therefore, they have not been applied in the preparation of these annual consolidated financial statements.

- **Amendments to IFRS 11: *"Acquisition of an Interest in a Joint Operation"***

  [Effective for annual periods beginning on or after 1 July 2016, with early adoption permitted]

  The amendments to IFRS 11 require that the relevant principles for business combinations in IFRS 3 ("Business Combinations") and other IFRSs should be applied to the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business.

- **Amendments to IAS 16 and IAS 38: "Clarification of Acceptable Methods of Depreciation and Amortization"**

  [Effective for annual periods beginning on or after 1 July 2016, with early adoption permitted]

  This amendment clarifies when the use of a revenue-based depreciation or amortization method may be appropriate. The amendments clarify that the use of revenue-based methods for calculating the depreciation of an asset is not appropriate, as the revenue generated from an activity that includes the use of the asset reflects factors other than the consumption of the economic benefits of the asset. It indicates that, in general, revenue is not an appropriate basis for measuring the consumption of the economic benefits of an intangible asset, but this presumption can be rebutted in limited circumstances.

- **Amendments to IAS 27: "Equity Method in Separate Financial Statements"**

  [Effective for annual periods beginning on or after 1 July 2016, with early adoption permitted]

  The amendments to IAS 27 allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Therefore, an entity may account for these investments at cost, in accordance with IFRS 9 (or IAS 39), or using the equity method.

- **“Annual improvements to IFRSs” project (2012-2014 cycle)**

  [Effective for annual periods beginning on or after 1 July 2016, with early adoption permitted]

  These two documents are the seventh collection of amendments to IFRSs in response to four issues addressed during the 2012-2014 cycle. The IASB uses the Annual Improvements process to make necessary, but non-urgent, amendments to IFRSs that will not be included in part of any other project. The most significant amendments affect IFRS 5, IFRS 7, IAS 19, IAS 34.

- **Amendments to IAS 1: "Presentation of Financial Statements"**

  [Effective for annual periods beginning on or after 1 July 2016, with early adoption permitted]

  The amendments to IAS 1 were designed to further encourage companies to use judgement in determining the information to disclose in their financial statements, which line items must be disaggregated in their financial statements and which additional headings and subtotals should be included in the statement of financial position and the statement(s) of profit or loss and other comprehensive income, and where and in what order the notes should be presented.

- **Amendments to IAS 7 *Statement of Cash Flows: Disclosure Initiative***

  These amendments require the Group to provide disclosures on changes in financial liabilities to information on changes in financial liabilities to understand changes in the Group's borrowings. The amendments will help users of financial statements to evaluate changes in financial liabilities arising from financing activities, including changes arising from cash flows and non-cash changes (i.e. exchange differences). The amendments include examples in table format with the reconciliation between the opening and closing balance of financial instruments for liabilities arising from financial activities, excluding equity instruments, and disclosing them separately changes that implies cash flow from those that do not. These amendments are effective for annual periods beginning on or after January 1, 2017, with early application permitted. Entities need not provide comparative data for the year before. Therefore, the amendments are not effective in 2017, when these disclosures are required.

C) mandatory standards, amendments and interpretations applicable in the years subsequent to the calendar year beginning 1 January (applicable as of 2016) pending approval by the European Union.

Following is a list of the main standards, amendments and interpretations issued by the International Accounting Standards Board ("IASB") that have yet to be adopted by the European Union and therefore were not applied in the preparation of these consolidated annual financial statements:

- ***IFRS 9 "Financial Instruments"***

  [Effective for annual periods beginning on or after 1 January 2018, with early adoption permitted]

  The final version of IFRS 9, published on 24 July 2014, brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39.

  There are important differences to the current standard regarding financial assets, including, *inter alia*, approval of a new classification model based on only two categories: amortized cost and fair value; the elimination of the current classifications of the held-to-maturity investments and available-for-sale financial assets categories; a single impairment method only for assets carried at mortised cost; and the non-separation of embedded derivatives in financial asset contracts. The final version of the standard introduces an additional classification and measurement category, FVTOCI or fair value through changes in other comprehensive income for debt instruments that meet certain requirements.

  Regarding financial liabilities, the categories proposed in IFRS 9 are the same as those currently included in IAS 39. Therefore, there should not be any major differences except for the change affecting liabilities that an entity chooses to measure at fair value, in which it will present the portion of the change in fair value related to changes in its own credit risk in valuation adjustments rather than in the income statement.

  Regarding impairment, it replaces the "incurred loss" model of IAS 39 with the "expected credit loss" model, meaning that it will no longer be necessary for a "loss event" to occur before credit losses are recognized.

  - Regarding hedge accounting, the new model attempts to align the accounting treatment with risk management, maintaining the three types of hedges in the current standard (cash flow hedges, fair value hedges and hedges of a net investment in a foreign operation), but includes significant changes compared to IAS 39 is various issues, such as hedged items, hedging instruments, the time value of options and effectiveness assessment.

- **IFRS 15: "Revenue recognition"**

  [Effective for annual periods beginning on or after January 1, 2018, with early adoption permitted]

  The core principle of IFRS 15 is that a company should recognize revenue to depict the transfer of promised goods or services to the consumer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. A entity recognizes revenue in accordance with this core principle by applying five steps, which can be summarized as follows: identify the contract(s) with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price; and recognize revenue when a performance obligation is satisfied.

IFRS 15 includes a cohesive set of disclosure requirements that would result in an entity provided users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

- **Amendments to IFRS 10 “Consolidated Financial Statements”, IFRS 12 “Disclosures of Interests in Other Entities” and IAS 28 “Investments in Associates and Joint Ventures”**

  [Effective for annual periods beginning on or after January 01, 2016, with early adoption permitted]

  The amendments to IFRS 10, IFRS 12 and IAS 28 provide clarifications to requirements for accounting for investment entities in three aspects:

  - They confirm that a parent entity that is a subsidiary of an investment entity may be exempt from preparing consolidated financial statements.

  - They clarify that if an investment entity has a subsidiary that is not an investment entity and whose main purpose is to provide support services to the parent's investment activities or of third parties, the investment entity should consolidate the subsidiary; however, if the subsidiary is an investment entity, the parent entity must measure the subsidiary at fair value through profit or loss.

  - They require a non-investment entity investor, when applying the equity method to the investment, to retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

- **Amendments to IFRS 10 and IAS 28: "Sale or Contribution of Assets between an Investors and its Associate or Joint Venture"**

  [The effective date of 2016 has been postponed indefinitely]

  The amendments set out that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, the extent of any gain or loss recognized depends on whether the assets or subsidiary constitute a business, as defined in IFRS 3 "Business Combinations". When the assets or subsidiary constitute a business, any gain or loss is recognized in full; when the assets or subsidiary do not constitute a business, the entity's share of the gain or loss is eliminated.

Early adoption of the accounting standards described in letters B and C, already endorsed by the European Union, is permitted. However, the Group elected not to adopt them for these consolidated financial statements. Adoption of IFRIC 21 is not expected to have any material impact for the Group. However, their potential impact is being considered by Group management. A reliable estimate of their potential impact is not possible yet; this will depend on the content of the text finally adopted by the European Union and on the composition of the Group and its assets at the time of application.

2.10 Appropriation of results

The appropriation of 2015 and 2014 results was made based on the proposed appropriation of results included in the respective financial statements of the Group companies prepared in accordance with generally accepted accounting principles in Spain.

The appropriation of the parent's 2015 profit (determined on the basis of the accounting criteria and principles generally accepted in Spain) proposed by the directors and pending approval by the Entity's shareholders in general meeting, along with the appropriation of the 2014 profit ratified at the Entity's Annual General Meeting on April 29, 2015 is as follows:

	Thousands of euros	
	2015	2014
Reserves	2,907	1,366
Interim dividend (note 18.h)	5,446	2,558
Dividend	1,560	4,127
	9,913	8,051
Parent profit for the year	9,913	8,051

On March 17, 2016, the parent's Board of Director's approved the distribution of a final dividend from 2015 profit in the amount of 1,560 thousand euros (note 18.h).

On October 26, 2015, the parent's Board of Director's approved the distribution of an interim dividend from 2015 profit in the amount of 0.134 euros per share for a total payment of 5,446 thousand euros (both figures before withholdings). This dividend was paid on October 30, 2015 (note 18.h).

On March 25, 2015, the parent's Board of Director's approved the distribution of a final dividend from 2014 profit in the amount of 4,127 thousand euros (before withholdings).

On October 28, 2014, the parent's Board of Director's approved the distribution of an interim dividend from 2014 profit in the amount of 0.063 euros per share for a total payment of 2,558 thousand euros (both figures before withholdings). This dividend was paid on October 31, 2014 (note 18.h).

On March 25, 2014, the parent's Board of Director's approved the distribution of a final dividend from profit in the amount of 0.02101548 euros per share for a total payment of 854 thousand euros (both figures before withholdings). This dividend was paid on May 16, 2014 (note 16.h).

3. SUBSIDIARIES

A list of subsidiaries of Renta 4 Servicios de Inversión, S.A. at December 31, 2015 and 2014 is provided in Appendix I. The information relating to the measurement of associates in the consolidation process is provided in Note 12.

The individual annual financial statements of the companies included in the consolidation scope are those corresponding to December 31, 2015 and 2014, respectively, except for those of Hanson Asset Management Limited (an associate), whose year-end is March 31, although for the preparation of the consolidated financial statements, revenue and income from January 1 to December 31 each year were considered.

Changes to the consolidation scope in 2015:

– The agreement, signed on February 1, 2015, by Renta 4 Banco, S.A. to acquire the 2,550 shares not already held by the Group, representing 85% of the share capital of Renta 4 Guipúzcoa, S.A. Following the acquisition, Renta 4 Banco, S.A., became the sole shareholder of Renta 4 Guipúzcoa S.A. The amount paid for the acquisition was 4,734 thousand euros. This transaction resulted in decreases in non-controlling interests and reserves of 1,506 thousand euros and 3,228 thousand euros, respectively.

– The incorporation, on September 16, 2015, of a UCITS management company in Luxembourg, called Renta 4 Luxembourg, S.A., entailing an investment of 500 thousand euros.

– An equity injection in Renta 4 Sociedad Agente de Bolsa S.A., a Peruvian company, in the amount of 1,339 thousand nuevos sol, equivalent to 400 thousand euros.

– The sale by the Group of all its stakes in a number of investment funds which, at the end of the prior year, gave it controlling interests and, accordingly, "control" of the funds, as a result of which the investment funds were considered "subsidiaries" (see Note 18.g).

The changes to the consolidation scope in 2014:

- An equity injection into Renta 4 Sociedad Agente de Bolsa, S.A., a Peruvian company, in the amount of 662 thousand euros.

- An equity injection into Renta 4 Chile Corredores de Bolsa, S.A., a Chilean company, in the amount of 814 thousand euros.

- An equity injection into Renta 4 Chile S.p.A., a Chilean company, in the amount of 1,740 thousand euros.

- An equity injection into Renta 4 Chile S.L., a Chilean company, in the amount of 730 thousand euros.

- An equity injection into Renta 4 Colombia S.A.S., a Colombian company, in the amount of 262 thousand euros and payment of capital calls in the amount of 37 thousands euros.

- An equity injection into Renta 4 Pensiones S.G.F.P. in the amount of 601 thousand euros.

- Payment of capital calls at Renta 4 Inversiones Inmobiliarias, S.A. in the amount of 46 thousand euros.

- Incorporation of W4 Investment Advisory Limited with capital of GBP1.

Changes in the Group's associates in 2015:

- An equity injection, on March 12, 2015, into W4I Investment Advisory Limited, in which Renta 4 Banco, S.A. contributed 250 thousand pounds sterling, equivalent to 347 thousand euros, representing 25% of the company's share capital.

- The sale by Renta 4 Banco, S.A. of all the shares of Stella Maris (formerly Mercor Global Plus SICAV, S.A.) for 2,897 thousand euros, generating a gain of 18 thousand euros.

- The sale, on July 22, 2015, by Renta 4 Banco, S.A. of all the shares of Renta Markets S.V. S.A. for 2,082 thousand euros, generating a gain of 403 thousand euros.

The changes in the Group's investments in associates in 2014:

- Incorporation of Aria Capital 2014, S.R.L. on May 29, 2014, with a capital contribution of 4 thousands euros (fully paid) to give it a 40% shareholding, which was later sold for 3 thousand euros.

- On February 19, 2014, Renta 4 Banco, S.A. agreed to acquire an interest in the UK's Hanson Asset Management Limited ("HAM"); specifically, it took a 14.99% shareholding by means of participation in a rights issue. It paid 1,229 thousand euros (GBP 1,000 thousand) for this shareholding.

- In addition, the interest in Mercor Global Plus SICAV was recognized at 2,879 thousand euros.

4. MEASUREMENT PRINCIPLES AND CRITERIA

The valuation principles and criteria applied in the preparation of the 2014 consolidated financial statements are as follows:

a) Principles of going concern and accrual

The information set forth in these consolidated financial statements has been prepared on the basis that the Group will continue as a going concern for the foreseeable future. This assessment was made taking into consideration the following risk factors and attendant mitigating circumstances:

The most significant risk factors in relation to the Entity's ability to continue as a going concern are:

- The existence of a protracted and deep recession in Spain and abroad, which is having a material impact on all sectors of the economy, with specific ramifications for the financial sector.

- The ongoing increase in non-performing debt levels.

- Stock market volatility and continued corrections, coupled with the sovereign debt crisis.

- Difficulty in renewing wholesale funding lines and higher borrowing costs.

The related mitigating circumstances are:

- The Bank's continued solid customer base.

- Access to European Central Bank liquidity.

- Capital in excess of current requirements and capital buffers such as the conversion of bonds into shares (note 18.j).

- Cumplimiento del ratio de liquidez (Nota 5.b).

b) Accrual accounting

Except in respect of the statement of cash flows, these consolidated financial statements have been prepared on an accrual basis, i.e. income and expense is recognized when earned or incurred, respectively, regardless of when actual collection or payment occurs.

c) Offsetting balances

Debit and credit balances arising as a result of transactions are offset and therefore presented at the corresponding net amount on the balance sheet only when related contracts or applicable legislation allows the possibility of offsetting them and the entity intends to liquidate them at their net amounts or realize the related assets and simultaneously pay the corresponding liabilities. The presentation in the accompanying consolidated financial statements, prepared under IFRS-EU, of financial assets subject to impairment net of any such impairment is not considered 'offsetting' for these purposes.

d) Transactions in foreign currency

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

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

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

- Income and expenses are translated at the exchange rate on the date of the transactions.

All differences are recognized in the consolidated income statement.

At year-end 2015, the Group's currency-denominated assets and liabilities amounted to 22,610 and 12,399 thousand euros, respectively. At year-end 2014, the Group's currency-denominated assets and liabilities amounted to 15,860 and 11,188 thousand euros, respectively.

e) Revenue recognition

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

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

- The amount can be estimated reliably.

- It is probable that economic benefits will flow to the Group.

- The information can be verified.

When there are uncertainties regarding the collection of an amount previously recognized as revenue, the amount whose collectability is improbable is recognized as an expense and not as a decrease in revenue.

<u>Interest income and expense, dividends and similar income and expense</u>

As a general rule, interest and similar income and interest and similar expense are recognized for accounting purposes as they accrue in keeping with the effective interest method defined in IAS 39. Dividends received from companies other than those included in the Group's consolidation scope are recognized as revenue when the consolidated entities become entitled to receive them.

However, when a debt instrument is deemed impaired individually or as a result of belonging to a category of instruments deemed impaired on account of remote likelihood of recovery, the interest these instruments accrue ceases to be recognized in the consolidated income statement. Such interest is instead recognized as revenue when it is collected.

<u>Fees, commissions and similar items</u>

Fee and commission income and expense that does not have to be factored into the calculation of the various transactions' effective interest rates and/or is not part of the cost of acquiring financial assets or liabilities other than those classified at fair value through profit or loss is recognized in the consolidated income statement using a series of accounting criteria depending on the nature of the related fees and commissions. The most significant categories and their recognition criteria are as follows:

- Fees and commissions related to the acquisition of financial liabilities designated at fair value through profit or loss, which are recognized upon settlement.

- Fees and commissions deriving from transactions or services that are provided over time, which are recognized in the consolidated income statement over the life of the related transactions or services.

- Fees and commissions corresponding to a significant act, which are recognized in the consolidated income statement when the underlying act takes place.

<u>Non-finance income and costs</u>

These items are recognized on an accrual basis.

<u>Deferred collections and payments</u>

Deferred income and expense is recognized at their present value, calculated by discounting the forecast cash flows at market rates.

f) Financial instruments

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

f.1) Financial assets

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

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

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

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

- Available-for-sale financial assets: those financial assets not classified in any of the preceding categories.

Subsequent to initial recognition, financial assets are measured at fair value.

The fair value of a financial instrument at a given date is the amount for which it could be bought or sold between two knowledgeable parties on an arm's length basis.

The fair value of a financial instrument is the price which would be paid for it on a high-volume, transparent organized market ("quoted price" or "market price"). The fair value of a financial instrument for which there is no market price is estimated using the fair value in recent arm's length transactions, or other valuation techniques used by the international financial community bearing in mind the specific features of the instrument and, especially, factors inherent to the financial instrument.

Following initial recognition, these financial assets are measured as follows:

- The financial assets categorized as 'held for trading' or 'available-for-sale' are measured at fair value, without deducting any transaction costs that may be incurred in connection with their sale or disposal by other means.

- Financial assets classified as 'loans and receivables' are measured at amortized cost.

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

Impairment losses incurred on financial instruments are accounted for in keeping with the criteria detailed in note 4.h).

f.2) Financial liabilities

Financial liabilities have been classified into the following categories for measurement purposes:

- Financial liabilities held for trading: financial liabilities issued with a view to buying them back in the near future. This portfolio includes derivatives, to the extent that they are not hedging instruments.

- Financial liabilities at amortized cost: this category of financial instruments contains financial liabilities that have not been included in any of the above category.

- Compound financial instruments: a compound financial instrument is a non-derivative financial instrument that includes both liability and equity components simultaneously. Both components are recognized, measured and presented separately.

Upon initial recognition, financial liabilities (both financial liabilities held for trading and carried at amortized cost) are measured at fair value. Subsequent to initial recognition, all financial liabilities are measured at amortized cost, except for those classified as financial liabilities held for trading, which are measured at fair value.

The criteria used to account for and measure compound financial instruments upon initial recognition are as follows:

a) The liability component is assigned the fair value of a similar standalone liability.

b) The fair value of the liability component is deducted from the fair value of the instrument as a whole; the resulting residual amount is the amount attributed to the equity component.

c) Transaction costs are allocated in the same proportion.

Except in the event of an error, the measurement made upon initial recognition is not subsequently revised.

Gains and losses on compound financial instruments are allocated to each of its components on a consistent and logical basis.

Financial liabilities are derecognized when the corresponding obligation is extinguished.

f.3) Gains and losses on financial instruments

Gains and losses on financial instruments are recognized in keeping with the following criteria depending on the portfolio in which they have been classified:

- For financial instruments classified as ‘held for trading’, changes in fair value are recognized directly in profit or loss.

- For financial instruments carried at amortized cost, fair value changes are recognized when the financial instrument is derecognized, or impaired in the case of financial assets.

- For financial instruments classified as ‘available-for-sale’, changes in fair value are recognized directly in equity as ‘Valuation adjustments‘ until the investment is derecognized, at which time the gain or loss previously deferred in equity is taken to profit or loss. Impairment losses, if any, are recognized profit or loss.

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

The fair value of a financial instrument at a given date is the amount for which it could be bought or sold between two knowledgeable parties on an arm's length basis. The most objective and normal reference for the fair value of a financial instrument is the price that would be paid for it on a deep, transparent, organized market ("quoted price" or "market price").

When a market publishes the supply and demand prices for a given instrument, the market price for a purchased asset or a liability to be issued is the bid price (demand), whereas the price for an asset to be purchased or a liability issued is the ask price (supply). If there is relevant market making activity or it can be demonstrated that the positions can be closed - settled or hedged - at the average price, then this average price is used. The fair value of a financial instrument for which there is no market price is estimated using the current fair value in recent transactions of similar instruments or, failing this, using valuation models that have been sufficiently contrasted by financial markets, in due consideration of the specific characteristics of the instrument to be appraised, especially the various risk factors inherent to the financial instrument.

The valuation techniques employed to estimate the fair value of a financial instrument meet the following requisites:

- The most consistent and appropriate financial and economic methods are used, which have demonstrated that they provide the most realistic estimate of the price of the financial instrument.

- These methods are habitually used by market operators to value this type of financial instrument, such as discounted cash flow models, option pricing models based on market conditions and not arbitration etc.

- They maximize the use of available information both in terms of observable data and recent transactions with similar characteristics, and restrict as much as possible the use of non-observable data and estimates.

- They are widely and sufficiently documented, including the reasons why they have been chosen in preference to other possible alternatives.

- The valuation methods chosen are used consistently over time, provided there are no grounds to modify the reasons for choosing them.

- The validity of the valuation models is assessed on a periodic basis, using recent transactions and current market data.

They take account of the following factors: the time value of money, credit risk, exchange rates, commodity prices, equity prices, volatility, market liquidity, risk of early cancellation and administration costs.

Specifically, the proxy for determining the fair value of financial derivatives traded on deep, transparent, organized markets included in trading portfolios is their daily quote price which, if unavailable on a given date due to exceptional circumstances, is measured using methods similar to those applied when valuing derivatives not traded on organized markets.

The proxy for determining the fair value of derivatives not traded on organized markets or traded on organized markets that are not deep or transparent is the sum of future cash flows originated by the instrument, discounted at the valuation date ("present value" or "marked-to-market value") by applying valuation methods widely used in finance markets: "net asset value" (NAV), option pricing models etc.

Amortized cost is deemed the purchase price of a financial asset or liability adjusted (upwards or downwards, as applicable) by repayments of principal and interest and, plus or less, as applicable, the portion allocated to the consolidated income statement, using the effective interest method, of the difference between the initial amount and the repayment value of these financial instruments. In the case of financial assets, amortized cost also any impairment loss.

The effective interest rate is the discount rate that exactly matches estimated total future cash payments and receipts over the remaining lifespan of the financial instrument, with no consideration of future credit risk losses. In the case of fixed-interest financial instruments, the effective interest rate matches the contractual rate of interest established at the time of purchase, adjusted where necessary for commissions and transactions costs which, in accordance with the provisions of IAS 39, must be included in the calculation of the effective interest rate. In the case of variable-interest financial instruments, the effective interest rate is estimated in a similar fashion as for fixed-interest transactions, and is recalculated on each contractual rate reset date, in view of any changes to the transaction's future cash flows.

g) Reclassification of financial instruments between portfolios

The Group did not reclassify any financial instruments between portfolios in either 2015 or 2014.

h) Impairment of financial assets

A financial asset is deemed impaired and an impairment loss is recognized when there is objective evidence of one or more events that imply:

- An adverse impact on the future cash flows estimated when the transaction was arranged in the case of debt instruments (loans and debt securities).

- The potential inability to recover the asset’s carrying amount in the case of equity instruments.

The situations deemed by the Group to constitute objective evidence that a financial instrument may be impaired, triggering specific analysis of the financial instruments in question in order to determine the amount of the potential impairment loss, include those itemized in paragraph 59 of IAS 39 and, specifically, in the case of debt instruments, those listed in Appendix IX of Bank of Spain Circular 4/2004, as subsequently and successively amended.

More specifically, the situations deemed by the Group to constitute objective evidence of a financial instrument's potential impairment include the following:

- significant financial difficulty of the issuer or obligor;

- a breach of contract, such as a default or delinquency in interest or principal payments;

- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that it would not otherwise consider, complying at all times with applicable legislation to this end;

- increasing probability that the borrower will enter bankruptcy or other financial reorganisation related to its inability to service its payment obligations;

- the disappearance of an active market for that financial asset because of financial difficulties on the part of the borrower or the counterparty to the risk assumed by the Group; or

- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of similar financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

    i) adverse changes in the payment status of borrowers in the group (e.g. an increased number of delayed payments, borrowers that present an inadequate financial structure or any other form of difficulty in meeting their payment obligations); or

    ii) national or local economic conditions that correlate with defaults on the assets in the group.

- in the case of investments in equity instruments, the Group considers information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment, although such evidence requires the Group to analyze whether the decline really corresponds to a conclusive impairment of the investment such that the Group may not recover the cost of its investment.

As a general rule, and notwithstanding the following paragraphs in this note, corrections in the carrying value of financial instruments owing to impairment is charged to the consolidated income statement in the period in which the impairment occurs. Any recoveries of previously recorded losses from impairment are recognized in the consolidated income statement of the period in which the impairment is eliminated or reduced.

When the possibility of recovery of a recorded amount is considered remote, the amount is removed from the consolidated balance sheet, without prejudice to any actions consolidated entities may take to seek to achieve collection until their rights have fully expired, whether from prescription, forgiveness or other causes.

Below are the criteria applied by the Group to determine possible losses from impairment in each of the categories of financial instruments and the method used to record the impairment:

h.1) Debt instruments measured at amortized cost

The amount of impairment losses on these instruments is any positive difference between their respective carrying amounts and the present values of their estimated future cash flows.

Estimates of the future cash flows of debt instruments take into account the following:

- All sums expected to be received during the expected life of the instrument; including, if applicable, those originating in guarantees securing it, following deduction of the necessary costs for foreclosure and subsequent sale. Impairment loss includes an estimate of the possibility of collecting accrued interest that is overdue and unpaid.

- The types of risk to which each instrument is exposed, and

- The circumstances under which collection is expected to occur.

Subsequently, these cash flows are discounted using the effective interest rate of the instrument - if the contractual rate is fixed - or the effective contractual interest rate on the revision date, if the rate is variable.

As an exception to this procedure, in the case of listed debt instruments, market value is deemed a reasonable estimate of the present value of the instruments' future cash flows.

With regard to impairment loss caused by insolvency risk on the part of the debtor (credit risk), a debt instrument is considered impaired due to insolvency:

- When an impairment occurs in the payment capacity of the debtor, as shown by non-payment or other reasons, and/or

- Owing to the existence of 'country risk', understood as the risk incurred by debtors residing in a given country for circumstances other than normal commercial risk.

The process of evaluating and estimating possible impairment losses on these assets is carried out:

- Individually for all significant debt instruments and for those which are not significant but which cannot be classified in homogeneous groups of instruments with similar characteristics according to the type of instrument, the debtor's sector of activity and geographic area of activity, type of security, age of the amounts overdue, etc.

- Collectively: The Group has classified transactions according to the type of debtors and the conditions of the country in which they reside, the situation of the transaction and the type of guarantee it carries, the age of the amounts overdue, etc. and sets for each of these risk groups the impairment losses ('identified losses') to be recognized in the annual financial statements of the consolidated companies.

In addition to individually identified impairment losses, the Group recognizes a 'general' overall impairment provision or allowance in respect of exposures deemed 'standard', losses that have not, accordingly, been allocated to specific transactions. The amount of this provision is calculated by applying the parameters stipulated by the Bank of Spain on the basis of the historical experience of impairment and information in respect of the Spanish banking sector.

h.2) Debt instruments classified as available for sale

Impairment loss on debt securities in the portfolio of financial assets available for sale is equal to any positive difference between the acquisition cost - net of any amortization of principal - and fair value, net of any impairment loss previously recognized in the consolidated income statement.

The procedure followed by the Group to estimate impairment losses caused by the insolvency of the issuer of debt securities classified as available for sale coincides with the criteria explained in section h.1 for debt instruments recognized at amortized cost.

If objective evidence exists that the fair value losses on these assets have arisen from their impairment, these losses are removed from "Valuation adjustments - Available-for-sale financial assets" within equity in the consolidated balance sheet and are recognized at the full accumulated amount accumulated in the consolidated income statement. If all or part of the impairment losses are subsequently recovered, the reversal is recognized in the consolidated income statement in the period when recovery occurs.

h.3) Equity instruments classified as available for sale

Impairment loss on equity securities in the portfolio of financial assets available for sale is equal to any positive difference between the acquisition cost - net of any amortization of principal - and fair value, net of any impairment loss previously recognized in the consolidated income statement.

The criteria applied in recording impairment losses on equity instruments classified as available for sale are similar to those applied to debt instruments (as explained in note h.1); except that any recovery of such losses is recognized in "Valuation adjustments - Available-for-sale financial assets."

For listed equity instruments, the Group's criteria for assessing indications of impairment consist, first, of a prolonged or significant fall in market value, for which time or percentage ranges are estimated in order to compare the average cost with the stock market price of the instrument. Specifically, the time or percentage ranges established in Group policies consist of a 40% decrease in the stock market price against the average acquisition cost or a sustained decrease in the list price over 18 months. The Group also deems situations in which the issuer has declared, or is likely to declare, insolvency or faces significant financial difficulties to be indications of impairment. Hence, objective evidence is stronger in decreases of 40% in the list price for a continuous period of a year and a half.

Once an indication of impairment is identified under the foregoing parameters, a specific analysis is carried out of the fundamental metrics of the instrument to confirm or disprove the need for provisions.

h.4) Equity instruments measured at cost

Impairment losses on equity instruments measured at acquisition cost are equal to the difference between their carrying amount and the present value of the estimated future cash flows, discounted according to the market performance of similar securities.

Impairment losses on these assets are recorded in the consolidated income statement of the period in which they occur and directly reduce the cost of the instrument. These losses can be recovered subsequently only if the assets are sold.

i) Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of the cost of the acquisition of subsidiaries over the fair value of the net assets acquired at the date of acquisition.

When the acquisition of new investments entails deferred payment, cost includes the present value of the outstanding balance.

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

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

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

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

Other intangible assets

The Group recognizes under “Other intangible assets” its computer software and the customer relationships or portfolios arising from the acquisitions of Gesdinco Gestión, S.G.I.I.C., S.A. and Padinco Patrimonios, S.A. in December 2006. The Group has also recognized the customer portfolios deriving from the acquisition of Renta 4 Chile Corredores de Bolsa (note 14).

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

The “Customer relationships” acquired as a result of the acquisition in December 2006 of Gesdinco Gestión, S.G.I.I.C., S.A. and Padinco Patrimonios, S.A. are being amortized on a straight-line basis over a period of eight years (their useful life), which is the period of time during which management expects to be able to maintain these relationships, estimated using the best available information. The “Customer relationships” acquired as a result of the acquisition in 2012 of Renta 4 Chile Corredores de Bolsa, S.A. are being amortized on a straight-line basis over a period of seven years (their useful life), which is the period of time during which management expects to be able to maintain these relationships, estimated using the best available information.

j) Property and equipment

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

Plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment in value.

The cost of these assets includes the amounts initially disbursed for acquisition or production, as well as any amounts paid subsequently for expansion, replacement or improvement of assets, when the Group expects to obtain economic benefits from continuing use of the assets.

Repairs and upkeep expenses that do not increase the useful lives of assets are charged to the income statement in the year incurred.

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

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

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

	Years of useful life	Depreciation rates
Buildings and other construction	50	2%
Investment property		
Buildings	50	2%
Installations	10 – 12.5	8% - 10%
Machinery, installations and tools	10 – 12.5	8% - 10%
Furniture and fittings	10	10%
Transport equipment	7	14%
Data processing equipment	4 – 7	15% - 25%
Other property and equipment	5	20%

Property and equipment are derecognized when disposed of or when permanently retired from use and no future economic benefits are expected from them following disposal, transfer or abandonment. The difference between their sales price and their carrying amount is recognized in the income statement of the period in which the asset is derecognized.

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

Leases

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

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

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

Leases under which the Group acts as lessor and retains substantially all the risks and benefits inherent to ownership of the leased asset are classified as operating leases. The direct costs incurred upfront to negotiate an operating lease are added to the carrying amount of the leased asset and are recognized over the term of the lease using the same criteria used to recognize lease income. Contingent rents are recognized in income in the year in which they are collected.

k) Cash and cash equivalents

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

l) Treasury shares

Parent company shares held by the Group are deducted from equity. No gain or loss is recognized on transactions with treasury shares in the income statement, but directly in equity. If treasury shares are reissued, any difference between their carrying amount and the consideration received is recognized in the "Share premium" account.

Convertible bonds are separated into their liability and equity components on the basis of the terms of the related contracts. When convertible bonds are issued, the fair value of the liability component is determined using the market rate of interest for equivalent non-convertible instruments. This amount is classified as a financial liability at amortized cost (net of related transaction costs) until it is extinguished as a result of conversion or repayment. The remaining measurement amount is allocated to the conversion option and is recognized in equity. Transaction costs are deducted from equity, net of the associated tax effect. The carrying amount of the conversion option is not remeasured in subsequent years. The transaction costs associated with convertible bonds are divided between the liability and equity components in proportion to the initial distribution of the liability and equity components upon initial recognition of the instrument.

m) Provisions

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

At December 31, 2015, the provisions recognized on the consolidated balance sheet mainly cover certain business-related liabilities and third-party claims. At December 31, 2014, the provisions recognized correspond to Renta 4, Gestora, S.G.I.I.C., S.A. and the parent and mainly cover certain business-related liabilities.

Contingent liabilities recognized in connection with a business combination

Contingent liabilities recognized in connection with a business combination are initially measured at fair value. Subsequent to initial recognition, they are measured at the higher of the amount that would be recognized under the criteria for recognizing provisions, detailed above, and the amount initially recognized, less any accumulated amortization recognized using the criteria applied to account for ordinary income.

Additions to and the release of provisions deemed necessary in keeping with the above criteria are recognized with a credit or charge, respectively, to “Provision expense (net)” in the consolidated income statement.

n) Income tax

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

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

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

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

The Group reviews the carrying amounts of deferred tax assets and liabilities recognized, at least at each balance sheet date, and record the corresponding adjustments for deferred taxes which have lapsed or are considered recoverable. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

o) Fee and commission income

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

p) Employee benefits expense

Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount payable in exchange for services received. These benefits are generally recognized as employee benefit expense for the year; any difference between the expense accrued and the amount paid at year-end is recognized as a liability.

Share-based payments

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

2009 Stock option plan

This stock option plan was approved on December 22, 2009 and its main terms are as follows:

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

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

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

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

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

The implicit liability associated with the 2009 Plan was arranged initially with Banco Madrid, S.A. On June 5, 2012, the parent and Banco Madrid, S.A. agreed the early cancellation of the above agreement (note 18.g).

On September 27, 2012, the parent arranged a physically-settled equity swap with Banco Español de Crédito, S.A. (Banesto) related to the 2009 Plan covering 2010-2014. This swap replaces the agreement terminated with Banco Madrid.

On November 27, 2012, the parent's shareholders approved the partial amendment of the 2009 Plan at an extraordinary general meeting, setting the exercise price at 4.75 euros per share and leaving all other terms unchanged. At the time of amending the terms of the 2009 Plan, the option granted to Renta 4 Group employees was valued using a generally accepted valuation method at 82 thousand euros.

On November 14, 2013, the parent cancelled the physical-settlement equity swap it had arranged with Banco Español de Crédito, S.A. (Banesto) (currently Banco Santander, S.A.), derecognizing the associated implicit financial liability, which at the time of derecognition amounted to 3,094 thousand euros.

The Group recognizes in the consolidated income statement the cost of the plan during the accrual period, deemed the period elapsing between the date the plan was approved (December 22, 2009) and each grant date. Cost was determined as the difference between the amount to be paid by eligible employees and the estimated fair value of the shares to be delivered, i.e., at the intrinsic value of the option granted to employees. This estimate takes into consideration the plan's percentage uptake, which in 2014 was zero: experience dictated that no beneficiary would exercise their call options.

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

The cost recognized in the consolidated income statement each year calculated in accordance with the criteria indicated above is debited to “Other equity instruments” in equity for the year, since the settlement of the plans require physical delivery of the shares. No expenses were recognized in the consolidated income statements in 2014 in this connection.

Other employee benefits

At December 31, 2015, the Group had granted loans to several employees to finance the purchase shares of Renta 4 Banco, S.A. totaling 224 thousand euros (year-end 2014: 270 thousand euros); these loans were secured by collateral valued at 487 thousand euros (year-end 2014: 484 thousand euros). The acquisitions were funded with interest-free loans due 15 years from the transaction date in accordance with the repayment schedule agreed in the contracts. The difference between the present value of the amounts payable by the employee and the sale price is recognized in the consolidated income statement as an employee benefit expense. The expense recognized for this item in the 2015 and 2014 consolidated income statements was 11 and 10 thousand euros, respectively (see note 22.d).

Pension commitments

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

Renta 4, Sociedad de Valores, S.A.

In keeping with the collective bargaining agreement in force at Renta 4, Sociedad de Valores, S.A., the Group is committed to paying employees that come from the former brokerages seniority bonuses after 25, 35 or 45 years of continued service. The Group has not provisioned any amount in this respect as the directors deem the amounts accrued at year end not to be material.

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

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

Renta 4 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 provides employees of these companies’ coverage of retirement, disability, death, severe or major dependency contingencies through two defined contribution plans with an annual contribution of 600 euros per employee.

Defined contribution plan

Defined contributions are measured at fair value unless they are to be paid prior to the twelve months following the date of the consolidated financial statements in which the corresponding employee services were received, in which case the related amount is not updated. Contributions accrued for this concept during the year are recognized under “Employee benefits expense” in the income statement. The contributions recognized as an expense in the income statement amounted to 234 thousand euros in 2015 and 207 thousand euros in 2014 (note 22.d).

Defined benefit plan

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

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

- The assets are owned by a legally separate third party that is not a related party.

- The assets are exclusively available to pay or finance commitments with employees.

- The assets may not be returned to the Group unless the commitments with employee have been settled or used to reimburse the Group for benefits previously paid.

- The assets may not be instruments that the Group is entitled to transfer.

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

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

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

Expenses incurred by the Group in 2015 and 2014 related to its defined benefit obligations amounted to 8 and 5 thousand euros, respectively (Note 22.d).

The Renta 4 Group externalized all of its pension commitments to employees in keeping with Spanish Royal Decree 1.588/1999 of October 15, by means of the incorporation of pension plans and the arrangement by these plans of insurance with a non-Group company.

Specifically, the defined benefit obligations for retirement corresponding to Renta 4, S.A. Sociedad de Valores are covered by the plan assets under the corresponding insurance policy, and presented net of the commitments assumed less the plan assets in the balance sheet. At December 31, 2015 and 2014, the plan assets under the aforementioned insurance policies (mathematical provisions) coincided with the commitments assumed. Therefore, no amount is recognized in the consolidated balance sheet in this connection.

The commitments assumed are linked to the insurance policy as the risks intrinsic to these commitments have been transferred to the insurer. The risks transferred include interest rate risk, as the contracts 'immunize' the Group from exposure to rate changes. As a result, the interest rate used to calculate the Group's pension commitments is that used for the related years by the insurance provider (1.94% p.a.), which, at any rate, is below the maximum interest rate published by the Directorate-General of Insurance and Pension Funds and applicable to 2015. Pursuant to its Resolution of January 2, 2015, this was 1.96%.

Taking the yield on the Spanish government 10Y bond (1.76%), the calculation of these obligations would not vary significantly from that made by the Entity, which is provided by the insurance company to which the obligations have been externalized.

The main assumptions used to measure these commitments were:

	2015	2014
Mortality tables	PEMF-2000P	PEMF-2000P
Interest rate	1.94%	2.15%
Long-term inflation rate	0%	0%
Retirement age	65	65
Rotation	No	No

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

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

	Thousands of euros	
	2015	2014
Pension liabilities for active employees	233	220
Accrued	119	106
Unaccrued	115	114
Total commitments	119	106
Fair value of plan assets (Plan position account)	119	106
Asset (liability) to be recognized on the balance sheet	-	-

The movement in the present value of the obligation accrued under defined benefit commitments is shown below:

	Thousands of euros	
	2015	2014
Unvested pension obligations, opening balance	106	95
Current service cost	9	8
Impact of workforce reductions	-	-
Attributable return	4	3
Unvested pension obligations, closing balance	119	106

The movement in the fair value of the plan assets, structured in the corresponding insurance policy, was as follows:

	Thousands of euros	
	2015	2014
Fair value of plan assets (insurance policy), opening balance	106	95
Redemption value of insurance policy	-	-
Insurance premiums paid during the year	9	8
Return on insurance policy	4	3
Fair value of plan assets, closing balance	119	106

Termination benefits

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

q) Off-balance-sheet customer funds

Funds deposited by third parties for investment in mutual funds and companies, pension funds, savings insurance contracts and discretional portfolio management contracts are recognized at fair value in memorandum accounts (auxiliary off-book accounting records) (note 23).

Additionally, assets acquired on behalf of third parties, equity instruments, debt instruments, derivatives and other financial instruments that are held on deposit for which the Group is liable to third parties are recognized in memorandum accounts at fair value or, when fair value cannot be estimated reliably, at cost (note 19). When in accordance with the contracts entered into with customers and when (international) market operating procedures dictate, the Group uses global custody accounts (omnibus), where it appears as owner of the positions. It must keep separate internal records with a breakdown by customer.

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

r) Consolidated statement of cash flows

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

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to insignificant risk of changes in value.

- Operating activities: the main activities of Group companies.

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

- Financing activities: activities that result in changes in the size and composition of equity and borrowings that are not operating activities.

The indirect method was used to prepare the consolidated statement of cash flows. To this end, profit for the year is adjusted for the effects of non-monetary transactions and all types of deferred/accrued payment items that are the source of past or future collections and payments from operating activities, as well as cash inflows and outflows associated with investing or financing activities.

s) Related-party transactions

Related-party transactions are measured as described above.

Transfer prices are duly documented; consequently, the parent's directors believe it is not exposed to a risk of significant tax liabilities on related party transactions.

t) Statement of changes in equity

The statement of changes in equity presented as an integral part of these financial statements shows all the movements in equity accounts arising during the year. This information is in turn broken down into two statements: the statement of recognized income and expense and the statement of total changes in equity. The main features of the disclosures included in both sections of this statement are described below:

Statement of recognized income and expense

This section of the statement of changes in equity presents the income and expense generated by the Group during the year as a result of its activities, distinguishing between income and expense recognized in the income statement for the year and other income and expense recognized directly in equity, in keeping with prevailing accounting rules.

Accordingly, this statement presents:

- Profit for the year;

- The net amount of income and expense recognized temporarily in equity as valuation adjustments;

- The net amount of income and expense recognized definitively in equity;

- The income tax accrued in respect of the last two items;

- Total recognized income and expense, this being the sum of the above.

The changes in the income and expense recognized as valuation adjustments within equity are in turn broken down into:

- Valuation gains (losses): the amount of income, net of the underlying expenses, arising during the year, recognized directly in equity. The amounts recognized in this heading during the year continue to be recognized within this heading, even if the underlying items are reclassified to profit or loss that same year, are recognized in the initial carrying amount of other assets or liabilities or are reclassified to another heading;

- Amounts transferred to the income statement: this heading reflects the valuation gains or losses previously recognized in equity, even if recognized that same year, that may be subsequently reclassified to profit or loss;

- Amounts transferred to the initial measurement of hedged items: this heading reflects the valuation gains or losses previously recognized in equity, even if recognized that same year, that are recognized in the initial measurement of assets or liabilities as a result of cash flow hedges;

- Other reclassifications: transfers arising during the year between measurement adjustment headings in keeping with prevailing accounting criteria.

All the items presented in the statement of recognized income and expense are liable for subsequent reclassification to profit or loss, with the exception of “Actuarial gains / (losses) on pension plans”. These amounts are presented at their pre-tax amounts; the corresponding tax effect is presented within “Income tax” within the same statement.

Statement of total changes in equity

This section of the statement of changes in equity presents all the movements in equity accounts, including those arising as a result of changes in accounting criteria and restatements made to address accounting errors. This statement therefore reconciles the carrying amounts at the start and end of the year of all the items comprising equity, the movements in which are grouped by nature into the following categories:

- Restatements for changes in accounting criteria and for prior-year errors: this section includes changes in equity as a result of the retroactive restatement of financial statement headings as a result of changes in accounting criteria or the correction of errors.

- Total income and expense recognized during the year: the aggregate of all the items recognized in the statement of recognized income and expense, as detailed above.

- Other changes in equity: movements in all other equity items, such as increases or decreases in capital or the endowment fund, dividends, trading in own equity instruments, transfers between equity headings and any other increase or decrease in equity.

u) Financial guarantees

Financial guarantees are contracts under which the Group undertakes to pay specific amounts for which a third party is liable in the event that the latter fails to honor its payment obligations. The main contracts included under this heading, which is presented as a memorandum account at the bottom of the consolidated balance sheet, are bank bonds.

When the Group enters into contracts of this nature, they are recognized under “Financial liabilities at amortized cost – Other financial liabilities” on the liability side of the consolidated balance sheet at fair value and, simultaneously, in “Loans and receivables – Other financial assets” at the present value of the future cash flows receivable using for the purpose of both calculations a discount rate similar to the interest rate charged by the Entity when it grants financial assets with similar terms and an equivalent risk profile to the counterparty in question. Subsequent to initial recognition, these agreements are measured by recognizing the differences as finance income or finance cost in profit or loss, depending on whether the agreement constitutes “Other financial assets” or “Other financial liabilities”, respectively.

In addition to the considerations outlined above, the Group hedges its financial guarantees as detailed in note 5.a.2) in relation to management of credit risk.

5. FINANCIAL RISK MANAGEMENT

Dealing in financial instruments can lead to the assumption by the Group of one of more classes of risk. The main financial risks are:

- Credit risk: This is the risk that one of the parties to a financial instrument contract could fail to meet its contractual obligations due to insolvency or incapacitation of natural or legal persons as a result of which the other party suffers a financial loss.

- Liquidity risk: This risk is sometimes called funding risk. It relates to the risk of the Entity not being able to sell a financial asset rapidly for an amount comparable to its fair value or finding it difficult to obtain the funds to meet its commitments under its financial instruments.

- Market risk: This risk arises from holding financial instruments whose value may be affected by changes in market conditions and is comprised of three types of risk:

  (i) Exchange rate risk: This risk arises as a result of changes in the rates of exchange among currencies.

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

  (iii) Price risk: This is the risk of adverse changes in market prices due to either factors specific to the financial instrument itself or factors affecting all market-traded instruments. Although the Group holds positions in equity instruments that expose it to this risk factor, its exposure is not deemed material.

The Group has built its risk management model around the following cornerstones:

a) Credit risk

a.1) Credit risk management and measurement

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation. In the case of repayable financing extended to third parties, credit risk relates to the risk that the principal, interest and other items will not be recovered at the amount and within the timeframe stipulated in the loan agreements, among other terms and conditions. In respect of off-balance sheet exposures, this risk factor relates to the counterparty's potential failure to uphold its obligations vis-à-vis third parties, forcing the Group to assume them as its own as a result of the commitment assumed.

The Group is exposed to credit risk when its counterparties breach their respective obligations. In this respect it distinguishes between two classes of counterparties: (i) general clients; and (ii) financial institutions.

The current client credit risk monitoring system is underpinned by the development of new risk assessment and debtor (individuals and groups) classification systems that determine the amount of impairment allowances required to cover potential losses.

Specifically in relation to the granting, monitoring and oversight of risks with ‘general clients', the Group’s Risk Control Department oversees that the current system for extending credit limits on a discretionary basis – in all instances as a function of the securities provided to the Group as collateral - is working properly. Under the terms of the agreements signed with the Group’s clients, it can use the customers’ securities and mutual fund units to settle potential debts in the event of customer non-payment (failure to replenish funds). The Group has analyzed the new policies and procedures deriving from effectiveness of Bank of Spain Circular 3/2014 regarding the concession of consumer loans in the mortgage, consumer financing and credit card segments. Given the nature of the loans granted by the parent (securities loans), the introduction of the abovementioned circular has not meant significant changes in how the entity manages and measures its customer credit risk.

a.2) Maximum credit risk exposure

The following table displays the maximum credit risk exposure assumed by the Group at December 31:

	Thousands of euros	
	2015	2014
Available-for-sale financial assets (debt securities)	459,111	593,879
Due from credit institutions	386,462	736,968
Loans and advances to customers	34,861	16,817
Contingent exposures	31	13
Maximum credit risk exposure	880,465	1,347,677

The maximum credit risk exposure at December 31, 2015 and 2014, excluding collateral or other credit enhancements, does not different from the carrying amount shown in the accompanying financial statements.

Available-for-sale financial assets include mainly Spanish debt securities.

Due from credit institutions: the main components of this portfolio are current accounts and time deposits with financial brokers. On 2014, repurchase agreements with Spanish brokers were also included.

Loans and advances to customers: these are essentially balances receivable from individual clients in connection with securities trading; these balances are secured by the securities deposited by these same clients at the Group. When the Group classifies these balances as impaired, the impairment losses are determined by taking into consideration the value of the balances provided as collateral.

There were no individual exposures in breach of the limits imposed by the Bank of Spain at either year-end 2015 or 2014.

The breakdown of total exposure to credit risk by country at December 31, 2015 and 2014, is as follows:

2015	Thousands of euros				
Country	Due from credit institutions	Loans and advances to customers	Debt securities (AFS)	Contingent exposures	Total
Spain	338,325	33,556	459,111	31	831,023
France	-	311	-	-	311
Germany	1,000	-	-	-	1,000
UK	34,616	-	-	-	34,616
Poland	7,151	-	-	-	7,151
Unitated States	-	-	-	-	
Colombia	84	-	-	-	84
Peru	178	213	-	-	391
Chile	4,222	231	-	-	4,453
Luxembourg	886	1	-	-	887
Netherlands	-	488	-	-	488
Panama	-	1	-	-	1
Swiss	-	60	-	-	60
	386,462	34,861	459,111	31	880,465

2014	Thousands of euros				
Country	Due from credit institutions	Loans and advances to customers	Debt securities (AFS)	Contingent exposures	Total
Spain	699,425	16,336	593,879	13	1,309,653
France	-	187	-	-	187
Germany	763	-	-	-	763
UK	30,955	-	-	-	30,955
Poland	1,981	-	-	-	1,981
United States	449	-	-	-	449
Colombia	210	-	-	-	210
Peru	359	-	-	-	359
Chile	2,826	294	-	-	3,120
	736,968	16,817	593,879	13	1,347,677

In accordance with the risk types defined by the Bank of Spain, the Bank classifies its 'standard risk' into the following categories: negligible risk (public sector and debt securities issued by public administrations or credit institutions collateralized by cash), low risk (companies with an A credit rating), medium-low risk (other collateral), medium risk (personal guarantee, excluding consumer loans, credit and overdrafts), medium/high risk (consumer loans) and high risk (credit card balances, current account overdrafts and credit account overdrafts). The breakdown at December 31, 2015 and 2014 is as follows:

	%	
Type of risk	2015	2014
Negligible risk	96.13	98.76
Medium	3.65	1.17
High	0.22	0.07
	100.00	100.00

a.3) Credit quality

The Group has established a system for measuring credit risk which is based on the ratings awarded by external rating agencies (S&P, Moody's and Fitch).

The table below breaks down the Group's investments which expose it to credit risk (namely its available-for-sale [debt securities] and loans and receivables [due from credit institutions] portfolios) by the ratings categories awarded by independent rating agencies. A breakdown of the credit quality of loans and advances to customers and the equity instruments portfolio is not disclosed as there are no external ratings for most of the Group's exposure in this respect.

	Thousands of euros			
	2015		2014	
	Due from credit institutions (note 6.b)	Debt securities (note 6.b)	Due from credit institutions (note 6.b)	Debt securities (note 6.b)
Between AAA and A-	29,269	38,034	25,094	-
Between BBB+ and B-	384,055	421,077	578,087	593,879
Between CCC+ and C	-	-	-	-
Not rated	13,362	-	145,445	-
Total	**426,686**	**459,111**	**748,626**	**593,879**

The exposure to credit risk corresponding to Spain at December 31, 2015 and 2014, was 84.84% and 97.2%, respectively.

a.4) Credit risk in respect of construction and property development loans

The Group had not extended loans to finance construction work or property developments at either year-end. Nor had it extended loans to fund the acquisition of residential property at either reporting date. The Group did not hold any assets foreclosed as a result of bad loans to builders or developers at either year-end.

a.5) Loan refinancing and restructuring policy

The Group uses the following definitions:

- Refinancing transaction: a transaction which, regardless of the borrower or the related collateral, is granted or used, for economic or legal reasons related to financial difficulties on the part of the borrower, to cancel one or more loans extended by the entity or any of its Group entities to the borrower or to one or more companies within the latter's group or which renders the borrower fully or partially current on its payments in respect of such loans with a view to helping the counterparty to the cancelled or refinanced transaction to service its debt (principal and interest) when it cannot or is expected not to be able to fulfil its contractual obligations when or as due.

- Refinanced transaction: a transaction rendered partially or wholly performing as a result of a refinancing transaction undertaken by the entity or any of its Group entities.

- Restructured transaction: a transaction whose terms and conditions, for economic or legal reasons related to financial difficulties on the part of the borrower, are modified in order to facilitate debt service (principal and interest) because the borrower cannot or is expected not to be able to fulfil its contractual obligations when or as due, even if such an amendment is provided for in the contract terms. The following are deemed restructured transactions: haircuts, asset swaps to pay off debt, term amendments to extend the maturity of a loan, alter the repayment schedule in order to reduce loan instalments in the short term or diminish their frequency and/or the grant of grace periods for the payment of principal, interest or both, insofar as it can be demonstrated that the terms are modified for reasons other than financial difficulties on the part of the borrower and that the new terms are similar to market terms extended to customers with similar risk profiles at the time of the restructuring.

- Loan renewal: a transaction arranged to replace another formerly granted by the entity itself in the absence of prevailing or anticipated financial difficulties on the part of the borrower; in a nutshell, a transaction arranged for reasons other than for refinancing purposes.

- Renegotiated transaction: a transaction the financial terms of which are modified in the absence of prevailing or anticipated financial difficulties on the part of the borrower; in a nutshell, when terms are modified for reasons other than for restructuring purposes.

Regardless, for a transaction to qualify as a renewal or renegotiation, the borrower must be able, as of the date of renewal/renegotiation, to secure a similar amount of funds in the market on equivalent terms to those offered by the entity; in addition these terms must match those being offered at the time to customers with similar risk profiles.

The Group's parent did not have any outstanding investments qualifying as refinancing, refinanced or restructured transactions at either year-end.

b) Liquidity risk

Liquidity risk is the risk that a credit institution will encounter difficulty in securing liquid funds or accessing them in sufficient amount and at an acceptable cost to meet its payment obligations without adversely affecting the market price or the cost of the transaction.

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

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

This company had met the abovementioned capital adequacy ratio at December 31, 2015 and 2014. Article 412 of Regulation (EU) No. 575/2013, of June 26, 2013, on prudential requirements for credit institutions and investment firms (hereinafter the CRR), requires compliance with a liquidity coverage requirement, which is developed in Delegated Regulation (EU) 2015/61. This requirement is applicable to credit institutions at individual level (Article 6.4 of the CRR) and at the consolidated level of the Parent institution (Article 11.3 of the CRR) from October 1, 2015.

This requirement has been adopted in accordance with the following time table:

- 60% of the liquidity coverage requirement by October 1, 2015.
- 70% by January 1, 2016.
- 80% by January 1, 2017.
- 100% by January 1, 2018.

The liquidity ratio at December 31, 2015 presented by the Parent at consolidated level was over 100%, which is not required until January 1, 2018.

The table below analyses the Group's financial instruments into relevant maturity groupings based on the remaining period at year-end 2015 and 2014 to the contractual maturity date.

2015

Cash flows	Thousands of euros						
	On demand	Less than 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 and 12 months	Between 1 and 5 years	Over 5 years
Cash inflows							
Due from credit institutions	216,426	88,208	30,000	30,200	61,100	-	-
Loans to other financial institutions	898	42,750	193	-	-	17	-
Reverse repurchase agreements and securities borrowed	-	-	-	-	-	-	-
Loans and advances	1,934	11,761	4,054	12,276	8,481	7,130	67
Securities portfolio settlement	-	21,000	28,800	117,835	128,672	149,256	-
Net interest income	22	167	(15)	62	104	-	-
Total	219,280	163,886	63,032	160,373	198,357	156,403	67
Cash outflows							
Wholesale funding issues	-	-	-	-	-	-	-
Due to banks	(3,741)	(7,056)	(132)	(199)	(66)	(22)	-
Due to other financial institutions and international organisms	(136,628)	(28,236)	-	-	-	-	-
Due to major non-financial corporates	(10,890)	-	-	-	-	-	-
Other funding due to customers	(400,766)	(100)	(110)	(50)	(25)	-	-
Funds for brokerage loans	-	-	-	-	-	-	-
Funding raised with securities as collateral	-	(181,178)	(165,000)	-	-	(1,300)	-
Currency swaps (net)	-	-	-	-	-	-	-
Derivatives (net)	-	-	337	(241)	96	-	-
Other cash outflows (net)	(4,257)	(50,711)	-	-	(835)	(1,465)	-
Total	(556,282)	(267,281)	(164,905)	(490)	(830)	(2,787)	-
Contingent exposures and commitments	-	104	422	113	1,334	1,559	

Available liquidity	Thousands of euros							
	Opening liquidity balance	Less than 1 week	Less than 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 and 12 months	Between 1 and 5 years	Over 5 years
Cash and balances with central banks	6,432	-	-	-	-	-	-	-
Adjustment to comply with minimum reserve requirement		(5,651)	(31)					
Undrawn liquidity facilities	97,928	-	14,000	136,014	(8,162)	(53,960)	(105,820)	-
Central government	97,928							
Of which: Spanish public debt	*97,928*							
Unpledged eligible assets	15,462							
Central government	15,462	144,075	347	-	(30,007)	(76,080)	(53,797)	-
Of which: Spanish public debt	*15,462*	*144,075*	347	-	(30,007)	(76,080)	(53,797)	-
Other marketable assets not eligible for use as collateral in exchange for central bank funding	677							
Listed equity securities	677	-	-	-	-	-	-	-
Total available liquidity balance	120,499	258,923	273,239	409,253	291,084	161,044	1,427	1,427

2014

Cash flows

	Thousands of euros						
	On demand	Less than 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 and 12 months	Between 1 and 5 years	Over 5 years
Cash inflows							
Due from credit institutions	257,849	50,209	34,900	13,000	-	-	-
Loans to other financial institutions	1	20,521	-	-	-	10	-
Reverse repurchase agreements and securities borrowed	-	392,500	-	-	-	-	-
Loans and advances	2,866	15,061	699	347	6,474	7,036	77
Securities portfolio settlement	-	73,955	145,000	130,000	202,722	35,000	-
Net interest income	(5)	96	(684)	98	(98)	-	-
Total	260,711	552,342	179,915	143,445	209,098	42,046	77
Cash outflows							
Wholesale funding issues							
Due to banks	(1,852)	(12,562)	(270)	(334)	(424)	(484)	-
Due to other financial institutions and international organisms	(36,423)	(16,967)	-	-	-	(7)	-
Due to major non-financial corporates	(1,125)	-	-	-	-	-	-
Other funding due to customers	(315,523)	-	(395,760)	(90)	-	(1,250)	-
Funds for brokerage loans	-	-	-	-	-	-	-
Funding raised with securities as collateral	-	(34,472)	(230,000)	-	-	(1,300)	-
Currency swaps (net)	-	-	-	-	-	-	-
Derivatives (net)	-	-	-	90	-	-	-
Other cash outflows (net)	(1,275)	(4,709)	-	-	(487)	(1,562)	-
Total	(35,198)	(419,710)	(626,030)	(334)	(911)	(4,603)	-
Contingent exposures and commitments	356.198	7	66	173	207	125	-

Available liquidity	Thousands of euros							
	Opening liquidity balance	Less than 1 week	Less than 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 and 12 months	Between 1 and 5 years	Over 5 years
Cash and balances with central banks	3,729							
Adjustment to comply with minimum reserve requirement		(2,587)	(979)					
Undrawn liquidity facilities	146,866		19,313	84,332	(80,850)	(133,440)	(36,221)	
Central government	146,866							
Of which: Spanish public debt	*146,866*							
Unpledged eligible assets	258,347							
Central government	258,347	234,971	(373,471)		(49,957)	(69,890)		
Of which: Spanish public debt	*258,347*	*234,971*	(373,471)		*(49,957)*	*(69,890)*		
Other marketable assets not eligible for use as collateral in exchange for central bank funding	1,096							
Listed equity securities	1,096						1,764	
Total available liquidity balance	410,038	642,422	287,285	371,617	240,810	37,480	3,023	3,023

As can be observed from the above table, there are no significant items under the breakdown of maturities on the asset side of the balance sheet which would reduce the abovementioned gap. The most significant figures are the equity instruments, property, plant, and equipment and intangible assets, and shares.

c) Market risk

The Group’s positions are very well identified and are essentially limited to investments in UCITs and listed shares. Nevertheless, the Group measures the risk associated with these positions periodically using value-at-risk methodology (VaR) which expresses the maximum expected loss for a specific time interval on the basis of the historic performance of a security or portfolio. The VaR of these portfolios (at 1 day and with a confidence level of 98.75%) at December 31, 2015 and 2014 was as follows:

	Thousands of euros	
	2015	2014
Trading portfolio (maximum potential loss)	21	59
Available-for-sale investments (maximum potential loss)	834	755
VaR (% of the portfolio)	0.17%	0.08%

c.1) Exchange rate risk

The Group’s exposure to this risk factor is due to its investment in Latin America which is not significant.

c.2) Interest rate risk

This risk factor is defined as the possibility that changes in interest rates could have an adverse impact on the value of a financial instrument or a portfolio of financial instruments or the value of the Group as a whole. These adverse changes may result from movements in the interest rate curves or in the credit spreads applied by counterparties.

The directors consider that the Group’s exposure to interest rate risk is insignificant. Therefore, they have not established either exposure limits or procedures for monitoring interest rate risk. As seen in the information provided in the various notes to the consolidated financial statements, the Group’s policy is not to assume interest rate risk. Therefore, the Group’s financial assets and liabilities are at floating rates with short-term maturities, except long-term loans and borrowings with financial institutions and some non-current loans and advances to employees of small amounts.

d) Other risks

As a result of the investments held by the Group in foreign countries, there were no restrictions at December 31, 2015 on its ability to access or use the assets, or to settle the liabilities.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

As detailed in note 4.f), except for financial instruments classified as ‘loans and receivables’ and equity instruments whose fair value cannot be reliably determined, the Group’s on-balance sheet financial assets are measured at fair value.

Similarly, with the exception of financial liabilities classified as ‘financial liabilities at amortized cost’, all of the Group’s financial liabilities are also measured at fair value.

The table below provides an analysis of the Group's financial assets and liabilities at fair value at year-end 2015 and 2014 broken down by class of financial asset/liability and into one of the following three fair value measurement hierarchies:

- **LEVEL 1**: Financial instruments whose fair value has been calculated on the basis of their listed price on active markets, without making any changes to the list prices.

- **LEVEL 2**: Financial instruments whose fair value has been estimated on the basis of listed prices on organized markets for similar instruments, or by employing other valuation techniques in which all material inputs are based on directly or indirectly observable market data.

- **LEVEL 3**: Instruments whose fair value has been estimated through the use of valuation techniques in which some significant input is not based on observable market data. Input is considered to be significant when it constitutes a major factor in the overall determination of fair value.

Financial assets

			Fair value hierarchy		
12/31/2015	Balance sheet total	Fair value	Level 1	Level 2	Level 3
Financial assets held for trading	**926**	**926**	**909**	**17**	
Debt securities	8	8	-	8	-
Other equity instruments	460	460	460	-	
Trading derivatives	458	458	449	9	-
Available-for-sale financial assets	**495,249**	**495,226**	**395,312**	**101,914**	
Debt securities	459,111	459,111	357,197	101,914	-
Equity instruments	36,115	36,115	36,115	-	-
Equity instruments at cost	23	-	-	-	-

			Fair value hierarchy		
12/31/2014	Balance sheet total	Fair value	Level 1	Level 2	Level 3
Financial assets held for trading	**1,764**	**1,764**	**1,500**	**264**	**-**
Debt securities	97	97	-	97	-
Other equity instruments	1,217	1,217	1,050	167	-
Trading derivatives	450	450	450	-	-
Available-for-sale financial assets	**626,628**	**626,606**	**626,606**	**-**	**-**
Debt securities	593,879	593,879	593,879	-	-
Equity instruments	32,727	32,727	32,727	-	-
Equity instruments at cost	22	-	-	-	-

Financial liabilities

			Jerarquía del Valor Razonable		
31/12/2015	Balance sheet total	Fair value	Level 1	Level 2	Level 3
Financial liabilities held for trading	**266**	**266**	**266**	**-**	**-**
Trading derivatives	266	266	266	-	-

			Fair value hierarchy		
12/31/2014	Balance sheet total	Fair value	Level 1	Level 2	Level 3
Financial liabilities held for trading	**360**	**360**	**-**	**360**	**-**
Trading derivatives	360	360	-	360	-

The main valuation methods, assumptions and inputs used to estimate the fair value of the financial liabilities at the various hierarchy levels at year-end 2015 and 2014 were as follows:

- Trading derivatives: the fair value of most of the proprietary portfolio of trading derivatives was determined on the basis of the instruments' quoted prices on active markets provided by MEFF (Level 1). In addition, there are derivatives embedded in the structured deposits marketed by the Group. The fair value of these instruments is obtained from models widely used by the financial system based on market inputs(Level 2).

- Debt securities: the fair value of the debt instruments was determined on the basis of their listed prices on formal exchanges (the Bank of Spain book entry clearing system), the AIAF private fixed-income exchange’s screens (for credit institutions) or by using prices obtained from information service providers that build prices based on price data reported by their contributors. Investments in Spanish government debt listed on active markets are deemed Level 1 valuations for fair value hierarchy purposes, while private fixed-income security valuations are deemed Level 2.

- Equity instruments: the fair values of all of the Group’s listed equity investments was determined on the basis of the securities’ quoted prices in official markets, which is why these investments are classified within Level 1 in the tables above.

There were no transfers among the various levels in 2015 or 2014.

The Group’s loans and receivables and its financial liabilities at amortized cost are typically very short term in nature and carry floating rates so that their carrying amounts coincide with fair value.

The amounts recognized in the 2015 and 2014 income statements in respect of changes in the fair value of the Group’s financial instruments, which correspond to unrealized gains and losses, distinguishing between financial instruments whose fair value is determined using Level 1 (on the basis of prices quoted in active markets), Level 2 (using valuation techniques fed by variables observable in the market) and Level 3 (all other instruments), are not material at either year-end 2015 or 2014 for the purpose of the accompanying consolidated financial statements; nor are the changes in unrealized gains and losses during the years then ended.

7. SEGMENT INFORMATION

The business segment information is generated for the purpose of facilitating internal control, monitoring and management of the Renta 4 Group’s business and earnings performance. The Board of Directors is deemed the highest body empowered to take decisions affecting each business segment. In defining its business segments, management considers each unit’s intrinsic risks and management specifics. Likewise, in order to split and allocate the Group’s business and earnings performance, management bases its analysis on the basic business units, for which accounting and management information is readily available. Management applies the same general principles as are used to prepare the Group’s management information and the measurement and recognition criteria and accounting principles are essentially the same as those used to prepare the financial statements.

The business segments described below reflect the Group’s organizational structure at year end 2015 and 2014 based on the nature of the services rendered and the customer segments to which they are rendered.

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

- Brokerage (Spanish and international capital markets and the sale of managed and third-party mutual funds).

- Asset Management (management of UCIs and pension funds).

- Corporate Services: includes primarily support services for the rest of the segments, as well as security depositary and custodial services.

The Group carries out its core business operations in the Spanish market; however, since 2011 it has been conducting an insignificant amount of business in Chile. The customer bases and product ranges are similar in both markets.

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

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

The following table presents segment information for 2015 and 2014:

	Thousands of euros									
	Year ended December 31, 2015					Year ended December 31, 2014				
INCOME STATEMENT	Brokerage	Asset Management	Corporate Services	Adjustments	Total	Brokerage	Asset Management	Corporate Services	Adjustments	Total
Interest and similar income										
Internal	-	1	-	(1)	-	-	8	-	(8)	-
External	4,191	-	-	-	4,191	7,533	-	-	-	7,533
Interest and similar expense										
Internal	(1)	-	-	1	-	(8)	-	-	8	-
External	(811)	-	-	-	(811)	(1,372)	-	(137)	-	(1,509)
Return on equity instruments (dividends)	-	-	119	-	119	-	-	165	-	165
Share of profit (loss) of entities accounted for using the equity method	(406)	-	(256)	-	(662)	(771)	-	-	-	(771)
Fee and commission income										
Internal	11,262	-	-	(11,262)	-	9,351	-	-	(9,351)	-
External	58,139	59,778	9,850	-	127,767	57,690	39,530	7,751	-	104,971
Fee and commission expense										
Internal	-	(11,262)	-	11,262	-	-	(9,351)	-	9,351	-
External	(28,907)	(35,436)	(360)	-	(64,703)	(31,671)	(22,643)	-	-	(54,314)
Gains or losses on financial assets and liabilities (net)	-	-	1,444	-	1,444	-	-	8,229	-	8,229
Foreign currency translation differences (net)	1,597	-	-	-	1,597	1,787	-	-	-	1,787
Other operating income	12	-	282	-	294	14	-	280	-	294
Other operating expenses	(737)	-	(33)	-	(770)	(1,211)	-	(24)	-	(1,235)
GROSS MARGIN	**44,339**	**13,081**	**11,046**	**-**	**68,466**	**41,342**	**7,544**	**16,264**	**-**	**65,150**
Employee benefits expense	(15,683)	(4,584)	(3,861)	-	(24,128)	(15,687)	(2,896)	(5,551)	-	(24,134)
Other general expenses	(12,221)	(3,572)	(3,008)	-	(18,801)	(10,526)	(1,943)	(3,725)	-	(16,194)
Depreciation and amortization	(3,796)	-	(552)	-	(4,348)	(3,349)	-	(522)	-	(3,871)
Provision expenses	(200)	-	-	-	(200)	47	-		-	47
Impairment losses on financial assets	(22)	-	(524)	-	(546)	(517)	-	(930)	-	(1,447)
Impairment losses (net) on financial assets	421	-	-	-	421	-	-	(1)	-	(1)
Impairment losses on other assets	12,838	-	(919)	-	(919)	-	-	(40)	-	(40)
PROFIT BEFORE TAX	**12,838**	**4,925**	**2,182**	**-**	**19,945**	**11,310**	**2,705**	**5,495**	**-**	**19,510**
BALANCE SHEET										
Total assets	1,169,696	25,306	22,779	(142,425)	1,075,356	1,529,611	19,499	26,392	(83,667)	1,491,835
Total liabilities	1,083,195	11,066	8,768	(109,768)	993,261	1,447,334	6,867	11,912	(55,156)	1,410,957
Other information										
Acquisitions of property and equipment	**7,190**	**-**	**916**	**-**	**8,106**	**4,117**	**-**	**1,287**	**-**	**5,404**

“Adjustments” in the preceding tables includes the elimination of inter-segment sales between the Brokerage Services and the Asset Management segments. These transactions, which are eliminated on consolidation, are presented in the table above to provide an accurate reflection of the activity of each segment.

Adjustments to total segments assets and liabilities correspond to the elimination of inter-company items and own funds between Group companies on consolidation.

8. CASH AND BALANCES AT CENTRAL BANKS

The breakdown of the balance of "Cash and balances with central banks" in the consolidated balance sheet at December 31, 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Cash	115	121
Bank of Spain		
Rest of deposits	6,317	3,608
	6,432	3,729

The breakdown by remaining term to maturity is provided in note 5.b).

The breakdown of the instruments deemed by the Group to constitute cash equivalents is as follows:

	Thousands of euros	
	2015	2014
Cash	115	121
Bank of Spain	6,317	3,608
Current accounts (note 11.a)	244,077	284,406
	250,509	288,135

The balances on deposit with the Bank of Spain are held for the purpose of covering the minimum reserve coefficient requirement, which applies to the Group’s parent, in keeping with prevailing legislation.

9. FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

The breakdown of these headings on the asset and liability sides of the balance sheet at December 31, 2015 and 2014 is as follows:

	Thousands of euros			
	Assets		Liabilities	
	2015	2014	2015	2014
Debt securities	8	97	-	-
Other equity instruments	460	1,217	-	-
Trading derivatives	458	450	266	360
Total	926	1,764	266	360

None of the assets included in this portfolio were encumbered by any commitments or guarantees at either year end.

a) Debt securities

The breakdown, by issuer sector, of the balance of "Debt securities" at year-end is as follows:

	Thousands of euros	
	2015	2014
Public sector – Spain	-	-
Spanish credit institutions	-	-
Other resident sectors	8	97
Total	8	97

b) Other equity instruments

The breakdown, by issuer sector, of the balance of "Other equity instruments" at December 31, 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Credit institutions	-	-
Other non-resident sectors	460	1,217
Other resident sectors	-	-
Total	460	1,217

The breakdown of "Other equity instruments," based on whether the securities included therein are admitted for listing or not and the percentage of the total they represent, is as follows:

	Thousands of euros		% of total	
	2015	2014	2015	2014
Listed	460	1,050	100	86.27
Unlisted	-	167	-	13.73
	460	1,217	100	100

c) Trading derivatives

The trading derivatives, as outlined in note 4.f), are classified as held for trading; as such, they are measured at fair value and any fair value changes are recognized directly in the consolidated profit and loss account.

The notional amounts and fair values of the derivatives, by type of market, type of product, counterparty, term to maturity and type of risk, recognized under "Trading derivatives" at year-end 2015 and 2014, are as follows:

	Thousands of euros					
	Notional amount		Fair value			
	Memorandum accounts		Assets		Liabilities	
	2015	2014	2015	2014	2015	2014
By type of market						
Organized markets	74,616	1,715	449	450	-	-
OTC markets	868	972	9	-	360	360
	75,484	**2,687**	**458**	**450**	**360**	**360**
By type of product						
Options						
Bought	-	1,215	-	450	-	-
Sold	-	972	-	-	-	360
Others						
Bought	37,492	-	9	-	22	-
Sold	37,992	500	449	-	244	-
	75,484	**2,687**	**458**	**450**	**266**	**360**
By counterparty						
Resident credit institutions	-	-	-	-	-	-
Other financial institutions	74,616	-	449	-	266	-
Non-resident credit institutions	-	1,715	-	450	-	-
Other sectors	868	972	9	-	-	360
	75,484	**2,687**	**458**	**450**	**266**	**360**
By term to maturity						
Within 1 year	75,484	2,687	458	450	266	360
Between 1 and 5 years	-	-	-	-	-	-
	75,484	**2,687**	**458**	**450**	**266**	**360**
By class of risk hedged						
Exchange rate risk	-	-	-	-	-	-
Interest rate risk	500	500	-	-	-	-
Share price risk	-	2,187	-	450	-	360
Otros riesgos	74,984	-	458	-	266	-
	75,484	**2,687**	**458**	**450**	**266**	**360**

At December 31, 2015, Renta 4 Banco had long positions in electricity derivatives that were fully matched with opposite positions. These transactions arise mainly from electricity futures positions arranged to provide a counterparty to an institutional investor, which are hedged with opposite positions through electricity swaps, a commonly used product by most market participants. Accordingly, the financial result of these positions is zero as the positions are fully offset.

d) Other information

The breakdown of this heading by remaining term to maturity is provided in note 5.b) which covers liquidity risk.

Note 6) provides detailed information on the fair value of the financial assets included in this category and on the methods used to estimate the related fair values.

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

The breakdown of this heading on the asset side of the balance sheet at December 31, 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Debt securities	459,111	593,879
Other equity instruments	36,138	32,749
	495,249	626,628

In 2015 and 2014, none of the financial instruments included in this portfolio was transferred or reclassified.

The movement in this balance sheet heading in 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Balance at January 1	626,628	401,834
Additions	759,804	617,478
Disposals	(880,608)	(388,597)
Deferral of accrued interest	2,061	4,325
Collection of coupons	(12,157)	(8,320)
Valuation adjustments	(293)	830
Impairment of assets	(186)	(930)
Reversal of general loan-loss provision	-	8
Balance at December 31	495,249	626,628

Assets in this portfolio in the amount of 299,228 thousand euros at year-end 2015, 433,179 thousand euros at year-end 2014 were pledged to secure loans and implicit financial liabilities (note 16.a).

a) Debt securities

The breakdown of debt securities by counterparty is as follows:

	Thousands of euros	
	2015	2014
Public sector – Spain	357,197	593,879
Credit institutions	101,914	-
Impairment provision (general provision)	-	-
Total	459,111	593,879

The breakdown of these headings by remaining term to maturity is provided in note 5.b).

The year-end fair values of these debt instruments were determined on the basis of their listed prices on formal exchanges (the Bank of Spain book entry system) and by using prices obtained from information service providers that build prices based on prices fed by contributors (Bloomberg).

On March 19, 2013, the Group decided to execute the aforementioned guarantee, as a result of which the parent's main shareholder purchased the secured bonds for 10,244 thousand euros. To facilitate execution of this guarantee, the parent granted the entity acquiring the bonds a 3-year loan of 3,000 thousand euros, which is secured by the bonds themselves and 55,000 shares of Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. At December 2015, the amount of the loan was acquired by a related party of the main shareholder, for 2,000 thousand euros. At December 31, 2014, the loan granted to the main shareholder amounted to 2,000 thousand euros. The value of the guarantees at December 31, 2015 and 2014 was 2,805 thousand and 2,859 thousand euros, respectively.

b) Other equity instruments

The breakdown of this heading at year-end 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Investments in UCITS	31,613	29,827
Shares and other equity investments	4,525	2,922
Total	36,138	32,749

The breakdown of "Investments in UCITS" at December 31, 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
R4 CTA Trading, F.I.	321	9,269
Renta 4 Renta Fija Euro, F.I.	5,948	5,540
Renta 4 Minerva, FIL (antes Renta 4 Minerva, IICIICIL)	-	2,689
Renta 4 Renta Fija Internacional, F.I.	398	1,198
Renta 4 Valor Relativo, F.I.	987	-
Renta Atalaya, F.I.	-	4,184
Truealpha Global Currency, F.I.L.	-	583
R4 Hanson UK Opportunities Fund, F.I.	-	1,035
China Opportunity RQFII Bond Fund	5,007	4,957
Renta 4 Renta Fija Corto Plazo, F.I.	2,978	-
W4I European Opportunities F.I. Clase A	2,015	-
Renta 4 Retorno Dinámico, F.I.	999	-
Salar E1 Eur	996	-
Schroder Gaia Paul Merger “C” (eurhdg)	833	-
Franklin K2 Alt “a” (eurhdg)	790	-
W4I European Opportunities FI Clase B	759	-
Ubs Equity Opportunity Long Short	755	-
Axa Wf Global Inflation Bonds “I Redex”	737	-
Nordea 1 Norweg Krioner Rsrve “bp” (eur)	609	-
Pioneer ABS Ret Multi-strat “H” (eur)	594	-
Pioneer ABS Ret Bond “H”	589	-
W4I Iberia Opportunities FI Clase B	562	-
Others (*)	5,736	372
Total	31,613	29,827

(*) Investments in UCITS for individual amounts under 500 thousand euros.

The breakdown of “Shares and other equity interests” at December 31, 2015 and 2014 is as follows:

	Thousands of euros	
Quoted	2015	2014
Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.	3,727	1,961
Kivalliv Energy	244	430
Promocinver SICAV, S.A.	531	509
Unquoted		
Other equity interests	23	22
	4,525	2,922

At December 31, 2015, an additional impairment of 186 thousand euros (Note 22.f) was recognized for the investment in Kivallic Energy (December 31, 2014: 427 thousand euros). At December 31, 2014, the parent also recognized impairment losses on the investment in Renta 4 Minerva F.I.L., of 407 thousand euros, and the investment in Truelpha Global Currency F.I.L., for 96 thousand euros. These UCITS were sold in 2015. The sales did not generate significant results for the Group.

These impairments were recognized under “Impairment losses (net) on financial assets" in the consolidated income statement (note 22.f). At December 31, 2015, the Group had no significant exposure to equity investments whose market value implies a decline of over 40% with respect to the related investment cost or that have been trading below acquisition cost for over 18 months and have not been provisioned.

The breakdown of “Valuation adjustments” in equity (note 18.k) at year-end 2015 and 2014 as a result of changes in the fair value of the assets held in this portfolio is provided below:

	Thousands of euros	
	2015	2014
Equity instruments		
Other resident sectors	(545)	(556)
Non-resident sectors	(127)	(30)
Debt securities		
Spanish government	272	438
Credit institutions	47	-
Other non-resident sectors	-	-
Total	(353)	(148)

11. LOANS AND RECEIVABLES

The breakdown of this heading on the asset side of the balance sheet at December 31, 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Due from credit institutions	426,686	748,626
Loans and advances to customers	84,354	49,258
Total	511,040	797,884

The breakdown by remaining term to maturity is provided in note 5.b).

a) Due from credit institutions

The breakdown of this heading is as follows:

	Thousands of euros	
	2015	2014
Time deposits	141,563	59,900
Repurchase agreements	-	392,432
Other accounts	284,371	296,055
Doubtful assets	805	-
Valuation adjustments		
Asset impairment losses	(276)	-
Accrued interest	223	239
	426,686	748,626

The breakdown of these assets by remaining term to maturity is provided in note 5.b).

The breakdown of “Time deposits” at year-end 2015 and 2014 is as follows:

Year-end 2015

Entity	Type	Maturity date	Thousand euros
Industrial and Commercial Bank of China (ICBC)	0.30	08/01/2016	20,000
CaixaBank, S.A.	0.44	12/03/2016	30,000
Banca March, S.A.	0.30	09/04/2016	10,000
Banca March, S.A.	0.30	09/04/2016	10,000
Industrial and Commercial Bank of China (ICBC)	0.40	14/04/2016	5,200
Ibercaja Banco, S.A.	0.40	02/05/2016	5,000
Ibercaja Banco, S.A.	0.45	29/07/2016	19,100
Unicaja Banco, S.A.	0.48	03/08/2016	15,000
Unicaja Banco, S.A.	0.48	03/08/2016	15,000
Ibercaja Banco, S.A.	0.40	30/10/2016	12,000
Banco Security (*)	3.84	01/01/2016	131
Banco BICE (*)	4.32	22/01/2016	132
Total			141,563

(*) These time deposits relate to one of the Latin American companies.

Year-end 2014

Entity	Type	Maturity date	Thousand euros
Caixabank, S.A.	0.60%	12/03/2015	30,000
Industrial and Commercial Bank of China (ICBC)	0.40%	17/02/2015	4,900
Banca March, S.A.	1.15%	07/04/2015	13,000
Ibercaja Banco, S.A.	1.15%	30/01/2015	12,000
Total			59,900

The breakdown of assets acquired under resale agreements (‘reverse repos’) in 2014 is as follows:

December 31, 2014

		Interest rates		Thousands
Public debt securities	Final maturity	Minimum	Maximum	of euros
October 30, 2014	January 23, 2015	0.08%	0.20%	392,432

Of the portfolio of reverse repos, 272,472 thousand euros of assets had been sold under repurchase agreements at December 31, 2014.

The main components at both year-ends of "Other accounts" in the table above are (i) current accounts, which accrue interest at market rates for accounts of this nature, in the amount of 244,077 thousand euros (year-end 2014: 284,406 thousand euros); and (ii) financial guarantees on deposit at brokerages in connection with international derivatives in the amount of 37,490 thousand euros (year-end 2014: 10,087 thousand euros).

b) Loans and advances to customers

The breakdown of this consolidated balance sheet heading by loan type, performance status, borrower classification and interest rate category is as follows:

	Thousands of euros 2015	Thousands of euros 2014
By loan type and status:		
Loans secured by physical property	30,112	12,993
Other term loans	957	224
Receivable on demand and sundry loans	3,792	3,600
Doubtful assets	2,557	3,653
Other financial assets	49,813	31,533
Valuation adjustments	(2,877)	(2,745)
	84,354	49,258
By sector:		
Other resident sectors	76,193	39,531
Other non-resident sectors	8,161	9,727
	84,354	49,258
Interest rate:		
Floating	84,354	49,258
Fixed	-	-
	84,354	49,258

The breakdown of these headings by remaining term to maturity is provided in note 5.b).

The breakdown of the transactions classified as 'secured by physical property':

	Thousands of euros			
	Debt		Value of collateral	
	2015	2014	2015	2014
Pledged securities	30,112	12,993	50,354	19,403
Other	-	-	-	-
	30,112	12,993	50,354	19,403

In 2015 and 2014 the Group was given pledges on customer securities it holds on deposit as collateral against payments receivable.

The breakdown of the valuation adjustments recognized in respect of transactions classified as 'Loans and advances to customers' is as follows:

	Thousands of euros 2015	Thousands of euros 2014
Valuation adjustments:		
Asset impairment losses	(3,027)	(2,959)
Accrued interest	150	214
	(2,877)	(2,745)

"Other financial assets" includes the amounts required of the Group as guarantees by Renta 4, S.A., S.V. (clearing house for markets and brokers) and the amounts that the Bank, in turn, requires of clients (note 14.e) for trading in derivatives on both active Spanish markets (MEFF, Eurostoxx) and in international derivatives, and with CFD products.

c) Impairment losses

The breakdown of the impairment losses recognized at year-end 2015 and 2014 on assets classified as loans and receivables (due from credit institutions and loans and advances to customers) is provided in the table below:

	Thousands of euros		
	Specific allowance	General allowance	Total
Balance at December 31, 2013	2,022	424	2,446
Additions			
Due to changes in accounting criteria	776	-	776
Recoveries			
Recoveries (with a credit to profit or loss)	(163)	(88)	(251)
Amounts used			
Write-downs	(12)	-	(12)
Other	-	-	-
Balance at December 31, 2014	2,623	336	2,959
Additions			
Due to changes in accounting criteria	393	338	731
Recoveries			
Recoveries (with a credit to profit or loss)	(371)	-	(371)
Amounts used			
Write-downs	(16)	-	(16)
Other	-	-	-
Balance at December 31, 2015	2,629	674	3,303
Due from credit institutions	276	-	276
Loans and advances to customers	2,353	674	3,027
	2,629	674	3,303

The movement in the balance of financial assets written-off (derecognized as the likelihood of recovery is deemed remote) is as follows:

	Thousands of euros
Balance at December 31, 2013	500
Additions	
With a charge against asset impairment losses	12
Decreases	
Due to recovery	-
Due to forgiveness	(503)
Balance at December 31, 2014	9
Additions	
With a charge against asset impairment losses	16
Decreases	
Due to recovery	-
Due to forgiveness	(24)
Balance at December 31, 2015	1

12. INVESTMENTS

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

	Miles de euros	
	2015	2014
Entidades asociadas		
Valores propiedad de la entidad	421	5,880
	421	5,880

The breakdown by company at December, 31 2015 and 2014 is as follows:

	Thousands of euros	
Company	2015	2014
Renta Markets, S.V., S.A.	-	1,867
Hanson Asset Management Limited	88	1,134
Stella Maris, S.I.C.A.V., S.A. (before Mercor Global Plus, S.I.C.A.V., S.A.)	-	2,879
W4I Investment Advisory Ltd.	333	-
	421	5,880

The measurement of investments using the equity method for inclusion in the Group's consolidation is based on the information on own funds presented in Appendix I.

In 2015, the Group sold its stake in Renta Markets, S.V., S.A. The impact at consolidated level was a reduction in the carrying amount of the investment of 1,867 thousand euros, a loss of 188 thousand euros recognized under "Share of profit (loss) of entities accounted for using the equity method" and of 403 thousand euros recognized under "Gains/(losses) on disposal of assets not classified as non-current assets held for sale". The selling price was 2,082 thousand euros. Renta Markets, S.V., S.A., contributed profit of 167 thousand euros at December 31, 2014.

As indicated in note 3, on February 19, 2014, Renta 4 Banco, S.A. agreed to acquire an interest in the UK's Hanson Asset Management Limited ("HAM"); specifically, it took a 14.99% shareholding. This company contributed a loss to the Group of 256 thousand euros at December 31, 2015 (2014: loss of 95 thousand euros).

This item also included the investment in Stella Maris, S.I.C.A.V., S.A. (formerly Mercor Global Plus, S.I.C.A.V., S.A.), for 2,879 thousand euros at December 31, 2014. The entire stake in this company was sold in 2015 for 2,897 thousand, generating a gain of 18 thousand euros, recognized under "Gains/(losses) on disposal of assets not classified as non-current assets held for sale".

Further disclosures regarding the Group's investments in associates are provided in Appendix I.

At year-end 2015 and 2014, the breakdown of the "Investments" heading by listed and unlisted shares is as follows:

	2015		2014	
	Thousands of euros	% of total investments	Thousands of euros	% of total investments
Unlisted	421	100%	3,001	51%
Listed	-	-	2,879	49%
	421	100%	5,880	100%

The movement in "Investments" on the consolidated balance sheet for 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Opening balance	5,880	3,202
Additions	347	4,112
Disposals	(4,558)	(1,506)
Share of profit/loss for the year	(458)	72
Impairment	(790)	-
Closing balance	421	5,880

(1) Corresponds to the investment in Hanson Asset Management Limited (note 22.g)

The following movements in respect of Investments are recognized in the consolidated income statement under “Share of profit (loss) of entities accounted for using the equity method”:

	Thousands of euros	
	2015	2014
Share of Profit of the year of Hanson Asset Management Limited	(256)	(95)
Share of profit for the year of Renta Markets, S.A.	(188)	167
Share of profit for the year of W4I Investment Advisory limited.	(14)	-
Elimination of fees and commissions paid by another Group company to Renta Markets, S.A. and W4I Investment Advisory Limited	(204)	(843)
Closing balance	(662)	(771)

13. PROPERTY AND EQUIPMENT

The breakdown of the movement in this consolidated balance sheet heading at December 31, 2015 and 2014 is as follows:

	Thousands of euros				
	Computer equipment	Furniture, fixtures and other assets	Buildings	Investment property	Total
Cost					
Balance at 12/31/2013	4,823	18,614	22,294	5,405	51,136
Additions	586	3,531	1,286	1	5,404
Disposals	-	-	-	-	-
Transfers	-	-	(431)	431	-
Balance at 12/31/2014	5,409	22,145	23,149	5,837	56,540
Additions	494	6,696	916	-	8,106
Disposals	(11)	(6)	(120)	-	(137)
Transfers	.	-	-	-	-
Balance at 12/31/2015	5,892	28,835	23,945	5,837	64,509
Accumulated depreciation					
Balance at 12/31/2013	(4,521)	(8,465)	(4,385)	(1,393)	(18,764)
Additions	(185)	(1,898)	(390)	(132)	(2,605)
Disposals	-	-	99	(99)	-
Balance at 12/31/2014	(4,706)	(10,363)	(4,676)	(1,624)	(21,369)
Additions	(294)	(2,228)	(421)	(131)	(3,074)
Disposals	8	6	53	-	67
Balance at 12/31/2015	(4,992)	(12,585)	(5,044)	(1,755)	(24,376)
Carrying amount at December 31, 2014	703	11,782	18,473	4,213	35,171
Carrying amount at December 31, 2015	900	16,250	18,901	4,082	40,133

The additions recognized under “Furniture, fixtures and other assets" in 2015 and 2014 correspond to upgrade work undertaken by the Group at several of its office buildings. The additions recognized under "Buildings" in 2014 correspond mainly to the acquisition of two office building.

The Group had no material contractual commitments for the acquisition or sale of property and equipment at either year-end; nor were its assets subject to material restrictions on title.

The carrying amount of Group property and equipment located outside of Spain at year-end 2015 was 69 thousand euros (81 thousand euros at year-end 2014).

The directors estimate that the fair value at year-end of the property and equipment owned by the Group is not materially different from the amounts recognized in the accompanying balance sheet.

No significant amounts of property and equipment were subject to use or title restrictions, retired from service or pledged as security for liabilities at either year-end.

Finance leases

The carrying amount at year-end 2015 of property and equipment acquired under finance lease arrangements was 1,225 thousand euros (year-end 2014: 14,421 thousand euros).

On February 8, 2007, Renta 4 de Servicios de Inversión, S.A. arranged a finance lease with a bank on an office building in Valencia in the amount of 1,673 thousand euros. The price included the price of the purchase option (11 thousand euros) and the financial charge (261 thousand euros), payable in 120 monthly installments. The nominal interest rate on the lease, which terminates on January 8, 2017, is currently 4.5%.

The maturity analysis of the commitments made under these agreements according to the scheduled timing of the payments is as follows:

	Thousands of euros			
	2015		2014	
	Less than 12 months	Over 12 months	Less than 12 months	Over 12 months
Value of the commitment –future minimum payments	134	22	134	156
Financial charge	(4)	-	(10)	(4)
Finance lease commitments - Present value (note 16.b)	130	22	124	152

Expense under operating leases is recognized as an operating expense as accrued over the term of the related leases.

On July 5, 2001, the Group arranged a finance lease with a bank on the property located at Paseo de la Habana, 74 in Madrid, for a total of 18,170 thousand euros; this asset is recognized under “Buildings” in the accompanying consolidated balance sheet. On November 17, 2004, the Company amended this agreement, adding the reform work performed at the property and extending the term to December 5, 2014; the total price of the finance lease after the amendment stood at 18,018 thousand euros. This price includes the price of the purchase option (150 thousand euros) and the financial charge (1,430 thousand euros), payable in 120 monthly installments. The lease transaction carries interest at Euribor plus a spread of 0.60%, reset annually. The contract amendment took effect on December 5, 2004.

The parent settled the purchase option on December 5, 2014 for 182 thousand euros, canceling the finance lease. In 2015, the change of ownership of the property was placed on file at the Property Register.

With regards to this property, on March 15, 2016, the parent obtained an appraisal by an independent expert of 18,763 thousand euros. This exceeds the net carrying amount of the property at December 31, 2015.

Investment properties

At December 31, 2015 and 2014, the building in Madrid located at Paseo de la Habana, 63, and the one in Mallorca at Paseo de Mallorca, 32, were classified as investment properties, with net carrying amounts of 4,082 thousand and 4,213 thousand euros, respectively. The Group earned rental income in 2015 of 159 thousand euros (2014: 137 thousand euros), recognized under "Rental income" in the consolidated income statement.

The breakdown of the future minimum payments receivable under non-cancelable operating leases at year-end is as follows:

	Thousands of euros	
	2015	2014
Within one year	282	300
Between one and five years	1,128	1,200
	1,410	1,500

On March 15, 2016, the Group made an independent appraisal of the most significant investment property, the building at Paseo de la Habana, 63, to determine its fair value. According to the outcome of the appraisal, carried out using the income approach and market comparison, fair value does not differ from carrying amount ($\pm$3%).

14. INTANGIBLE ASSETS

a) Goodwill

The breakdown of the movement in this consolidated balance sheet heading in 2015 and 2014 is as follows:

	Thousands of euros		
	Cost	Impairment losses	Total
Balance at 31.12.13	17,772	(2,312)	15,460
Movements	-	(40)	(40)
Balance at 31.12.14	17,772	(2,352)	15,420
Movements	-	(129)	(129)
Balance at 31.12.15	17,772	(2,481)	15,291

At December 31, 2015, goodwill totaled 15,291 thousand euros (year-end 2014: 15,420 thousand euros), corresponding to the companies clustered into the Asset Management CGU (5,476 thousand euros at both year-ends), the Brokerage CGU (9,815 thousand euros at both year-ends) and the Chilean CGU (0 and 129 thousand euros at year-end 2015 and 2014, respectively). The Brokerage CGU encompasses Banco Alicantino de Comercio S.A. (Renta 4 Banco S.A.), Renta 4 Burgos S.A., Renta 4 Aragón S.A., Renta 4 Huesca, S.A. and Padinco Patrimonios S.G.C., S.A., while the Asset Management CGU includes Renta 4 Gestora S.G.I.I.C., S.A. (Gesdinco Gestión SCIIC) and Renta 4 Pensiones, E.G.F.P., S.A. Lastly, the Chilean CGU consists of Renta 4 Chile Corredores de Bolsa, S.A.

In 2015, based on the results obtained by this investee, the directors considered it necessary to recognize an impairment loss on the Chile CGU of 129 thousand euros (2014: 40 thousand euros) under "Impairment losses (net) on other assets - Goodwill and other intangible assets" in the consolidated income statement for the year (note 22.g). As a result of this impairment, at December 31, 2015, the goodwill of the Chile CGU had been fully written off.

The goodwill was associated with the business expected to be generated as a result of the sale of other services provided by the Renta 4 Group to Chilean customers (brokerage activities and asset, fund, pension fund and portfolio management) and the potential growth in the Chilean customer base due to the scope for trading in the Spanish market.

Under IAS 36, goodwill is impaired when its carrying amount exceeds its recoverable amount, defined as the higher of value in use and fair value less costs to sell. The recoverable amounts of the above-listed CGUs were determined taking an income approach; specifically, management used the dividend discount model based on cash flow projections which were in turn based on the management-approved budgets, as follows:

Asset Brokerage CGU

	2015	2014
Projection period	5 años	5 years
Discount rate (projection period)	12.0%	11.7%
Growth rate in perpetuity	2.0%	2.0%

Management CGU

	2015	2014
Projection period	5 años	5 years
Discount rate (projection period)	11.2%	12.4%
Growth rate in perpetuity	2.0%	2.0%

Chile CGU

	2015	2014
Projection period	(1)	5 years
Discount rate (projection period)	(1)	12.5%
Growth rate in perpetuity	(1)	2.0%

(1) As explained above, impairment of goodwill of the Chile CGU was recognized

The values in use calculations for both CGUs are based on the following assumptions:

Projection period

As required in paragraph 33.b of IAS 36, the projection period used to estimate the future cash flows of both CGUs was five years. Management believes a five-year period is right timeframe for adequately reflecting the business plan, as projected for each CGU.

Discount rate

The discount rates reflect management's estimate of the risks specific to each unit. It is the rate used by management to evaluate business performance and investment proposals. The discount rate used to calculate value in use for each of the CGUs at the measurement date was the cost of equity (Ke), determined using the capital asset pricing model (CAPM)".

This model is based on the risk-free rate (Rf), calculated using the average yield on 10-year Spanish government bonds during the three months ended December 31, 2014, plus a market risk premium (Rm), multiplied by the appropriate beta coefficient plus a specific premium. The resulting discount rates for the various CGUs, as shown in the tables above, were 11.2%, 12.0%, respectively (2014: 12.4% and 11.7%).

Growth rate in perpetuity

The estimated rate of growth in perpetuity was based on long-run inflation estimates taken from public sources. The estimated inflation rate used was 2% for all three cash-generating units.

Management believes it can substantiate the use of these growth rates.

Sensitivity analysis

In order to test the robustness of its calculations, management performed sensitivity analysis varying the key inputs used to determine the CGUs' value-in-use estimates. To this end, it varied the discount rates, growth rates in perpetuity and capital requirement assumptions used. The results of this exercise are outlined below:

Asset Management and Brokerage CGUs

Reasonable variations with respect to the base case scenario of +/-100 basis points in the discount rate used, coupled with reasonable variations of +/-100 basis points in the rate of growth in perpetuity modelled, would not result in the impairment of either of the CGUs.

Nor would reasonable variations with respect to the base case scenario of +/-100 basis points in the discount rate modelled, coupled with reasonable variations of +/-0.25 basis points in the minimum capital required of the CGUs, result in the impairment of either of these two CGUs.

Lastly, reasonable variations with respect to the base case scenario of +/-100 basis points in the rate of growth in perpetuity modelled, coupled with reasonable variations of +/-0.25 basis points in the minimum capital required of the CGUs, would not result in the impairment of either of these two CGUs.

b) Other intangible assets

This consolidated balance sheet heading includes software acquired from third parties and the Gesdinco & Padinco and Chilean customer portfolios. This account registered the following activity in 2015 and 2014:

	Thousands of euros		
	Cost	Accumulated amortization	Carrying amount
Balance at 12/31/2013	6,363	(4,376)	1,987
Additions and charges	1,720	(1,266)	454
Derecognitions	-	-	-
Balance at 12/31/2014	8,083	(5,642)	2,441
Additions and charges	1,087	(1,274)	(187)
Derecognitions	(50)	50	-
Balance at 12/31/2015	9,120	(6,866)	2,254

At December 31, 2015, "Other intangible assets" included the Gesdinco & Padinco customer portfolios fully depreciated (815 thousands euros of cost and 815 thousands euros of accumulated depreciation). It also included the Chilean customer portfolio at a carrying amount of 310 thousand euros (original cost of 646 thousand euros, net of accumulated amortization of 336 thousand euros) (2014: 392 thousand euros, with 646 thousand euros related to cost and 254 thousand euros to accumulated amortization) (note 14.a). This heading includes applications for a net value of 1,944 thousand euros at December 31, 2015, 2,049 thousand euros at December 31, 2014.

15. OTHER ASSETS AND OTHER LIABILITIES

The breakdown of these headings in the accompanying consolidated balance sheet at December 31, 2015 and 2014 is as follows:

	Thousands of euros	
Assets:	2015	2014
Prepayments and accrued income	751	826
Others	-	-
	751	826

	Thousands of euros	
Liabilities:	2015	2014
Fees and commissions payable	983	176
Others	1,026	1,842
	2,009	2,018

16. FINANCIAL LIABILITIES AT AMORTIZED COST

The breakdown of these liability headings of the accompanying consolidated balance sheet at December 31, 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Due to central banks	201,318	306,974
Due to credit institutions	6,864	6,353
Customer deposits	699,014	1,024,014
Other financial liabilities	79,079	66,946
	986,275	1,404,287

The breakdown of these headings by remaining term to maturity is provided in note 5.b).

a) Due to central banks

The breakdown of this consolidated balance sheet heading by instrument category is as follows:

	Thousands of euros	
	2015	2014
Time accounts	201,300	306,300
Valuation adjustments – Interest accrued by non-resident institutions	18	674
Total	201,318	306,974

The breakdown of the balances due to central banks at December 31, 2015(there were no such balances at year-end 2014) is as follows:

12/31/2015

			Thousands of euros	
Entity	Rate	Maturity date	Limit	Drawn down
European Central Bank (1)	0.05%	25/02/2016	95,000	95,000
European Central Bank (1)	0.05%	28/01/2016	35,000	35,000
European Central Bank (1)	0.15%	26/09/2018	1,300	1,300
European Central Bank (1)	0.05%	31/03/2016	70,000	70,000
Total			201,300	201,300

(1) Loans secured by debt security pledges (Note 10).

12/31/2014

			Thousands of euros	
Entity	Rate	Maturity date	Limit	Drawn down
European Central Bank (1)	0.05%	29/01/2015	75,000	75,000
European Central Bank (1)	0.05%	26/02/2015	45,000	45,000
European Central Bank (1)	0.05%	26/02/2015	85,000	85,000
European Central Bank (1)	0.05%	26/03/2015	100,000	100,000
European Central Bank (1)	0.15%	26/09/2018	1,300	1,300
Total			306,300	306,300

(1) Loans secured by debt security pledges (Note 10)

The Group also had undrawn liquidity via the European Central Bank at year-end of 68,621 thousand euros (124,512 thousand euros at year-end 2014).

b) Due to credit institutions

The breakdown of this consolidated balance sheet heading by instrument category is as follows:

	Thousands of euros	
	2015	2014
Time accounts	484	1,646
Other accounts	6,380	4,707
Valuation adjustments – Interest accrued by non-resident institutions	-	
Total	6,864	6,353

The year-end breakdown of 'Time accounts' in the table above is provided below:

	Thousands of euros	
	2015	2014
Loans and implicit financial liabilities	332	1,370
Finance lease agreements (Note 13)	152	276
	484	1,646

The breakdown of these loans is as follows:

<u>31/12/15</u>

			Thousands of euros	
			31/12/2015	
		Final maturity	Limit	Drawn down
Banco de Sabadell S.A.	Euribor 1A+4,10%	30/06/2016	3,000	332

<u>31/12/14</u>

			Thousands of euros	
			31/12/2014	
		Final maturity	Limit	Drawn down
Bankia, S.A. (Bancaja)	Euribor 1A +3%	01/04/2015	2,000	147
Caixabank S.A.	Euribor 1A +1,5%	02/07/2015	2,000	248
Banco de Sabadell S.A.	Euribor 1A+4,10%	30/06/2015	3,000	975
Subtotal			7,000	1,370

c) Customer deposits

The breakdown of this consolidated balance sheet heading by counterparty and financial instrument type is as follows:

	Thousands of euros	
	2015	2014
Term deposits	285	397,100
Demand deposits		
Current accounts	552,541	354,346
Other demand funds	-	-
Repurchase agreements (Note 11.a)	146,178	272,472
Valuation adjustments	10	96
	699,014	1,024,014

d) Other financial liabilities

All the financial liabilities included under this consolidated balance sheet heading are classified in the 'financial liabilities at amortized cost' portfolio and are accordingly measured at amortized cost. This heading includes payment obligations that qualify as financial liabilities that are not included in other headings.

The breakdown of "Other financial liabilities" by type of financial instrument is as follows:

	Thousands of euros	
	2015	2014
Payment obligations	1,526	3,061
Deposits received	74	81
Clearing houses	1,989	1,707
Tax collection accounts		
Social Security Administration	423	346
Financial guarantees	64,990	42,113
Other items	10,077	19,638
Total	79,079	66,946

The Group includes the financial guarantees required of its clients for trading on the MEFF (Spain's futures exchange), in international derivatives and with CFD (contract for difference) products within "Financial guarantees" in the table above.

"Other items" above includes balances outstanding in respect of transactions with Allfunds clients pending settlement; these transactions are settled during the initial days of the following month. At year-end 2015, these balances totaled 4,281 thousand euros (year-end 2014: 9,019 thousand euros).

17. PROVISIONS

The breakdown of this consolidated balance sheet heading at year-end 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Other provisions for taxes and legal contingencies	200	130
Provision for contingent risks	-	-
	200	130

The breakdown of the movement in this heading in 2015 and 2014 is as follows:

	Other provisions
Balance at December 31, 2013	207
Additions with a charge to profit or loss	
Provision recoveries with a credit to profit or loss	(47)
Provisions utilized	(30)
Balance at December 31, 2014	130
Additions with a charge to profit or loss	200
Provision recoveries with a credit to profit or loss	-
Provisions utilized	(130)
Balance at December 31, 2015	200

At both, December 31, 2015 and 2014 the provisions recognized on the consolidated balance sheet amounted 200 and 130 thousand of euros correspond to the parent and other subsidiaries and mainly cover certain business-related liabilities and third-party claims.

18. EQUITY

The breakdown of Group equity at year-end is shown below:

	Thousands of euros	
	2015	2014
Own funds		
Issued capital	18,312	18,312
Share premium	8,496	8,496
Reserves	47,769	44,269
Other equity instruments	-	142
Less: Treasury shares	(334)	(2,400)
Profit for the year	14,019	13,369
Less: dividends and remuneration	(5,446)	(2,558)
	82,816	79,630
Valuation adjustments		
Exchange differences	(415)	(156)
Available-for-sale financial assets	(353)	(148)
	(768)	(304)
Non- controlling interest		
Valuation adjustments	-	-
Other	47	1,552
	47	1,552
Total equity	82,095	80,878

a) Issued capital

Share capital at December 31, 2015 and 2014 stood at 18,311,941.35 euros, comprising 40,693,203 registered shares, numbered consecutively from 1 to 40,693,023, each with a nominal value of 0.45 euros and all of the same class and series. All the shares are fully subscribed and paid.

The Company's shares are quoted on the Madrid, Barcelona, Bilbao and Valencia stock exchanges since November 14, 2007 under ISIN code ES0173358039 given by the National Numbering Agency. The listed price of the shares at December 31, 2015 was 5.85 euros (2014: 5.49 euros).

The Company's shareholder structure in 2015 and 2014 was as follows:

	December 31, 2015		December 31, 2014	
	Number of shares	Percentage Stake	Number of shares	Percentage Stake
Juan Carlos Ureta Domingo	12,646,903	31.08%	13,117,995	32.24%
Matilde Estades Seco	987,791	2.43%	989,294	2.43%
Surikomi, S.A.	2,086,461	5.13%	1,259,390	3.09%
Recarsa, S.A.	268,010	0.66%	268,010	0.66%
Asecosa, S.A.	2,107,192	5.18%	2,053,376	5.05%
Juan Carlos Ureta Estades	7,163	0.02%	5,652	0.01%
Matilde Ureta Estades	4,677	0.01%	3,707	0.01%
Inés Asunción Ureta Estades	2,781	0.00%	2,363	0.01%
Cartera de Directivos, S.A.	1,600	0.00%	1,600	0.00%
Cartera de Directivos 2011, S.A.	-	0.00%	515,000	1.27%
Mutualidad General de la Abogacía	2,800,650	6.88%	2,800,650	6.88%
Banco de Castilla la Mancha, S.A.	760,478	1.87%	960,478	2.36%
Mobel Línea, S.L.	940,962	2.31%	912,949	2.24%
The Bank of New York Mellon S.A. N.V.	1,612,418	3.96%	1,249,497	3.07%
Santiago González Enciso	1,791,094	4.40%	1,785,796	4.39%
Pilar Muro Navarro	422,405	1.04%	422,405	1.04%
Indumenta Pueri, S.L.	2,131,232	5.24%	2,131,232	5.24%
Arbarin, Sicav	411,217	1.01%	-	-
Other (including treasury shares)	11,710,169	28.78%	12,213,809	30.01%
Total	40,693,203	100.00%	40,693,203	100.00%

At December 31, 2015, in addition to the direct shareholding disclosed in the table above, the parent's main shareholder held another 13.43% interest indirectly (year-end 2014: 12.52%), giving him an overall shareholding in the parent company of 44.51% (2014: 44.76%).

b) Share premium

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

c) Reserves

The breakdown of this heading at December 31, 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Legal reserve of the parent company	3,662	3,662
Reserves of entities accounted for using the equity method	411	339
Other reserves	43,696	40,268
	47,769	44,269

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

	Thousands of euros	
Company	2015	2014
Renta 4 Banco, S.A.	34,689	33,943
Renta 4, Sociedad de Valores, S.A.	13,919	10,156
Renta 4 Burgos, S.A.	(2,475)	(2,475)
Renta 4 Aragón, S.A.	(1,050)	(1,049)
Renta 4 Vizcaya, S.A.	(364)	(363)
Renta 4 Gestora, S.G.I.I.C., S.A.	2,214	439
Renta 4 Huesca, S.A.	(373)	(373)
Carterix, S.A.	(32)	(7)
Renta 4 Pensiones, S.G.F.P., S.A.	1,406	845
Renta 4 Equities	250	283
Renta 4 Guipúzcoa	(3,066)	102
Other	(1,422)	(1,233)
	43,696	40,268

The breakdown of "Reserves of entities accounted for using the equity method" is as follows:

	Thousands of euros	
Company	2015	2014
Renta Markets, S.V., S.A.	506	339
Hanson Asset Management Limited	(95)	-
	411	339

d) Legal reserve

Companies are obliged to transfer 10% of the profit for the year to a legal reserve until such reserve reaches an amount equal to 20% of the share capital. This reserve is not distributable to shareholders and may only be used to offset a debit balance in the income statement provided no other reserves are available. Under certain conditions, this reserve may be used to increase share capital. At 31 December 2015 & 2014, the parent’s legal reserve met the 20% threshold.

e) Voluntary reserves

The Company’s voluntary reserves at December 31, 2015 and 2014 are freely distributable as there were no unused tax losses pending offset and subject to equity requirements (note 18.j).

f) Other equity instruments

The detail of this heading at 31 December 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Compound financial instruments	-	-
Other equity instruments	-	142
Closing balance	-	142

The Group has share-based payment schemes for management and employees by virtue of which, upon achieving certain objectives, they receive shares of Renta 4, Banco S.A., the Group's parent company (formerly Renta 4 Servicios de Inversión, S.A.), called Plan 2009.

The final settlement with physical delivery of shares was made on January 15, 2015. A total of 63,567 shares were delivered at a strike price of 4.75 euros per share. Accordingly, the Group derecognized treasury shares in the amount of 339 thousand euros. Under the terms of the plan, the Group reversed a provision of 65 thousand euros recognized under "Other equity instruments" in consolidated equity. Finally, the parent company recognized a gain of 28 thousand euros under "Reserves" in consolidated equity.

In addition, as this was the final payment, the Group reversed a provision of 77 thousand euros recognized under "Other equity instruments" in consolidated equity.

g) Treasury shares

The movement in this heading in 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Balance at January 1	(2,400)	(2,448)
Purchases	(521)	(6,216)
Sales	2,248	1,081
Shares delivered for bond conversion (Nota 18.i)	-	4,950
Shares delivered under share premium distribution	-	94
Shares delivered under the stock option plan	339	-
Others (note 2.2)	-	139
Balance at December 31	(334)	(2,400)

Pursuant to the entry into force of IFRS 10, the Group carried out a retrospective analysis of the impact of the amendments on the 2014 consolidated financial statements. The main implication was the recognition under "Treasury shares" in the Group's consolidated equity of 1,821 thousand euros at December 31, 2014, related to the value of the shares of the Group's parent company held by the mutual funds in which the Group had majority stakes at that date and, therefore, control. At December 31, 2015, the Group no longer had controlling stakes in investment funds (note 3).

Own equity instruments were sold in 2015, generating a gain recognized under "Reserves" of 16 thousand euros (December 31, 2014: 0 thousand euros). In addition, conversion of the convertible bonds into shares triggered the recognition of a 439 thousand euro loss in 2014

In addition, conversion of the convertible bonds into shares triggered the recognition of a 439 thousand euro loss in 2014

This heading includes the following shares at December 31:

	No. of shares	
	2015	2014
Shares for the execution of the call option on Renta 4 Chile Corredores	-	331,516
Other	56,044	108,991
	56,044	440,507

h) Interim dividend

On March 17, 2016, the Board of Directors decided to pay an interim dividend from 2015 for a total amount of 1,560 thousand euros.

The following statement prepared by the directors substantiates that there is sufficient liquidity to distribute the interim dividend.

Projected distributable parent company profits for the year	Thousands of euros
Profit after tax at December 31, 2015	14,020
Distributable profit for the year	7,010
Distributable profit for the year, 2015	5,446
Maximum amount to be distributed (*)	1,564

(*)The amount of distributable profit complies with the requirements of article 277 of the Capital Enterprises Act.

At that date, the parent company has sufficient liquidity to pay the dividen.

On October 26, 2015, the Board of Directors decided to pay an interim dividend from 2015 for a total amount of 5,446 thousand euros.

The following statement prepared by the directors substantiates that there is sufficient liquidity to distribute the interim dividend.

Projected distributable parent company profits for the year	Thousands of euros
Profit after tax at September 30, 2015	10,945
Distributable profit for the year	5,473
Projected cash for one year from the date of the agreement	
Cash at the date of the agreement	240,239
Projected cash a year after the date of the agreement	288,287

On March 25, 2015, the Board of Directors of the parent company decided to pay an interim dividend for a total amount of 4,127 thousand euros.

The following statement prepared by the directors substantiates that there is sufficient liquidity to distribute the interim dividend.

Projected distributable parent company profits for the year	Thousands of euros
Profit after tax at December 31, 2014	13,703
Distributable profit for the year, 2014	6,851
Projected cash for one year from the date of the agreement	
Cash at the date of the agreement	2,558
Projected cash a year after the date of the agreement	4,293

On October 28, 2014, the Board of Directors of the parent company decided to pay an interim dividend of 0.063 euros per share, for a total amount of 2,558 thousand euros.

The following statement prepared by the directors substantiates that there is sufficient liquidity to distribute the interim dividend.

Projected distributable parent company profits for the year	Thousands of euros
Profit after tax at September 30, 2014	10,304
Distributable profit for the year, 2014	13,000
Projected cash for one year from the date of the agreement	
Cash at the date of the agreement	160,022
Projected cash a year after the date of the agreement	192,026

On March 25, 2014, the Board of Directors of the parent company decided to pay an interim dividend from 2013 of 0.02101548 euros per share, for a total amount of 854 thousand euros.

The following statement prepared by the directors substantiates that there is sufficient liquidity to distribute the interim dividend.

Projected distributable parent company profits for the year	Thousands of euros
Profit after tax at December 31, 2013	6,020
Distributable profit for the year, 2013	1,941
Projected cash for one year from the date of the agreement	
Cash at the date of the agreement	127,499
Projected cash a year after the date of the agreement	133,874

i) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to equity holders of the parent by the average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net profit attributable to equity holders of the parent (eliminating the impact of the finance expense associated with the convertible bonds issued in 2011; note 16.d) by the average number of ordinary shares outstanding during the year plus the average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The parent has issued instruments that can be converted into ordinary shares in the future; however the shares allocated the employee share delivery plan (nota 18.g) are not dilutive.

In addition, in 2011 the parent subscribed for 100% of an issue of bonds that are convertible and/or exchangeable into shares of Renta 4, Servicios de Inversión, S.A. (currently Renta 4 Banco, S.A.). On April 5, 2014 was marked the end and repayment of convertible bonds as detailed in note 18.g.

Basic and diluted earnings per share are presented in the table below:

	2015	2014
Net profit attributable to owners of the parent (in thousands of euros)	14,019	13,369
Finance costs associated with the issuance of the convertible bonds (in thousands of euros)	-	137
Net profit attributable to owners of the parent, net of the finance costs associated with the issuance of the convertible bonds (in thousands of euros)	14,019	13,506
Weighted average number of ordinary shares for basic and diluted earnings per share	40,365,897	40,143,996
Weighted average number of ordinary shares, excluding treasury shares, for calculating diluted earnings per share	40,365,897	40,769,963
Basic earnings per share (euros)	0.35	0.33
Diluted earnings per share (euros)	0.35	0.33

(*) Considering the effects of the restatement detailed in Note 2.2

j) Minimum capital requirements

On June 26, 2013, the European Parliament and Council of the European Union approved Regulation No. 575/2013 on prudential requirements for credit institutions and investment firms (hereinafter, "CRR"), and Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (hereinafter, "CRD"). These regulations took effect on January 1, 2014 and will be implemented on a staggered basis until January 1, 2019. They have the effect of repealing all formerly prevailing solvency regulations.

The CRR and the CRD regulate minimum capital requirements in the European Union and embody the recommendations made in the third Basel Accord (Basel III), specifically:

- The CRR, which must be directly applied by the member states, stipulates the prudential requirements incumbent upon credit institutions and encompasses, among other matters:

    - Definition of the items that compute as capital, stipulating the requirements for hybrid instruments to be eligible and limiting the eligibility of non-controlling interests recognized for accounting purposes.

    - Definition of prudential filters and deductions from capital for each defined capital level. Note that the CRR introduces new deductions with respect to Basel II (deferred tax assets that are dependent on future profitability, pension funds, etc.) and modifies existing deductions. However, it introduces transitional provisions that allow for staggered application over a period of between five and 10 years.

    - Establishment of minimum capital requirements, articulated around three types of capital: (i) Common Equity Tier 1 (CET 1) capital, of at least 4.5% of risk-weighted assets (RWA); Tier 1 capital, of at least 6% of RWA; and (ii) Total Capital, of at least 8% of RWA.

    - Imposition of a leverage calculation requirement on financial institutions, which is defined as an entity's Tier 1 capital divided by its total exposure (unadjusted for risk). Credit institutions will be obliged to publicly disclose this leverage ratio from 2015; the supervisors will calibrate the leverage ratio definition by 2017.

The main objective and subject matter of the CRD, which has to be transposed by the member states into national legislation using their own criteria, is to coordinate national provisions concerning access to the activities pursued by credit institutions and investment firms, the modalities for their governance, and their supervisory framework. Among other matters, the CRD covers additional capital buffers with respect to those imposed by the CRR that will be gradually implemented through 2019; failure to comply with these buffers will imply constraints on the discretionary distribution of earnings, specifically:

- A Capital Conservation Buffer and a Countercyclical Capital Buffer, further implementing the Basel III regulatory framework with the aim of mitigating the pro-cyclical effects of financial regulation. Specifically, all financial entities will be required to maintain a Capital Conservation Buffer equivalent to 2.5% of CET 1 capital, while national authorities will impose an institution-specific Countercyclical Capital Buffer, which also will have to be met by capital of the highest quality.

- A systemic risk buffer. This applies to entities of systemic importance at the global level as well as other entities of systemic importance and is designed to mitigate non-cyclical systemic or macro-prudential risks with potential serious negative consequences for the financial system and the real economy in a specific member state.

In terms of legislative developments in Spain, the newest legislation is oriented mainly around transposition of European regulations at the local level:

- Royal Decree-Law 14/2013, of November 29, 2013, on urgent measures regarding the adaptation of Spanish law to European regulations on financial institution supervision and capital adequacy: partial transposition into Spanish law of the CRD and empowerment of the Bank of Spain to avail of the options afforded to the competent authorities in the CRR.

- Bank of Spain Circular 2/2014, of January 31, 2014, regarding credit institutions and the exercise of several of the regulatory options contained in Regulation (EU) No. 575/2013. Its purpose is to establish, in keeping with the powers conferred, which of the options attributed by the CRR to the competent national authorities will have to be met from January 1, 2014 by consolidable groups of credit institutions and credit institutions that are part or not part of a consolidable group, and with what scope. To this end, in this Circular the Bank of Spain makes use of some of the temporary and permanent regulatory options provided for in the CRR, generally speaking with the aim of extending the way certain matters were treated under Spanish legislation up until effectiveness of the EC directive, justified in some instances by the business model traditionally pursued by the Spanish banks. This does not preclude the future exercise of other options attributed to the competent national authorities in the CRR, typically in the case of options that are not general in nature, via direct application of the CRR, without requiring substantiation in the form of a Bank of Spain circular.

- Law 10/2014 of June 26, 2014, on the structuring, supervision and capital adequacy of credit institutions, whose overriding purpose is to continue the transposition of CRD IV, a process initiated by Royal Decree-Law 14/2013, of November 29, 2013, and to repeal certain formerly-prevailing national provisions regarding credit institution structuring and discipline. One of the main novelties is the introduction of a requirement on the part of the Bank of Spain to present, at least once a year, a Supervisor Program specifying the substance and form that its supervisory work will take and the actions to be taken as a consequence of the results obtained. This program will include the performance of stress tests at least once a year.

- Bank of Spain Circular 3/2014, of July 30, 2014, on credit institutions and certified appraisal companies and services. Among other things, this Circular amends Circular 2/2014 of January 31, 2104 on the exercise of several of the regulatory options contained in Regulation (EU) No. 575/2013, with respect to the prudential requirements of credit institutions and investment service providers, with the aim of standardizing how intangible assets are deducted during the transition period provided for in the abovementioned Regulation (EU) No. 575/2013, such that goodwill is treated in the same manner as other intangible assets for deduction purposes.

In relation to its minimum capital requirements, the Group applies:

- the standardized approach to calculate its capital requirements in respect of credit, counterparty and dilution risk.

- the standardized approach to calculate its capital requirements in respect of its credit valuation adjustments.

- the basic indicator approach to calculate its capital requirements in respect of operational risk.

The table below presents the Group's eligible capital at year-end 2015 and 2014, indicating each of its components and deductions and broken down, as required under the new regulations, between Tier 1 and Tier 2 capital:

	Thousands of euros	
	2015	2014
Total eligible equity	54,477	49,471
Tier 1 Capital	**53,840**	**49,198**
Paid-in equity instruments	18,312	18,312
Share premium	8,496	8,496
CET 1 capital own equity instruments (-)		
Held directly	(334)	(579)
Held indirectly	(2,349)	(3,848)
Retained earnings	47,769	44,269
Other reserves	(768)	(162)
Non-controlling interests recognized within CET 1 capital	47	90
Transitory adjustments due to additional non-controlling interests	-	1,403
Goodwill (-)	(15,291)	(16,210)
Other intangible assets (-)	(2,254)	(2,441)
Excess items deducted from additional tier 1 capital with respect to additional tier 1 capital (-)	-	(63)
CET 1 equity instruments of financial sector entities in which the reporting entity has a significant interest (-)	-	(31)
Other transitional adjustments to CET 1 capital	212	(38)
Excess items deducted from additional tier 1 capital with respect to additional tier 1 capital	-	63
Additional deductions from CET 1 capital in keeping with article 3 of the CRR	-	(63)
Tier 2 Capital	**637**	**273**
General credit valuation adjustments using the standardized approach	637	336
Additional deductions from Tier 2 capital	-	(63)
CET 1 capital ratio	14.78%	16.92%
CET 1 capital surplus (+) / shortfall (-)	37,451	36,116
Total capital ratio	14.96%	17.02%
Total capital surplus (+) / shortfall (-)	25,341	26,213

k) Valuation adjustments

This balance sheet heading includes the net balance of changes in the fair value of assets classified as available-for-sale which must be deferred in equity. These changes are reclassified to profit or loss when the underlying assets are sold (for an itemization of these assets, see Note 10).

l) Non-controlling interests

The following table presents the breakdown of the movement in this consolidated balance sheet heading in 2015 and 2014 and the profit or loss attributable to non-controlling interests:

Ejercicio 2015

		Thousands of euros			
	% Shareholding at 12/31/15	Balance at 12/31/14	Profit (loss) for the year	Other (Note 3)	Balance at 12/31/15
Carterix, S.A. (formerly Renta 4 Marruecos, S.A.)	0.09	1	-	-	1
Renta 4 Guipúzcoa, S.A.	0.00	1,506	-	(1,506)	-
Renta 4 Inversiones de Valladolid, S.A.	1.00	3	-	-	3
Renta 4 Lérida, S.A.	18.34	17	-	-	17
Renta 4 Inversiones Inmobiliarias ((formerly Renta 4 On Line, S.A.)	1.00	1	-	-	1
Rentsegur Correduría de Seguros, S.A.	27.51	23	1	-	24
Renta 4 Equities, S.A.	0.11	1	-	-	1
		1,552	1	(1,506)	47

2014

		Thousands of euros			
	% Shareholding at 12/31/14	Balance at 12/31/13	Profit (loss) for the year	Other	Balance at 12/31/14
Carterix, S.A. (formerly Renta 4 Marruecos, S.A.)	0.09	1	-	-	1
Renta 4 Guipúzcoa, S.A.	85.00	1,262	333	(89)	1,506
Renta 4 Inversiones de Valladolid, S.A.	1.00	7	-	(4)	3
Renta 4 Lérida, S.A.	18.34	17	-	-	17
Renta 4, Inversiones inmobiliarias (Antes Renta 4 On line, S.A.)	1.00	1	-	-	1
Rentsegur Correduría de Seguros, S.A.	27.51	22	1	-	23
Renta 4 Equities, S.A.	0.11	1	-	-	1
		1,311	334	(93)	1,552

19. CONTINGENT EXPOSURES AND COMMITMENTS

a) Contingent exposures

The breakdown of contingent exposures, understood as transactions in which Group companies guarantee third-party obligations by granting financial guarantees or signing other kinds of agreements, at year-end 2015 and 2014 is shown in the table below:

	Thousands of euros	
	2015	2014
Financial guarantees and others	31	13
	31	13

A significant portion of these guarantees will expire without the Group companies having to make any payment; accordingly, the total sum of these commitments should not be considered a real requirement on the part of the Group to provide liquidity or financing to third parties.

b) Contingent commitments

The breakdown of contingent commitments, meaning irrevocable commitments that could give rise to the recognition of financial assets, at year-end 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Loan commitments	3,501	565
	3,501	565

This heading reflects commitments made to provide financing on certain previously stipulated terms and conditions.

The breakdown by counterparty of the loan commitments in respect of credit accounts signed with third parties to finance their equity market trading activities in 2015 and 2014 (indicating the related limits and amounts pending drawdown) is provided below*:*

	Thousands of euros			
	2015		2014	
	Limit	Undrawn	Limit	Undrawn
Drawable by third parties				
By other resident sectors	34,146	3,501	13,557	565
Natural persons	13,793	1,704	7,801	466
Legal persons	20,353	1,797	5,756	99
By other non-resident sectors	-	-	-	-
	34,146	3,501	13,557	565

The average interest rate charged for extending commitments of this nature was 3-month Euribor plus a spread of 2% at December 31, 2015 (year-end 2014: 3-month Euribor + 2%).

c) Legal proceedings and/or claims underway

At both year-ends the Group was party to a number of legal proceedings and claims arising in the ordinary course of business. Both the directors and their legal counsel believe that the outcome of these cases and claims will not have a material impact on the accompanying consolidated financial statements.

20. TAX SITUATION

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

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

In accordance with current Spanish legislation, taxes cannot be considered definitive until they have been inspected by the tax authorities or until the four-year inspection period has elapsed. At year-end, the companies comprising the Group had their books open to inspection for the last four years in respect of all applicable taxes. The parent's directors consider that no additional tax liabilities would arise from a potential tax inspection.

The breakdown of income tax expense and the reconciliation of tax expense and the product of accounting profit before tax and the average rate of tax applicable to the Group (30%) in 2015 and 2014 are shown below:

	Thousands of euros	
	2015	2014
Consolidated profit before taxes	19,545	19,510
30% tax rate	5,984	5,853
Adjustments to prior year income tax expense	-	-
Deductions	(64)	(65)
Adjustment of deferred taxes arising from change in tax rates	(1)	(2)
Effect of non-deductible/taxable items	6	21
Income tax expense	5,925	5,807
Adjustments to prior year income tax expense	-	-
Effect of deferred taxes	670	605
Other adjustments	167	(894)
Current tax payable	6,762	5,518
Withholdings and prepayments	(5,927)	(4,972)
Tax payable	835	546

In addition, taxes have been recognized with a charge/(credit) to equity, related to the valuation of available-for-sale financial assets of 88 and ((245) thousand euros in 2015 and 2014, respectively.

Based on the tax returns filed by the Group and the estimates of tax payable for 2015, the Group has the following loss carryforwards that it may apply against future tax profits:

	Thousands of euros	
Year generated	2015	2014
2014	1	-
2013	3	3
2009	-	-
2005	1	1
2004	399	404
2003	-	-
2002	1	1
2001	23	23
2000	34	34
1999	4	4
	466	470

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

The breakdown of current tax assets and tax liabilities is as follows:

Current tax assets	Thousands of euros 2015	Thousands of euros 2014
Current tax assets - VAT receivable		
VAT receivable from Spanish tax authorities	-	-
	-	-
Current tax liabilities		
Current tax liabilities - Corporate income tax payable		
Corporate income tax payable to the Spanish tax authorities	835	546
Current tax liabilities - Other taxes payable		
Withholdings on unitholders in respect of UCIT redemptions	1,032	915
Personal Income Tax (IRPF for its initials in Spanish)	554	624
Others	176	109
Business tax (IAE for its initials in Spanish)	55	71
Taxes in Chile	1	10
Personal income tax withholdings, rentals	19	21
Personal income tax withholdings, dividends	448	378
	2,285	2,128
	3,120	2,674

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

Activos fiscales diferidos	Thousands of euros Temporary differences	Thousands of euros Tax effect
2015		
Available-for-sale financial assets	503	151
Impairment of investments in group companies and associates	6,163	1,849
Depreciation and amortization	1,927	578
Other	937	281
	9,530	2,859
2014		
Unrealized gains (losses) reserve for available-for-sale financial assets	210	63
Other	6,763	2,029
	6,973	2,092

Deferred tax liabilities	Thousands of euros	
	Temporary differences	Tax effect
2015		
Valuation for tax purposes of assets held under finance leases	4,637	1,391
Other	-	-
	4,637	1,391
2014		
Valuation for tax purposes of assets held under finance leases	4,960	1,488
Other	-	-
	4,960	1,488

Deferred tax liabilities	Thousands of euros	
	Temporary differences	Tax effect
2014		
Valuation for tax purposes of assets held under finance leases	4,960	1,488
Other		
	4,960	1,488

The Group did not have deductible temporary differences, losses or tax credits at December 31, 2015 and 2014, for which it had not recognized deferred tax assets.

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

	Thousands of euros			
	2014		2014	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Balance at January 1	2,092	1,488	1,985	1,407
Increases	982	6	831	81
Decreases	(215)	(103)	(258)	-
Restatement effect (Note 2.2)	-	-	(466)	-
Balance at December 31	2,859	1,391	2,092	1,488

21. RELATED PARTIES

In 2015 and 2014 the Group defines its related parties as its key management personnel, comprising the members of the parent's Board of Directors and of the senior management team, namely one general manager, and the companies owned by the parent company's directors.

The transactions undertaken with Group companies in 2015 and 2014 and the related balances outstanding at year-end are summarized below:

	Thousands of euros				
	Ejercicio 2015				
Income and expenses	Significant shareholders (*)	Directors and executives	Related parties or Group companies	Other related parties(**)	Total
Expenses					
Interest and similar expense	-	-	-	146	146
Services received	-	13	219	14	246
Total	**-**	**13**	**219**	**160**	**392**
Income					
Interest and similar income	26	32	-	37	95
Services rendered	4	21	-	792	817
Total	**30**	**53**	**-**	**829**	**912**
Assets					
Loans secured by physical property (**)	-	1,340	-	2,000	3,340
Financial guarantee commissions due	-	-	-	-	-
Receivable from other financial debtors	-	-	-	-	-
Loans and advances to customers	-	-	-	-	-
Other financial assets	-	-	-	29	29
Total	**-**	**1,340**	**-**	**2,029**	**3,369**
Liabilities					
Customer deposits	267	424	45	5,296	6,032
Other financial liabilities	7	30	-	86	123
Total	**274**	**454**	**45**	**5,382**	**6,155**

(*) Significant shareholders who are also directors or executives are included in the “Directors and executives” column
(**) Relates to balances and transactions with related parties of significant shareholders and directors and executives.

	Thousands of euros				
	Ejercicio 2015				
Other transactions	Significant shareholders (*)	Directors and executives	Related parties or Group companies	Other related parties (***)	Total
Financing, loans and capital contribution agreements (borrower)	-	1,340	-	2,000	3,340
Amortization or cancelation of loans and borrowing facilities	-	2,000	-	-	2,000
Other asset transactions	-	-	-	29	29
Other liability transactions	274	454	45	5,382	6,155
Dividends paid	2,785	4,187	-	34	7,006
Guarantees and sureties (Note 10.a)	-	-	-	-	-

(*) Significant shareholders who are also directors or executives are included in the “Directors and executives” column
(**) Includes the amount drawn down.
(***) Relates to balances and transactions with related parties of significant shareholders and directors and executives.

All related-party transactions are carried out on an arm’s length basis.

The transactions undertaken with significant shareholders and directors and executives in 2015 and the related balances outstanding at year-end are summarized below:

Position	Transaction type	Principal	Amount drawn	Collateral	Maturity
Other related parties	Securities loan	2,000	2,000	2,805	12/03/2016
Directors and executives	Securities loan	271	271	339	09/05/2018
Directors and executives	Securities loan	142	142	199	26/10/2016
Directors and executives	Securities loan	800	735	1,110	03/03/2016
Directors and executives	Securities loan	200	192	282	08/07/2016
Directors and executives	Securities loan	180	-	297	28/11/2016

	Thousands of euros				
	2014				
Income and expenses	Significant shareholders (*)	Directors and executives	Related parties or Group companies	Other related parties	Total
Expenses					
Interest and similar expense	-	-	-	-	-
Lease expense	-	11	-	-	11
Services received	-	5	1,605	48	1,658
Total	**-**	**16**	**1,605**	**48**	**1,669**
Income					
Interest and similar income	126	129	-	11	266
Lease income	-	-	38	-	38
Services rendered	27	4	29	1	61
Total	**153**	**133**	**67**	**12**	**365**
Assets					
Loans secured by physical property (**)	-	2,413	-	-	2,413
Financial guarantee commissions due	-	-	-	-	
Receivable from other financial debtors	-	-	588	-	588
Loans and advances to customers	-	-	-	-	
Other financial assets	-	2	-	-	2
Total	-	2,415	588	-	3,003
Liabilities					
Customer deposits	300	74	2,955	5	3,334
Other financial liabilities	-	6	7	-	13
Total	**300**	**80**	**2,962**	**5**	**3,347**

(*) Significant shareholders who are also directors or executives are included in the “Directors and executives” column

Other transactions	Thousands of euros 2014 Significant shareholders (*)	Directors and executives	Related parties or Group companies	Other related parties	Total
Financing, loans and capital contribution agreements (borrower)	-	2,413	-	-	2,413
Amortization or cancelation of loans and borrowing facilities	4,000	1,000	-	-	5,000
Other asset transactions	-	2	588	-	590
Other liability transactions	300	80	2,962	5	3,347
Dividends paid	996	1,468	-	-	2,464
Guarantees and sureties (Note 10.a)					

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

The transactions undertaken with significant shareholders and directors and executives in 2014 and the related balances outstanding at year-end are summarized below:

Position	Transaction type	Principal	Amount drawn	Collateral	Maturity
Directors and executives	Securities loan	2,000	2,000	2,859	21/03/2016
Directors and executives	Securities loan	271	271	318	09/05/2018
Directors and executives	Securities loan	142	142	205	26/10/2016

In addition, at December 31, 2015 securities belonging to related parties amounting to 123,352 thousand euros (December 31, 2014: 88,665 thousand euros) are deposited with a Group company.

Director-related disclosures

The composition of the Board of Directors and the compensation received by the parent's directors in their capacity as board members is shown below:

2015	Thousands of euros Board of Directors	Board committees	Other compensation	Total
Board members				
GARCÍA MOLINA, FRANCISCO DE ASÍS	60	-	4	64
NAVARRO MARTÍNEZ, PEDRO ÁNGEL	60	-	-	60
FERRERAS DIEZ, PEDRO	60	-	4	64
TRUEBA CORTES, EDUARDO	60	-	4	64
RODRÍGUEZ-SAHAGÚN MARTÍNEZ, SOFÍA (*)	50	-	-	50
MUTUALIDAD DE LA ABOGACÍA	71	-	-	71
FUNDACIÓN OBRA SOCIAL DE LA ABOGACÍA ESPAÑOLA	71	-	-	71
CORDÓN MURO, Mª ESTHER (*)	35	-	-	35
RUBIO LAPORTA, JOSÉ RAMÓN	40	-	-	40
Total	**507**	**-**	**12**	**519**

(*) No longer a member of the Board of Directors at December 31, 2015.

2014	Thousands of euros Board of Directors	Board committees	Other compensation	Total
Board members				
GARCÍA MOLINA, FRANCISCO DE ASÍS	60	-	-	60
NAVARRO MARTÍNEZ, PEDRO ÁNGEL	60	-	-	60
MUTUALIDAD DE LA ABOGACÍA	71	-	-	71
FUNDACIÓN OBRA SOCIAL DE LA ABOGACÍA ESPAÑOLA	71	-	-	71
FERRERAS DIEZ, PEDRO	60	-	-	60
TRUEBA CORTES, EDUARDO	60	-	-	60
RODRÍGUEZ-SAHAGÚN MARTÍNEZ, SOFÍA	60	-	-	60
Total	**442**			**442**

Compensation of key management personnel

The Group defines its key management personnel as the members of the parent company's Board of Directors and the members of its senior management team, which comprises a general manager.

The compensation accrued by key management personnel is itemized below:

Concept	Thousands of euros Directors	Senior managers
2015		
Wages and salaries	1,592	221
Total	1,592	221
2014		
Wages and salaries	1,571	217
Total	1,571	217

In addition, the Group has an insurance policy to cover its liabilities with members of the Board of Directors and senior management for potential claims in the discharge of their duties. The premium paid by the Group in 2015 was 87 thousand euros (2014: 87 thousand euros).

The Group has a keyman insurance policy to cover its obligations in the event of death and disability of its senior managers. The premium paid by the Group in 2015 in this connection was 0.1 thousand euros (2014: 0.1 thousand euros).

Other information on directors

In keeping with the disclosures required under article 229 of Royal Decree-Law 1/2010, of July 2, 2010, enacting the consolidated text of the Corporate Enterprises Act, none of the directors of the parent company had informed the other members of the parent's Board of Directors of any potential direct or indirect conflict of interest between them (or their related parties) and the Company by year-end 2014.

22. INCOME AND EXPENSE

a) Interest and similar income, interest and similar charges, returns on equity instruments, gains (losses) on financial assets and liabilities (net)

The breakdown of these consolidated income statement headings is provided below:

	Thousands of euros	
	2015	2014
Interest and similar income		
Balances with central banks	3	276
Due from credit institutions	1,701	2,172
Loans and advances to customers	418	760
Debt securities	2,069	4,325
	4,191	7,533
Interest and similar expense		
Due to central banks	(146)	(522)
Marketable debt securities	-	(137)
Due to credit institutions	(187)	(286)
Customer deposits	(478)	(564)
	(811)	(1,509)
Gains/ (losses) on financial asset and liabilities (net)		
Held-for-trading	953	7,196
Available-for-sale financial assets	491	1,033
	1,444	8,229

b) Fees and commissions

"Fee and commission income" and "Fee and commission expense" in the accompanying income statement include the amounts of all fees and commissions accrued (received and paid or payable) by the Group companies during the year. The criteria used to recognize fee and commission income are detailed in note 4.o).

The breakdown of these headings in 2015 and 2014 is provided in the table below:

	Thousands of euros	
	2015	2014
Fee and commission income		
Contingent liabilities	1	1
Securities services	60,507	60,317
Sale of non-banking financial products	6,705	4,230
Management of UCITs and pension funds	58,336	38,474
Other fees and commissions (Note 22.b)	965	893
Asset management fees (Note 23.a)	1,253	1,056
	127,767	104,971
Fee and commission expense		
Paid to other entities and correspondent banks	(49,740)	(40,014)
Securities trading	(14,963)	(14,300)
	(64,703)	(54,314)

c) Other operating income and expense

The breakdown of “Other operating income” in the consolidated income statement heading in 2015 and 2014:

	Thousands of euros	
	2015	2014
Other products	294	294
	294	294

This item includes mainly rental income.

The breakdown of “Other operating expense” in 2015 and 2014:

	Thousands of euros	
	2015	2014
Other charges	40	130
Contribution to the Investment Guarantee Fund	520	40
Contribution to the Deposits Guarantee Fund	210	1,065
	770	1,235

(*) Considering the effects of the restatement detailed in Note 2.2

In 2014 and 2013, the Group contributed to the Deposit Guarantee Fund. The amount accrued at December 31, 2015 was 637 thousand euros, less surplus expenses recognized in 2014, of 117 thousand euros (1,065 thousands of euros in 2014) (Note 1).

Renta 4 Sociedad de Valores S.A. is also required to make annual contributions to the Investment Guarantee Fund in accordance with Royal Decree 948/2001, of August 3, on investor-compensation schemes, as amended by Law 53/2002, of December 30, on tax, administrative and social measures, and Royal Decree 1642/2008, of October 10, amending the guaranteed amounts. In 2015, this company contributed 40 thousand euros to this fund (2014: 40 thousand euros).

d) Personnel expenses

The breakdown of the balance of this heading in the accompanying consolidated income statement for the years ended December 31, 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Wages and bonuses, active personnel	19,569	19,799
Social security payments	3,844	3,571
Contributions to defined benefit plans	9	8
Contributions to defined contribution plans	234	207
Termination benefits	82	44
Other personal expenses	120	92
Training expenses	48	52
Parent company share-based payments	222	361
	24,128	24,134

In 2015, “Wages and bonuses” in the table above included, among other items, finance income in the amount of 11 thousand euros generated by loans granted to employees to fund the purchase of Company shares. Income in this respect amounted to 10 thousand euros in 2014 and was included within “Other employee benefits”.

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

2015:	Number of employees			
	Average		Year-end	
	Men	Women	Men	Women
Management personnel	12	-	12	1
Technicians	224	97	230	101
Administrative staff	31	47	36	48
	267	144	278	150

2014:	Number of employees			
	Average		Year-end	
	Men	Women	Men	Women
Management personnel	15	-	15	-
Technicians	216	92	223	96
Administrative staff	25	38	27	44
	256	130	265	140

At December 31, 2015, the Board of Directors of Renta 4 Banco, S.A., which is responsible for authorizing the accompanying consolidated financial statements for issue, is made up of nine men and two corporate bodies.

At December 31, 2014, the Board of Directors of Renta 4 Banco, S.A., which is responsible for authorizing the accompanying consolidated financial statements for issue, is made up of nine men, one woman and two corporate bodies.

e) Other general administrative expenses

The breakdown of this heading in the accompanying consolidated income statement for the years ended December 31, 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Property, fixtures and equipment	4,126	3,864
IT	2,543	2,324
Communications	4,099	3,777
Advertising and publicity	1,375	1,073
Technical reports	2,447	1,462
Court and legal fees	574	506
Insurance and self-insurance premiums	252	217
Entertainment and employee travel expenses	1,232	1,274
Association membership fees	94	82
Levies and other contributions		
Property tax	92	91
Other	679	436
Endowments	136	109
Other expenses	1,152	979
	18,801	16,194

f) Impairment losses on assets

The breakdown of the balance of this heading in the accompanying consolidated income statement for the years ended December 31, 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Loans and advances to customers		
Allowances (Note 11.c)	(731)	(776)
Recoveries (Note 11.c)	371	259
	(360)	(517)
Available-for-sale financial assets (note 10.b)	(186)	(930)
	(546)	(1,447)

g) Impairment losses on rest of assets

The breakdown of the balance of this heading in the accompanying consolidated income statement for the years ended December 31, 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Goodwill and other intangible assets		
Goodwill Hanson Asset Management Ltd. (note 12)	(790)	-
Goodwill Chile CGU (note 14.a)	(129)	(40)
	(919)	(40)

h) Exchange differences (net)

The breakdown of the balance of this heading in the accompanying consolidated income statement for the years ended December 31, 2015 and 2014 is as follows:

	Thousands of euros	
	2015	2014
Concept		
Trade	1,597	1,787
	1,597	1,787

23. ADDITIONAL INFORMATION

a) Fiduciary activities and investment services

The breakdown of off-balance sheet customer funds at year-end 2015 and 2014 (on a consolidated basis and eliminating overlap) is as follows:

	Thousands of euros	
	2015	2014
Mutual and pension funds	7,245,918	4,467,867
Discretionary portfolios under management	479,000	300,995
Funds managed by the Group	7,724,918	4,768,862
Investment funds and companies	1,042,700	726,376
Funds marketed but not managed by the Group	1,402,700	726,376
Total	8,767,618	5,495,238

The net fee and commission income generated by the management of the above-listed assets in 2015 and 2014 is shown below:

	Thousands of euros	
	2015	2014
Asset management fees	1,253	1,056
Fees and commissions generated by the marketing of non-banking financial products (note 22.b)	6,705	4,230
Fees from the management of UCITs and pension funds (note 22.b)	58,336	38,474
	66,294	43,760

In addition, the Group provides securities management and custodian services to its clients. The commitments assumed by the Group at year-end 2015 and 2014 in connection with this service are as follows:

	Thousands of euros	
	2015	2014
Securities owned by third parties		
Equity instruments	7,969,350	8,541,641
Debt instruments	1,604,900	1,768,950
	9,574,250	10,310,951

b) Branches

A list of Renta 4 Banco, S.A. branches in 2015 and 2014 is provided in Appendix II.

c) Agency agreements

Appendix III to the accompanying consolidated annual financial statements provides the disclosures required under article 22 of Spanish Royal Decree 1245/1995, of July 14, on the duty of credit institutions operating in Spain to include a list of their agents, indicating the scope of powers granted, in the financial statement notes.

d) Audit fees

The breakdown of fees paid by the Group to the EY organization (the Group's auditor) worldwide in 2015:

- For audit work: 219 thousand euros.

- For the performance of assessment services and other services akin to audit work in order to comply with regulatory or supervisor-imposed requirements: 67 thousand euros.

- For other professional services rendered: 98 thousand euros.

The fees corresponding to the audit of the 2014 financial statements totaled 207 thousand euros. In addition, the fees paid that year for services other than the consolidated financial statement review work rendered by the auditor or by other firms belonging to its international network amounted to 132 thousand euros.

e) Unclaimed balances and deposits

In conformity with the stipulations of article 18 of Law 33/2003, of November 3, on the equity of public administrations, the Group reports that it has no unclaimed balances and deposits as defined by the aforementioned article.

f) Customer service

In 2012 and 2011, the Group adopted the appropriate measures to comply with the requirements and duties of Ministry of Economics Order ECO/734/2004 dated March 11 on customer services departments, customer services and the ombudsman of financial institutions. Article 17 of this order stipulates that customer departments and services, and financial ombudsmen of financial institutions, if any, must present an annual report to the Board of Directors explaining the actions carried out during the preceding year.

The Group received 35 complaints and claims in 2015 and 22 in 2014, all of which were accepted and processed. Of these, 51% and 55%, respectively, were ruled in favor of the Group.

Five claims were lodged before the Bank of Spain and the CNMV in 2015 (six in 2014).

The Renta 4 Group Customer Service Report is attached as Appendix V.

g) Environmental impact

In light of the business activities pursued by the Group companies, they have no environmental liabilities, expenses, assets, provisions or contingencies that could be material in respect of their equity, financial position or performance. Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

The Group companies did not have any greenhouse gas emission allowances in either 2015 or 2014.

h) Information about the average period of payment to suppliers. Additional Provision Three. "Disclosure requirements" under Law 15/2010 of 5 July.

In accordance with the single additional provision of the ICAC resolution of January 29, 2016, regarding the content of the notes to financial statements in relation to the average supplier payment period in commercial transactions, comparative data are not provided as the 2015 consolidated financial statements are considered to be the first for the application of the principle of uniformity and the requirement of comparability.

The information on average supplier payment period is as follows:

	2015
(Days)	
Average supplier payment period	30
Ratio of transactions paid	30
Ratio of transactions outstanding	30
(Thousands of euros)	
Total payments made	27,994
Total payments outstanding	1,526

i) Agreements among Group companies

On January 2, 2012, Renta 4 Sociedad de Valores, S.A. (the brokerage) signed an open-ended investment service provision agreement with Renta 4 Banco, S.A. (the bank), under which it commits to provide the bank with custody, administration, settlement and brokerage services. Both parties agree to adjust daily, as a function of the volumes (number of trades, asset values, markets, etc.) administered, settled and sub-custodied by Renta 4 Sociedad de Valores, S.A., the fees and commissions that the brokerage will receive for providing the services stipulated in the agreement.

On January 2, 2012, Renta 4 Sociedad de Valores, S.A. signed a sub-lease with Renta 4 Banco, S.A. under which the brokerage, in its capacity as sub-lessee, commits to pay the bank, in its capacity as sub-lessor, an annual amount of 283,200 euros in 12 monthly payments of 23,600 euros as rent for the lease of 1,125 square meters in the building located at Paseo de la Habana 74, Madrid (note 13). This floor space will be devoted to the provision of investment and financial brokerage services in general. The sub-lessee has deposited 14,098 euros to guarantee fulfillment of its obligations under the agreement. The lease term is 10 years and is tacitly renewable for additional one-year terms for a maximum of five years.

No new contracts were signed with Group companies in 2015 and 2014.

j) Annual Banking Report

The information required to comply with the provisions of article 87.1 of Law 10/2014, of June 26, 2014, on the structuring, supervision and capital adequacy of credit institutions, is provided in Appendix VI.

24. EVENTS AFTER THE BALANCE SHEET DATE

Since the year closing, no other significant events have occurred between the reporting date and the date on which the Board of Directors of the parent authorized the consolidated financial statements for issue that warrant disclosure in the accompanying consolidated financial statements to ensure fair presentation of the Group’s equity, financial situation, financial performance or cash flows.

25. ADDITIONAL EXPLANATION REGARDING THE TRANSLATION OF THE CONSOLIDATED FINANCIAL STATEMENTS INTO ENGLISH

This document is a translation of the consolidated financial statements originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails.

APPENDICES

Appendix I 1/2

RENTA 4 BANCO, S.A. AND SUBSIDIARIES
Breakdown of investments in subsidiaries and associates at December 31, 2015

			% shareholding			Thousands of euros (*)				
Company	Head office	Line of business	Direct	Indirect	Total	Capital	Reserves	Valuation adjustments	Profit/ (loss)	Dividends
Group companies/subsidiaries										
Carterix, S.A.	Madrid	Financial services	5.00	94.92	99.92	782	(326)	-	(24)	-
Renta 4 Aragón, S.A.	Madrid	Financial services	99.96	-	99.96	62	8	-	-	-
Sociedad de Estudios e Inversiones, S.A.	Madrid	Financial services	-	100.00	100.00	60	(21)	-	-	-
Renta 4 Burgos, S.A.	Madrid	Financial services	99.97	-	99.97	34	10	-	-	-
Renta 4 Gestora, S.G.I.I.C., S.A.	Madrid	CIS management company	99.99	-	99.99	2,374	4,739	(18)	4,289	(3,515)
Renta 4 Guipúzcoa, S.A.	Madrid	Financial services	100.00	-	100.00	60	1,713	-	32	-
Renta 4 Huesca, S.A.	Madrid	Financial services	99.94	-	99.94	3	(2)	-	-	-
Renta 4 Inversiones de Valladolid, S.A.	Madrid	Financial services	85.00	14.00	99.00	60	269	-	(2)	-
Renta 4 Lérida, S.A.	Madrid	Financial services	81.66	-	81.66	90	-	-	(1)	-
Renta 4 Inversiones Inmobiliarias S.A.	Madrid	Financial services	99.00	-	99.00	60	(7)	-	-	-
Renta 4 Pensiones, E.G.F.P., S.A.	Madrid	Pension fund management	99.99	-	99.99	3,889	1,738	-	744	-
Renta 4, S.A., Sociedad de Valores	Madrid	Stockbroking	100.00	-	100.00	3,149	19,506	-	3,490	-
Renta 4 Equities	Madrid	Financial services	-	99.90	99.90	15	456	-	(33)	-
Renta 4 Corporate, S.A.	Madrid	Advisory and consulting	100.00	-	100.00	92	154	-	52	-
Renta 4 Vizcaya, S.A.	Bilbao	Financial services	-	99.99	99.99	391	(366)	-	(1)	-
Rentsegur, Correduría de Seguros, S.A.	Madrid	Insurance brokerage	-	72.50	72.50	75	(37)	-	4	-
Padinco Patrimonios, S.A.	Madrid	Financial services	100.00	-	100.00	105	91	-	-	-
Renta 4 Chile SPA	Chile	Financial services	100.00	-	100.00	4,657	(276)	16	9	-
Inversiones Renta 4 Chile, S.L.	Chile	Financial services	0.01	99.99	100.00	2,765	(219)	57	2	-
Renta 4 Chile Corredores de Bolsa, S.A.	Chile	Financial services	-	100.00	100.00	2,456	256	(344)	(377)	-
Renta 4 Colombia SAS	Bogotá	Financial services	100.00	-	100.00	337	(99)	(45)	(96)	-
Renta 4 Agente de Bolsa S.A.	Lima	Financial services	99.99	-	99.99	1,550	(211)	(99)	(544)	-
Renta 4 Luxemburgo, S.A.	Luxemburgo	CIS management company	100.00	-	100.00	500	-	-	(142)	-
Associate										
Hanson Asset Management Limited	Reino Unido	Financial services	14.98		14.98	3,467	(1,042)	-	(1,834)	-
W4I Investment Advisory limited.	Reino Unido	Financial services	25.00	-	25.00	1,388	-	-	(48)	-

This appendix is an integral part of note 3 to the accompanying consolidated financial statements and should be read in conjunction therewith.

RENTA 4 BANCO, S.A. AND SUBSIDIARIES
Breakdown of investments
in subsidiaries and associates
at December 31, 2014

			% shareholding			Thousands of euros (*)				
Company	Head office	Line of business	Direct	Indirect	Total	Capital	Reserves	Valuation adjustments	Profit/ (loss)	Dividends
Group companies/subsidiaries										
Carterix, S.A.	Madrid	Financial services	5.00	94.92	99.92	782	(301)	-	(25)	-
Renta 4 Aragón, S.A.	Madrid	Financial services	99.96	-	99.96	62	9	-		-
Sociedad de Estudios e Inversiones, S.A.	Benidorm	Financial services	-	100.00	100.00	60	(21)	-		-
Renta 4 Burgos, S.A.	Madrid	Financial services	99.97	-	99.97	34	10	-		-
Renta 4 Gestora, S.G.I.I.C., S.A.	Madrid	CIS management company	99.99	-	99.99	2,374	2,964	(69)	1,775	-
Renta 4 Guipúzcoa, S.A. (*)	San Sebastián	Financial services	-	15.00	15.00	60	1,320	-	392	-
Renta 4 Huesca, S.A.	Madrid	Financial services	99.94	-	99.94	3	(2)	-		-
Renta 4 Inversiones de Valladolid, S.A.	Madrid	Financial services	85.00	14.00	99.00	60	271	-	(2)	-
Renta 4 Lérida, S.A.	Madrid	Financial services	81.66	-	81.66	90	2	-	(2)	-
Renta 4 Inversiones Inmobiliarias S.A.	Madrid	Financial services	99.00	-	99.00	60	(6)	-	(1)	-
Renta 4 Pensiones, E.G.F.P., S.A.	Madrid	Pension fund management	99.99	-	99.99	3,889	1,176	(38)	561	-
Renta 4, Sociedad de Valores, S.A.	Madrid	Stockbroking	100.00	-	100.00	3,149	15,766	(87)	3,740	-
Renta 4 Equities	Madrid	Financial services	-	99.90	99.90	15	489	(12)	(33)	-
Renta 4 Corporate, S.A.	Madrid	Advisory and consulting	100.00	-	100.00	92	72	-	81	-
Renta 4 Vizcaya, S.A.	Bilbao	Financial services	-	99.99	99.99	391	(365)	-	(1)	-
Rentsegur, Correduría de Seguros, S.A.	Madrid	Insurance brokerage	-	72.50	72.50	75	(39)	-	2	-
Padinco Patrimonios, S.A.	Madrid	Financial services	100.00	-	100.00	105	92	-		-
Renta 4 Chile SPA	Chile	Financial services	100.00	-	100.00	4,657	(273)	50	(3)	-
Inversiones Renta 4 Chile, S.L.	Chile	Financial services	-	100.00	100.00	2,765	(224)	57	5	-
Renta 4 Chile Corredores de Bolsa, S.A.	Chile	Financial services	-	100.00	100.00	2,456	237	(247)	19	-
Renta 4 Colombia SAS	Bogotá	Financial services	100.00	-	100.00	337		(20)	(98)	-
Renta 4 Agente de Bolsa S.A.	Lima	Financial services	99.99	-	99.99	1,150	(20)	4	(191)	-
W4I Investment Advisory limited.	UK	Financial services	100.00	-	100.00	-	-	-	-	-
Associate										
Renta Markets, S.A.	Madrid	Financial services	34.49		34.49	3,910	947	-	641	-
Hanson Asset Management Limited	UK	Financial services	14.98		14.98	3,467	(409)	-	(633)	-
Mercor-Global-Plus S.I.C.A.V, S.A.	Madrid	Other credit activities	99.95		99.95	3,772	1,548	-	(121)	-

This appendix is an integral part of note 3 to the accompanying consolidated financial statements and should be read in conjunction therewith.

(*) Although the Renta 4 Group does not hold an ownership interest that gives it the majority of this investee's voting rights, the business of Renta 4 Guipúzcoa, S.A. is to perform sales and business representation duties for the Renta 4 Group. As a result, all this investee's income is generated by the fees split with it by Renta 4 as a function of the business generated by Renta 4 Guipúzcoa for the Group. Therefore, Renta 4 believes that the relationship with Renta 4 Guipúzcoa, S.A. gives it the power to control the latter's financial and operating policies (IAS 27.13), which is why this investee is fully consolidated.

RENTA 4 BANCO, S.A. AND SUBSIDIARIES
List of subsidiaries at
December 31, 2015

OFFICE	ADDRESS
A Coruña	Rúa de Teresa Herrera, 8 Bajo - 15004 A Coruña
Albacete	Plaza de Gabriel Lodares, 4 Bajo - 02002 Albacete
Alicante	Av. de Óscar Esplá, 29, bajo - 03007 Alicante
Almería	Avda. de Federico García Lorca, 21 - 04004 Almería
Ávila	Av. de Portugal, 39 - 05001 Ávila
Badajoz	Calle Ronda Pilar, 2 - Bajo izquierda - 06002 Badajoz
Barcelona	Passeig de Gràcia, 77 - Principal - 08008 Barcelona
Barcelona - Diagonal	Avinguda Diagonal, 457 - 08036 Barcelona
Bilbao	Calle Elcano, 14 - 48008 Vizcaya
Burgos	Av. de la Paz, 3 Bajo - 09004 Burgos
Cáceres	Calle Gil Cordero, 6 Bajo - 10001 Cáceres
Cádiz	Av. de Cayetano del Toro, 27 - 11010 Cádiz
Cantabria	Calle de Rualasal, 17 - 39001 Cantabria
Castellón	Carrer Gasset, 9 - 12001 Castellón
Ciudad Real	Calle de Calatrava, 5 - Bajo - 13004 Ciudad Real
Córdoba	Paseo de la Victoria, 1 - 14008 Córdoba
Cuenca	Av. de Castilla-La Mancha, 4 - 16002 Cuenca
Cullera	Passatge de l'Ullal 2, Bj, Ed Manantial - 46400 Valencia
Elche	Calle Corredera, 34 - 03202 Elche (Alicante)
Gijón	Calle Jovellanos, 2 (esq C/Cabrales) - 33202 Gijón (Asturias)
Girona	Carrer Migdia 37 - 17002 Girona
Gran Canaria	Calle Muelle las Palmas, 6 - 35003 Gran Canaria
Granada	Calle Acera del Darro, 35 - 18005 Granada
Guadalajara	Calle Padre Félix Flores, 4 - 19001 Guadalajara
Huelva	Paseo de Sta. Fe, 1 bajo - 21003 Huelva
Huesca	Calle de Cavia, 8 Bajo - 22005 Huesca
Jaén	Av. de Madrid, 20 Bajo - 23003 Jaén
Lanzarote	Calle Esperanza, 1 - 35500 Lanzarote
León	Av. de Ordoño II, 35 - 24001 León
Lleida	Rambla de Ferran, 1 - 25007 Lleida
Logroño	Calle Jorge Vigón, 22 - 26003 La Rioja
Lugo	Rúa de Montevideo, 7 - Bajo - 27001 Lugo
Madrid	Paseo de la Habana, 74 - 28036 Madrid
Madrid - Príncipe Vergara	Calle Príncipe de Vergara, 12 28001 Madrid
Madrid - Serrano	Cl. Serrano, 63 - 28006 Madrid
Madrid Sur	Calle de Valencia, 6 - local 4 - 28945 Madrid
Málaga	Calle Hilera, 7 Bajo - 29007 Málaga
Mallorca	Avinguda Comte de Sallent, 2 - 07003 Baleares
Murcia	Av. General Primo de Rivera, 23 - 30008 Murcia
Ourense	Rúa do Progreso, 127 - 32003 Ourense
Oviedo	Calle del General Yagüe, 1 (Conde Toreno) - 33004 Asturias
Palencia	Calle de Ignacio Martínez de Azcóitia, 5 - 34001 Palencia
Pamplona	Avenida Baja Navarra, 9 bos - 31002 Pamplona (Navarra)
Sabadell	Carrer de Vilarrubias, 9 - 08208 Barcelona
Salamanca	Av. Mirat, 11 - 37002 Salamanca
San Sebastián	Calle Arrasate, 37 2º - 20005 San Sebastián (Guipúzcoa)
Segovia	Paseo Ezequiel González, 34 - 40002 Segovia
Sevilla	Av. de la Buhaira, 11 - 41018 Sevilla
Soria	Avda. Navarra 5 - 42003 Soria
Tarragona	Rambla Nova, 114 (Acceso C/Pare Palau 1) - 43001 Tarragona
Tenerife	Calle El Pilar, 54 - 38002 Santa Cruz de Tenerife
Terrassa	Carrer d'Arquímedes, 156 - Local - 08224 Barcelona
Teruel	Calle de Ramón y Cajal, 12 - Bajo - 44001 Teruel
Toledo	Calle Roma, 3 - Bajo - 45003 Toledo
Valencia	Plaza Alfonso El Magnánimo. 2 - 46003 Valencia
Valladolid	C/ Miguel Íscar, 3 - 47001 Valladolid
Vigo	Avenida García Barbón, 18 - 36201 Vigo
Vitoria	Av. Gasteiz, 23 - 01008 Álava
Zamora	Calle de las Flores de San Torcuato, 14 - 49014 Zamora
Zaragoza	C/ León XIII, 5 - 50008 Zaragoza
Chile	Av. Isidora Goyenechea 2934, Ofic. 802. Las Condes, Santiago.
	Av. Víctor Andrés Belaunde 147, Centro Empresarial Camino Real
Perú	Torre Real 1, Oficina 202, San Isidro, Lima, Perú
Colombia	Calle 93B #11A, 84. Oficina 405. Bogotá, Colombia.
Luxemburgo	9-11 Grand Rue. L-1661 Luxembourg

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December 31, 2014

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Castellón	Carrer Gasset, 9 - 12001 Castellón
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Granada	Calle Acera del Darro, 35 - 18005 Granada
Guadalajara	Calle Padre Félix Flores, 4 - 19001 Guadalajara
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Huesca	Calle de Cavia, 8 Bajo - 22005 Huesca
Jaén	Av. de Madrid, 20 Bajo - 23003 Jaén
Lanzarote	Av. Doctor Rafael González Negrín, 17 1º B - 35500 Lanzarote
León	Av. de Ordoño II, 35 - 24001 León
Lleida	Rambla de Ferran, 1 - 25007 Lleida
Logroño	Calle Jorge Vigón, 22 - 26003 La Rioja
Lugo	Rúa de Montevideo, 7 - Bajo - 27001 Lugo
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Oviedo	Calle del General Yagüe, 1 (Conde Toreno) - 33004 Asturias
Palencia	Calle de Ignacio Martínez de Azcóitia, 5 - 34001 Palencia
Pamplona	Paseo de Sarasate, 16 - Entreplanta - 31001 Navarra
Sabadell	Carrer de Vilarrubias, 9 - 08208 Barcelona
Salamanca	Av. Mirat, 11 - 37002 Salamanca
Segovia	Avenida Fernández Ladreda, 11 1º A 40001 Segovia
Sevilla	Av. de la Buhaira, 11 - 41018 Sevilla
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RENTA 4 BANCO, S.A.
AND SUBSIDIARIES

List of Agents
at December 31, 2015

AES GESTIÓ DE PATRIMONIS, S.L.
ALBAJAR GIMÉNEZ, MANUEL
ALGAR FINANCIAL PRODUCTS, S.L.
ARBITRAGE FINANZAS, S.L.
ARCOS BARAZAL, S.A.
BABALITA, S.A.
BAUCISA SISTEMAS, S.L.
CASTAÑE ECHEVARRÍA, JOSÉ MARÍA
CASTAÑE Y ASOCIADOS INVEST, S.L.
COFINAVE GESTIÓN, S.A.
COMPANY DIEZ MIGUEL ÁNGEL
DE LA FUENTE ARTEAGA JORGE
DRACMA FINANZAS, S.L.
ECHEVARRÍA BARBERENA, MERCEDES
GALLEGO HEREDERO, PEDRO
GALLO LÓPEZ FÉLIX ALFONSO
INFORMADSA FINANCIEROS, S.L.
LÓPEZ, ANTONIO CEFERINO
LÓPEZ MIGUEZ, ANTONIO
MÉNDEZ GONZÁLEZ RAQUEL
MISUIN GESTIÓN, S.L.
MORENO PÉREZ VÍCTOR
MUÑOZ CÓRDOBA, CARLOS
NUEVA PRIDERA S.L.
PASCUAL BALLESTEROS, JULIO MANUEL
PRIMO DE RIVERA ORIOL FERNANDO
RENPROA S.L.
RIVERA CASTILLEJO, MIGUEL
SAINZ SUELVES, ANTONIO
SANFELIU CARRASCO, MARÍA DEL MAR
SOFABOYCO, S.L.
SOLO 747, S.L.
YIDOSA, S.A.
MÁRQUEZ POMBO JOSÉ IGNACIO
DÍAZ-BUSTAMANTE ZULUETA, JUAN
MEDIACIÓN FINANCIERA ABDUIT 2014, S.L.
SENTIDO COMÚN GESTIÓN, S.L.

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RENTA 4 BANCO, S.A.
AND SUBSIDIARIES

List of Agents
at December 31, 2014

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BAUCISA SISTEMAS, S.L.
CASTAÑE ECHEVARRÍA, JOSÉ MARÍA
CASTAÑE Y ASOCIADOS INVEST, S.L.
COFINAVE GESTIÓN, S.A.
COMPANY DIEZ MIGUEL ÁNGEL
DE LA FUENTE ARTEAGA JORGE
DÍAZ-BUSTAMANTE ZULUETA, JUAN
DRACMA FINANZAS, S.L.
ECHEVARRÍA BARBERENA, MERCEDES
GALLEGO HEREDERO, PEDRO
GALLO LÓPEZ FÉLIX ALFONSO
INFORMADSA FINANCIEROS, S.L.
LÓPEZ, ANTONIO CEFERINO
LÓPEZ MIGUEZ, ANTONIO
MÁRQUEZ POMBO JOSÉ IGNACIO
MEINDIST, S.L.
MÉNDEZ GONZÁLEZ RAQUEL
MISUIN GESTIÓN, S.L.
MORENO PÉREZ VÍCTOR
MUÑOZ CÓRDOBA, CARLOS
NUEVA PRIDERA S.L.
PASCUAL BALLESTEROS, JULIO MANUEL
PRIMO DE RIVERA ORIOL FERNANDO
RENPROA S.L.
RENTA 4 GUIPÚZCOA S.A.
RIVERA CASTILLEJO, MIGUEL
SAINZ SUELVES, ANTONIO
SANFELIU CARRASCO, MARÍA DEL MAR
SOFABOYCO, S.L.
SOLO 747, S.L.
YIDOSA, S.A.

This appendix is an integral part of note 19 to the accompanying consolidated financial statements and should be read in conjunction therewith.

Renta 4 Banco, S.A.

Balance sheet at December 31

ASSETS	Note	Thousands of euros 2015	Thousands of euros 2014
Cash and balances with central banks	**6**	**6,078**	**3,558**
Financial assets held for trading	**7**	**466**	**714**
Loans and advances to credit institutions		-	-
Loans and advances to customers		-	-
Debt securities		8	97
Equity instruments		-	167
Trading derivatives		458	450
Memorandum item: Loaned or advanced as collateral		-	-
Other financial assets at fair value through profit or loss		-	-
Loans and advances to credit institutions		-	-
Loans and advances to customers		-	-
Debt securities		-	-
Equity instruments		-	-
Memorandum item: Loaned or advanced as collateral		-	-
Available-for-sale financial assets	**8**	**494,573**	**618,425**
Debt securities		459,111	593,879
Equity instruments		35,462	24,546
Memorandum item: Loaned or advanced as collateral		*299,228*	*433,179*
Loans and receivables	**9**	**485,912**	**776,028**
Loans and advances to credit institutions		367,991	724,751
Loans and advances to customers		117,921	51,277
Debt securities		-	-
Memorandum item: Loaned or advanced as collateral		-	-
Held-to-maturity investments		-	-
Memorandum item: Loaned or advanced as collateral		-	-
Changes in the fair value of hedged items in portfolio hedges of interest rate risk		-	-
Hedging derivatives		-	-
Non-current assets held for sale		-	-
Investments	**10**	**35,228**	**35,520**
Associates		421	5,469
Jointly controlled entities		-	-
Group companies		34,807	30,051
Insurance contracts linked to pensions		-	-
Property and equipment	**11**	**36,294**	**31,119**
Property and equipment		35,979	30,795
For own use		35,979	30,795
Leased out on operating lease		-	-
Assigned to welfare projects		-	-
Investment properties		315	324
Memorandum item: Acquired under finance leases		*1,225*	*14,421*
Intangible assets	**12**	**7,925**	**7,989**
Goodwill		6,352	6,352
Other intangible assets		1,573	1,637
Tax assets	**18**	**2,568**	**1,829**
Current		23	47
Deferred		2,545	1,782
Other assets	**13**	**569**	**641**
TOTAL ASSETS		**1,069,613**	**1,475,823**

Renta 4 Banco, S.A.

Balance sheet at December 31

LIABILITIES	Nota	Thousands of euros 2015	2014
Financial liabilities held for trading	**7**	**266**	**360**
Due to credit institutions		-	-
Customer deposits		-	-
Debt certificates including bonds		-	-
Trading derivatives		266	360
Short positions		-	-
Other financial liabilities at fair value through profit or loss		-	-
Due to credit institutions		-	-
Customer deposits		-	-
Debt certificates including bonds		-	-
Financial liabilities at fair value through profit or loss		-	-
Due to credit institutions		-	-
Customer deposits		-	-
Debt certificates including bonds		-	-
Financial liabilities at amortized cost	**14**	**1,004,290**	**1,410,828**
Due to central banks		201,318	306,974
Due to credit institutions		4,723	4,265
Customer deposits		724,444	1,042,949
Debt certificates including bonds		-	-
Subordinated liabilities		-	-
Other financial liabilities		73,805	56,640
Changes in fair value of financial liabilities in portfolio hedges of interest rate risk		-	-
Hedging derivatives		-	-
Liabilities associated with non-current assets held for sale		-	-
Provisions	**15**	**75**	**-**
Provisions for pensions and similar obligations		-	-
Provisions for tax and other legal contingencies		75	-
Provisions for contingent exposures and commitments		-	-
Other provisions		-	-
Tax liabilities	**18**	**3,116**	**2,957**
Current		1,998	1,731
Deferred		1,118	1,226
Welfare fund		-	-
Other liabilities	**13**	**1,510**	**1,443**
Capital having the substance of a financial liability		-	-
TOTAL LIABILITIES		**1,009,257**	**1,415,588**

Renta 4 Banco, S.A.

Balance sheet at December 31

	Nota	Thousands of euros 2015	2014
EQUITY			
Valuation adjustments	**16**	**60,691**	**60,177**
Available-for-sale financial assets		18,312	18,312
Financial liabilities at fair value through profit or loss		18,312	18,312
Cash flow hedges		-	-
Hedges of net investments in foreign operations		8,496	8,496
Exchange differences		29,750	28,342
. Non-current assets held for sale		-	-
Own funds		-	-
Capital or endowment fund		-	111
Issued capital		-	-
Less: Uncalled capital		-	111
Share premium		(334)	(577)
Reserves		-	-
Retained earnings		-	-
Other		-	-
Other equity instruments		-	-
Equity component of compound financial instruments		9,913	8,051
Other equity instruments		(5,446)	(2,558)
Less: Treasury shares			
Non-voting equity units and associated funds (savings banks)	**16**	**(335)**	**58**
Non-voting equity units		(355)	58
Reserves of holders of non-voting equity units		-	-
Stabilization fund		-	-
Profit for the year		-	-
Less: Dividends and remuneration		-	-
		-	-
TOTAL EQUITY		**60,356**	**60,235**
TOTAL EQUITY AND LIABILITIES		**1,069,613**	**1,475,823**
MEMORANDUM ITEMS			
Contingent exposures	**17**	**31**	**13**
Contingent commitments	**17**	**3,501**	**565**
		3,532	**578**

Renta 4 Banco, S. A.

Income statement for the years ended December 31

	Nota	Thousands of euros 2015	2014
Interest and similar income	**20.a**	**4,165**	**7,525**
Interest and similar expense	**20.a**	**(752)**	**(1,471)**
Interest on capital repayable on demand		**-**	
NET INTEREST INCOME		**3,413**	**6,054**
Returns on equity instruments		**3,627**	**751**
Fee and commission income	**20.b**	**60,110**	**56,447**
Fee and commission expenses	**20.b**	**(20,082)**	**(24,216)**
Gains / (losses) on financial assets and liabilities (net)	**20.a**	**1,491**	**7,821**
Financial assets and liabilities held for trading		843	6,967
Other financial instruments measured at fair value through profit or loss		-	-
Other financial instruments not measured at fair value through profit or loss		648	854
Other		-	-
Exchange differences (net)		**146**	**(128)**
Other operating income	**20.c**	**510**	**540**
Other operating expense	**20.c**	**(671)**	**(1,157)**
GROSS MARGIN		**48,544**	**46,112**
Administrative expenses		**(30,497)**	**(30,057)**
Personnel expenses	20.d	(17,364)	**(17,440)**
Other administrative expenses	20.e	(13,133)	**(12,617)**
Depreciation and amortization		**(3,996)**	**(3,451)**
Property and equipment	**11**	(2,920)	(2,449)
Intangible assets	**12**	(1,076)	(1,002)
Provision expense (net)	**15**	**(75)**	**47**
Impairment losses (net) on financial assets	**20.f**	**(374)**	**(1,172)**
Loans and receivables		(188)	(465)
Other financial instruments not measured at fair value through profit or loss		**(186)**	**(707)**
OPERATING PROFIT		**13,602**	**11,479**
Impairment losses (net) on other assets		**(2,042)**	**(216)**
Goodwill and other intangible assets		-	-
Other assets	**10.a**	(2,042)	(216)
Gains / (Losses) on disposal of assets not classified as non-current assets held for sale	**10.c**	**739**	**(1)**
Negative difference on business combinations		-	**-**
Gains / (Losses) on non-current assets held for sale not classified as discontinued operations		-	**-**
PROFIT (LOSS) BEFORE TAX		**12,299**	**11,262**
Income tax	**18**	(2,386)	(3,211)
Mandatory transfer to welfare funds			
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**16**	**9,913**	**8,051**
Profit (loss) from discontinued operations (net)		**-**	**-**
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR		**9,913**	**8,051**
Basic earnings per share	16.i	0.25	0.20
Diluted earnings per share	16.i	0.25	0.20

Renta 4 Banco, S.A.

Statement of changes in equity for the year ended December 31,

	Thousands of euros	
	2015	2014
A. PROFIT FOR THE YEAR	**9,913**	**8,051**
B. OTHER RECOGNISED INCOME AND EXPENS	**(393)**	**782**
B.1 ITEMS NOT TO BE RECLASSIFIED TO PROFFI OR LOSS	**-**	**-**
1. Actuaarial gains/(losses) on defind benefit pension plans	**-**	**-**
2. Non-current assets held for sale	**-**	**-**
3. Tax benefits related to items that will not be reclassified in results	**-**	**-**
B.2 ITEMS ELEGIBLE TO BE RECLASSIFIED TO PROFIT OR LOSS	**(393)**	**782**
1. Available-for-sale financial assets	**(562)**	**1,117**
Valuation gains (losses)	(100)	1,264
Amounts transferred to income statement	(462)	(147)
Other reclassifications	-	-
2. Cash flow hedges	**-**	**-**
Valuation gains (losses)	-	-
Amounts transferred to income statement	-	-
Amounts transferred to initial carrying amount of hedged items	-	-
Other reclassifications	-	-
3. Hedges of net investments in foreign operations	**-**	**-**
Valuation gains (losses)	-	-
Amounts transferred to income statement	-	-
Other reclassifications	-	-
4. Exchange differences	**-**	**-**
Valuation gains (losses)	-	-
Amounts transferred to income statement	-	-
Other reclassifications	-	-
5. Non-current assets held for sale	**-**	**-**
Valuation gains (losses)	-	-
Amounts transferred to income statement	-	-
Other reclassifications	-	-
6. Other recognized income and expense	**-**	**-**
7. Income tax	**169**	**(335)**
TOTAL RECOGNIZED INCOME AND EXPENSE	**9,520**	**8,833**

Renta 4 Banco, S.A.

Statement of cash flows for the year ended December 31

	Note	Thousands of euros 2015	2014
OPERATING ACTIVITIES		**77,484**	**147,744**
Profit for the year		**9,913**	**8,051**
Adjustments to obtain cash flows from operating activities		**1,908**	**3,545**
Depreciation and amortization	**11 y 12**	3,996	3,451
Other adjustments		(2,088)	94
Net increase / decrease in operating assets		**367,530**	**(395,465)**
Financial assets held-for-trading		248	(50)
Other financial assets at fair value through profit or loss		-	-
Available-for-sale financial assets		125,813	(221,926)
Loans and advances		242,136	(173,587)
Other operating assets		(667)	98
Net increase / decrease in operating liabilities		**(295,966)**	**536,573**
Financial liabilities held-for-trading		(94)	(8)
Other financial liabilities at fair value through profit and loss		-	-
Financial liabilities at amortized cost		(300,367)	535,722
Available-for-sale financial assets		4,495	859
Other operating liabilities		**(5,901)**	**(4,960)**
Income tax receipts (payments)			
		(6,491)	**(12,486)**
INVESTING ACTIVITIES		**(15,097)**	**(14,156)**
Payments	**11**	(8,095)	(5,359)
Property and equipment	**12**	(1,012)	(1,337)
Intangible assets	**10**	(5,990)	(7,460)
Investments		-	-
Other business units		-	-
Non-current assets held for sale and associated liabilities		-	-
Held-to-maturity investments		-	-
Other payments related to investing activities		**8,606**	**1,670**
Collections		-	-
Property and equipment		-	-
Intangible assets		4,979	919
Investments		-	-
Other business units		-	-
Non-current assets held for sale and associated liabilities		-	-
Held-to-maturity investments		3,627	751
Other collections related to investing activities			
		(116,265)	**47,876**
FINANCING ACTIVITIES		**(1,067,017)**	**(1,074,513)**
Payments	4 y 16.h	(9,573)	(3,412)
Dividends		-	-
Subordinated liabilities		-	-
Redemption of own equity instruments	14.d	-	(8,434)
Acquisition of own equity instruments	16.g	(521)	(6,216)
Other payments related to financing activities		(1,056,923)	(1,056,451)
Collections		**950,752**	**1,122,389**
Subordinated liabilities		-	-
Issuance of own equity instruments		-	-
Disposal of own equity instruments	16.g	752	1,089
Other collections related to financing activities		950,000	1,121,300
EFFECT OF EXCHANGE RATE CHANGES		**-**	**-**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(45,272)**	**183,134**
Cash and cash equivalents at beginning of period	**6**	**274,629**	**91,495**
Cash and cash equivalents at end of period	**6**	**229,357**	**274,629**

MEMORANDUM ITEM			
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD	**6**	**229,357**	**274,629**
Cash		66	72
Cash equivalents at central banks		6,012	3,486
Other financial assets		223,279	271,071
Less: Overdrafts repayable on demand		**-**	**-**

APPENDIX V: Renta 4 Group Customer Service Report

2015

Purpose of the Report

The purpose of this report is to evidence the customer service work performed by Renta 4 Banco, S.A. and the Renta 4 Group entities subject to the customer defense rules in the course of 2015, in keeping with article 20 of the Renta 4 Group's Customer Defense Rules and, by extension, the stipulations laid down in Ministerial Order ECO 734/2004, of March 11, 2004, on Customer Attention Centers and Services and Customer Defense at Financial Institutions, published in Spain's Official Journal (BOE No. 72) on March 24, 2004.

As stipulated in article 6 of these Group rules, the Customer Service Center is responsible for catering to and resolving the complaints and claims presented before the entities bound thereby, directly or via representatives, by the Spanish or foreign natural or legal persons that qualify as users of the financial services provided by the said entities, so long as such complaints and claims relate to their legally-protected interests and rights as a result of contracts, transparency and customer protection rules or good financial practice, particularly the principle of equanimity.

Claims outcomes

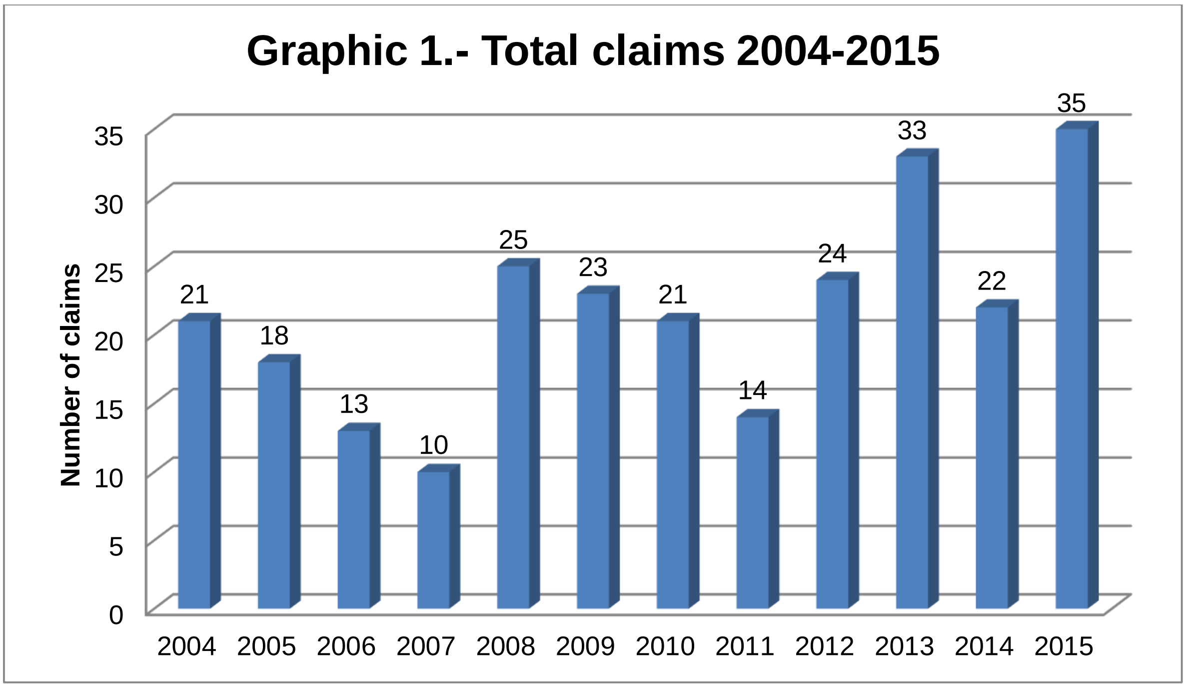
In the course of 2015, Renta 4's Customer Service Center handled a total of 35 customer claims, admitting 33 and rejecting two of them.

The reasons given by the Customer Service Center for not admitting two of the claims for further processing were, in the first instance, because more than two years had elapsed since the account was opened and transactions were made in the account, and in the second, because based on the information obtained by the Customer Service Center, the claims had been handled legally and rejected from processing based on paragraph b) of article 13 b) of the Renta 4 Banco's Customer Service Rules, all in accordance with *Ministerial Order ECO/734/2004, of March11, 2014, on Customer Attention Centers and Services and Customer Defense at Financial Institutions*.

A total of 33 claims were admitted for processing in 2015. Each issue put forward was studied and analyzed in detail before issuing a ruling or report, or urging the parties to reach a settlement in respect of the controversies.

On the other hand, this same Center received only 2 inquiries in 2015, one enquiry in 2014, it did not receive any enquiries in 2013, having received and dealt with three enquiries in 2012, sending the requesting parties the documentation and information they asked for. Since the Customer Service Center began, customers have filed few formal inquiries. They prefer to handle them informally and directly with investment personnel at the reference office, who are in charge of resolving the inquiries quickly and smoothly. As a result, no formal process through the Customer Service Center was required.

As is shown in the following chart, the number of claims presented before the Customer Service Center has grown in the past few years, from 14 in 2011, to 24 in 2013, 33 in 2014 and 35 in 2015.



This increase may be attributed to a number of factors, such as the economic and financial environment in recent years, trends in financial markets, and changes in fees and commissions.

Nevertheless, despite the uptick in recent years in claims filed with the Customer Service Center, from 2004 to 2015 the increase in absolute terms remained steady and the numbers are neither high nor significant.

To illustrate, the number of claims submitted in each year (35 in 2015) compared to the total number of Renta 4 customers each year (65,428 in 2015) has not been particularly relevant in previous years.

Similarly, in comparing the number of claims presented in 2015 – 35 in total - with the volume of assets under management at Renta 4 at December 31, 2015, the claims incident rate also pales in significance.

Claims classified by type of ruling

Analyzing the claims by type of ruling issued by the Customer Service Center in 2015, as shown graphically in Table 1, of all the claims declared admissible – 35 – the Center handed down 18 unfavorable decisions for the claimants (51% of all claims received and resolved), 14 claims in which the Customer Service Center urged the parties to reach a settlement, which represented 40% of the total, one in which the customers decided not to proceed and finally two of them were rejected.

TABLE 1

Trend in claims brought before the Customer Service Center – Classification by claim outcome

Classification by type of resolution	2015		2014		2013		2012		2011		2010		2009		2008	
	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%
Unfavorable to the client	18	51%	12	55%	24	73%	20	83%	13	93%	14	67%	18	78%	21	84%
Favorable to the cliente		0%	2	9%	0	0%		0%	1	7%	4	19%	0	0%	3	12%
Proposal Agreement	14	40%	6	27%	7	21%	4	17%		0%	3	14%	5	22%	1	4%
Client Dismiss	1	3%		0%	2	6%				0%	0	0%		0%		0%
Not declared admissible	2	6%	2	9%												
TOTAL	**35**	**100%**	**22**	**100%**	**33**	**100%**	**24**	**100%**	**14**	**100%**	**21**	**100%**	**23**	**100%**	**25**	**100%**

In this respect, we would highlight the gradual increase seen in recent years in the number of comprises proposed by Renta 4's Customer Service Center, from four settlements signed in 2012, which represented 17% of the total, to seven in 2013 and 14 in 2015, representing 40% of the total.

Accordingly, in addition to its main function of resolving complains and claims, the Customer Service Center also intermediates between customers and the Entity, analyzing the issues behind the claims and the cases where the Customer Service Center urges the parties to reach an agreement.

In 2015, Renta 4 paid customers with which it reached an agreement a total of 12,470.75 euros. This was higher than in previous years (873.54 euros in 2014 and 1,360.79 euros in 2013), but lower than the amount paid in 2009 (60,815.02 euros).

In addition, the Customer Service Center estimates that customers presented claims for a total of approximately 190,000 euros in 2015, a figure that is broadly in line with the sum claimed in previous years. The amounts claimed in 2015 are similar than those presented in 2014 (145,000 euros) or 2009 (200,000 euros).

Claims classified by issue

The claims ruled on by the Customer Service Center are categorized by issue in Table 2 and Chart 2:

TABLE 2

Trend in claims brought before the Customer Service Center – Classification by claim issue

Classification by type of resolution	2015		2014		2013		2012		2011		2010		2009		2008	
	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%
Commisions - Rates	13	37,1%	11	50,0%	18	54,5%	7	29,2%	2	14,3%	7	33,3%	5	22,0%	2	8,0%
Securities transactions , order execution	3	8,6%	5	22,7%	13	39,4%	16	66,7%	11	78,6%	10	47,6%	10	44,0%	6	24,0%
Investment funds / Pension Plans	9	25,7%	5	22,7%	0	0,0%	0	0,0%	1	7,1%	2	9,5%	4	17,0%	9	36,0%
Others	10	28,6%	1	4,5%	2	6,1%	1	4,2%	0	0,0%	2	9,5%	3	13,0%	8	32,0%
Acting Representative		0,0%		0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	1	4,0%	0	0,0%
TOTAL	**35**	**100%**	**22**	**100%**	**33**	**100%**	**24**	**100%**	**14**	**100%**	**21**	**100%**	**23**	**100%**	**25**	**100%**

The analysis of the claims presented by issue highlights that the claims classified under *Fees and commissions/prices* accounted for the highest number and percentage of claims presented in 2015: 13 claims, equivalent to 37% of the total presented. Similarly, the largest number of claims were classified under this heading in 2014 and 2013, with the 11 in 2014 representing 50% of the total and the 18 in 2013 representing 54.5%. This heading reflects claims regarding the fees, commissions and charges charged to customer accounts for delivery of the various financial services performed.

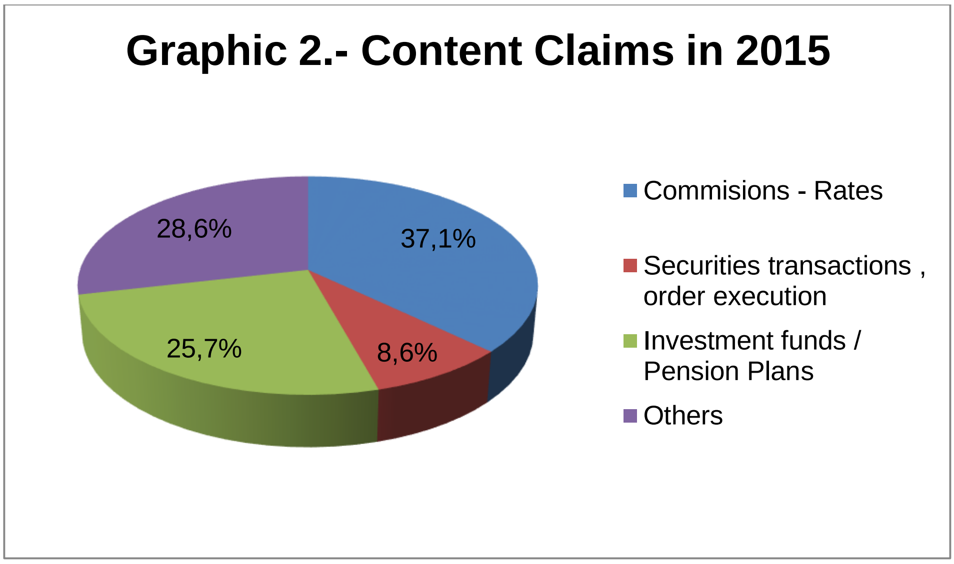
In addition, customers contracted additional services (real time, interactive charts, etc.). Additional services provide customers with more information on prices and charts of different securities and/or markets in real time, along with the related cost. For these services, customers must contract and activate the services expressly after first agreeing to the terms and conditions of those additional services, including the financial terms. However, after time, some customers forget about the additional service contracted, leaving it activated but expressing their dissatisfaction, saying that they had neither contracted not activated the service. Renta 4 reviews the procedures and connections and generally verifies that the customer activated and contracted the services and previously accepted the terms and conditions. In these cases, the fees charged in their accounts leading to the claims are warranted.

The second largest number of claims in 2015 included those classified under *Other*, with a total 10 claims, or 28.6% of the total. In previous years, very few were classified under this heading: one in 2014, two in 2013, one in 2012 and none 2011. This heading includes claims that do not readily fit into in any of the other categories. Accordingly, the reasons for the claims are various.

Mutual funds/pension plans included the third largest number of claims and relates to the subscription, redemption, transfer and sale of mutual funds and pensions plans.

A total of nine claims were classified into this category in 2015 up from five in 2014. However, these represented 25.7 of the total, down from 22.7% the year before 2014. No claims were included in this category in 2013 and 2012.

In 2015, three claims were classified under *Securities transactions and order execution*, representing 8% of the total. This was broadly in line with the five claims classified in this category in 2014. Claims regarding all manner of discrepancies regarding customer order processing and execution are classified within this heading. In prior years this category had been one of the areas receiving most claims, specifically 11 in 2013, making it the second most controversial category that year in which it accounted for almost 40% of total claims, 16 in 2012 (66.7% of the total) and 11 in 2011 (79%).



Breakdown of claims by Group company

In 2015, all of the claims processed (35) were presented by customers of Renta 4 Banco, S.A., as was the case in 2014 and 2013.

CONCLUSIONS

In short, the Customer Service Center considers that the number of claims presented in 2015, 35 in total, despite rising from 22 in 2014 and 33 in 2013, is still not significant compared with the size of the Entity's overall customer base, the volume of assets managed by Renta 4, or the overall damages claimed.

The number of claims brought before the Customer Service Center annually between 2004 and 2015 has not been high in absolute terms; the figure has been stable throughout the last decade a despite minor fluctuations in the period.

As it has been doing consistently since creation, the Customer Service Center continued to compile all the information deemed appropriate from the various departments in respect of each and every claim presented with a view to understanding every aspect of the disputes arising and being sufficiently well-informed when presenting its findings (report, ruling or call for settlement). In this process, the Customer Service Center, in conjunction with other areas of Renta 4, has promoted and implemented changes to the procedures, addressing occasional incidents as they arise and making improvements in the operations and information. The aim is to reduce the number of incidents and improve the financial services provided and transparency with customers, thereby offering higher quality and more comprehensive information on products, the related risks, operation and other characteristics.

In this manner, in addition to carrying out the duties vested in it, the Customer Service Center aims to provide a channel of communication between the various Renta 4 Group entities and their customers with a view to enhancing processes and practices and providing a higher standard of quality to all customers.

APPENDIX VI: Annual Banking Report

2015

Law 10/2014, of June 26, 2014, on the structuring, supervision and capital adequacy of credit institutions, was published in Spain's official state journal on June 27, 2014. This piece of legislation transposes article 89 of Directive 2013/36/EU of the European Parliament and of the Council of June 26, 2013, on access to the activity 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 keeping with the provisions of article 87.1 and transitory provision twelve of Law 10/2014, credit institutions are obliged to publish the following information on a consolidated basis and in respect of the last financial year, broken down by country in which it has establishments:

a) The name(s), nature of activities and geographical location;

b) Turnover and number of employees on a full time equivalent basis;

c) Profit or loss before tax and tax on profit or loss;

d) Public subsidies received.

The above disclosure requirements are met below:

a) The name(s), nature of activities and geographical location

Renta 4 Banco, S.A. is the entity resulting from the merger by absorption, closed on March 30, 2011, of Renta 4 Servicios de Inversión S.A. (transferee company) and Renta 4 Banco, S.A. (transferor company), the latter formerly called Banco Alicantino de Comercio, S.A. (the change of registered name having been filed with the Companies Register on June 8, 2011). Additionally, in connection with the merger, a number of changes were made to the bylaws of the transferee company, which changed its registered business name from Renta 4 Servicios de Inversión, S.A. to Renta 4 Banco, S.A. and expanded the corporate purpose of Renta 4 Servicios de Inversión S.A. to include banking activities and the delivery of the investment and auxiliary services that are typical of investment service providers. The Bank is registered with the Companies Register and in the Bank of Spain's so-called Special Register of Credit Institutions under code number 0083.

The Bank's corporate purpose consists of the activities typical of credit institutions in general, including the provision of investment services, the acquisition, holding, exploitation, administration and disposal of all manner of transferable securities, including specifically those itemized in article 175 of Spain's Code of Commerce and other prevailing legislation governing entities of this nature.

The activities comprising the corporate purpose may also be performed in whole or in part on an indirect basis through the ownership of shares or equity investments in other companies with an identical or similar core business. In addition to the operations performed by it directly, the Bank is the parent of a group of subsidiaries that pursue a series of different activities and comprise, along with it, the Renta 4 Group. As a result, the parent company is obliged to prepare, in addition to its separate annual financial statements, consolidated annual financial statements for its Group. The parent company's registered office is located in Madrid, at Paseo de la Habana, 74.

The Group conducts its business activities predominantly in Spain. The names, nature of activities and geographical location of its subsidiaries are provided in Appendix I of this annual report.

b) Turnover and number of employees on a full time equivalent basis

This section presents turnover and the number of full-time equivalents country-by-country at year-end 2015 and 2014 on a consolidated basis.

Turnover has been deemed equivalent to fee and commission income, as reported in the Group's consolidated income statement for the years ended December 31, 2015 and 2014:

	(Thousands of euros) Turnover		No. of employees (FTE)	
	Year-end 2015	Year-end 2014	Year-end 2015	Year-end 2014
Spain	126,614	103,761	396	375
Chile	1,117	1,163	19	20
Colombia	-	-	1	2
Peru	36	47	11	8
Luxembourg	-	-	1	-
TOTAL	**127,767**	**104,971**	**428**	**405**

c) Profit or loss before tax and tax on profit or loss

This heading presents consolidated profit or loss before tax and tax on consolidated profit or loss, as per the 2015 and 2014 consolidated income statement, country-by-country:

	(Thousands of euros) Profit or loss before tax		Tax on profit or loss	
	2015	2014	2015	2014
Spain	21,105	19,903	(6,076)	(5,932)
Chile	(520)	(26)	154	47
Colombia	(96)	(98)	-	-
Peru	(544)	(269)	-	78
Luxemburgo	-	-	(3)	-
TOTAL	**19,945**	**19,510**	**(5,925)**	**(5,807)**

d) Public subsidies received

The Group did not receive any public subsidies in either 2015 or 2014.

e) Public disclosure of return on assets

The return on assets, calculated as net profit divided by the total balance sheet, was 1% in 2015 (2014: 1%).

Management Report 2015 – Renta 4 Banco, S.A. and subsidiaries

1. Economic environment and financial markets

The economic landscape in 2015 was shaped mainly by the sharper drop in commodity prices, fears of a hard landing in China, capital flight from emerging economies and the shift in the US monetary policy cycle (the Fed hiked interest rates in December, for the first time in nearly a decade). Against this backdrop, performance by the main economies and regions was mixed. Most net commodity-exporting countries suffered from inflationary pressures due to considerable currency depreciation, a slowdown in activity and tighter financial conditions. Meanwhile, for the most part the rest of the economies (mainly developed), sustained heady growth rates and low inflation. On balance, global economic growth was somewhat disappointing in 2015, yet far from recession, with GDP growth of 2.6%, compared to 2.7% in 2014.

The highlight regarding the main central banks was the confirmation of diverging trends in monetary policies. The Fed embarked on its rate-tightening campaign, raising its target range to 0.25%-0.50%. For its part, the ECB expanded the asset purchase program it initiated in the fourth quarter of 2014 to include sovereign, agency and regional government debt and increased its target volume to 60,000 million euros a month until 2017. It also lowered the deposit facility rate from -0.20% to 0.30%, pushing yields all along the Euribor curve into negative territory (except the 12-month rate, which moved closed to 0%).

During the year, the Spanish economy consolidated the recovery begun after the third quarter of 2013, posting its highest GDP growth (+3.2% vs +1.4% in 2014) in eight years. Drivers included both internal (job creation, improved competitiveness and credit conditions, reduction in personal income tax withholding) and external stimuli (cheaper oil, a weaker euro, the ECB's QE program, economic recovery in Europe). The impact of some of these drivers wore off as the year progressed, causing quarterly growth GDP rates to taper off throughout 2015. Domestic demand was the main economic growth driver, fueled by both stronger investment and household spending. Robust consumption led to a decline in the household saving rate of 4 tenths of a percent in 2015 to 9.2%, although this was expected to rebound slightly to 9.5% by year-end.

The outlook for 2016 points to further expansion by the Spanish economy, albeit at a slightly slower rate than in 2015. The IMF and OECD forecast GDP growth for Spain of 2.7% in 2016, outpacing the rest of the advanced economies. As for inflation, the consensus estimate shows an average annual CPI in 2016 of 1.0%. However, the Spanish economy is facing major challenges: unemployment, demographic factors, debt and fiscal sustainability. For the euro area, the main international institutions estimate GDP growth of nearly 1.7%, with an unemployment rate of 10.6% and an inflation rate of 1.0%.

As a result of this macroeconomic environment, financial markets have been extremely volatile. After staging a sharp rally at the beginning of the year, aided by the monetary policies adopted by the central banks, equities saw volatility spike after summer and began falling sharply, driven by concerns over the slowdown of growth in China and emerging economies. Finally, Spain's benchmark index, the IBEX-35, ended 2015 down 7.1%, underperforming all of its European counterparts, due above all to the large weight of the banking sector. The Eurostoxx 50 rose 3.85%, while the S&P 500 slipped by 0.7%. The euro depreciated considerably against the main currencies (by around 10% against the dollar, yen and pound sterling). Spain's risk premium ended 2015 at around 115bp after peaking at 160bp around the middle of the year, driven up by the Greek crisis (there were even fears Greece might exit the euro).

2. Sector performance

Growth of the Spanish economy spurred the recovery of the banking sector further. Growing financing needs of Spanish businesses and households were met by a sustained increase in new lending by banks, allowing the total volume of private sector lending to continue recovering. Cumulative new lending in 2015 (January - November) was higher than in the same period of 2014. New loans to businesses of under 1 million euros increased by 13.7%, home loans by 35.3% and consumer loans by 18.1%. Elsewhere in the euro zone, credit trends were also positive. Loans to businesses increased by 0.9% year-on-year in November and loans to individuals by 1.9%.

Also noteworthy was the improvement in asset quality, with a fall in the NPL ratio, bringing the cost of risk back towards normal levels. The NPL ratio peaked in December 2014 (at 13.6%) before declining gradually to 10.4% in November 2015.

Nevertheless, the squeeze on margins intensified, affected by exceptionally low interest rates alongside increased competitive pressure in the market, trigger a tightening of yield spreads to all-time lows.

In addition, 2015 featured a series of regulatory and supervisory milestones, largely shaping sector strategy and performance. As progress on the review of the prudential framework and the development of crisis-management frameworks was made, attention on consumer- and investor-protection issues heightened. The aim is for all of this to be compatible with higher economic growth. On the banking supervision front, since its start-up in November 2015, the Single Supervisory Mechanism (SSM) has given the ECB full oversight of banking institutions in the euro area. In 2015, the SSM shored up its functioning and the 123 largest banking groups came under the direct supervision of the ECB. Each bank has a supervisory team composed of personnel from the ECB and the national authorities of the Member States where it has a significant presence.

3. Performance of Renta 4 Banco S.A. and its subsidiaries

Renta 4 Banco obtained **net profit of 14 million euros** in 2015, up **2.3%** from 2014, as **sharp growth in customer assets** easily **offset** the decline in net interest income caused by the **low interest rate environment.**

The fully-loaded CET1 **capital ratio** at year-end stood at **14.7%**, well above the regulatory requirement and among the highest of any bank in Spain.

Return on equity (ROE) was **17.75%**, also well above the sector average.

The trends in **operating indicators** in 2015 remained positive.

- **Total customer assets,** excluding Banco de Madrid assets managed temporarily, **amounted to 13,432 million euros**, driven above all by **growth of assets from the proprietary network and the increase in assets under management.**

- **Including** the **Banco de Madrid investment funds managed temporarily**, customer assets under management totaled **15,845 million** euros.

- **Assets** of customers from the **proprietary network** ended the year at **6,931** million, up from 5,481 million in 2014, equivalent to an **increase of 26.5%**. This was particularly significant as assets from the proprietary network **represented 89% of net fee and commission income** obtained in the year (excluding Banco de Madrid).

- Customer assets from **third-party networks** stood at 6,501 million at the end of 2015, marking a **decrease of 19.1%** from the year before.

- **Banco de Madrid assets under temporary management** amounted to 2,413 million euros at December 31, 2015.

- Particularly **eye-catching is the growth** of **assets under management** (mutual funds, SICAVs and pension funds), to **6,726 million euros** at the end of 2015 from **5,862 million euros** at the end of 2014, an **increase of 14.7%**. **Including funds** under temporary management from **Banco de Madrid**, the total increases by 2,413 million euros, leaving **total assets under management at 9,139 million euros.**

  The growth in customer assets drove a sharp improvement in **net interest and fees and commission income** in 2015.

- **Gross fee and commission income** climbed by 21.7% to **127.8 million euros** and **net fee and commission income** by 24.5% to **63.0 million euros** for the year.

- **Asset management fees and commissions** rose by **50.6%** to **59.8 million** in 2015 from 39.7 million euros in 2014**.** This increase is **especially significant as it comes in one of the items that contributes the greatest added value to customers and is a source of recurring revenue** for the bank.

- **Ordinary income** from **customer business**; i.e. total net fee and commission income less operating expenses, was **16.24 million euros** in 2015, compared to 6.5 million euros in 2014, an **increase of 148.7%.**

Operating profit rose **4.6%** to **20.4 million euros.** This increase came despite a **43.9% fall in net interest income** and an **82.5%** fall in **gains (losses) on financial assets and liabilities (net).** Combined, these two items resulted in **a decrease in revenue of approximately 9.5 million euros** compared to 2014.

Key data

Operating indicators	2015	2014	%
No. of customers	**393,237**	**358,931**	**9.6%**
Proprietary network	65,428	59,012	10.9%
Third party network	327,809	299,919	9.3%
Total assets* (millions of euros)	**13,432**	**13,513**	**-0.6%**
Assets - Proprietary network (millions of euros)	**6,931**	**5,481**	**26.5%**
Assets - Third-party network (millions of euros)	**6,501**	**8,032**	**-19.1%**
Total assets (millions of euros)	**13,432**	**13,513**	**-0.6%**
Equities	5,867	6,573	-10.7%
Investment funds (proprietary and third party)	3,449	3,084	11.8%
Pension funds	2,474	2,147	15.2%
SICAVs	803	631	27.3%
Other	839	1,078	-22.2%
Temporary Asset Management Banco Madrid (millions of euros)	**2,413**	**0**	

***Excluding Banco de Madrid**

Results *(thousands of euros)*	2015	2014	%
Fee and commission income	127,767	104,971	21.7%
Net interest income	3,380	6,024	-43.9%
Gains or losses on financial assets and liabilities (net)	1,444	8,229	-82.5%
Operating expenses	-48,047	-45,434	5.8%
Results from operating activities	20,443	19,551	4.6%
Net profit	**14,020**	**13,703**	**2.3%**
EPS	**0,345**	**0,337**	**2.3%**

Employees (average for the period)	2015	2014	%
Average number of employees in the period	411	386	6.5%
Branch network (Latin America)	222 (31)	212(27)	4.7%
Central Services	189	174	8.6%
No. of offices	63	60	5.0%

Renta 4 shares	2015	2014	%
Ticker (Reuters/Bloomberg/ADRs)	**RTA4.MA**	**RTA4.MA**	
Share price *(€)*	**5.85**	**5.49**	**6.6%**
Market cap *(€)*	**238,055,238**	**223,405,684**	**6.6%**
No. of shares outstanding	40,693,203	40,693,203	

Operating indicators

Total customer assets under management and custody, excluding assets managed temporarily of Banco de Madrid**,** amounted to **13,432 million euros**. Of the total, the proprietary network accounted for 6,931 million euros and the third-party network for 6,501 million euros.

Assets from Banco de Madrid under temporary management amounted to 2,413 million euros.

The weight of **assets from the proprietary network** increased in the 12-month period by **26.5**%, to **6,931 million euros**. This increase came in spite of market trends in the second half of the year.

Assets under management (investment funds, SICAVs and pension funds) totaled **6,726 million euros**, compared to 5,862 million euros in 2014, an increase of **14.7%**. Adding the assets of Banco de Madrid investment funds managed temporarily, customer assets under management at December 31, 2015 amounted to **9,139 million euros.**

Noteworthy was the 11.8% increase in assets of **investment funds marketed and managed by Renta 4** (Renta 4 Gestora and other management company funds, excluding those from Banco Madrid) to **3,449 million euros** at the end of 2015 from 3,084 million euros in 2014.

Renta 4 Gestora investment fund assets under management rose 2.9% compared to the year earlier, to **2,467 million euros**. Including the assets of Banco de Madrid investment funds managed temporarily, customer assets under management totaled 4,880 million euros.

Customer assets invested in **third-party funds** reached **982 million euros**, an increase of 42.9% from the year before.

Assets of **SICAVs under management** ended 2015 at **803 million euros**, 27.3% higher than the year-earlier figure.

Pension fund assets stood at **2,474 million euros**, an increase of 15.2%.

The pace of **customer acquisition** accelerated further in 2015. Renta 4 ended 2015 with a total of 393,237 customer accounts, of which 65,428 belong to the proprietary network and 327,809 to the third-party network, 10.9% and 9.30%, respectively, more than at the end of 2014.

Consolidated income statement for 2015

Renta 4 posted a 2.3% increase in **net profit** in 2015 to **14.0 million euros**.

"Gross fee and commission income" (i.e. commissions received, share of profit or loss of companies accounted for using the year method and other operating income) increased by **21.9%** to **127,399 thousand euros** in 2015 from 104,494 thousand euros in 2014.

Driving this item were management fees obtained in the **"Asset Management"** segment, which rose by **50.6%** to **59,778 thousand euros** from 39,696 thousand euros the year before. This marked increase was the result of the growth in assets managed by the Group despite adverse market trends in the latter part of the year.

Gross fees and commissions from the **"Brokerage Services"** business advanced by 4.3% in 2015 to **57,477 thousand euros** from 55,113 thousand euros in 2014. Noteworthy were fees and commissions from the **"International equities"** activity, which rose by around 8.3% and from the "**International fixed-income**" activity, which rose by 25.4%.

Fees and commissions from **"Corporate services"** increased by 4.7% last year to **10,144 thousand euros**, from 9,685 thousand euros the year before.

"Net fees and commission income" (gross fees and commissions received less fees and commissions paid) jumped 24.9% to **62,696 thousand euros** from 50,180 thousand euros. Net fee and commission income from the temporary management of Banco de Madrid funds totaled 5.2 million euros. Excluding these, net fee and commission income for the year would have increased by 15.56%.

"Net interest income" amounted to **3,380 thousand euros**, a 43.9% drop from 6,024 thousand euros in 2014 due to the decline in interest rates in the euro area.

“Gains (losses) from financial assets and liabilities (net)”, or trading income, plummeted 82.5% from 8,229 thousand euros in 2014 to **1,444 thousand euros** in 2015. This fall was mainly the result of decreased activity in fixed-income markets caused by the low level of interest rates, as explained above.

The sharp growth in **“Fee and commission income”** offset the impact on the income statement of this drop in interest rates, leaving **gross income of 68,466** thousand euros in 2015 compared to 65,150 thousand euros in 2014, equivalent to an increase of 5.1%.

Turning to costs, **“Operating expenses”** (overheads, personnel expenses, other operating costs and depreciation and amortization) rose by 5.8% in 2015 to **48,047 thousand euros**.

“Personnel expenses” were practically unchanged at **24,128 thousand euros**.

“Other administrative expenses" increased by 16.1% to **18,801 thousand euros** from 16,194 thousand euros in 2014.

“Depreciation and amortization” totaled **4,348 thousand euros**, 12.3% higher than the year before.

"Operating profit" reached **20,443 thousand euros** in 2015 compared to 19,551 thousand euros in 2014, an increase of 4.6%. Stripping out from operating activities net interest income and trading income which, as explained above, performed poorly due to interest-rate trends, net operating profit would be 15,619 thousand euros in 2015 compared to 5,298 thousand euros in 2014, a jump of 194.8%.

In 2015, the Company recognized impairment of goodwill on the investment in Hanson Asset Management of 790 thousand euros, along with a loss of 256 thousand recognized under "Share of profit (loss) of entities accounted for using the equity method."

4. Business outlook

The economic and market environment in which Renta 4 Banco will be carrying out its business in 2016 looks set to be even **more demanding**.

The gradual disappearance of unorthodox monetary policies, **interest rates near zero** if not negative for the safest assets and **increasing levels of volatility** in asset prices envisage a scenario in which, like 2015 but more extreme, **the focus on risks will be key** to both the bank's balance sheet and to the management of customer assets.

Healthy growth in customer assets, extending the trend of recent years and including a **higher weight of assets under management, bode well for profit growth for Renta 4 Banco in 2016, even in the adverse scenario described.**

Our **goal** is to continue achieving a **high return on capital** and generating **sustained growth in profits** in order to continue raising **shareholder remuneration**.

We expect positive contributions in 2016 from business in Latin America (Chile, Peru and Colombia) and from **the new asset management** set up in **Luxembourg**, which is now fully operational.

5. Risk management policy

Detailed disclosures regarding the Renta 4 Group's risk management policies are provided in note 5 of the 2015 consolidated financial statements

6. Acquisitions of own shares

The required disclosures regarding own shares are provided in note 18.d) of the 2015 financial statements.

7. Environmental impact

In light of the business activities pursued by the companies comprising the Renta 4 Group, they have no environmental liabilities, expenses, assets, provisions or contingencies that could be material in respect of their equity, financial position or performance. Therefore, no specific disclosures relating to environmental issues are included in the notes to the consolidated financial statements.

The Group companies did not have any greenhouse gas emission allowances in either 2015 or 2014.

8. Research and development

In 2015, as in prior years, the Group's R&D effort focused on developments related to transaction routing.

9. Events after the reporting date

The events taking place subsequent to year-end are disclosed in note 24 of the 2015 consolidated financial statements.

10. Human capital disclosures

The required disclosures regarding the Renta 4 Group's employees are provided in notes 4.p) and 22.d) of the 2015 consolidated financial statements.

11. Annual Corporate Governance Report

Attached as an appendix.