renta4banco

Annual Report 2021

INDEX

Annual Report 2020

Letter from the chairman

Dear shareholders,

Although successive Covid variants have continued to appear throughout the year, and although the consequences of the pandemic and the lockdown are still visible in many respects, **I believe we can say that, in 2021, the world has begun to regain a certain sense of normal,** leaving behind the shock caused by the outbreak of a new and unknown virus in March 2020.

Within this context of a gradual return to normal life, the economy and the financial markets have had a very positive performance. Global economic growth reached 5.5% in 2021, with improvements in all geographical areas, and the world's main stock exchanges rose, except for some emerging stock exchanges only. This increase in the North American and European stock exchanges has been particularly significant. The main global index, the S&P 500, set seventy new all-time records during the year and rose by 26.9%, Nasdaq rose by 21.4%, Eurostoxx by 21% and Dow Jones by 18.7%. In Asia, the Nikkei index rose by 4.9% and Shanghai Composite by 4.8%.

All this took place in a wide-spread environment of renewed confidence and optimism, largely fuelled by the maintenance of ultra-expansionary monetary policies by the main Central Banks, which have continued the programmes implemented to combat the negative effects of the pandemic. The money inflow into US equities has surpassed all historical levels and investors have generally shown to be largely comfortable with the risk, sometimes falling into excesses such as the extraordinary revaluations in some IPOs; the vertical rises of companies with questionable value, called 'meme stocks'; or the extremely high volatility of cryptocurrencies and other cryptoassets.

Beyond these excesses, 2021 has confirmed investment themes and trends that had been already envisioned and that will undoubtedly shape the future. These themes are related to health, digital transformation, the environment, renewable energies and sustainable economic growth, and also connect with the social dimension of investments and the idea of 'conscious' capitalism.

For Renta 4 Banco, 2021 was also a very positive financial year, in which we have continued to grow and transform.

In 2021, net profit amounted to €25.3 million, the highest in our history, 39.7% higher than in 2020. At the end of 2021, total client assets amounted to €27,885 million and the net inflow of new assets into the company's own network amounted to €1,365 million. Net commissions generated also reached a record €108.5 million, which implies a 26.7% increase when compared to the previous year.

The good performance of the subsidiaries in Chile, Peru and Colombia should be highlighted, which all keep up with the positive trend, contributing 9.4% of the consolidated result.

All this lead to a ROE (return on equity) of 21.6%, way above the sector's average, and to the distribution of an interim dividend of €0.30 per share, to which the €0.11 per share proposed for approval at the Shareholders' Meeting will be added. We thus maintain our policy of allocating part of the profit to dividends, in this case two-thirds, and taking the remaining third of the profit to reserves, in order to continue strengthening our equity. After this application of the 2021 results, the **'CET 1 Fully Loaded' capital ratio** will stand at **15.5%**, way above regulatory requirements.

In addition to being a year of growth, 2021 has also been a year of transformation for Renta 4 Banco, with the goal of continuing to bring investment closer to savers and helping companies to grow and strengthen. We strongly believe that investment is a very powerful lever for the development of society and, therefore, we want to foster investment to improve people's lives.

Bearing this in mind, the Plan Más was drawn up and launched in 2021 to expand the range of investment solutions we offer and to broaden the potential client segments to which our proposal is targeted.

To this end, first, all the basic banking services around the client's account were expanded to make it easier for younger clients or clients with more modest assets to have a single bank account in which they can combine their investments and everyday banking functions.

Second, our clients have now available a range of interactive digital tools to help them select their investments or manage their risks. These are simple tools based on artificial intelligence, which will be improved based on the clients' own experience.

The third line of the Plan Más is the structuring of our entire range of investment solutions based on themes that reflect the major investment trends in the post-Covid world. We are certain that the best way to obtain returns on investment is to participate in the long-term growth of the economy and to do so through the companies that will lead that growth. Rather than being a short-term strategy, our commitment to thematic investment with a special focus on companies, whether listed or private-equity, is structural.

The great challenge for the financial system in the wake of the pandemic is to efficiently and productively channel the enormous amount of savings flowing in and that will continue to flow into the financial markets. The financial system is evolving from a system designed to fund an industrial society based on tangible assets to a system that must fund the society of knowledge and innovation, based on intangible assets. This evolution shifts the gravity centre of the financial system from bank balance sheets to capital markets, which is precisely where Renta 4 was born and where Renta 4 is and shall continue to be in the future.

Likewise, capital markets are also transforming and evolving with the emergence of new lines of investment, such as ‘private equity’, or new technologies such as the so-called blockchain. Renta 4 pays close attention to these innovations in order to make it as easy as possible for our clients to access them.

In particular, as regards the blockchain, this technology is seen as both a threat and an opportunity. Starting with opportunity, the blockchain will create new markets and new business models by allowing the allocation of ownership to new assets and parts of existing assets, through the so-called ‘tokens’. As for the blockchain threat, it can eliminate many of the steps in the intermediation chain and significantly disrupt the way markets currently operate.

That is why we have invested resources in preparing the appropriate infrastructure so that our clients can, when permitted by regulations, hold cryptoassets in their Renta 4 account and make cryptoasset transactions on our platform. We have created the subsidiary Renta 4 Digital Assets, to carry out all the developments and manage this line of activity.

The current international scenario at the time of our Annual General Meeting must inevitably be mentioned. Once again, a geopolitical crisis, on this occasion the Russian invasion of Ukraine, which has risen concerns among investors, generating strong instability on the stock exchanges and commodity markets. This instability adds up to the instability that the financial markets have been experiencing since last September and, more clearly, since the beginning of 2022.

The onset of inflation, higher and more persistent than initially estimated, **the energy crisis and bottlenecks** in global supply chains raised doubts among investors from the summer onwards, and some clouds appeared in the atmosphere of optimism and complacency which, as already mentioned, reigned in the financial markets and in the economy throughout last year.

These fears and concerns started growing at the beginning of 2022 and the war in Ukraine has risen them to their highest, not only because of the immediate impact on the price of oil and other commodities, inflation and economic growth, but also because of the second-round effects that this conflict will have, even if a negotiated end to hostilities is reached in the short term.

All suggests that 2022 will be a transitioning year for financial markets, where the excesses of 2021 will be corrected and asset valuations will adjust to a more realistic monetary and growth environment than the lighter one in 2021. That said, **the baseline scenario is still a long-term growth economy**, in a context of relatively moderate interest rates, even negative in actuality, although somewhat higher than the artificially low rates of recent years.

In this new context, Renta 4 Banco's role as a bank specialising in investments and as a trusted financial advisor for families and companies is more valuable than ever, thus the demand for our services can be expected to grow steadily in the coming years.

As for corporate social responsibility, starting with job creation, the average workforce rose to 593 in 2021, an increase of 9.6%. Today, we are already more than 600 people in the group. Our workforce has been gradually returning to on-site work, although partial remote work has now become the norm.

In 2021, the Renta 4 Foundation continued to support various programmes related to the education of underprivileged or disabled people. The programmes with Foundations such as A.G.H., Entreculturas, Agua de Coco, Asociación Granadown or Recover are maintained and new programmes submitted each year and chosen by employees in an open vote are also added.

In addition, Renta 4 promotes volunteer initiatives among its employees and participates directly in specific actions, ensuring that they are always within the scope of the company's solidarity action, which is focused on education and culture. One example is our collaboration with various NGOs in the preparation and delivery of Christmas baskets to underprivileged families, and another is the sponsorship of the Royal Theatre. Due to the situation in Ukraine, we have also promoted various forms of aid in collaboration with the Red Cross and other NGOs.

I would like to end by thanking our shareholders and clients for their trust, without which none of the above would be possible, and to the entire Renta 4 team for their work, dedication and enormous talent, which is undoubtedly our company's most valuable asset.

D. Juan Carlos Ureta Domingo
Presidente

01

Consolidated financial statements for the year 2020

01.1

Consolidated balance sheets

Renta 4 Banco S.A. and Subsidiarie

Consolidated balance sheets at
31 December 2021 and 2020

Thousands of Euros

Asset	Note	2021	2020
Cash, cash balances with central banks and other demand deposits	**8**	**1,194,340**	**744,174**
Financial assets held for trading	**6 and 9**	**65,959**	**55,079**
Derivatives		6	467
Equity instruments		58,999	51,797
Debt securities		6,954	2,815
Memorandum item: loaned or given as collateral with the right to sell or pledge		-	-
Financial assets designated at fair value with changes in other comprehensive income	**6 and 10**	**388,369**	**580,321**
Equity instruments		514	429
Debt securities		387,855	579,892
Memorandum item: loaned or given as collateral with the right to sell or pledge		274,775	283,928
Financial assets at amortised cost	**11**	**466,992**	**315,846**
Debt securities		158,305	107,591
Loans and advances		308,687	208,255
Central banks		-	-
Credit institutions		49,393	42,518
Clientele		259,294	165,737
Memorandum item: loaned or given as collateral with the right to sell or pledge		101,930	51,294
Investments in joint ventures and associates	**12**	**2,104**	**362**
Jointly controlled companies		-	-
Associates		2,104	362
Tangible assets	**13**	**59,060**	**60,399**
Tangible fixed assets		55,713	56,944
For own use		55,713	56,944
Transferred under an operating lease		-	-
Real estate investment		3,347	3,455
Of which: transferred under an operating lease		3,347	3,455
Memorandum item: acquired under a finance lease		19,036	20,220
Intangible assets	**14**	**21,065**	**20,110**
Goodwill		15,291	15,291
Other intangible assets		5,774	4,819
Tax assets	**20**	**1,332**	**994**
Current tax assets		81	-
Deferred tax assets		1,251	994
Other assets	**15**	**2,229**	**1,850**
Rest of the assets		2,229	1,850
TOTAL ASSETS		**2,201,450**	**1,779,135**

Thousands of Euros

Liabilities	Note	2021	2020
Financial liabilities held for trading	**9**	**41**	**522**
Derivatives		41	522
Short positions		-	-
Debt instruments issued		-	-
Other financial liabilities		-	-
Financial liabilities at amortised cost	**16**	**2,048,233**	**1,643,451**
Deposits		1,810,408	1,509,868
Central banks		-	-
Credit institutions		13,757	14,046
Clientele		1,796,651	1,495,822
Debt instruments issued		-	-
Other financial liabilities		237,825	133,583
Memorandum item: Subordinated liabilities		-	-
Provisions	**17**	**3,767**	**313**
Pensions and other post-employment defined benefit obligations		-	-
Other long-term employee compensations		-	-
Outstanding tax litigation and procedural issues		3,737	301
Commitments and guarantees granted		30	12
Remaining provisions		-	-
Tax liabilities	**20**	**8,737**	**8,020**
Current tax liabilities		8,023	6,461
Deferred tax liabilities		714	1,559
Share capital repayable on demand		**-**	**-**
Other liabilities	**15**	**10,678**	**5,158**
Of which: Social work fund (only savings banks and credit cooperatives)		-	-
TOTAL LIABILITIES		**2,071,456**	**1,657,464**

Thousands of Euros

Equity	Note	2021	2020
Equity	**18**	**133,620**	**121,402**
Capital		18,312	18,312
Paid-up capital		18,312	18,312
Required unpaid capital		-	-
Memorandum item: Capital not required		-	-
Share premium		8,496	8,496
Other reserves		94,147	76,943
Accumulated reserves or losses on investments in joint ventures and associates		-	-
Others		94,147	76,943
(-) Treasury shares		(486)	(486)
Profit attributable to the owners of the parent company		25,337	18,137
(-) Interim dividends	2.10 y 18.g	(12,186)	-
Accumulated other comprehensive income		**(4,415)**	**(637)**
Items that will not be reclassified to profit and losses		(341)	(383)
Changes in the fair value of equity instruments measured at fair value with changes in other comprehensive income	10	(341)	(383)
Other valuation adjustments		-	-
Elements that can be reclassified to profit and losses		(4,074)	(254)
Currency Conversion		(3,059)	(2,073)
Changes in fair value of debt instruments measured at fair value with changes in other comprehensive income	10	(1,015)	1,819
Minority interest [non-controlling ownership interests	**18.e**	**789**	**906**
Accumulated other comprehensive income		(352)	(225)
Other elements		1,141	1,131
TOTAL EQUITY		**129,994**	**121,671**
TOTAL EQUITY AND LIABILITIES		**2,201,450**	**1,779,135**
MEMORANDUM ITEM	**19**		
Guarantees granted		2,346	707
Contingent commitments granted		33,677	19,931
Other obligations issued		9,154	8,657
		45,177	**29,295**

01.2

Consolidated income statements

of Renta 4 Banco, S.A., And subsidiaries

Consolidated Income Statements for financial years ended on December 31, 2021 and 2020

Thousands of Euros

	Note	2021	2020
Interest income	22 a)	4,839	4,430
(Interest expense)	22 a)	(4,624)	(4,032)
(A) INTEREST MARGIN		**215**	**398**
Dividend income		5	89
Results of entities accounted for using the equity method		2,276	101
Commission income	22 b)	180,630	161,732
(Commission expenses)	22 b)	(89,213)	(87,568)
Gains or (-) losses on derecognition in accounts of financial assets and liabilities not measured at fair value with changes in profit or loss, net	22 a)	2,776	1
Gains or (-) losses on financial assets and liabilities held for trading, net	22 a)	8,365	9,484
Exchange differences [profit or (-) loss], net	22 g)	14,313	11,116
Other operating income	22 c)	532	271
(Other operating expenses)	22 c)	(3,750)	(3,500)
(B) GROSS MARGIN		**116,149**	**92,124**
(Administrative expenses)		(68,558)	(56,030)
(Personnel Expenses)	22 d)	(45,952)	(35,756)
(Other administrative expenses)	22 e)	(22,606)	(20,274)
(Amortisation)	13 and 14	(9,450)	(8,950)
(Provisions or (-) reversal of provisions)	17	(3,574)	(225)
(Impairment or reversal of impairment and gains or losses from changes in cash flows of financial assets not measured at fair value through profit or loss and net gains or losses from changes in fair value)	22 f)	(2,063)	(2,900)
(Financial assets at fair value with changes in other comprehensive income)		77	82
(Financial assets at amortised cost)		(2,140)	(2,982)
(C) OPERATING INCOME	11	**32,504**	**24,019**
Gains or (-) losses on derecognition in accounts of non-financial assets and ownership interest, net		2	-
Of which: investments in subsidiaries, joint ventures and associates		-	-
(D) PRE-TAX PROFITS OR (-) LOSSES FROM CONTINUING OPERATIONS		**32,506**	**24,019**
(Expenses or (-) income from taxes on income from continuing operations)	20	(7,159)	(5,973)
(E) GAINS OR (-) LOSSES AFTER TAX FROM CONTINUING OPERATIONS		**25,347**	**18,046**
Gains or (-) losses after tax from discontinued operations		-	-
F) PROFIT OR (-) LOSS		**25,347**	**18,046**
Attributable to minority interests (non-controlling interests)	18.e	10	(91)
Attributable to the owners of the parent company		25,337	18,137
EARNINGS PER SHARE (in euros)			
Basic	18.c	0,62	0,45
Diluted	18.c	0,62	0,45

01.3

Consolidated statements of recognised income and expenses

of Renta 4 Banco, S.A., And subsidiaries

Consolidated Statements of Recognised Income and Expenses for financial years ended 31 December 2021 and 2020

Thousands of Euros

	2021	2020
Profit for the financial year	**25,347**	**18,046**
Other comprehensive income	**(3,905)**	**(943)**
Items that will not be reclassified to profit and losses	**42**	**(355)**
Changes in the fair value of equity instruments measured at fair value with changes in comprehensive income	87	(407)
Other valuation adjustments	-	-
Income tax relating to items that will not be reclassified	(45)	52
Elements that can be reclassified to profit and losses	**(3,947)**	**(588)**
Currency Conversion	(1,113)	(868)
Gains or (-) losses recognised in equity derived from currency exchange	(1,113)	(868)
Financial assets designated at fair value with changes in other comprehensive income	(4,049)	400
Profits or (-) losses in value recognised in equity	(1,196)	483
Transferred to profit and losses	(2,853)	(83)
Income tax relating to items that can be reclassified to profit or loss	1,215	(120)
Total comprehensive profit or loss for the financial year	**21,442**	**17,103**
Attributable to minority interests (non-controlling interests)	(117)	(216)
Attributable to the owners of the parent company	21,559	17,319

Total comprehensive profit or loss for the financial year

21,442,000€

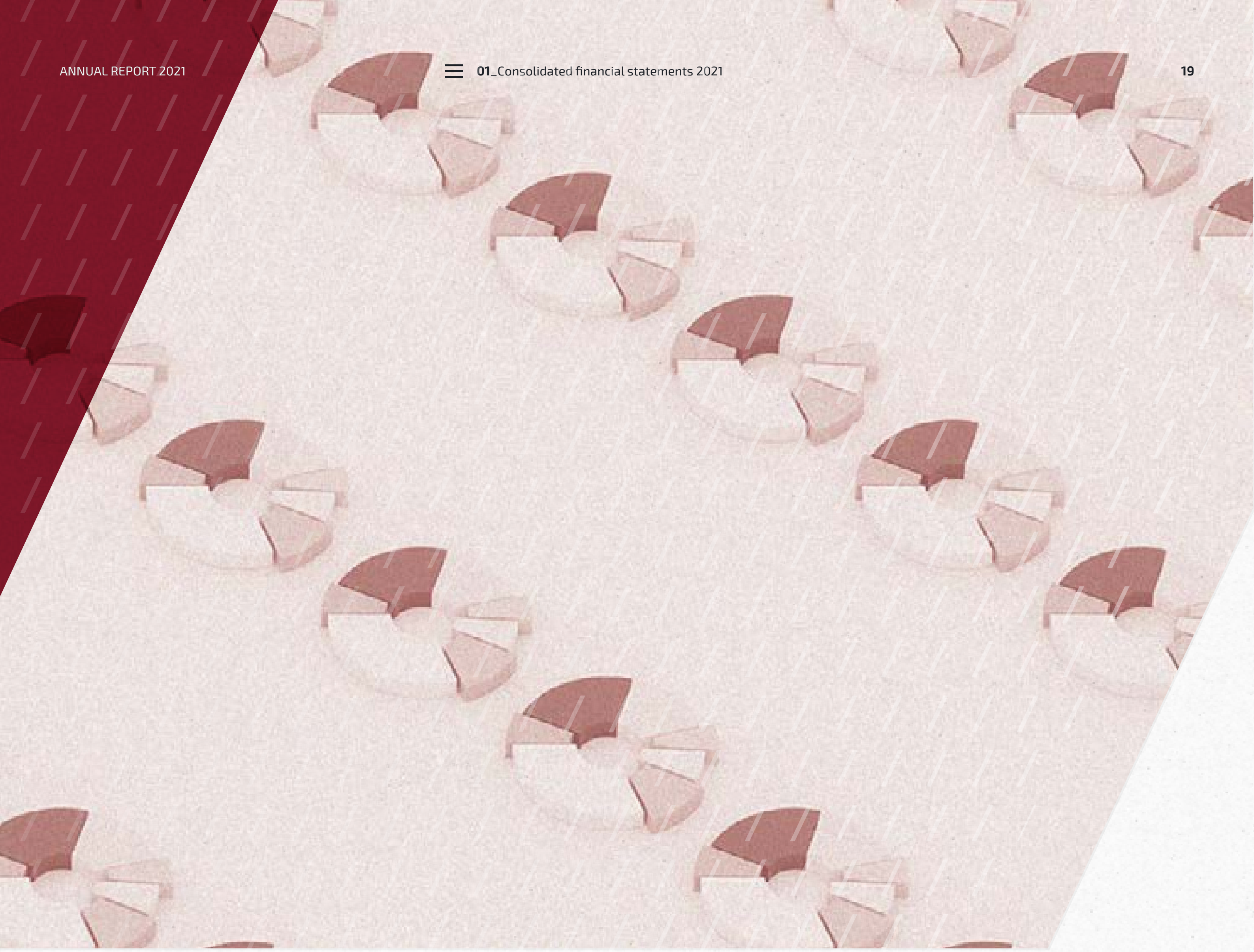
01.4

Consolidated statements of changes in Shareholders' equity

of Renta 4 Banco, S.A., And subsidiaries

Total consolidated statement of changes in equity for financial year ended on December 31 December 2021

	Capital	Share premium	Equity instruments issued other than capital	Other equity instruments	Retained gains
Opening balance at 12/31/2020	**18,312**	**8,496**	**-**	**-**	**-**
Effects of error correction	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-
Opening balance	**18,312**	**8,496**	**-**	**-**	**-**
Overall profit or losses for the financial year	**-**	**-**	**-**	**-**	**-**
Other changes in equity	**-**	**-**	**-**	**-**	**-**
Dividends (or remuneration to shareholders) (Note 18.g)	-	-	-	-	-
Purchase of treasury shares (Note 18.f)	-	-	-	-	-
Sale or cancellation of treasury shares	-	-	-	-	-
Transfers between equity components	-	-	-	-	-
Other increases or (-) decreases in equity (Note 18.l)	-	-	-	-	-
Closing balance at 12/31/2021	**18,312**	**8,496**	**-**	**-**	**-**



Thousands of Euros

Revaluation reserves	Other reserves	(-) Treasury shares	Profit attributable to the owners of the parent company	(-) Interim dividends	Accumulated other comprehensive income	Minority ownership interest: Accumulated other comprehensive income	Minority ownership interest: Other elements	Total
-	**76,943**	**(486)**	**18,137**	**-**	**(637)**	**(225)**	**1,131**	**121,671**
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	**76,943**	**(486)**	**18,137**	**-**	**(637)**	**(225)**	**1,131**	**121,671**
-	**-**	**-**	**25,337**	**-**	**(3,778)**	**(127)**	**10**	**21,442**
-	**17,204**	**-**	**(18,137)**	**(12,186)**	**-**	**-**	**-**	**(13,199)**
-	933	-	-	(12,186)	-	-	-	(13,199)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	18,137	-	(18,137)	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	**94,147**	**(486)**	**25,337**	**(12,186)**	**(4,415)**	**(352)**	**1,141**	**129,994**

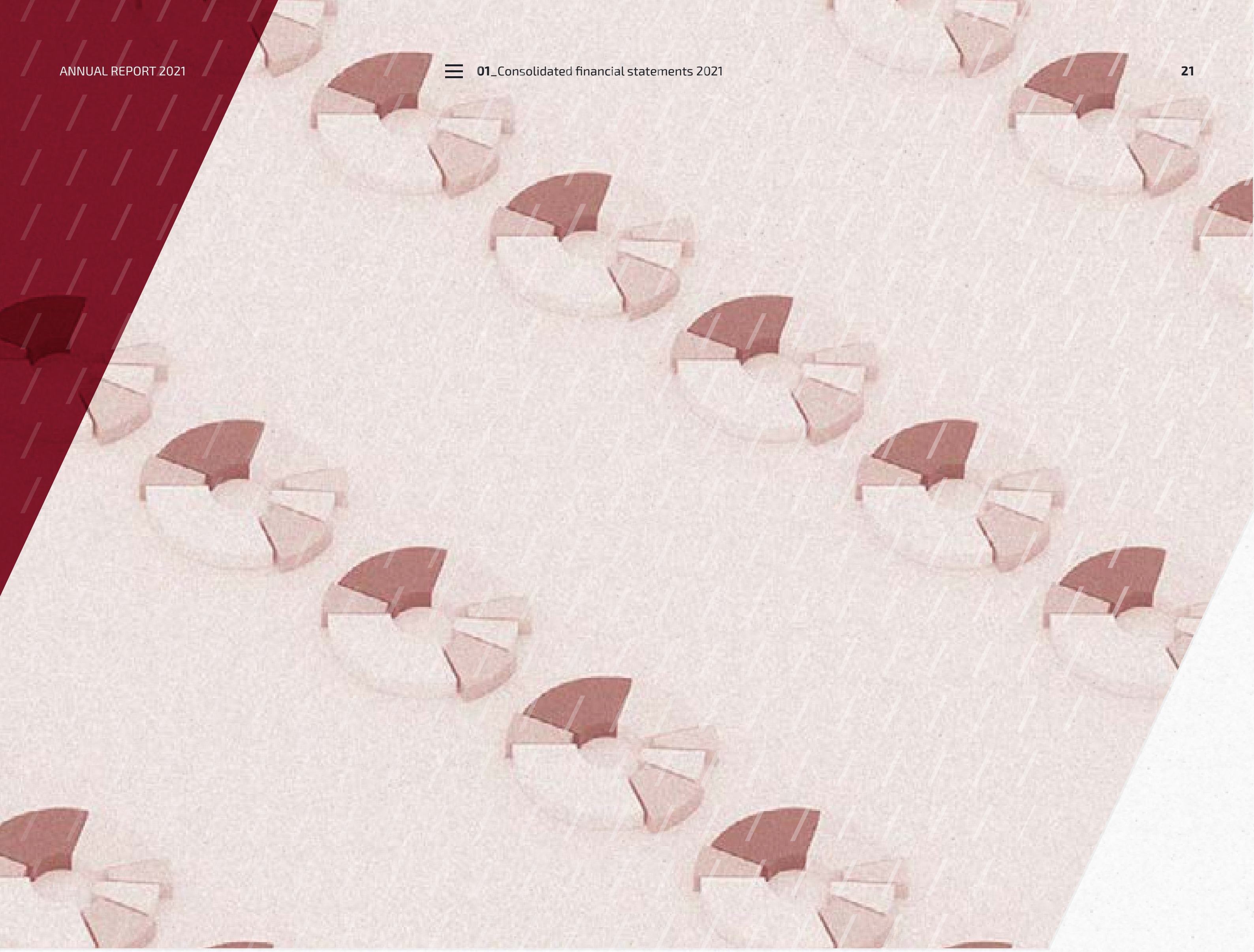
01.4

Consolidated statements of changes in Shareholders' equity

of Renta 4 Banco, S.A., And subsidiaries

Total consolidated statement of changes in equity for financial year ended on December 31 December 2020

	Capital	Share premium	Equity instruments issued other than capital	Other equity instruments
Opening balance at 12/31/2019	**18,312**	**8,496**	**-**	**-**
Effects of error correction	-	-	-	-
Effects of changes in accounting policies	-	-	-	-
Opening balance	**18,312**	**8,496**	**-**	**-**
Overall profit or losses for the financial year	**-**	**-**	**-**	**-**
Other changes in equity	**-**	**-**	**-**	**-**
Dividends (or remuneration to shareholders) (Note 18.g)	-	-	-	-
Purchase of treasury shares (Note 18.f)	-	-	-	-
Sale or cancellation of treasury shares	-	-	-	-
Transfers between equity components	-	-	-	-
Other increases or (-) decreases in equity (Note 18.l)	-	-	-	-
Closing balance at 12/31/2020	**18,312**	**8,496**	**-**	**-**



Thousands of Euros

							Minority ownership interest		
d s	Revaluation reserves	Other reserves	(-) Treasury shares	Profit attributable to the owners of the parent company	(-) Interim dividends	Accumulated other comprehensive income	Accumulated other comprehensive income	Other elements	Total
-	**-**	**67,074**	**(601)**	**17,830**	**(8,117)**	**337**	**(100)**	**1,020**	**104,251**
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	**-**	**67,074**	**(601)**	**17,830**	**(8,117)**	**337**	**(100)**	**1,020**	**104,251**
-	**-**	**-**	**-**	**18,137**	**-**	**(818)**	**(125)**	**(91)**	**17,103**
-	**-**	**9,869**	**115**	**(17,830)**	**8,117**	**(156)**	**-**	**202**	**317**
-	-	-	-	-	-	-	-	-	-
-	-	-	115	-	-	-	-	-	115
-	-	-	-	-	-	-	-	-	429
-	-	9,869	-	(17,830)	8,117	(156)	-	-	-
-	-	-	-	-	-	-	-	202	202
-	**-**	**76,943**	**(486)**	**18,137**	**-**	**(637)**	**(225)**	**1,131**	**121,671**

renta4banco

01.5

Consolidated cash flow statement

of Renta 4 Banco, S.A., And subsidiaries

Consolidated cash flow statement for the years ended 31 December 2021 and 2020

Thousands of Euros

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		**476,583**	**113,164**
Profit for the financial year		**25,347**	**18,046**
Adjustments to obtain cash flows from operating activities		**26,471**	**20,497**
Amortisation	13 y 14	9,450	8,950
Other adjustments		17,021	11,547
Net increase/decrease in operating assets		**27,079**	**78,054**
Financial assets held for trading		(10,880)	(27,884)
Financial assets at fair value with changes in other comprehensive income		191,962	271,515
Financial assets at amortised cost		(153,286)	(164,830)
Other operating assets		(717)	(747)
Net increase/decrease in operating liabilities		**403,860**	**1,281**
Financial liabilities held for trading		(481)	516
Financial liabilities designated at fair value through profit or loss		-	-
Financial liabilities at amortised cost		403,284	1,071
Other operating liabilities		1,057	(306)
Collections/payments from taxes on profits		**(6,174)**	**(4,714)**

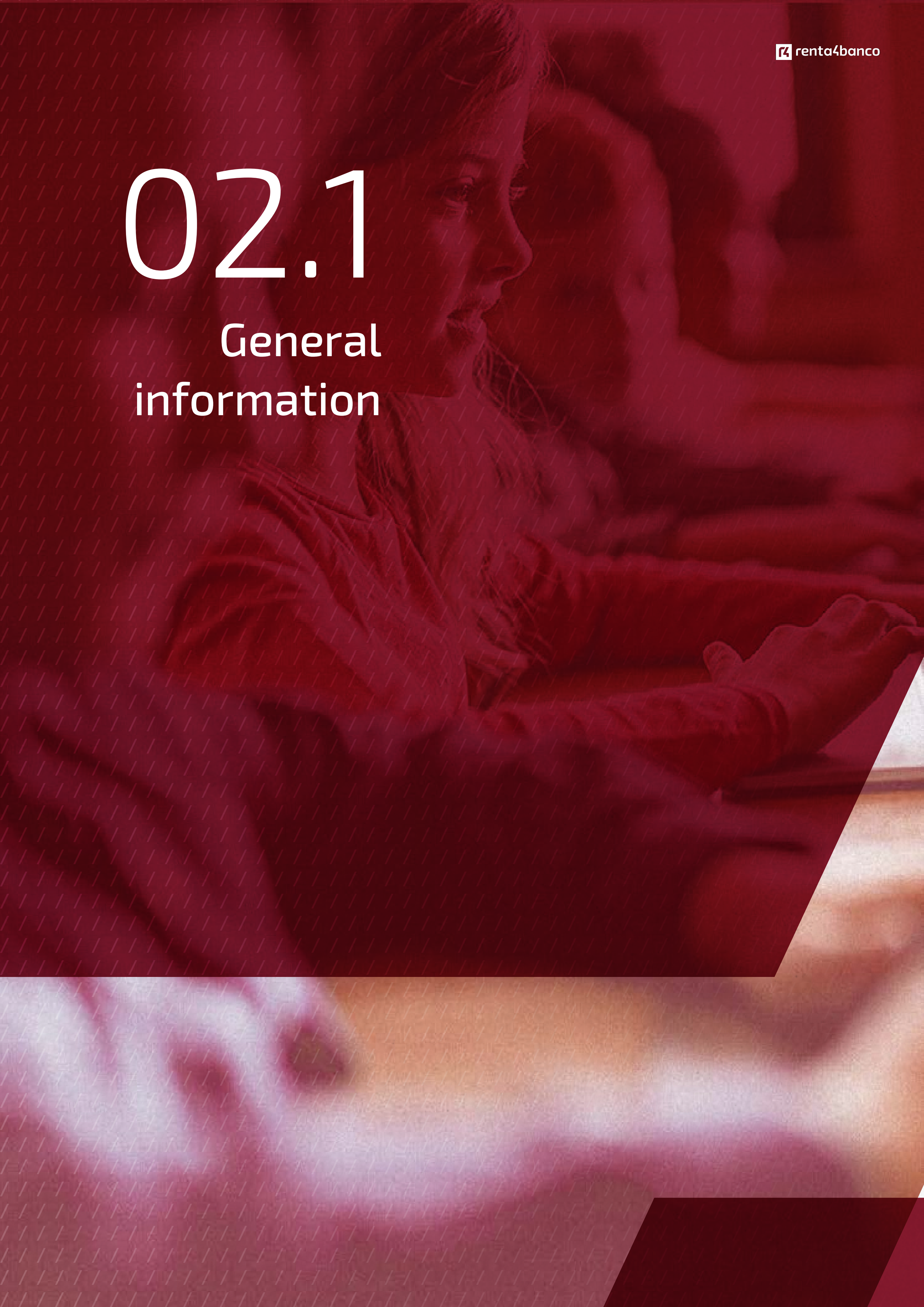
Thousands of Euros

	Note	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES)		**(7,566)**	**(6,559)**
Payments		**(7,568)**	**(6,559)**
Tangible assets	13	(4,535)	(3,261)
Intangible assets	14	(3,033)	(3,298)
Investments in joint ventures and associates		-	-
Collections		**2**	**-**
Tangible assets		2	-
CASH FLOWS FROM FINANCING ACTIVITIES		**(17,738)**	**(13,778)**
Payments		**(17,743)**	**(13,982)**
Dividends	2.10 and 18.g	(13,119)	-
Acquisition of equity instruments		-	-
Other payments related to financing activities		(4,624)	(13,982)
Collections		**5**	**204**
Disposal of equity instruments		-	115
Other collections related to financing activities		5	89
EFFECT OF EXCHANGE RATE CHANGES		**(1,113)**	**(868)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**450,166**	**91,959**
Cash or cash equivalents at beginning of year	8	**744,174**	**652,215**
Cash and cash equivalents at end of year	8	**1,194,340**	**744,174**
MEMORANDUM ITEM			
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	**1,194,340**	**744,174**
Cash		95	106
Cash equivalents at central banks		840,811	421,247
Other financial assets		353,434	322,821
Minus: Bank overdrafts repayable on demand		-	-

02

Consolidated report corresponding to the financial year 2021

02.1
General information



Renta 4 Banco, S.A. (hereinafter, “the Bank” or “the Parent Company”) is the entity resulting from the merger by absorption, which took place on 30 March 2011, of Renta 4 Servicios de Inversión S.A., (absorbing entity) and Renta 4 Banco, S.A. (absorbed entity), the latter previously known as Banco Alicantino de Comercio, S.A., the change of name of the latter having been registered on the Mercantile Registry on 8 June 2011. In addition, during the merger process, the absorbing company’s bylaws were amended, changing its trade name from Renta 4 Servicios de Inversión, S.A. to Renta 4 Banco, S.A. and extending its corporate purpose to include banking activities, as well as the investment and ancillary services of investment service companies. The Parent Company is registered on the Mercantile Registry and on the Special Registry of Credit Entities of the Bank of Spain under code 0083.

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

By virtue of this split, Renta 4, S.A., Sociedad de Valores transferred to Renta 4 Banco, S.A. all of its equity assigned to certain branches of activity of the company split off, which constitute “an economic unit”, and which was transferred en bloc by universal succession to Renta 4 Banco, S.A., acquiring this company as the beneficiary of the split, by universal succession, all of the assets and liabilities, rights and obligations composing the split off equity and liabilities.

The balance sheet of the company Renta 4, S.A., Sociedad de Valores was considered to be the balance sheet of the division closed on December 31, 2010. All transactions carried out by the split off equity of Renta 4, S.A., Sociedad de Valores are considered to have been carried out for accounting purposes on behalf of Renta Banco, S.A., as of 1 January 2011.

As a result of the split, Renta 4, S.A., vSociedad de Valores, transferred net assets to Renta 4 Banco, S.A. amounting to 13,630 thousand euros, representing 48.418% of the total equity of Renta 4, S.A., Sociedad de Valores prior to the split. Therefore, Renta 4, S.A., Sociedad de Valores reduced its capital by the necessary amount, amounting to 2,944,826.61 euros, through the redemption of shares number 1,047,869 to 2,031,485, both inclusive.

The corporate purpose of the Parent Company consists of the activities of credit institutions in general, including the provision of investment services, as well as the acquisition, holding, enjoyment, administration and disposal of all classes of transferable securities, and in particular those determined in section 175 of the Commercial Code and other legislation in force relating to the activity of such entities. It also includes the provision of all types of services and advice, whether economic, financial, fiscal, stock market, organisational, mechanisational or otherwise, and the carrying out of company valuation studies, as well as the placement and negotiation of the values of all classes of movable and immovable goods belonging to third parties.

The activity or activities constituting the corporate purpose may be carried out by the Company totally or partially, indirectly, through the ownership of shares or ownership interest in companies with an identical or similar corporate purpose.

The Parent Company has its registered office in Madrid, Paseo de la Habana 74. By agreement of the Administrative Body, this may be moved within the same municipality where it is established. In the same way, offices, agencies or delegations that the development of the social activity makes necessary or convenient may be created, removed or moved, both in national territory and abroad. Annex IV includes the balance sheet, the income statement, the statement of total recognised gains and losses, and the statement of total changes in equity and cash flow of the Parent Company on 31 December 2021 and 2020.

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

The activities carried on by the Group's most representative companies are regulated by Royal Legislative Decree 4/2015 of 23 October, which approves the revised text of the Values Market Law, by Law 47/2007 of 19 December and by Royal Decree 217/2008 of 15 February, as well as the various Circulars from the National Values Market Commission which implement it. Likewise, the management activity of collective investment institutions is regulated by Law 35/2003, of 4 November, and its subsequent amendments, and by Royal Decree 1082/2012, of 13 July, applicable as of 21 July 2012, and its subsequent amendments, approving the General Regulation for the Implementation of Law 35/2003, of 4 November, which replaces, through its repeal, Royal Decree 1309/2005, of 4 November. In addition, pension fund management activity is regulated by Royal Decree 1/2002, of 29 November, approving the Consolidated Text of the Law regulating Pension Plans, implemented by Royal Decree 304/2004, of 20 February, approving the General Pension Plans and Funds Regulations and subsequent amendments thereto.

As a credit entity, Renta 4 Banco, S.A. is subject to certain legal regulations that regulate, among others, aspects such as:

a) **Coefficient of Minimum Reserves -** Maintenance of a minimum percentage of funds deposited with a national central bank of a country participating in the single currency (euro) for the coverage of the minimum reserve ratio. As of 31 December 2021 and 2020, Renta 4 Banco, S.A. complied with the minimum requirements.

b) **Own Resources -** Maintenance of a minimum level of own resources. The regulations establish, in summary, the obligation to maintain sufficient own resources to cover the requirements for the risks contracted. As of 31 December 2021 and 2020, the Group and the Parent Company complied with the minimum requirements in this respect.

c) **Liquidity ratio -** Section 412 of General Regulation (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit entities and investment companies (hereinafter CRR) requires compliance with the liquidity requirement, as developed in Delegated General Regulation (EU) 2015/61. This requirement is applicable to credit institutions at the individual level (Section 6.4 of the RRC) and at the consolidated level of the matrix(Section 11.3 of the RRC) from 1 October 2015.

   It has been adopted according to the following timetable:

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

   The liquidity ratio on 31 December 2021 and 2020 presented by the Parent Company at individual and Group level is over 100%, which has been due since 1 January 2018.

d) **Annual contribution to the Deposit Guarantee Fund (hereinafter referred to as "DGF")** - Represents an additional guarantee to that provided by the Bank's own resources to its creditors, the purpose of which is to guarantee up to 100,000 euros of customer deposits in accordance with the provisions of current regulation.

On 1 June 2016, Bank of Spain Circular 5/2016 of 27 May 2016 was published on the calculation method so that the contributions of member institutions to the Deposit Guarantee Fund for Credit Institutions (FGD) are proportional to their risk profile, which will be used by the FGD Management Committee in determining the amount of each entity's annual contributions to the deposit guarantee sub-fund, taking into consideration indicators of capital, liquidity and financing, asset quality, business model, management model and potential losses for the FGD.

The total annual contribution of all member entities to the FGD's deposit guarantee fund has been set at 1.7 per thousand of the calculation base, made up of the guaranteed money deposits as indicated in section 2.a) of Article 3 of Royal Decree 2606/1996, existing at 31 December 2020, the contribution being calculated on the basis of the amount of the guaranteed deposits and their risk profile.

On the other hand, the annual contribution of member entities to the FGD's securities guarantee compartment has been set at 2 per thousand of the calculation base, made up of 5% of the amount of guaranteed securities, as indicated in section 2.b) of the aforementioned article 3 of Royal Decree 2606/1996, existing at 31 December 2021.

At the date of preparation of these consolidated financial statements, the FGD Management Committee had notified the annual contribution to be made by the Bank to the Deposit Guarantee Compartment in the amount of 1,162 thousand euros. The portion relating to the Securities Guarantee Compartment amounted to 554 thousand euros and was recognised under "Other Operating Expenses" in the accompanying consolidated income statement (see Note 22-c).

e) **Annual contribution to the Single Resolution Fund-** The National Resolution Fund (FRN, managed by the FROB) was set up during the financial year of 2015 and will be financed by annual contributions from credit entities and investment service companies until it reaches at least 1% of amount of the guaranteed deposits of all entities by 31 December 2024 at the latest. This fund was mutualised with the other funds of the euro zone member countries in the Single Resolution Fund (SRF) in January 2016.

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

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

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

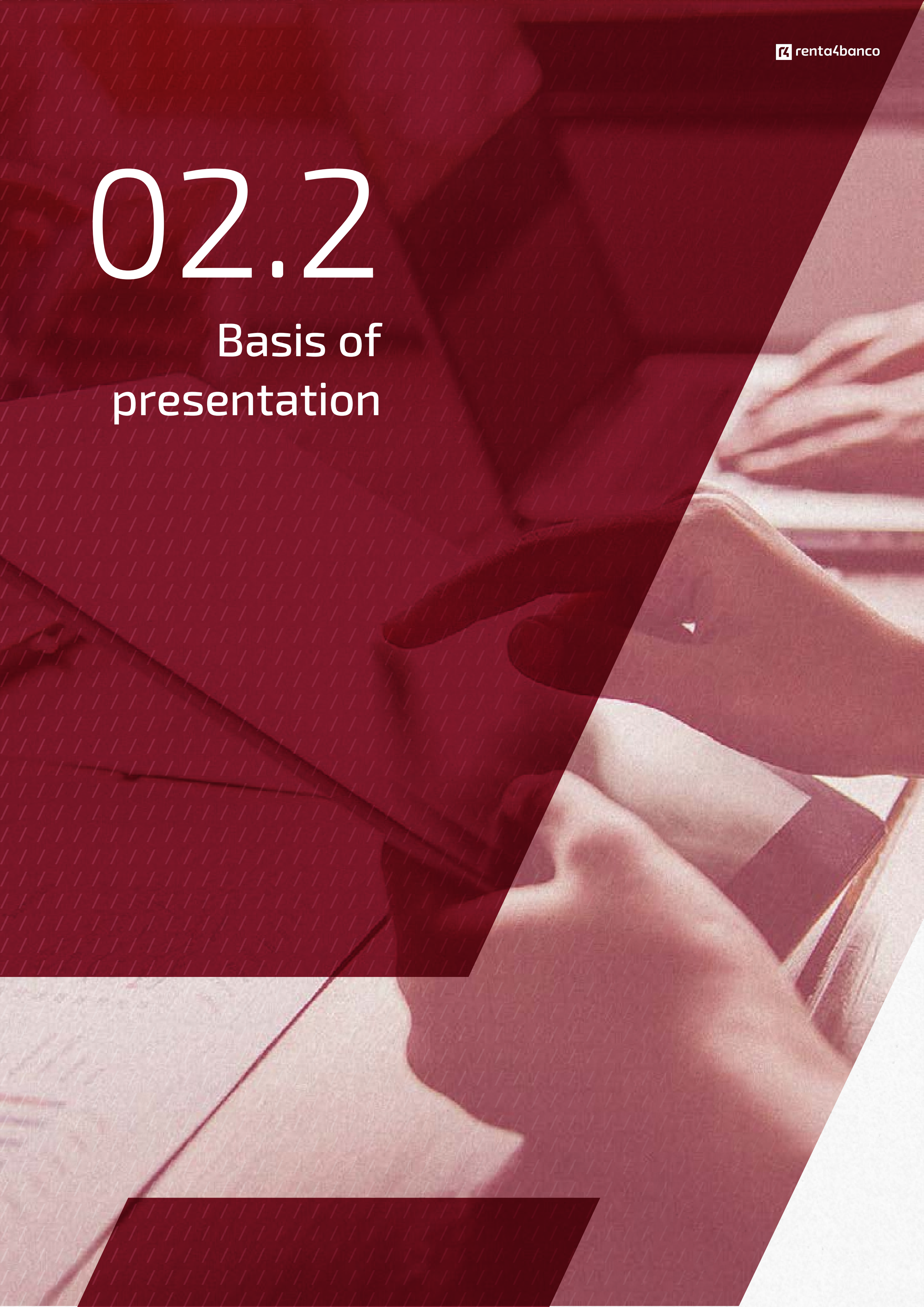
During the year, the Group made a contribution to the URF amounting to 546 thousand euros, together with the associated fees amounting to 29 thousand euros. These amounts were recognised under "Other Operating Expenses" in the accompanying consolidated income statement. (See Note 22-c).

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

Company transactions

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

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



02.2

Basis of presentation

2.1 Basis of Presentation of the Consolidated Financial Statements

The Group's consolidated financial statements for 2021 (hereinafter the "financial statements") were prepared by the Parent Company's Directors at the Board of Directors meeting held on 22 February 2022. It is expected that these consolidated financial statements will be approved by the Shareholders' General Meeting without any changes. The 2020 consolidated financial statements of Renta 4, Banco S.A. and its Subsidiaries were prepared by its Directors on 23 February 2021 and approved by the shareholders at their General Meeting held on 26 March 2021.

In accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002, all companies governed by the law of a Member State of the European Union and whose securities are listed on a regulated market of one of the Member States of the European Union must present their consolidated financial statements for the years beginning on or after 1 January 2005 in accordance with the International Financial Reporting Standards adopted by the European Union and previously adopted by the European Union ("EU-IFRS").

In this regard, the Group's consolidated financial statements for 2018 are presented in accordance with International Financial Reporting Standards adopted by the European Union and taking into consideration the provisions of the Bank of Spain's Circular 4/2017 and its subsequent amendments, which constitute the development and adaptation to the Spanish credit institution sector of the International Financial Reporting Standards approved by the European Union and other provisions of the regulatory framework for financial reporting that are applicable and in accordance with the format and marking requirements established in the European Commission's Delegated Regulation EU 2019/815. No mandatory accounting principles or valuation criteria which have a significant effect on these consolidated financial statements have ceased to be applied when preparing them.

The Group's consolidated financial statements for 2021 were prepared taking into account all the mandatory accounting policies and standards and valuation criteria that have a material effect thereon, so that they accurately present the Group's equity and consolidated financial position at 31 December 2021, and also the consolidated results of its operations and consolidated cash flows for the year then ended.

Note 4 summarises the most significant accounting policies and principles, and valuation criteria applied in preparing the Group's consolidated financial statements for 2021. Note 2.9 below summarises the main changes in accounting policies in 2021.

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

2.2 Comparison of information

In accordance with mercantile legislation, the Parent Company's Directors present, for comparison purposes, with each of the items in the consolidated balance sheet, in the consolidated income statement, in the consolidated statement of total recognised gains and losses, in the consolidated statement of total changes in equity, in the consolidated cash flow statement and in the consolidated report, in addition to the figures for 2021, those for the previous year.

The consolidated financial statements for the year ended 31 December 2021 have been prepared considering the adaptation of the content of the public financial information to the preparation criteria, terminology, definitions and formats of the statements known as FINREP, which are established on a mandatory basis for the consolidated financial information prepared applying the International Financial Reporting Standards adopted by the European Union, in Commission Implementing Regulation (EU) 680/214 of 16 April, in accordance with Regulation (EU) 575/2013 of the European Parliament and of the Council.

2.3 Use of judgements and estimates in the preparation of the consolidated financial statements

The information included in the consolidated financial statements is the responsibility of the Parent Company's Directors.

In preparing certain information included in these financial statements, the Directors used judgements and estimates based on assumptions that affect the application of accounting principles and criteria and the amounts of assets, liabilities, income, expenses and commitments recorded therein. The most significant estimates used in the preparation of these financial statements relate to:

- Losses due to impairment on financial assets (see Note 4.h).
- Impairment losses and the useful lives of tangible assets (see Note 4.j).
- The consolidation goodwill impairment tests (see Note 4.i).

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

- The valuation of equity instruments in share delivery plans for managers and employees (see Note 4.p).
- The fair value of certain financial assets not listed on official secondary markets (see Note 6).
- Measurement of the financial risks to which the Group is exposed in the course of its business (see Note 5).

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

2.4 Ownership interest in credit institutions

At 31 December 2021 and 2020, the Group did not have an ownership interest in the capital of other domestic or foreign credit institutions.

2.5 Consolidation methods

The Group classifies its ownership interest in subsidiaries or associates in accordance with the following criteria:

- Subsidiaries are defined as institutions over which the Group has control. An institutions controls an investee when it is exposed to, or entitled to, variable returns because of its involvement in the investee and has the ability to influence those returns through the power it exercises over the investee.

In order to be considered subsidiaries, the following must be valid:

a. **Power:** An investor has power over an investee when the former has rights in force that give it the capacity to direct the relevant activities, i.e. those that significantly affect the returns of the investee;

b. **Returns:** An investor is exposed to, or is entitled to, variable returns for his/her involvement in the investee when the returns obtained by the investor for such involvement may vary depending on the economic evolution of the investee. Investor returns can be only positive, only negative or both positive and negative at the same time.

c. **Power to return ratio:** An investor controls an investee if the investor not only has power over the investee and is exposed to, or is entitled to, variable returns for his/her involvement in the investee, but also has the capacity to use his/her power to influence on the returns he/she obtains from that involvement in the investee.

Subsidiaries have fully consolidated by means of the global integration method, consisting in the inclusion in the Group's balance sheet of all the rights and obligations composing the equity of these subsidiaries and in the income statement of all the income and expenses used to determine their profit or loss for the year.

Likewise, the Group ceases to be consolidated once it loses control. When this situation arises, the consolidated financial statements include the results from the part of the year in which the Group maintained control over the same.

Associates are companies over which the Group has the capacity to exercise significant influence, due to the presence in their governing bodies, the effective capacity to influence in their strategic and operational policies and the existence of significant transactions. Associates have consolidated by using the equity method, whereby the carrying amount of the investment is replaced by the amount corresponding to the percentage of the associate's equity.

2.6 Minority ownership interest

The value of the minority shareholders' interest in the equity and in the results of the consolidated subsidiaries is presented under "Minority Interests" in the consolidated balance sheets and under "Profit for the Year - Attributable to Minority Interests" in the consolidated income statements and the consolidated statements of recognised income and expenses, respectively.

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

2.7 Valuation homogenisation

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

2.8 Elimination of internal transactions

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

2.9 Regulatory changes

The accounting principles and policies and valuation methods applied in preparing the accompanying consolidated financial statements do not differ significantly from those disclosed in Note 2 to the 2021 Consolidated Financial Statements.

a) Standards and interpretations of most recent application approved by the European Union

In the 2021 financial year the following amendments to IFRS and their interpretations (hereinafter "IFRIC") came into force, the effects of which have been included in these consolidated financial statements of Grupo Renta 4:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - "IBOR Reform Phase 2"

This amendment provides guidelines on how entities should record financial assets and financial liabilities for which the basis for determining contractual cash flows changes as a result of the Benchmark Rate Reform.

These amendments focus on cases where an entity replaces the previous benchmark interest rate with an alternative risk-free reference rate ("RFR") and the effects of the change on the financial statements. Specifically:

- Changes in contractual cash flows: an entity would not have to derecognise or adjust the carrying amount of financial instruments for changes required by the adopted reform, but would update the effective interest rate to reflect the change to the alternative benchmark rate;
- Coverage accounting: an entity shall not have to discontinue coverage accounting simply because of changes required by the reform if the coverage meets other coverage accounting criteria; and
- Breakdowns: the entity shall disclose information on the new risks arising from the reform and how it manages the transition to alternative reference rates.

The entry into force of this standard did not have a significant impact on the Group's consolidated financial statements.

Amendment IFRS 4 - Insurance contracts

Amendments to IFRS 4 include a deferral of the temporary exemption from the application of IFRS 9 for entities whose business model is predominantly insurance until 1 January 2023, bringing it into line with the entry into force of the IFRS 17 insurance standard. This amendment came into effect on 1 January 2021. It has had no impact on the Group.

Amendment to IFRS 16 - Leases: Practical Exemption for Lessees due to COVID-19 Pandemic

Refers to the extension of the exemption period for lessees not to account for concessions in leases as a lease modification if they are a direct consequence of the COVID-19 pandemic. The application of the exemption will remain optional and applies to lease concessions made until 30 June 2022.

This exemption has had no impact on the Group.

b) Standards and interpretations not in force at 31 December 2021:

At the date of preparation of these consolidated financial statements, new International Financial Reporting Standards and interpretations thereof had been published which were not mandatory at 31 December 2021. Although, in some cases, the IASB permits the application of the amendments prior to their entry into force, the Grupo Renta 4 did not apply them early.

IFRS 17 - Insurance contracts

IFRS 17 sets out the principles that an entity should apply in accounting for insurance contracts. This new standard replaces IFRS 4. The new standard introduces a single accounting model for all insurance contracts and requires entities to use updated assumptions in their estimates.

An entity divides contracts into groups and recognises and measures groups of insurance contracts for the total of:

- fulfilment cash flows, which comprise the estimation of future cash flows, an adjustment to reflect the time value of money and the financial risk associated with future cash flows, and a risk adjustment for non-financial risk.

- The contractual service margin, which represents unearned profit.

The amounts recognised in the income statement shall be broken down into income from insurance activity, expenses incurred in the provision of insurance services, and insurance financing income or expenses. The income from insurance activity and the expenses of the insurance service provision shall exclude any investment component.

Income from insurance activity shall be recognised during the period in which the entity provides insurance coverage and shall be allocated to accounting periods in proportion to the value of the provision of insurance coverage provided by the insurer during the period.

This standard shall be applied for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1: "Submission of Financial Statements"- IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

Amendments to IAS 1 require entities to disclose accounting policies that are material rather than significant accounting policies and provides guidance to assist in applying the concept of materiality in financial statement disclosures.

The amendments to IAS 8 introduce clarifications to differentiate between the accounting estimate and the accounting policy concepts.

The amendments come into force on 1 January 2023, although they are not expected to have an impact on the Renta 4 Group's Consolidated Financial Statements.

Amendments to IFRS 3: "Business Combinations".

Modifications are made to the references to the Conceptual Framework for Financial Information contained in the standard.

This standard shall be applicable to financial years beginning on or after 1 January 2022, although it is not expected to have an impact on the Renta 4 Group's Consolidated Financial Statements.

Amendments to IAS 16 "Property, Plant and Equipment"

Elimination of an entity deducting from the cost of a tangible asset the net disposal proceeds from the sale of any items produced before the asset is available for use.

This standard shall be applicable to financial years beginning on or after 1 January 2022, although it is not expected to have an impact on the Renta 4 Group's Consolidated Financial Statements.

Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Specifies the components that an entity should include in determining the cost of complying with the terms of the contract for the purpose of assessing whether it is onerous.

This standard shall be applicable to financial years beginning on or after 1 January 2022, although it is not expected to have an impact on the Renta 4 Group's Consolidated Financial Statements.

Annual "Improvements to IFRS" project (2018-2020 cycle)

The improvements included in this cycle affect the following standards:

- IFRS 1 "First-time Adoption of International Financial Reporting Standards". For subsidiary companies that have adopted IFRS at a later date than their parent company, they are permitted to measure cumulative conversion differences using the amounts used by their parent company, avoiding the need to maintain two parallel accounting records.

- IFRS 9: "Financial Instruments" The amendment clarifies which costs or fees an entity must include for the purposes of performing the 10% quantitative test for derecognition of a financial liability. In this respect, only those costs or fees paid or received between borrower and lender should be included as costs or fees.

- IFRS 16 - "Leases" Amendment to Illustrative Example 13 accompanying the standard to avoid potential confusion about the accounting treatment of lease incentives.
- IAS 41 "Agriculture". Elimination of the requirement to exclude tax cash flows when measuring fair value in accordance with IAS 41.

This standard shall be applicable to financial years beginning on or after 1 January 2022, although it is not expected to have an impact on the Renta 4 Group's Consolidated Financial Statements.

2.10 Distribution of profit

The application of profit for 2021 and 2020 is made in accordance with the proposals for their allotment included in the financial statements of the respective Group companies prepared in accordance with accounting principles generally accepted in the countries in which they are located.

The proposed application of profit for financial year 2021 (determined in accordance with accounting principles and criteria generally accepted in Spain) of the Parent Company, formulated by the Directors and pending of approval by the shareholders at the Annual General Meeting, is as follows, as well as the application of profit approved for financial year 2020 of the Parent Company.

Thousands of Euros

	2021	2020
Reserves	8,683	14,080
Interim dividend (Note 18-g)	12,186	-
Final interim dividends (Note 18-g)	4,468	933
TOTAL DISTRIBUTED	**25,337**	**15,013**

2.11 Effects of the COVID-19 pandemic on the activity of the Company

The global COVID-19 pandemic declared by the World Health Organisation on 11 March 2020 was an unprecedented health crisis impacting the macroeconomic environment and business scenario during the financial year 2020. This situation has continued during the year 2021 worldwide although the possibility that the global pandemic will come to an end and return to 'normal' during the year 2022 is already coming into sight, since the generalised vaccination of the population has started.

As regards the management of the crisis caused by the pandemic, despite its impact and the mobility restrictions imposed, Renta 4 has focused its attention on guaranteeing the continuous operational security of the business, closely monitoring the impact of the pandemic on the business and the Group's risks (such as the impact on human capital, results, equity or liquidity).

During the financial year 2021, Renta 4 has focused on two main priorities, on the one hand, guaranteeing health security, and on the other hand, ensuring business continuity. In this regard, the Group's long-term objectives remain unchanged and have even been reinforced with a commitment to technology and digitalisation.

During 2021, Renta 4 has maintained most of the internal measures it had implemented in 2020 as a consequence of the pandemic, such as COVID-19 infection prevention protocols, as well as a hybrid remote-work organisational model.

At the submission date of these financial statements, there have been no significant effects on the Company's activities and, based on the Directors' current estimations, no significant effects are expected in the financial year 2022.

02.3

Group and associated companies

The subsidiaries and associates of Renta 4 Banco, S.A. at 31 December 2021 and 2020 are detailed in Annex I. On the other hand, the information relating to the accounting for associates in the consolidation process is reflected in Note 12.

The individual annual financial statements of the Group companies used in the consolidation process for 2021 and 2020 were those at 31 December 2021 and 2020, respectively.

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

In 2021, the changes in "Group companies" were as follows:

- On 27 May 2021, Corporación Financiera Renta 4 S.C.R. S.A. was incorporated with a capital of 1,200 thousand euros, represented by 120,000 shares with a nominal value of 10 euros each, fully subscribed and paid up by Renta 4 Banco, S.A.

- On 16 December 2021, Renta 4 Digital Assets S.L. was incorporated with a share capital of 3 thousand euros, represented by 3,000 shares of 1 euro nominal value each, fully subscribed and paid in by Renta 4 Banco, S.A.

- On 16 December 2021, Sociedad Operadora de la Plataforma IW S.L. was incorporated with a capital of 3 thousand euros, represented by 3,000 shares with a nominal value of 1 euro each. The shares were subscribed by Renta 4 Digital Assets S.L. with 2,999 shares and by Renta 4 Banco, S.A. with 1 share.

In 2020, the changes in "Group companies" were as follows:

- On 28 February 2020 the capital increase carried out in the Colombian subsidiary Renta 4 Global Fiduciaria amounting to 2,500,000 thousand Colombian pesos, equivalent to 660 thousand euros was formalised. The subscription to Renta 4 Banco, S.A. amounted to 1,735,710 thousand Colombian pesos, corresponding to 458 thousand euros.

- On 19 June 2020, the capital increase of 3,663 thousand Peruvian soles, equivalent to 1,000 thousand euros was subscribed by Renta 4 Banco S.A. in the Peruvian subsidiary Renta 4 Agente de Bolsa S.A.

A breakdown of the subsidiaries and associates of Renta 4 Banco, S.A. as of 31 December 2021 and 2020 is included in Annex I to these consolidated financial statements.

02.4

Accounting principles and valuation criteria applied

The following accounting policies and principles, and valuation criteria were applied in preparing the Group's consolidated annual financial statements for 2021:

a) Going concern principle

The information contained in these annual financial statements has been prepared considering that the Group's management will continue in the future and, therefore, the accounting standards have not been applied for determining the value of the equity for the purposes of their total or partial transfer, nor for a hypothetical liquidation, since the directors consider that the Group's activity will continue normally.

b) Accrual principle

These consolidated annual financial statements, except for cash flow statements, were prepared on the basis of the actual flow of goods and services, regardless of when they were paid or collected.

c) Offsetting of balances

Only balances receivable and payable arising from transactions that, contractually or as required by law, provide for the possibility of offsetting are offset against each other and, accordingly, are presented in the consolidated balance sheet at their net amount and it is also the intention to settle them at their net amount or to realise the asset and pay off the liability simultaneously. For these purposes, the presentation in accordance with EU-IFRSs in these consolidated annual financial statements of the financial assets subject to valuation adjustments for depreciation or impairment, net of these items, is not considered as an "offsetting of balances".

d) Transactions in foreign currency

For the purposes of these consolidated annual financial statements, the functional and presentation currency is deemed to be the euro, and foreign currency is defined as any currency other than the euro.

At initial recognition, balances receivable and payable in foreign currencies were translated to euros using the spot exchange rate. Thereafter, the following rules apply for the conversion into euros of balances denominated in foreign currencies:

- Monetary assets and liabilities have been converted into euro using the official average spot exchange rates published by the European Central Bank at the end of each financial year.
- Income and expenses have been translated at the exchange rate prevailing on the date of the transaction.

Exchange differences arising on the translation of foreign currency balances are recorded in the consolidated income statement.

At the end of 2021 the total amount of assets and liabilities denominated in foreign currency amounted to 122,994 thousand euros and 104,473 thousand euros, respectively. At the end of 2020 the total amount of assets and liabilities denominated in foreign currency amounted to 86,808 thousand euros and 73,465 thousand euros, respectively.

e) Revenue recognition

As a general rule, income is recognised at the fair value of the compensation received or to be received, less discounts, rebates or commercial rebates. When the cash inflow is deferred over time, fair value is determined by discounting future cash flows.

The recognition of any income in the consolidated income statement or in the consolidated equity shall be subject to compliance with the following prerequisites:

- Its amount can be estimated reliably.
- It is likely that the institution will receive the economic benefits.
- The information is verifiable.

When doubts arise about the collection of an amount previously recognised in the income, the amount whose collectibility is no longer likely is recognised as an expense rather than as less income.

Income and expenses from interest, dividends and similar items

Income and expenses from interest and similar items are generally recognised in accounting on an accrual basis using the effective interest method.

Interest shall be recognised in the income statement on the basis of the following criteria, irrespective of the portfolio in which the assets are classified:

- Interest due prior to the date of initial recognition and receivable shall be part of the carrying amount of the debt instrument.
- Interest accrued subsequent to the initial recognition of a debt instrument shall, until collected, be included in the gross carrying amount of the instrument.

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

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

Commissions, fees and similar items

Income and expenses due to fees and commissions that should not be part of the calculation of the effective interest rate of transactions and/or are not part of the acquisition cost of financial assets or liabilities other than those classified at fair value with changes in gains and losses are recognised in the consolidated income statement using different criteria depending on their nature.

The most significant are:

- Those related to the acquisition of financial assets and liabilities measured at fair value with changes in gains and losses, which are recognised in the income statement upon collection/payment.
- Those arising from transactions or services that extend over time, which are recognised in the consolidated income statement over the life of the transactions or services.
- Those that respond to a singular act, which are imputed to the income statement when the act that originates them occurs.

Non-financial income and expenses

They are recognised for accounting purposes on an accrual basis.

Deferred collections and payments over time

They are recognised for accounting purposes for the amount resulting from financially updating the expected cash flows to market rates.

f) Recognition, valuation and classification of financial instruments

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

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

f.1) Financial assets

Classification of financial assets

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

The classification of financial instruments into a category of amortised cost or fair value has to undergo two tests: the business model and the contractual cash flow assessment, commonly known as the "Solely Payment of Principal and Interest Criterion" (hereinafter SPPI).

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

- The financial asset is held within the framework of a business model whose objective is to hold financial assets in order to obtain contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest, basically understood as compensation for the time value of money and the debtor's credit risk.

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

- The financial asset is held within the framework of a business model whose objective is achieved by obtaining contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the outstanding principal amount.

A debt financial instrument is classified at fair value with changes in profit or loss provided that the institution's business model for its management or the characteristics of their contractual cash flows make it inappropriate to classify it in any of the other portfolios described.

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

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

Valuation of financial assets

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

Except for trading derivatives other than economic and accounting coverages, all changes in the value of financial assets due to accrued interest and similar items are recognised under "Interest Income" in the consolidated income statement for the period in which the accrual occurred (see Note 22.a). Dividends received from companies other than subsidiaries, associates or joint ventures are recognised under "Dividend Income" in the consolidated income statement for the period in which the right to receive them arises.

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

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

"Financial Assets Held for Trading" and "Financial Assets Designated at Fair Value with Changes in Profit or Loss":

"Financial Assets held for trading" includes financial assets whose business model aims to generate profits through purchases and sales or to generate profit or loss in the short term. In "Financial Assets Designated at Fair Value with Changes in Profit or Loss" financial assets will be classified provided that the institution's business model for its management or the characteristics of its contractual cash flows do not make it appropriate to classify them in any of the other portfolios described.

Assets recognised under these headings in the consolidated balance sheets are measured after their acquisition at fair value and changes in their value (gains or losses) are recognised, at their net amount, under "Gains or Losses on Financial Assets and Liabilities Held for Trading, Net" and "Gains or Losses on Financial Assets and Liabilities Designated at Fair Measured with Changes in Profit or Loss, Net" in the consolidated income statement, except for interest on derivatives designated as economic and accounting coverages of interest rates, which are recognised under

"Interest Income" or "Interest Expenses" (See Note 22.a), depending on where the profit or loss from the covered instrument is recognised. However, changes arising from exchange rate differences are recognised under "Gains or Losses on Financial Assets and Liabilities" in the consolidated income statement (See Note 22.a).

"Financial Assets at Fair Value with Changes in other Comprehensive Income"

- **Debt financial instruments:**

  The assets recognised under the balance sheet heading are measured at their fair value. Subsequent changes in this valuation (capital gains or losses) are recognised temporarily at their amount (net of the related tax effect) under "Accumulated other comprehensive income - Elements that can be Reclassified to Profit or Loss - Changes in the Fair Value of Debt Instruments Measured at Fair Value with Changes in Other Comprehensive Income" in the balance sheet. Amounts recognised under "Accumulated other comprehensive income - Elements that can be Reclassified to Profit or Loss - Financial Assets at Fair Value with Changes in Other Comprehensive Income" and "Accumulated other comprehensive income - Elements that can be Reclassified to Profit or Loss - Currency Conversion" will still be part of the Bank's equity until derecognition in the balance sheet of the asset that gave rise to them or until the existence of impairment in the value of the financial instrument is determined. In case of sale of these assets, the amounts will be cancelled, as shown in "Gains or Losses due to Derecognition in Accounts of Financial Assets and Liabilities not Measured at Fair Value with Changes in Profit or Loss, Net" or "Exchange Rate Differences, Net", as applicable, in the income statement corresponding to the period when the derecognition takes place in the balance sheet. Apart from that, net losses due to impairment in financial assets at fair value with changes in other comprehensive income occurred during the financial year are recognised under "Impairment in the Value or Reversal of the Impairment in the Value of Financial Assets not Measured at Fair Value with Changes in Profit or Loss - Financial Assets at Fair Value with Changes in Other Comprehensive Income" in the income statement of said period (see Note 22.f). Exchange rate differences arising from monetary items are recognised under "Exchange Rate Differences, Net" in the income statement (see Note 22.g).

  On the other hand, net losses due to impairment on financial assets at fair value with changes in other comprehensive income arising in the year are recognised under "Impairment in the Value or Reversal of the Impairment in the Value of Financial Assets not Measured at Fair Value with Changes in Profit or Loss and Net Gains or Losses on Amendment - Financial Assets at Fair Value with Changes in Other Comprehensive Income" in the consolidated income statement for that period (see Note 22.f).

  Exchange rate differences arising from monetary items are recognised under "Exchange Rate Differences, Net" in the consolidated income statement (see Note 22.g).

- **Equity financial instruments:**

  At the time of initial recognition of specific investments in equity instruments that would otherwise be measured at fair value with changes in profit or loss, the Group may make the irrevocable decision to present subsequent changes in fair value in other comprehensive income. Subsequent changes in this valuation shall be recognised in "Accumulated other comprehensive income - Items that shall not be Reclassified to Profit or Loss - Changes in the Fair Value of Equity Instruments Measured at Fair Value with Changes in Other Comprehensive Income".

"Financial Assets at Amortised Cost"

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

The assets recognised under this heading in the consolidated balance sheets are measured after their acquisition at their "amortised cost", which is determined using the "effective interest rate" method.

The net losses due to impairment in the assets recognised in these headings in each year are recognised under "Impairment in the Value or Reversal of the Impairment in the Value of Financial Assets not Measured at Fair Value with Changes in Profit or Loss - Financial Assets at Amortised Cost" in the consolidated income statement for that period (see Note 22.f).

Losses due to impairment on financial instruments are recognised in accordance with Note 4.h).

f.2) Financial liabilities-

Classification of financial liabilities

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

- Financial liabilities at amortised cost.
- Financial liabilities held for trading (including derivatives): these are instruments recorded in this category when the Group's objective is to generate profits through purchases and sales with these instruments;
- Financial liabilities designated at fair value with changes in profit or loss at the time of initial recognition ("Fair value option"). The Group has the option of irrevocably designating a financial liability as measured at fair value with changes in profit or loss if the application of this criterion eliminates or significantly reduces inconsistencies in valuation or recognition, or if it is a group of financial liabilities, or a group of financial assets and liabilities, that is managed, and its performance evaluated, based on fair value in line with a risk management or investment strategy.

Valuation of financial liabilities

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

Changes in valuations subsequent to the initial recognition for reasons other than those mentioned in the preceding paragraph are treated as described below, according to the categories in which the financial liabilities are classified:

"Financial Liabilities Held for Trading" and "Financial Liabilities Designated at Fair Value with Changes in Profit or Loss"

Liabilities recognised under these headings in the consolidated balance sheets are measured after their recognition at fair value and changes in their value (gains or losses) are recognised, at their net amount, under "Gains or Losses on Financial Assets and Liabilities Held for Trading, Net" and "Gains or Losses on Financial Assets and Liabilities Designated at Fair Value with Changes in Profit or Loss, Net" in the consolidated income statement (see Note22.f), except for interest on derivatives designated as economic and accounting coverages on interest rates, which are recorded under the "Interest Income" or "Interest Expenses" captions (see Note 22.a), depending on where the profit or loss of the covered instrument are recorded. However, changes arising from exchange rate differences are recognised under "Gains or Losses on Financial Assets and Liabilities" in the consolidated income statement (see Note 22.a).

"Financial Liabilities at Amortised Cost"

The liabilities recognised in this caption in the consolidated balance sheets are measured after their acquisition at "amortised cost", which is determined using the "effective interest rate" method.

f.3) Gains and losses on financial instruments

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

- For financial instruments included in the "Held for Trading" category, changes in fair value are recorded directly in the income statement.
- For financial instruments measured at amortised cost, changes in fair value are recognised when the financial instrument is derecognised from the balance sheet and, for financial assets, when they become impaired.
- For financial instruments included in the category "Financial assets designated at fair value through other comprehensive income", changes in fair value are recognised directly in equity under "Accumulated other comprehensive income - Elements that can be reclassified to profit or loss - Changes in fair value of debt instruments measured at fair value through other comprehensive income" until they are derecognised, when the existing amount is transferred to the income statement. Impairment losses, if any, are recorded in the income statement and as "Accumulated other comprehensive income - Elements that will not be Reclassified to Profit or Loss - Changes in Fair Value of Equity Instruments Measured at Fair Value with Changes in Other Comprehensive Income".

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

The fair value of a financial instrument at a specified date is defined as the amount for which it could be bought or sold at that date between two knowledgeable parties in an arm's length transaction. The most objective and common reference for the fair value of a financial instrument is the price that would be paid for it in an organised, transparent and deep market ("listed price" or "market price").

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

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

- The most consistent and appropriate financial and economic methods are used, which have been shown to provide the most realistic estimate of the price of the financial instrument.
- These are those commonly used by market participants when valuing this type of financial instrument, such as discounted cash flows, condition-based option valuation models, non-arbitrage, etc.
- They maximise the use of available information, both with respect to observable data and recent transactions of similar characteristics, and limit as far as possible the use of unobservable data and estimates.
- They are widely and sufficiently documented, including the reasons for their choice over other possible alternatives.
- The methods of valuation chosen are respected over time, provided that there are no reasons to change the reasons for their choice.
- The validity of the valuation models is periodically evaluated using recent transactions and current market data.

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

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

The fair value of derivatives not traded in organised markets or traded in shallow or not very transparent organised markets is assimilated to the sum of the future cash flows arising from the instrument, discounted to the valuation date (“present value” or “theoretical close”), using in the valuation process methods recognised by the financial markets: “net present value” (NPV), option pricing models, etc.

Amortised cost is defined as the acquisition cost of a financial asset or liability adjusted (plus or minus, as appropriate) by principal and interest repayments and, plus or minus, as appropriate, the portion allocated to the consolidated income statement using the effective interest rate method, of the difference between the initial amount and the repayment value of these financial instruments. In the case of financial assets, amortised cost also includes adjustments to their value due to impairment.

The effective interest rate is the updating rate that exactly matches the initial value of a financial instrument to all of its estimated cash flows of all kinds over its remaining life, without taking into account future credit risk losses. For financial instruments at fixed interest rates, the effective interest rate coincides with the contractual interest rate established at the time of acquisition, adjusted, where appropriate, by the commissions and transaction costs which, in accordance with IFRS 9, must be included in the calculation of said effective interest rate. In the case of financial instruments with variable interest rates, the effective interest rate is estimated in a similar manner to fixed interest rate transactions, and is recalculated at each review date of the transaction´s contractual interest rate, taking into account changes in the future cash flows of the transaction.

g) Reclassifications between portfolios

In 2021 and 2020. the Group did not reclassify any portfolios.

h) Impairment of financial assets value

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

1. A negative effect on future cash flows estimated at the time the transaction, in the case of debt instruments (loans and debt securities).
2. The carrying amount cannot be recovered in full, in the case of equity instruments.

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

When the recovery of any recorded amount is considered remote, it is removed from the balance sheet, without prejudice to any actions that the Bank may take to try to collect it until its rights have been definitively extinguished, whether by statute of limitations, remission or other causes.

The criteria applied by the Group to determine the possible impairment losses for each category of financial instruments are presented below, together with the method used for coverage calculation accounted for due to said impairment.

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

Likewise, all financial securities valued at fair value with changes in profit or loss are excluded from the impairment model.

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

Definition of impaired financial assets

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

IFRS 9 differentiates between the following expected loss concepts:

- 12-month expected loss: expected credit losses resulting from possible events of default within 12 months after the filing date; and
- Expected loss over the life of the entire transaction: expected credit losses resulting from all possible events of default during the expected life of the financial instrument.

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

The Group uses the following definitions:

1. Default:

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

The Group considers default to have occurred when one of the following situations takes place:

- a default of more than 90 days; or
- there are reasonable doubts about the full repayment of the instrument.

A default of 90 days is a rebuttable presumption in cases where the institution considers, on the basis of reasonable and documented information, that it is appropriate to use a longer period. As of 31 December 2021 and 2020, the Group had not used terms longer than 90 days for any of the significant portfolios.

This definition is applied consistently throughout the Group.

2. Impaired financial asset:

A financial asset has a credit impairment when one or more events have occurred that have a negative impact on the estimated future cash flows of that financial asset. Evidence that a financial asset has a credit impairment is provided by observable data on the following events:

- significant financial difficulties of the issuer or borrower.
- breach of contractual clauses, such as a non-payment or a default event.
- concessions or advantages that the lender, for economic or contractual reasons related to the borrower's financial difficulties, has granted to the borrower, which he/she would not otherwise have provided.
- an increasing likelihood that the borrower will go into bankruptcy or other financial restructuring.
- the disappearance of an active market for the financial asset in question due to financial difficulties, or
- the purchase or creation of a financial asset at a significant discount that reflects the credit loss suffered.

It may not be possible to identify a single specific event but, on the contrary, the combined effect of several events may have caused the financial asset to have a credit impairment.

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

3. Significant increase in credit risk:

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

The model developed by the Group, which consists of evaluating qualitative factors (triggers, refinancing, macroeconomic information, among others) and, in some cases, quantitative factors for assessing the significant increase in credit risk, has a dual approach that is applied globally.

In any case, the instruments that meet any of the following circumstances are considered to be Stage-2 (see below):

- Default of more than 30 days that are subject to special vigilance by the Risk units due to negative signals in their credit quality although there is no objective evidence of impairment.
- Refinancing or restructuring that does not show evidence of impairment.

The standard introduces a series of operational simplifications/practical solutions for the analysis of the significant increase in risk for certain assets of high credit quality. The Group uses this possibility provided for by the standard to directly consider that its credit risk has not increased significantly because it has a low credit risk at the filing date.

Therefore, the classification of impaired financial instruments under new IFRS 9 is as follows:

- **Stage-1:** No significant increase in impairment: The value adjustment for losses on these financial instruments is calculated as the expected credit losses in the next twelve months.
- **Stage-2:** Significant increase in impairment: When the credit risk of a financial asset has increased significantly since initial recognition, the value adjustment for losses on that financial instrument is calculated as the expected credit loss over the whole life of the asset.
- **Stage-3:** Impaired: When there is objective evidence that the financial asset is impaired, it is transferred to this category in which the write-down of that financial instrument is calculated as the expected credit loss over the whole life of the asset.

Methodology for the calculation of expected losses

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

- a weighted and unbiased amount, determined by assessing a range of possible outcomes.
- the value of money in time.
- reasonable and supportive information that is available without undue effort or cost and that reflects both current conditions and predictions of future conditions.

The Group estimates expected losses both individually and collectively.

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

For the collective estimation of expected losses, instruments are grouped into groups of assets based on their risk characteristics. The exposures within each group are segmented according to the common characteristics of the credit risk, such as the degree of credit risk; the geographic region; the sector for companies; the default state; and the type of product for individuals. In the case of collective measurement, the Group estimates the cash flows it expects to receive as the sum of the marginal losses that occur in each period and over the remaining life of the instrument.

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

Marginal losses are derived from the following parameters:

- PD: estimation of the probability of default in each period
- EAD: estimation of exposure in the event of default in each future period, taking into account changes in exposure after the filing date, including prepayments.

- LGD: an estimation of the loss in the event of default, as the difference between contractual cash flows and the cash flows expected to be received, including guarantees.

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

Use of present, past and future information

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

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

Accounting coverages

The Group does not currently have accounting coverages.

i) Goodwill and other intangible assets

Goodwill

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

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

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

For the purpose of calculating impairment, goodwill is allocated to Cash-Generating Units and its recoverable amount is estimated, understanding the latter one as being the highest amount between the fair value less sales costs and the value in use. If the recoverable amount is less than the carrying amount, it is considered to be impaired and the carrying amount is reduced to its recoverable amount. The impairment losses recognised for goodwill are not reversed in subsequent years (Note 14).

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

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

Other intangible assets

The Group recognised its software applications and the “Client Relationships” from the acquisition in December 2006 of Gesdinco Gestión, S.G.I.I.C., S.A. and Padinco Patrimonios, S.A. under “Other Intangible Assets”. Additionally, the Group recognised the “Client Relationships” arising from the acquisition of Renta 4 Chile Corredores de Bolsa and from the acquisition of the intermediation, fund commercialisation and custody businesses of BNP Paribas Sucursal en España, S.A. in 2020 (see Note 14).

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

It is amortised on a straight-line basis over a period of three years from the date on which the corresponding computer application begins to be used.

The “Client Relationships” acquired from the acquisition in December 2006 of Gesdinco Gestión, S.G.I.I.C., S.A. and Padinco Patrimonios, S.A. were amortised on a straight-line basis over a period of eight years (useful life), which is the time that management estimated that these relationships would be maintained based on the information available. At 31 December 2014, such “Client Relationships” had been fully amortised. The “Client Relationships” arising from the acquisition in 2012 of Renta 4 Chile Corredores de Bolsa, S.A. were amortised on a straight-line basis over a period of seven years (useful life), which is the time estimated by management to be the period over which these relationships would be maintained based on the information available. At 31 December 2019, such client relationships were fully amortised. Likewise, the “Client relationships” arising from the acquisition in 2020 of the intermediation, fund commercialisation and custody businesses of BNP Paribas Sucursal en España, S.A. (see Note 1) are amortised on a straight-line basis over a period of 14 years (useful life), which is the period of time that management has calculated that these relationships will be maintained based on available information.

j) Tangible assets

Tangible assets are classified according to their use: tangible assets for own use, real estate investments and other assets transferred under operating leases.

Tangible assets for own use are valued at cost minus accumulated amortisation and any impairment losses. This heading includes assets, both owned and leased (right to use), that the Bank holds for current or future use and expects to use for more than one year. It also includes tangible assets received by the Bank for the total or partial liquidation of financial assets representing receivables from third parties and which are intended for continual use.

For further information on the accounting treatment of rights to use under a lease, see Note 4-v.

The cost of tangible assets includes disbursements made initially in their acquisition and production and, subsequently, in the event of expansion, replacement or improvement, when it is considered probable that future economic benefits will be obtained from their use.

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

The Group considered that the acquisition cost at the date of transition to IFRS-EU (1 January 2005) was the carrying amount recognised under generally accepted accounting principles in Spain at 1 January 2005.

Real estate investments reflect the net book value of a building (including land) held for rental purposes.

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

	Years of useful life	Amortisation percentages used
Buildings and other constructions	50	2 %
Real estate investment		
Building	50	2 %
Facilities	10	10 %
Machinery, installations and tools	10	10 %
Furniture and fixtures	10	10 %
Transport elements	6.25	16 %
Equipment for information processes	4	25 %
Other fixed assets	5	20 %

Tangible assets are derecognised from the consolidated balance sheet when not available or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal, assignment or abandonment. The difference between the amount of the sale and its carrying amount is recognised in the consolidated income statement for the period in which the asset is derecognised.

The Group regularly assesses whether there are indications, both internal and external, that a tangible asset may be impaired at year-end. For those identified assets, it estimates the recoverable amount of the tangible asset, understanding the latter one as the highest value between its fair value less necessary sales costs and its value of use. If the recoverable amount so determined is less than the carrying amount, the difference between the carrying amount and the recoverable amount is recognised in the income statement, reducing the carrying amount of the asset to its recoverable amount.

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

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

l) Treasury stock and convertible shares

The Parent Company shares held by the Group are recorded as a reduction in consolidated equity.

No gain or loss is recognised in the consolidated profit or loss for the year arising from transactions with treasury shares, which is recognised directly in consolidated equity. Any difference between the carrying amount and the compensation, if reissued, is recognised under “Share Premium”.

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

m) Provisions

The obligations existing at the consolidated balance sheet date, arising from past events that could give rise to loss of property for the Group, the amount and settlement time of which are indeterminate, are recognised in the consolidated balance sheet as provisions at the present value of the most probable amount that the Group will have to pay to settle the obligation. Provisions are quantified on the basis of the best information available at the date of preparation of the consolidated annual financial statements on the consequences of the event giving rise to them and are re-estimated at each accounting close.

At 31 December 2021 and 2020, the provisions reflected in the consolidated balance sheet basically cover certain risks arising from the development of its business activity and risks arising from claims by third parties against the Parent Company and other subsidiaries.

Contingent liabilities recorded in a business combination

Contingent liabilities recognised in a business combination are initially measured at fair value. They are subsequently measured at the highest of the amount that would be recognised in accordance with the recognition criteria for provisions set out above or the amount initially recognised less, where appropriate, the cumulative amortisation recognised in accordance with the requirements for recognition of ordinary income.

The allocation and release of the provisions considered necessary in accordance with the foregoing criteria are recognised with a charge or credit, respectively, to “Allocations to Provisions (Net)” in the consolidated income statement.

n) Tax on profits

The profit tax expense is determined by the tax payable in respect of the taxable profit for a year, after taking into account the changes during that year arising from temporary differences, tax credits and rebates and tax loss carryforwards.

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

In order for tax credits, rebates and tax loss carryforwards to be effective, the requirements established in current legislation must be met, provided that it is probable that they will be recovered, either because there are sufficient deferred tax liabilities or because they arose from specific situations that it is considered unlikely that they will arise in the future.

The tax effect of temporary differences is included, where applicable, in the corresponding deferred tax assets and liability items recorded under the headings, “Tax Assets” and “Tax Liabilities” in the accompanying consolidated balance sheet.

At least at each balance sheet date, the Group reviews the deferred tax assets recorded and makes the appropriate valuation adjustments in the event that the deferred tax assets are not current or turn out to be recoverable. Deferred tax assets and liabilities are valued at the effective tax rates that are expected to be applicable to the financial year in which the assets are realised or the liabilities are settled, based on the tax rates (and tax legislation) approved or almost approved at the balance sheet date.

o) Fees

This heading includes fees for intermediation, asset management, custodianship, and other income related to the Group’s activities (underwriting, placement, etc.). These revenues are recognised in the consolidated income statement as the service is provided, or, in the case of a service carried out in a single act, when the act in question is performed.

p) Personnel Expenses

Short-term Compensations

This type of compensation is valued, without discounting, at the amount payable for the services received, and is generally recorded as personnel expenses for the financial year and as a liability accrual account for the difference between the total expense and the amount already paid.

Other Staff Compensations

At 31 December 2021 and 2020, the Group had granted loans to several of its employees for the acquisition of shares of Renta 4 Banco, S.A. amounting to 4 thousand euros (6 thousand euros in 2020) with guarantees amounting to 82 thousand euros (57 thousand euros in 2020). This acquisition was financed through zero interest loans maturing in 15 years from the date of the transaction, in accordance with the repayment schedule agreed upon in the contracts. The difference between the present value of the payments to be made by the employee and the fair value is recorded in the consolidated income statement as a personnel expense.

At 31 December 2021 and 2020, the Group had granted personal loans to several of its employees to meet the personal and/or family needs of the employees covered by the applicable collective labour agreements amounting to 604 thousand euros (469 thousand euros in 2020) without guarantees, in compliance with the conditions established therein, and the Group had granted this financing at a zero percent interest rate.

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

The amount recognised in the consolidated income statement for zero percent loans amounted to 4 and 3 thousand euros of revenue for 2021 and 2020, respectively. (see Note 22.d).

Pension commitments

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

The Group's commitments are as follows:

Renta 4 Sociedad de Valores, S.A.

In accordance with the collective bargaining agreement in force at Renta 4, S.A., Sociedad de Valores, in the case of employees coming from the former stock brokerage firms, it is obliged to pay a permanency premium when they reach 25, 35 or 45 years of service. The Group has not recognised any provision in this regard, since it considers that the amount accrued at 31 December 2020 and 2019 is not significant.

Additionally, Renta 4, S.A., Sociedad de Valores, in accordance with the collective bargaining agreement in force, must cover the contingencies of early retirement, death, and disability of employees included in the Collective Bargaining Agreement for Securities Companies and Agencies of the Autonomous Community of Madrid. The Company is covering these commitments by establishing a defined benefit pension plan.

Furthermore, for the other employees of this company who are not parties to this Agreement, the Group has covered the contingencies of retirement, incapacity for work, death, severe dependence, or heavy dependence, through a defined contribution plan by means of an annual contribution of 600 euros per employee since the 2006 financial year.

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 the 2007 financial year, the Group has covered the contingencies of retirement, incapacity for work, death, severe dependency, or heavy dependency for the employees of these companies through the establishment of two defined contribution plans to which it contributes 600 euros per employee per year.

Defined contribution plans

These plans are valued at the present value of the contributions to be made, unless they are to be paid within twelve months of the date of the consolidated financial statements in which the corresponding services were received from the employees, in which case the amount is not adjusted. The contribution accrued for this item during the financial year is recognised under "Staff Costs" in the consolidated income statement. The contributions recognised as an expense in the consolidated income statement amounted to 374 thousand euros and 293 thousand euros for financial years 2021 and 2020, respectively (see Note 22-d).

Defined Benefit Plan

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

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

- Are owned by a legally separate third party that is not a related party.
- They are available exclusively to pay for or finance commitments to employees.
- They may not be returned to the Group except when the commitments to employees have been settled, or in order to pay the Group for benefits paid.

• These are not non-transferable instruments issued by the Group.

The net amount of current service cost, interest cost, expected return on any plan assets, past service cost, and the effect of any type of reduction or liquidation of the plan are recognised in the consolidated income statement for the financial year.

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

They are considered as “Actuarial gains and losses” those gains and losses which arise from the differences between prior actuarial assumptions and reality, and from changes in the actuarial assumptions used. They are recognised in full in the consolidated income statement for the financial year in which they arise.

The Group has not incurred any costs in relation to its defined benefit obligations in 2021 and 2020 (Note 22.d).

The Renta 4 Group contracted out all of its pension commitments to employees in accordance with Royal Decree 1,588/1999 of 15 October, by setting up pension plans and, through these, arranging insurance contracts with a company external to the Renta 4 Group.

Specifically, the defined benefit pension obligations relating to Renta 4, S.A. Sociedad de Valores are covered by assets realised in the corresponding insurance policy and are presented in the consolidated balance sheets at the net amount of the commitments assumed, minus the assets assigned to these. At 31 December 2021 and 2020, the amount of the assets assigned to the aforementioned insurance contracts (mathematical provision) is 0 euros.

In 2020 there was a correspondence between these commitments to be met and the mathematical provision of the affected insurance policy, and the risks inherent to these commitments have been transferred to the insurance company. During the 2021 financial year, the defined benefit plan was terminated when the only covered annuitant reached the age of 65. An agreement was reached with the employee to transfer the existing balance to a defined contribution plan.

The results of the actuarial valuation performed are described below, including a breakdown of the value of the pension obligations, the fair value of the assets related to the hedging of said commitments, as well as the amounts recognised in the assets, liabilities, and consolidated income statement.

The valuation of the foregoing commitments in accordance with the aforementioned assumptions is as follows:

Thousands of Euros

	2021	2020
Risks due to Non-incurred Pensions	-	20
Incurred	-	20
Unaccrued	-	-
Commitments to be met	-	20
Fair value of plan assets (Plan position account)	-	20
Assets (Liabilities) to be recognised in the balance sheet	-	-

The change in the present value of the defined obligation accrued due to benefit commitments was as follows:

Thousands of Euros

	2021	2020
Value of unincurred pension risks accrued at beginning of financial year	20	20
Cost of services for the current period	-	-
Effect of personnel reduction	-	-
Attributable income	-	
Other increases or decreases	(20)	-
Value of risks for non-incurred accrued pensions at financial year-end	-	20

The change in the fair value of the Plan’s assets, instrumented through the corresponding insurance policy, was as follows:

Thousands of Euros

	2021	2020
Fair value of plan assets at beginning of financial year (P.M. insurance)	20	20
Rescue Value of the insurance policy	-	-
Financial year insurance premiums	-	-
Performance of the insurance policy	-	-
Other increases or (-) decreases	(20)	-
Fair value of plan assets at year-end	-	20

Severance

Severance indemnities are recognised as a provision and as a personnel expense only when the Group is demonstrably committed to terminate its relationship with an employee or group of employees before the normal retirement date, or to pay severance benefits as a result of an offer made to encourage voluntary termination by employees.

q) Off-balance sheet customer funds

The Group includes in memorandum accounts (auxiliary non-accounting registry) at fair value the resources entrusted by third parties for their investment in companies and investment funds, pension funds, insurance-savings contracts and discretionary portfolio management contracts (see Note 23).

Additionally, in memorandum accounts (see Note 19), assets acquired on behalf of third parties, equity instruments, debt instruments, derivatives and other financial instruments held on deposit for which the Group has a responsibility to its customers are recognised at fair value or, in the absence of a reliable estimate of the fair value, at their cost. On occasions, and in accordance with the contracts signed with customers and only when market operations so require (international markets), the Group uses global custody accounts (omnibus), in which the Group appears as the holder of the positions, maintaining the internal records necessary to know the breakdown by customer.

To determine the fair value of these positions, the Group uses the stock market values obtained from the various markets or those supplied by global custodians in the case of ownership interest in investment funds (net asset value).

r) Cash Flow Statement

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

- **Cash flows:** Inflows and outflows of cash and cash equivalents, i.e. short-term investments with high liquidity and low risk of changes in value.
- **Operating activities:** Typical activities of credit institutions, as well as other activities that cannot be classified as investment or financing.
- **Investment activities:** The acquisition, dispossession or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.
- **Financing activities:** Activities that result in changes in the size and composition of equity and liabilities, which are not part of operating activities.

The indirect method was used to prepare the Consolidated Statement of Cash Flows. To this end, the Group begins with the profit or loss for the year, correcting the amount for the effects of non-monetary transactions and all types of deferred payment items and accruals that give rise to past or future operating collections and payments, as well as income and expenses associated with cash flows from activities classified as investing or financing activities.

s) Transactions with related parties

Transactions with related parties are accounted for in accordance with the valuation rules detailed above.

The prices of transactions with related parties are adequately supported and, therefore, the Parent Company's Directors consider that there are no risks that could give rise to significant tax liabilities.

t) Statement of changes in equity

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

Consolidated Statements of Recognised Income and Expenses

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

Therefore, in this statement is presented:

- The profit for the financial year.

- The net amount of income and expenses temporarily recognised as “Accumulated other comprehensive income” by valuation in equity.
- The net amount of income and expenses definitively recognised in equity.
- Accrued income tax on the items indicated in the two preceding paragraphs.
- The total recognised income and expense, calculated as the sum of the foregoing letters.

The changes in income and expenses recognised in equity as “Other Comprehensive Income” are broken down into:

- **Valuation gains (losses):** Includes the amount of income, net of expenses incurred in the year, recognised directly in equity. The amounts recognised in the year under this heading are held under this heading, although in the same year they are transferred to the income statement at the initial value of other assets or liabilities or reclassified to another heading.
- **Amounts transferred to the income statement:** includes the amount of valuation gains or losses previously recognised in equity, albeit in the same year, which are recognised in the income statement.
- **Amount transferred at the initial value of the covered items:** includes the amount of the valuation gains or losses previously recognised in equity, albeit in the same year, that are recognised in the initial value of the assets or liabilities as a result of cash flow coverages.
- **Other reclassifications:** Includes the amount of the transfers made in the year between valuation adjustment items in accordance with the criteria established in current legislation.

All items in the statement of total recognised gains and losses are eligible for recognition in the income statement, except the item “Actuarial Gains (Losses) on Pension Plans”.

The amounts of these items are presented at their gross amount and their corresponding tax effect is shown under the “Income Tax” caption in the statement.

Consolidated Statements of Changes in Equity

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

- **Effects of changes in accounting policies and correction of errors:** Which includes changes in equity arising as a result of the retrospective restatement of financial statement balances arising from changes in accounting criteria or correction of errors.
- **Total overall result for the year:** includes, in an aggregate manner, the total of the items recorded in the statement of total recognised gains and losses indicated above.
- **Other changes in equity:** includes other items recognised in equity, such as increases or decreases in the endowment fund, distribution of income, transactions with own equity instruments, payments with equity instruments, transfers between equity items and any other increase or decrease in equity.

u) Financial guarantees

Financial guarantees are defined as contracts whereby the Group undertakes to pay specific amounts on behalf of a third party if the latter fails to do so. The main contracts included under this heading, which are included in the “Memorandum Item” at the end of the consolidated balance sheet, are financial guarantees.

When the Group issues these types of contracts, they are recognised under “Financial Liabilities at Amortised Cost - Other Financial Liabilities” on the liability side of the consolidated balance sheet at fair value and simultaneously under “Other Financial Assets” under “Credit Investments” at the present value of the future cash flows receivable, using, for both items, a discount rate similar to the discount rate for financial assets granted by the Institution to the counterparty with a similar term and risk. Subsequent to the issue, these types of contracts are valued by recording the differences against the income statement as financial income or as commission received, depending on whether the account is “Other Financial Assets” or “Other Financial Liabilities”, respectively. In addition to what is mentioned in the previous paragraph, the financial guarantees will be covered as established in Note 5.a.2 in relation to credit risk coverage.

v) Leases

On 1 January 2019, IFRS 16 came into force replacing IAS 17 “Leases”. The new standard introduces a single accounting model for the lessee and requires the lessee to recognise the assets and liabilities of all lease contracts. The standard provides two exceptions to the recognition of lease assets and liabilities, which may be applied in the case of short-term contracts and those whose underlying asset is of low value.

The Bank has decided to apply both exceptions. The leasee must recognise a right-of-use asset representing their right to use the leased asset which is recorded under the headings ‘’Tangible assets - Tangible fixed assets’’ in the balance sheet (see Note 13), and a lease liability representing their obligation to make the lease payments which is recorded under the heading ‘’Financial liabilities at amortised cost - Other financial liabilities’’ in the balance sheet (see Note 16).

At the commencement date of the lease, the lease liability represents the present value of all outstanding lease payments. The liabilities recorded in this chapter of the balance sheets are valued after their initial recognition at amortised cost, this being determined according to the “effective interest rate” method.

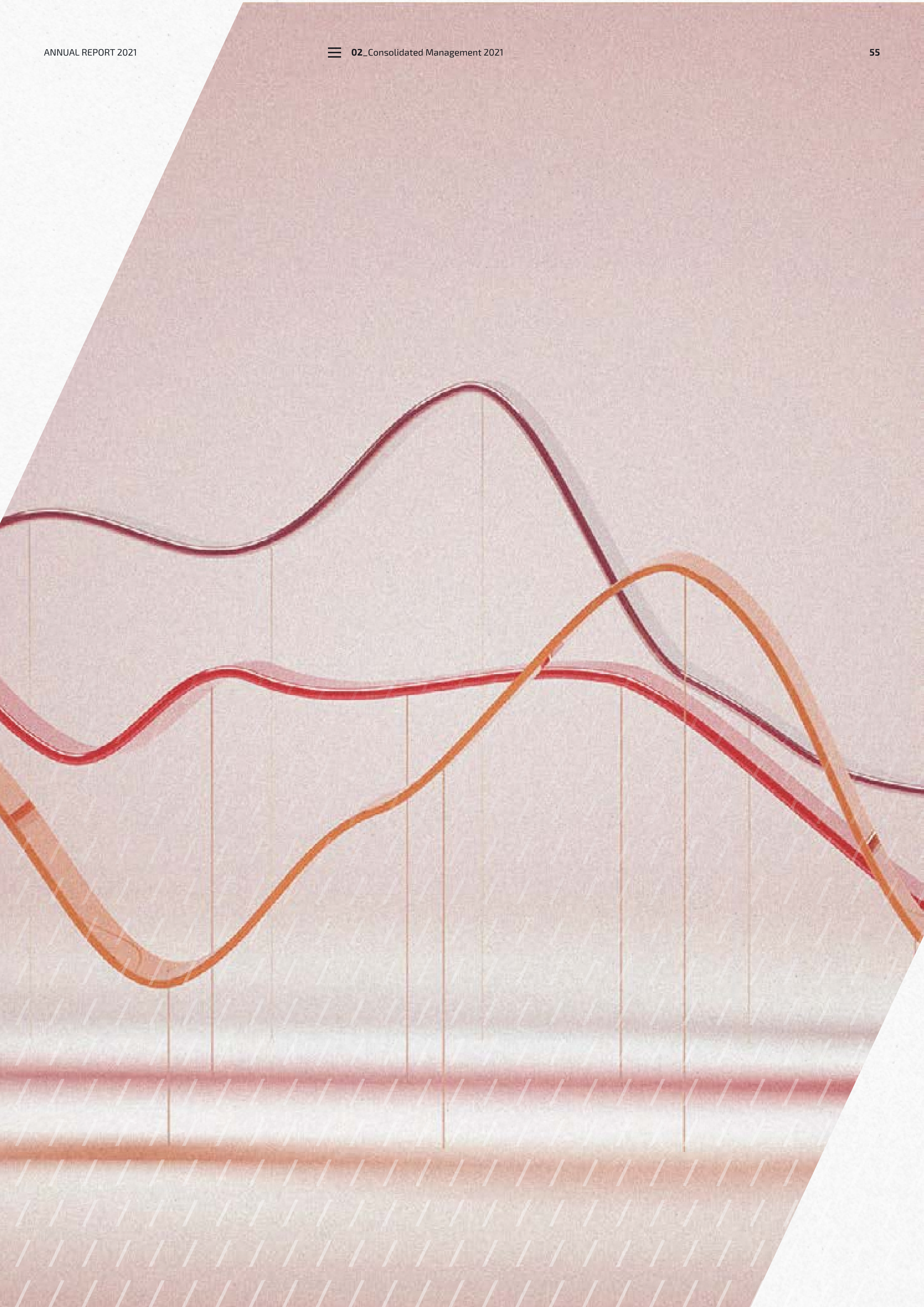
Rights to use are initially recorded at cost. This cost includes the initial valuation of the lease liability, any payments made before the initial date minus lease incentives received, all initial direct costs incurred, and an estimate of costs to be incurred by the leasee such as costs associated with the removal and dismantling of the underlying asset. The assets recorded under this heading in the balance sheets are valued after their initial recognition at cost less:

- Accumulated amortisation and accumulated impairment; and
- Any revaluation of the corresponding lease liability.

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

Amortisation is calculated, using the straight-line method on the acquisition cost of the assets, over the validity term of the lease agreement. The provisions for the amortisation of tangible assets item are recognised under the “Amortisation” heading in the income statement (see Note 13).

If one of the two exceptions is chosen in order not to recognise the right-of-use asset and the related liability in the balance sheet, the payments relating to the related leases are recognised in the income statement over the term of the contract or on a straight-line method basis or in another manner that best represents the structure of the lease transaction, under heading “Administrative Expenses - Other Administrative Expenses” (see Note 22-e).



02.5 Risk Management of Financial Instruments

The activity with financial instruments may involve the assumption or transfer of one or more types of risk by the Group. The risks related to financial instruments are as follows:

- **Credit risk:** It is the risk that one of the parties to the contract of the financial instrument ceases to fulfil its contractual obligations due to the insolvency or inability of natural or legal persons and results in a financial loss for the other party.
- **Liquidity risk:** Sometimes referred to as financing risk, it is the risk that arises either from an institution's inability to sell a financial asset quickly for an amount close to its fair value or from the institution's difficulty in finding funds to meet its commitments relating to financial instruments.
- **Market risk:** The risk arising from holding financial instruments whose value may be affected by changes in market conditions; it includes three types of risk:

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

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

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

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

a) Credit risk

a.1) Credit risk management and measurement

The credit risk arises from the possible loss caused by non-compliance with the contractual obligations of the Group's counterparties. In the case of reimbursable financing granted to third parties, it arises as a result of the non-recovery of principal, interest and other items in the terms of the amount, duration and other conditions established in the contracts. In the case of off-balance-sheet risks, this arises from the counterparty's failure to meet its obligations to third parties, which requires the Group to assume them as its own by virtue of the commitment undertaken.

The Group takes an exposure to credit risk when counterparties fail to comply with their commitments. In this sense, it distinguishes two types of counterparty: Customers in general and financial institutions and public administrations.

The current customer credit risk control system is based on the development of new systems for evaluating and classifying both individual and group debtors, from which it is possible to determine the provisions made to cover possible losses.

With regard to the granting, monitoring and control of risk with customers in general, the Group's Risk Control Department supervises the correct operation of the current system of discretionary management of operating limits, which are always granted on the basis of the collateral (securities) deposited with the Group. In accordance with the terms of the contracts signed with customers, the Group may dispose of the securities and ownership interests in customer investment funds to offset the debit balances that the customer presents in the event of non-payment (non-replacement of funds) by the customer.

a.2) Total exposure to credit risk

The following table shows the total exposure to credit risk at the end of 2021 and 2020 using the criteria established for calculating the basis for the impairment provision:

Thousands of Euros

	2021	2020
Cash balances at central banks and other demand deposits	1,194,465	744,254
Financial assets designated at fair value with changes in other comprehensive income (Debt instruments)	387,877	579,991
Central banks	-	-
Loans and advances - Credit institutions	49,390	42,516
Loans and advances - Clientele	264,359	168,973
Contingent liabilities	2,346	707
Guarantees granted: Contingent commitments granted	42,831	28,588
Loans and receivables - Debt securities	158,286	107,577
Total Risk and maximum exposure	2,099,554	1,672,606
Normal risk	2,087,142	1,662,580
Doubtful risk	12,412	10,026
Total Risk and maximum exposure	**2,099,554**	**1,672,606**

The total risk exposure includes the items on the consolidated balance sheet detailed in the table above excluding valuation adjustments.

As of 31 December 2021 and 2020, the maximum level of exposure to credit risk, without taking into account guarantees or other credit enhancements, does not differ from the carrying amount shown in these annual financial statements.

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

Loans and advances - Clientele: they are essentially debit balances with individuals related to securities operations, for which there is a collateral of the positions these customers hold deposited in the Group. When the Group classifies these balances as impaired, the impairment losses are determined by taking into account the value of these positions used as collateral.

As of 31 December 2021 and 2020 there was no individual exposure that did not comply with the limits established by the Bank of Spain.

The distribution of total country credit risk exposure, country by country, as of December 31, 2021 and 2020, is as follows.

Thousands of Euros

Financial year 2021

Country	Cash balances at central banks and other demand deposits	Deposits in credit institutions	Credits for customers	Debt securities	Contingent risks and commitments	Loans and receivables Debt securities	Total
Spain	1,100,535	5,706	207,032	64,216	45,164	-	1,422,653
Italy	-	-	30	288,020	-	157,408	445,458
France	354	26	811	-	-	-	1,191
Germany	49,254	42,172	31,355	-	-	-	122,781
United Kingdom	6,348	4	633	-	7	-	6,992
Poland	1,825	-	-	-	-	-	1,825
Greece	-	-	-	-	-	-	-
Belgium	-	-	58	-	-	-	58
USA	4	886	8	-	-	-	898
Colombia	812	2	243	-	-	-	1,057
Peru	4,686	1	346	-	1	-	5,034
Chile	29,788	593	18,146	-	-	-	48,527
Luxembourg	859	-	744	-	-	-	1,603
Ireland	-	-	-	-	-	-	-
Portugal	-	-	4,596	35,641	-	-	40,237
Netherlands	-	-	4	-	-	-	4
Mexico	-	-	97	-	3	-	100
Saudi Arabia	-	-	68	-	2	-	70
Australia	-	-	5	-	-	-	5
Qatar	-	-	1	-	-	-	1
Namibia	-	-	-	-	-	-	-
Andorra	-	-	11	-	-	-	11
Bermuda	-	-	-	-	-	878	878
Romania	-	-	140	-	-	-	140
Brazil	-	-	3	-	-	-	3
Uruguay	-	-	1	-	-	-	1
Thailand		-	26	-	-	-	26
Philippines	-	-	1	-	-	-	1
Singapore	-	-	-	-	-	-	-
Total	**1,194,465**	**49,390**	**264,359**	**387,877**	**45,177**	**158,286**	**2,099,554**

Thousands of Euros

Financial year 2020

Country	Cash balances at central banks and other demand deposits	Deposits in credit institutions	Credits for customers	Debt securities	Contingent risks and commitments	Loans and receivables Debt securities	Total
Spain	574,212	3,293	133,224	197,120	29,283	-	937,132
Italy	-	-	30	156,683	-	107,577	264,290
France	1,314	182	929	-	-	-	2,425
Germany	122,752	38,310	13,648	-	-	-	174,710
United Kingdom	11,809	1	461	10,016	-	-	22,287
Poland	1,287	-	-	-	-	-	1,287
Greece	-	-	-	150,405	-	-	150,405
Belgium	-	-	-	-	-	-	-
USA	1	203	-	-	-	-	204
Colombia	2,145	4	151	-	-	-	2,300
Peru	2,995	-	264	-	-	-	3,259
Chile	26,798	523	7,881	-	-	-	35,202
Luxembourg	941	-	204	-	-	-	1,145
Ireland	-	-	1	-	-	-	1
Portugal	-	-	4	65,767	-	-	65,771
Netherlands	-	-	3	-	-	-	3
Mexico	-	-	-	-	-	-	-
Saudi Arabia	-	-	59	-	12	-	71
Australia	-	-	3	-	-	-	3
Qatar	-	-	-	-	-	-	-
Namibia	-	-	-	-	-	-	-
Andorra	-	-	2	-	-	-	2
Singapore	-	-	12,109	-	-	-	12,109
Total	**744.254**	**42.516**	**168.973**	**579.991**	**29.295**	**107.577**	**1.672.606**

a.3) Credit quality

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

Of the total instruments subject to credit risk, the credit quality of the portfolios of financial assets designated at fair value with changes in other comprehensive income (debt securities) and financial assets at amortised cost (deposits with credit institutions) in accordance with ratings granted with external rating agencies is detailed below. The credit quality of the portfolios of customer loans and other capital instruments is not detailed, since most of the Group's exposure does not have an external credit rating.

Thousands of Euros

2021	Balances in Central Banks	Balances at sight at credit institutions	Deposits in credit institutions	Debt securities
From AAA to A-	840,913	178,886	42,409	-
From BBB+ to B-	-	94,997	2,696	501,973
From CCC+ to C	-	-	-	-
Not rated	-	79,574	4,285	44,190
Totals	**840,913**	**353,457**	**49,390**	**546,163**
2020				
From AAA to A-	421,247	191,069	38,781	31,510
From BBB+ to B-	-	61,065	3,721	598,766
From CCC+ to C	-	-	-	-
Not rated	-	70,687	14	57,292
Totals	**421,247**	**322,821**	**42,516**	**687,568**

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

At 31 December 2021 and 2020, the Group had no credit investment transactions to finance construction and real estate development activities. At 31 December 2021 and 2020, the Group did not have credit granted for the acquisition of housing. At 31 December 2021 and 2020, the Group did not have any foreclosed assets arising from financing for construction and real estate development companies.

a.5) Refinancing and restructuring policy for loans and credits.

The Group uses the following definitions:

- Refinancing operation: operation which, whatever its holder or guarantees, is granted or used for economic or legal reasons related to financial difficulties of the holder to cancel one or more transactions granted, by the institution itself or by other institutions of its group, to the holder or to one or more other companies of its economic group, or by which said transactions are brought fully or partially up to date with payments, in order to make it easier for the holders of the cancelled or refinanced transactions to pay their debt (principal and interest) because they cannot, or it is foreseen that they will not be able to, comply in due time and form with said conditions.

- Refinanced operation: an operation that brings all or part of the payments up to date as a result of a refinancing operation carried out by the institution itself or another institution of its economic group.

- Restructured operation: operation in which, for economic or legal reasons related to the financial difficulties of the holder, its financial conditions are modified in order to facilitate the payment of the debt (principal and interest) because the holder cannot, or it is foreseen that he/she will not be able to, comply in due time and form with said conditions, even when said modification is foreseen in the contract. In any case, operations in which assets are removed or received to reduce debt, or in which conditions are modified to extend their maturity, vary the amortisation table to reduce the amount of quotas in the short term or reduce their frequency, or establish or extend the grace period for principal, interest or both, are considered restructured, except when it can be proven that the conditions are modified for reasons other than the holders' financial difficulties and are analogous to those applied in the market on the date of their modification to those operations granted to customers with a similar risk profile.

- Renewal transaction: Transaction formalised to replace another previously granted by the entity itself, without the borrower having, or is expected to have in the future, financial difficulties; that is, the operation is formalised for reasons other than refinancing.

- Renegotiated operation: an operation in which the financial conditions are modified without the borrower having, or being expected to have in the future, financial difficulties, i.e., when the conditions are modified for reasons other than restructuring.

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

As of 31 December 2021, the Bank has refinancing operations, refinanced or restructured for an amount of 7,571 thousand euros, covered by securities collateral for the amount of 7,719 thousand euros. These operations will mature in 2023. As of 31 December 2020, the Bank had four outstanding refinancing, refinanced or restructured transactions amounting to 8,360 thousand euro, covered by securities collateral amounting to 6,052 thousand euro.

b) Liquidity risk

This risk reflects the potential difficulty for a credit institution to have liquid funds available in time, or to be able to access them, in sufficient amounts and at an appropriate cost, to meet its payment obligations without impacting the market price or the cost of the transaction.

The Group maintains a prudent policy of protection against liquidity risk. To this end, it maintains sufficient cash and other liquid financial instruments to cover computable liabilities with a residual maturity of less than one year.

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

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

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

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

At 31 December 2020 and 2021, the Group was in compliance with the aforementioned liquidity ratio.

The main components of the NSFR ratio and the LCR ratio as at 31 December 2021 and 2020 are shown below:

Thousands of Euros

Financial year 2021

	Amount	Stable financing required	Stable financing available
STABLE FINANCING REQUIRED	2,112,470	560,879	-
Stable financing required from central bank assets	840,906	-	-
Stable financing required from liquid assets	553,114	291,235	-
Stable financing required for securities that are not liquid assets	59,513	29,757	-
Stable financing required from loans	620,903	208,804	-
Stable financing required from interdependent assets	-	-	-
Stable financing required from assets within a group or SIP if preferential treatment is applied	-	-	-
Stable funding required from contributions to the default fund of an EEC	34,473	29,302	-
Stable financing required from other assets (0100)**	3,561	1,781	-
Stable financing required from off-balance sheet items	-	-	-
STABLE FINANCING AVAILABLE	2,156,828	-	1,488,478
Stable financing available from capital items and instruments	89,180	-	89,181
Stable financing available from retail deposits	1,351,921	-	1,255,505
Stable financing available from other non-financial clients	8,811	-	4,405
Stable financing available from operating deposits	212,888		106,445
Stable financing available and lines committed within a group or SIP	-		-
Stable financing available from financial clients and banks	439,676	-	-
Available stable financing provided when counterparty cannot be determined	-	-	-
Available stable financing from interdependent liabilities	-		-
Available stable financing from other liabilities	54,352	-	32,943
NSFR Ratio	**-**		**265.39 %**

LCR Ratio	**2021**
Liquidity buffer	1,045,062
Net liquidity outflow	208,780
Liquidity coverage ratio (%)	500.56 %

Thousands of Euros

Financial year 2020

	Amount	Stable financing required	Stable financing available
STABLE FINANCING REQUIRED	1,691,306	584,012	-
Stable financing required from central bank assets	421,353	-	-
Stable financing required from liquid assets	690,298	264,232	-
Stable financing required for securities that are not liquid assets	52,226	26,113	-
Stable financing required from loans	524,585	290,823	-
Stable financing required from interdependent assets	-	-	-
Stable financing required from assets within a group or SIP if preferential treatment is applied	-	-	-
Stable funding required from contributions to the default fund of an EEC	-	-	-
Stable financing required from other assets (0100)**	2,844	2,844	-
Stable financing required from off-balance sheet items	-	-	-
STABLE FINANCING AVAILABLE	1,730,700	-	1,256,410
Stable financing available from capital items and instruments	73,549	-	73,549
Stable financing available from retail deposits	1,181,018	-	1,100,159
Stable financing available from other non-financial clients	3,840	-	1,920
Stable financing available from operating deposits	107,369		53,685
Stable financing available and lines committed within a group or SIP	-		-
Stable financing available from financial clients and banks	315,532	-	-
Available stable financing provided when counterparty cannot be determined	-	-	-
Available stable financing from interdependent liabilities	-		-
Available stable financing from other liabilities	49,392	-	27,097
NSFR Ratio	**-**		**215.13 %**

LCR Ratio	**2020**
Liquidity buffer	676,414
Net liquidity outflow	108,173
Liquidity coverage ratio (%)	625.31 %

The breakdown of financial instruments by residual maturity, in accordance with the criteria used in the preparation of the liquidity statements, as of 31 December 2021 and 2020, is as follows. The maturity dates considered to draw up this table are in accordance with the contractual conditions of the instruments:

Financial year 2021

	TOTAL	Demand	1 day	1d-1 week
TOTAL OUTFLOW	(2,067,648)	(1,807,007)	(177,468)	(35,420)
Wholesale funding	-	-	-	-
Deposits from credit institutions	(41,013)	(10,356)	-	(24,519)
Deposits from other financial institutions and international organisations	(460,042)	(434,657)	(22,114)	(1,115)
Deposits from large non-financial companies	(8,616)	(8,616)	-	-
Financing of other clients	(1,360,998)	(1,344,044)	-	-
Funds for intermediation credits	-	-	-	-
Financing with collateral securities	-	-	-	-
Foreign exchange swaps (net)	-	-	-	-
Derivatives (net)	-	-	-	-
Other outflow (net)	(196,979)	(9,334)	(155,354)	(9,786)
TOTAL INFLOW	999,775	354,484	146,536	30,794
Deposits in credit institutions	402,853	353,457	41,555	5,211
Loans to other financial institutions	128,171	44	104,981	19,050
Reverse repurchase agreements and bond lending (borrower)	-	-	-	-
Loans	133,537	983	-	6,533
Settlement of securities	334,721	-	-	-
Interest margin	493	-	-	-
Cash and central banks	840,906			
Adjustment for compliance with minimum reserves to be held				196,300
Available in policy	102,304	3.02 %	-	-
Eligible off-policy assets	285,574			
Other marketable assets not eligible for central bank financing	53,099			
ACCUMULATED AVAILABLE BALANCE	**1,281,883**		**1,281,883**	**1,478,183**

>1 week- 1 month	>1 month- 3 months	>3 months- 6 months	>6 months- 9 months	>9 months- 12 months	>1 year- 2 years	>2 years- 3 years	>3 years- 5 years	>5 years
(26,246)	-	-	(1,069)	(3,356)	(2,844)	-	(5,997)	(8,241)
-	-	-	-	-	-	-	-	-
(3,473)	-	-	-	(175)	(181)	-	(578)	(1,731)
(2,109)	-	-	-	(47)	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	(3,134)	(1,949)	-	(5,361)	(6,510)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(20,664)	-	-	(1,069)	-	(714)	-	(58)	-
20,911	1,898	25,533	16,118	89,111	35,916	66,090	198,595	7,583
279	662	225	-	1,436	-	-	28	-
3,847	51	-	-	176	-	-	17	5
-	-	-	-	-	-	-	-	-
14,199	1,185	3,305	3,868	3,124	32,916	36,090	17,550	7,578
2,100	-	22,000	12,250	84,371	3,000	30,000	181,000	0
486	-	3	-	4				
(212,777)								
-	-	(16,470)	-	(40,235)	(3,077)	-	(42,522)	-
1,263,221	**1,263,221**	**1,240,995**	**1,228,527**	**1,143,467**	**1,140,390**	**1,110,484**	**877,528**	**877,528**

Financial year 2020

	TOTAL	Demand	1 day	1d-1 week
TOTAL OUTFLOW	(1,656,683)	(1,507,085)	(90,126)	(17,243)
Wholesale funding	-	-	-	-
Deposits from credit institutions	(26,184)	(11,263)	-	(10,275)
Deposits from other financial institutions and international organisations	(340,807)	(310,963)	(23,474)	(3,009)
Deposits from large non-financial companies	(3,765)	(3,765)	-	-
Financing of other clients	(1,192,846)	(1,174,167)	-	-
Funds for intermediation credits	-	-	-	-
Financing with collateral securities	-	-	-	-
Foreign exchange swaps (net)	-	-	-	-
Derivatives (net)	(54)	-	-	-
Other outflow (net)	(93,027)	(6,927)	(66,652)	(3,959)
TOTAL INFLOW	1,099,724	323,648	74,380	60,803
Deposits in credit institutions	365,339	322,819	38,229	3,723
Loans to other financial institutions	65,270	45	36,151	26,061
Reverse repurchase agreements and bond lending (borrower)	-	-	-	-
Loans	101,532	784	-	11,019
Settlement of securities	567,362	-	-	20,000
Interest margin	221	-	-	-
Cash and central banks	421,353			
Adjustment for compliance with minimum reserves to be held				169,186
Available in policy	117,366	1.86 %	-	-
Eligible off-policy assets	462,625			
Other marketable assets not eligible for central bank financing	46,618			
ACCUMULATED AVAILABLE BALANC	**1,047,962**		**1,047,962**	**1,197,148**

	>1 week- 1 month	>1 month- 3 months	>3 months- 6 months	>6 months- 9 months	>9 months- 12 months	>1 year- 2 years	>2 years- 3 years	>3 years- 5 years	>5 years
	(18,542)	11	-	(1,442)	(3,613)	-3,815	-	(6,035)	(8,793)
	-	-	-	-	-	-	-	-	-
	(2,789)	-	-	-	(129)	(133)	-	(426)	(1,169)
	(3,258)	-	-	-	(50)	(53)	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	(3,434)	(2,070)	-	(5,551)	(7,624)
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	(65)	11	-	-	-	-	-	-	-
	(12,430)	-	-	(1,442)	-	(1,559)	-	(58)	-
	74,247	45,288	106,660	35,206	60,778	198,229	112,030	1,334	2,108
	331	-	-	204	14	-	-	19	-
	2,651	102	181	-	-	55	-	17	7
	-	-	-	-	-	-	-	-	-
	6,051	186	8,463	1,087	865	17,453	49,030	1,298	283
	65,000	45,000	98,014	33,915	59,894	180,721	63,000	-	1,818
	214	-	2	-	5				
	(183,605)								
	-	-	(45,749)	-	(11,478)	(57,026)	(3,113)	-	-
	948,528	**903,371**	**804,260**	**768,879**	**707,477**	**519,045**	**455,373**	**455,373**	**453,552**

c) Market risk

The Renta 4 Group's trading portfolio focuses on investments through shares listed on the domestic market and residually listed on international markets, and positions on futures and/or options on the main stock market indexes, traded on regulated and diversified markets, with a sufficient guarantee of liquidity to enable positions to be closed. 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, 2021 and 2020 was as follows:

Thousands of Euros

	2021	2020
Trading portfolio (maximum loss)	1,195	240
Portfolio of financial assets designated at fair value with changes in other comprehensive income (maximum loss)	1,615	1,451
VaR (in % of portfolio)	0.44 %	0.23 %

c.1) Exchange rate risk

The Group's exposure to this risk factor is mostly due to its investment in Latin America, which is insignificant.

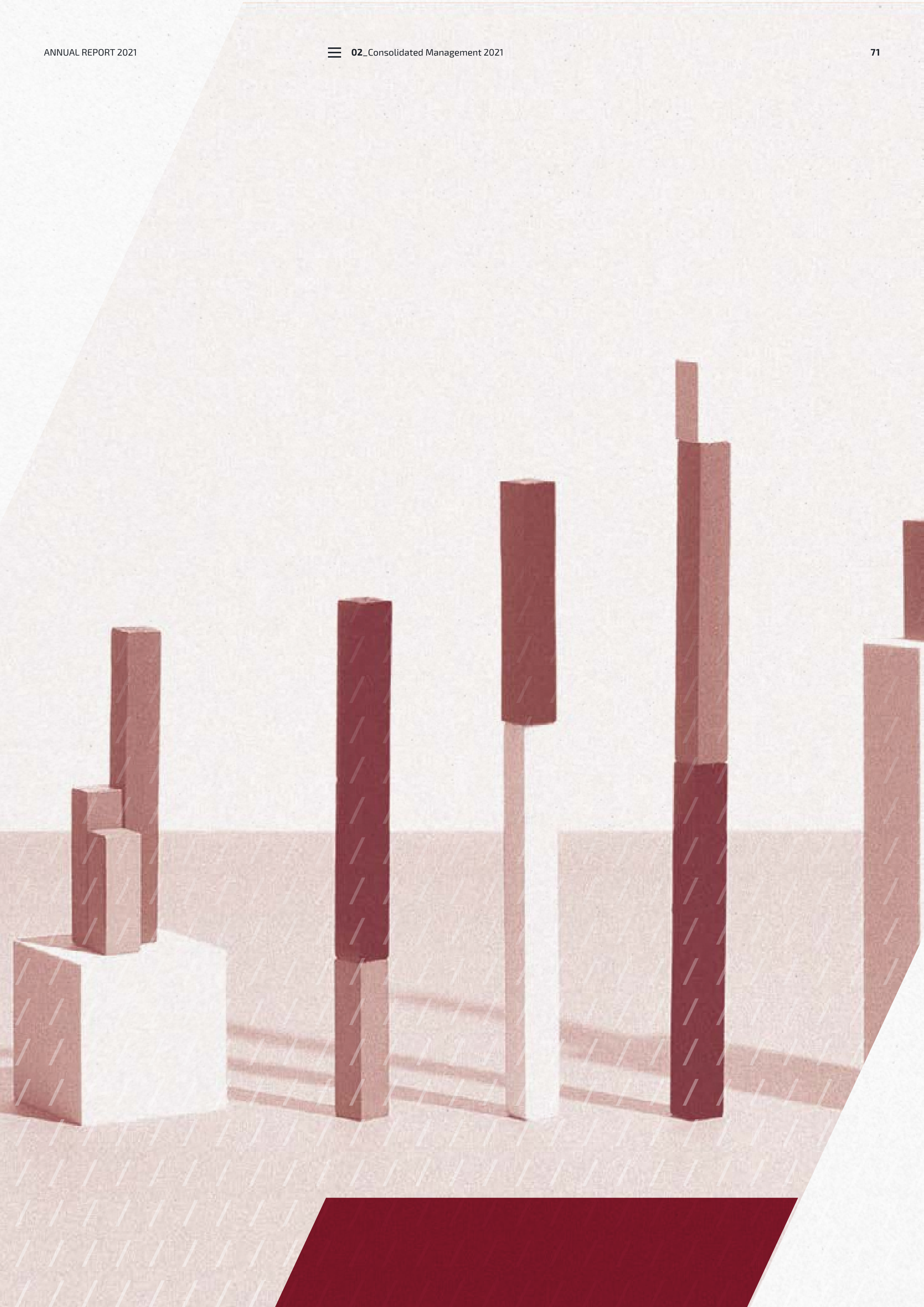
c.2) Interest rate risk

It 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 changes may arise from movements in the interest rate curves or in the credit spreads applied to balancing entries.

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

d) Other risks

As a result of the investments held by the Group in foreign countries, at 31 December 2021 and 2020 there were no restrictions on its ability to access or use the assets, or to settle liabilities.



02.6

Fair value of financial instruments

As described in Note 4-f), with the exception of financial instruments classified as “Financial Assets at Amortised Cost” and equity instruments whose fair value cannot be reliably determined, the Group’s financial assets are booked at their fair value on the consolidated balance sheet.

Similarly, with the exception of financial liabilities classified as “Financial liabilities at amortised cost”, the other financial liabilities are also booked at their fair value on the consolidated balance sheet.

Following is a detail of the financial assets and liabilities recognised at fair value at 31 December 2021 and 2020, broken down by class of financial assets and liabilities and at the following levels:

- **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 said assets.
- **LEVEL 2:** Financial instruments whose fair value has been estimated on the basis of listed prices on organised markets for similar instruments, or by employing other valuation methods 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 methods in which some significant input is not based on observable market data.

Financial assets

31/12/2021	Balance sheet total	Fair Value	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets held for trading	65,959	65,959	58,999	6,960	-
Debt securities	6,954	6,954	-	6,954	-
Other equity instruments	58,999	58,999	58,999	-	-
Trading derivatives	6	6	-	6	-
Financial assets at fair value with changes in other comprehensive income	388,369	388,369	383,735	4,634	-
Debt securities	387,855	387,855	383,443	4,412	-
Capital instruments	514	514	292	222	-
Equity instruments	-	-	-	-	-
31/12/2020					
Financial assets held for trading	55,079	55,079	52,264	2,815	-
Debt securities	2,815	2,815	-	2,815	-
Other equity instruments	51,797	51,797	51,797	-	-
Trading derivatives	467	467	467	-	-
Financial assets at fair value with changes in other comprehensive income	580,321	580,321	521,127	59,194	-
Debt securities	579,892	579,892	520,976	58,916	-
Capital instruments	429	429	151	278	-
Equity instruments	-	-	-	-	-

At 31 December 2021 and 2020, the breakdown of the balance of this heading is as follows:

Financial liabilities

31/12/2020	Balance sheet total	Fair Value	Fair value hierarchy Level 1	Level 2	Level 3
Financial liabilities held for trading	41	41	-	41	-
Trading derivatives	41	41	-	41	-
31/12/2020					
Financial liabilities held for trading	522	522	457	65	-
Trading derivatives	522	522	457	65	-

The main valuation methods, assumptions and inputs used to estimate the fair value of financial instruments classified in Levels 1, 2 and 3 (there are no financial instruments classified) according to the type of financial instrument at 31 December 2021 and 2020 are as follows:

- **Trading derivatives:** The fair value of most treasury trading derivatives has been determined on the basis of quoted prices in regulated markets for similar instruments or by using other valuation techniques in which all significant inputs are based on directly or indirectly observable market data (Level 2.
- **Debt securities:** The fair value of the debt instruments was determined on the basis of their listed prices on formal exchanges (the Bank of Spain book entry clearing system), the BME Clearing screens (for credit institutions), or using prices obtained from information services providers that build prices based on pricing data reported by 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 the Group's listed equity instruments were determined on the basis of the securities' prices listed on official markets, which is why these investments are classified as Level 1 in the tables above. If there are no daily contributions, they are classified in Level 2.

There were no transfers among the various levels during financial years 2021 and 2020, nor were there any relevant changes in the measurement of unlisted equity instruments included in the portfolio of financial assets at fair value through other comprehensive income.

The amounts recognised in the consolidated income statements at 31 December 2021 and 31 December 2020 for changes in the fair value of the Group's financial instruments, which correspond to unrealised gains and losses, distinguishing between financial instruments whose fair value is determined on the basis of the prices published in active markets (Level 1), are estimated using a valuation technique whose variables are obtained from observable market data (Level 2) and the rest (Level 3), together with the cumulative changes in value at 31 December 2021 and 31 December 2020.

02.7

Information by segment

Business segment information is generated for the purposes of facilitating the internal control, monitoring and management of the Renta 4 Group's business and earnings. The Board of Directors is the most senior decision-making body for operations in 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, management bases its analysis on the basic business units, for which accounting and management information is readily available. The same general principles are applied as those used in the Group's management information, and the measurement and recognition criteria and accounting principles are essentially the same as those used to draw up the financial statements.

The business lines described below were established on the basis of the Group's organisational structure in force at 2021 and 2020; taking into account, on the one hand, the nature of the services offered and, on the other, the customer segments to which they are addressed. The Group has the following main business lines, which form the basis on which the Group presents information related to its segments:

- Intermediation (national and international capital markets and marketing of managed and third party investment funds).
- Portfolio and asset management and counsel (Collective Investment Institutions and Pension Funds).
- Corporate services: mainly incorporates support activities for the rest of the segments, as well as depositary services and values custody.

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

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

The turnover between the most relevant segments corresponds to the UCIT marketing commissions managed, which are transferred from the Asset Management Segment to the Intermediation Segment, which acts as a marketer through the network. These fees are assigned in accordance with the agreed conditions that the directors consider to be in line with market practices.

Segment information as of 31 December 2021 and 2020 is presented as follows:

Financial year 2020

CONSOLIDATED INCOME STATEMENT	Intermediation	Asset Managemen
Interest income		
Internal	-	-
External	4,839	-
Interest expense		
Internal	-	-
External	(4,624)	-
Return on capital instruments (dividends)	-	-
Results of entities accounted for using the equity method	534	1,742
Commission income		
Internal	11,472	-
External	77,278	85,922
Commission expenses		
Internal	-	(11,472)
External	(31,595)	(55,593)
Results of financial transactions - Net	8,969	-
Exchange differences (profit or (-) loss, net)	14,313	-
Other operating income	367	-
Other operating expenses	(3,664)	(70)
GROSS MARGIN	**77,889**	**20,529**
Personnel Expenses	(28,027)	(8,730)
Other administrative expenses	(13,790)	(4,295)
Amortisation	(9,137)	(256)
Allocation to provisions	(3,574)	-
Impairment losses on financial assets	(2,063)	-
(+/-) Profit/(Loss) on the decrease of non-financial assets and ownership interest	-	-
Impairment losses on other assets		
Gains or (-) losses on derecognition in accounts of non-financial assets and ownership interest, net	2	-
CONSOLIDATED PROFIT BEFORE TAX	**21,300**	**7,248**
BALANCE SHEET		
Total assets	2,204,413	42,452
Total liabilities	2,078,431	17,822
Other information	-	-
Acquisitions of tangible assets	4,535	-

The 'adjustments' column in the table above shows the elimination of the marketing transactions carried out between the intermediation and management segments. These transactions, which are eliminated in the consolidation process, are shown in the table above to correctly reflect the activity of each segment.

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

Thousands of euros

	31.12.2021			31.12.2020				
t	Corporate Services	Adjustments	Total	Intermediation	Asset Management	Corporate Services	Adjustments	Total
	-	-	-	-	-	-	-	-
	-	-	4,839	4,430	-	-	-	4,430
	-	-	-	-	-	-	-	-
	-	-	(4,624)	(4,032)	-	-	-	(4,032)
	5	-	5	-	-	89	-	89
	-	-	2,276	-	101	-	-	101
	-	(11,472)	-	7,968	-	-	(7,968)	-
	17,430	-	180,630	76,587	71,123	14,022	-	161,732
	-	11,472	-	-	(7,968)	-	7,968	-
	(2,025)	-	(89,213)	(39,967)	(46,477)	(1,124)	-	(87,568)
	2,172	-	11,141	8,456	-	1,029	-	9,485
	-	-	14,313	11,116	-	-	-	11,116
	165	-	532	138	-	133	-	271
	(16)	-	(3,750)	(3,483)	-	(17)	-	(3,500)
	17,731	**-**	**116,149**	**61,213**	**16,779**	**14,132**	**-**	**92,124**
	(9,195)	-	(45,952)	(21,811)	(6,794)	(7,151)	-	(35,756)
	(4,521)	-	(22,606)	(12,367)	(3,852)	(4,055)	-	(20,274)
	(57)	-	(9,450)	(8,533)	(359)	(58)	-	(8,950)
	-	-	(3,574)	(225)	-	-	-	(225)
	-	-	(2,063)	**(2,900)**	**-**	**-**	**-**	**(2,900)**
	-	-	-	**-**	**-**	**-**	**-**	**-**
	-	-	2	**-**	**-**	**-**	**-**	**-**
	3,958	**-**	**32,506**	**15,377**	**5,774**	**2,868**	**-**	**24,019**
	27,896	(73,311)	2,201,450	**1,779,154**	**36,526**	**24,537**	**(61,082)**	**1,779,135**
	6,823	(31,620)	2,071,456	**1,660,623**	**13,278**	**3,104**	**(19,541)**	**1,657,464**
	-	-	-	**-**	**-**	**-**	**-**	**-**
	-	-	4,535	**3,261**	**-**	**-**	**-**	**3,261**

02.8 Cash, cash balances with central banks and other demand deposits

The composition of the chapter 'Cash, Cash balances at Central Banks and Other Demand Deposits' of the consolidated balance sheets to 31 December 2021 and 2020, is as follows:

Thousands of Euros

	2021	2020
Cash	95	106
Cash balances at central banks	840,811	421,247
Other demand deposits	353,434	322,821
Total	**1,194,340**	**744,174**

The breakdown by remaining maturity of this chapter is detailed in Note 5.b).

At 31 December 2021 and 2020, "Other Demand Deposits" includes mainly the balances in demand current accounts, which earn the market interest rate for this type of account for an amount of 353,434 thousand euros (322,821 thousand euros in 2020).

The balances held at the Bank of Spain include the amounts subject to compliance with the minimum reserves ratio stipulated in current regulation applicable to the Group's Parent Company.

02.9 Financial assets and liabilities held for trading

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

Thousands of Euros

	Assets		Liabilities	
	2021	2020	2021	2020
Derivatives	6	467	41	522
Equity instruments	58,999	51,797	-	-
Debt securities	6,954	2,815	-	-
Total	**65,959**	**55,079**	**41**	**522**

At 31 December 2021 and 2020 there were no assets in this portfolio assigned to any type of commitment or guarantee.

There were no transfers or reclassifications of financial instruments included in this portfolio during the financial years 2021 and 2020.

a) Derivatives

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

Following is a breakdown, for the financial years ended December 31, 2021 and 2020, of the notional values and fair values of the financial derivatives recorded as 'Trading Derivatives' classified by type of market, type of products, counterparty, remaining term and type of risk:

Thousands of Euros

	Domestic		Fair value			
	Memorandum accounts		Assets		Liabilities	
	2021	2020	2021	2020	2021	2020
By market type						
Organised markets	20,111	42,876	-	467	-	457
Non-organised markets	3,402	1,500	6	-	41	65
	23,513	**44,376**	**6**	**467**	**41**	**522**
By product type						
Options						
Purchased	-	15,076	-	467		
Sold	-	27,300	-	-	-	457
Futures	20,111	500	-	-	-	-
Others						
Purchased	2,500	1,500	6	-	-	65
Sold	902	-	-	-	41	-
	23,513	**44,376**	**6**	**467**	**41**	**522**
By counterpart						
Other financial institutions	-	-	-	-	-	-
Non-resident credit institutions	23,513	42,876	6	467	41	457
Other sectors	-	1,500	-	-	-	65

Thousands of Euros

	Domestic		Fair value			
	Memorandum accounts		Assets		Liabilities	
	2021	2020	2021	2020	2021	2020
	23,513	**44,376**	**6**	**467**	**41**	**522**
By remaining term						
Up to 1 year	22,611	44,376	6	467	-	522
From 1 to 5 years	902	-	-	-	41	-
	23,513	**44,376**	**6**	**467**	**41**	**522**
By type of risks covered						
Exchange rate risk	23,013	1,500	6	-	41	65
Interest rate risk	500	500	-	-	-	-
Share price risk	-	42,376	-	467	-	457
Other risks	-	-	-	-	-	-
	23.513	**44.376**	**6**	**467**	**41**	**522**

b) Equity instruments

At 31 December 2021 and 2020, the breakdown of the balance of this heading, by sector of activity of the issuer, is as follows:

Thousands of Euros

	2021	2020
Credit institutions	-	-
Financial companies	58,999	51,797
Other Sectors	-	-
Total	**58,999**	**51,797**

The heading of the 'Other Capital Instruments is as follows, based on whether or not the securities composing it are listed, and the percentage they represent of the total:

	Thousands of Euros		% of total	
	2021	2020	2021	2020
Listed	58,999	51,797	100	100
Unlisted	-	-	-	-
	58,999	**51,797**	**100**	**100**

At 31 December 2021 and 2020, the breakdown of the balance of this heading is as follows:

Thousands of Euros

	2021	2020
Ownership interest in UCITs, F.C.R. and S.C.R.	58,972	51,797
Shares and other ownership interest	27	-
	58.999	**51.797**

The detail of "Ownership interest in UCITs, F.C.R., and S.C.R." as of 31 December 2021 and 2020 is as follows:

Thousands of Euros

	31.12.2021	31.12.2020
Renta 4 SICAV Relative Value I EUR A	15,759	15,440
Renta 4 Renta Fija, FI Class R	10,245	10,182
Renta 4 Renta Fija 6 Meses, FI	9,886	9,918
Ged VI España F.C.R.	4,024	2,714
Kobus Renewable Energy II F.C.R.	3,557	5,503
Renta 4 Megatendencias Tecnología Clase R, F.I.	3,284	3,155
Renta 4 Megatendencias Consumo Clase I, F.I.	1,485	-
Renta 4 Megatendencias Medio Ambiente Clase I, F.I.	1,484	-
Ged V España F.C.R.	1,272	1,072
Renta 4 Bewater I F.C.R.	1,249	875
Kobus Renewable Energy III F.C.R.-B1	1,160	521
Renta 4 Activos Alternativos 2 S.C.R., S.A.	930	-
FCP Aqua Compartimento III	685	509
Other (*)	3,979	1,908
Total	**58,999**	**51,797**

(*) Ownership interest in UCITs which individually are less than 600 thousand euros.

The breakdown of 'Shares and other ownership interests' at 31 December 2021 and 2020 is as follows:

Thousands of Euros

	31.12.2021	31.12.2020
Listed		
CEG	27	-
Unlisted		
Other ownership interests	27	-

c) Debt securities

At 31 December 2021 and 2020, the Group has debt securities classified as financial assets held for trading according to the following detail:

Thousands of Euros

	2021	2020
Spanish public administrations	-	-
Other resident sectors	5,431	1,574
Other non-resident sectors	1,004	1,001
Non-resident credit institutions	519	240
	6,954	**2,815**

d) Other information

The breakdown by remaining maturity of this caption is detailed in Note 5(b) on 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 obtain the fair value.

02.10

Financial assets at fair value through other comprehensive income

The breakdown of this caption on the asset side of the consolidated balance sheet is as follows:

Thousands of Euros

	2021	2020
Equity instruments	514	429
Debt securities	387,855	579,892
Total	**388,369**	**580,321**

There were no transfers or reclassifications of financial instruments included in this portfolio during the financial years 2021 and 2020.

The changes in this item in the consolidated balance sheet in 2021 and 2020 were as follows:

Thousands of Euros

	2021	2020
Opening balance	580,321	850,419
Registrations	635,593	359,028
Cancellations	(813,917)	(613,233)
Deferrals of accrued interest	1,119	1,543
Coupon bond collection	(10,862)	(17,309)
Valuation adjustments	(3,962)	(209)
Impairment of assets	-	-
Generic endowment/recovery	77	82
Closing balance	**388,369**	**580,321**

a) Equity instruments

At 31 December 2021 and 2020, the breakdown of the balance of this heading is as follows:

Thousands of Euros

	2021	2020
Ownership interest in UCITs	-	-
Shares and other ownership interest	514	429

The breakdown of 'Shares and other ownership interests' at 31 December 2021 and 2020 is as follows:

Thousands of Euros

	31.12.2021	31.12.2020
Listed		
Valore metals Corp (Formerly: Kivallic Energy)	274	140
VIR Biotechnology Inc.	18	11
Unlisted		
Other ownership interests	222	278
	514	**429**

The breakdown of the heading "Accumulated other comprehensive income - Items that will not be reclassified to profit or loss- Changes to the fair value of equity instruments valued at fair value with changes in other comprehensive income" of the equity (Note 18.j) at 31 December 2021 and 2020, as a result of changes to the fair value of the assets in this portfolio, is as follows:

Thousands of Euros

	2021	2020
Capital instruments		
Other resident sectors	(346)	(78)
Other non-resident sectors	5	(305)
Total (Note 18)	**(341)**	**(383)**

b) Debt securities

The breakdown of debt securities classified by counterparty is as follows:

Thousands of Euros

	2021	2020
Spanish public administrations	59,782	148,121
Resident credit institutions	-	30,635
Non-resident credit institutions	-	10,016
Non-resident public administrations	323,661	372,855
Other resident sectors	4,434	18,364
Valuation adjustments	(22)	(99)
Total	**387,855**	**579,892**

The breakdown of these headings, by term remaining until maturity, is provided in Note 5.b).

The fair value of debt instruments as of 31 December 2021 and 2020 has been determined based mainly on listed prices in official markets (Central de Anotaciones de Banco de España), and based on prices provided by different information service providers which construct their prices based on prices communicated by contributors (Bloomberg).

The breakdown of "Accumulated other comprehensive income - Items that can be reclassified to profit or loss - Financial assets at fair value through profit or loss" in equity (Note 18.j) at 31 December 2021 and 2020, as a result of changes in the fair value of the assets in this portfolio, is as follows:

Thousands of Euros

	2021	2020
Debt securities		
Spanish Public Administrations	204	511
Non-resident public administrations	(1,230)	1,211
Credit institutions	-	55
Non-resident credit institutions	-	10
Other resident sectors	11	32
Other non-resident sectors	-	-
Total (Note 18)	**(1.015)**	**1.819**

As of 31 December 2021 and 2020, the Bank has pledged debt securities listed in favour of BME Clearing to guarantee daily operations with domestic derivatives and domestic variable income. The nominal value of these assets as at 31 December 2021 amounts to 115,121 thousand euros (113,530 thousand euros) with a market value of 117,943 thousand euros (116,091 thousand euros as at 31 December 2020).

In addition, at 31 December 2021, the Bank has signed a Securities Pledge Credit Agreement with the Bank of Spain. The nominal value of the pledged securities amounts to 99,300 thousand euros (115,225 thousand euros at 31 December 2020). The fair value amounted to 102,304 and 117,367 thousand euros, at 31 December of the years 2021 and 2020, respectively. The available amount of this guarantee at 31 December 2021 and 2020 was 96,523 and 112,123 thousand euros, respectively.

As of 31 December 2021, the value of debt securities pledged to JP Morgan as collateral for daily international derivatives trading had a nominal value of 50,000 thousand euros and a market value of 54,528 thousand euros (50,000 thousand euros nominal value and 50,470 thousand euros market value as at 31 December 2020).

02.11

Financial assets at amortised cost

The breakdown of this section on the assets in the consolidated balance sheets is as follows:

Thousands of Euros

	2021	2020
Debt securities	158,305	107,591
Loans and advances:		
Central banks	-	-
Credit institutions	49,393	42,518
Clientele	259,294	165,737
Total	**466,992**	**315,846**

Details of debt securities at 31 December 2021 and 2020 are as follows:

Financial year 2021

Securities	Maturity	Thousands of Euros
Italian Government Bond IT0005419848 (*)	1 February 2026	102,185
Italian Government Bond IT0005370306	15 July 2026	55,250
Bono IRIS FINANCIAL SERVICES LIMITED (**)	1 October 2024	870

(*) Includes accrued interest of 27 thousand euros.
(**) Includes 8 thousand euros of generic provision

Financial year 2020

Securities	Maturity	Thousands of Euros
Italian Government Bond IT0005419848 (*)	1 February 2026	51,308
Italian Government Bond IT0005370306	15 July 2026	56,283

(*) Includes accrued interest of 14 thousand euros.

At 31 December 2021 and 2020, the Bank held debt securities lent under securities lending agreements to other financial institutions amounting to 101,930 and 51,294 thousand euros, respectively.

The breakdown by remaining maturity of this chapter is detailed in Note 5.b).

a) Credit institutions

The breakdown of this heading is as follows:

Thousands of Euros

	2021	2020
Time deposits or accounts	2,905	726
Other accounts (*)	46,488	41,792
Doubtful assets	-	-
Valuation adjustments		
Impairment losses on assets	-	-
Accrued interest	-	-
Total	**49,393**	**42,518**

(*) At 31 December 2021 and 2020, "Other Accounts" includes 41,555 and 38,228 thousand euros relating to financial guarantees provided to financial intermediaries in connection with international derivatives transactions.

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

The breakdown of time deposits or accounts at 31 December 2021 and 2020 is as follows:

31 December 2021

Entity	Type	Maturity date	Thousands of Euros
Banco Bice (*)	3.24 %	05/01/2022	119
Banco Security (*)	3.72 %	03/01/2022	231
Banco Bice (*)	4.44 %	21/01/2022	123
IPF Bankinter	0.00 %	02/11/2022	1.322
IPF Ruralvía	0.00 %	12/11/2022	100
Time deposit - Banco de Bogotá N.Y.	0.55 %	09/05/2022	225
Time deposit -- Banco de Bogotá N.Y.	0.55 %	16/02/2022	665
BGT Pactual (*)	3.78 %	31/01/2022	120
			2.905

31 December, 2020

Entity	Type	Maturity date	Miles de euros
Banco Bice (*)	2.40 %	06/01/2021	131
Banco Security (*)	2.40 %	04/01/2021	256
Banco Security (*)	2.40 %	20/01/2021	135
Bogota Bank	1.30 %	14/05/2021	204
			726

(*) These time deposits or accounts correspond to one of the LATAM companies

The heading includes accrued interest of 3 thousand euros at 31 December 2021 (2 thousand at 31 December 2020).

b) Clientele

The breakdown of this heading in the consolidated balance sheets, by type and situation of credit, counterparty sector and interest rate modality, is as follows:

Thousands of Euros

	2021	2020
By modality and credit situation:		
Secured receivables	86,592	63,959
Other secured receivables	8,664	3,644
Other term receivables	19,885	14,328
Accounts receivable on demand and miscellaneous	4,531	2,222
Doubtful assets	12,412	10,026
Other financial assets	132,275	74,794
Valuation adjustments	(5,065)	(3,236)
	259,294	**165,737**
By sector:		
Public Administrations	105	31
Other financial corporations	128,308	65,046
Other non-financial corporations and sole proprietors	90,218	73,407
Rest of Households	40,663	27,253
	259,294	**165,737**
By interest rate modality:		
Variable	259,294	165,737
Fixed	-	-
	259.294	**165.737**

The breakdown of these headings, by term remaining until maturity, is provided in Note 5.b).

In the 2021 and 2020 financial years the Group signed security pledge contracts on securities deposited by clients which serve as collateral for accounts receivable.

The balance corresponding to “Other term receivables” is made up of debtors with a personal guarantee, debtors with personal loans and unsecured debtors. With respect to the balance corresponding to “Other term receivables”, it contains both the fixed-term deposits of Chile and Peru, as well as the simultaneous deposits that the Chilean subsidiary has with its customers.

The Group maintains in the "Other Financial Assets" account the amount required for guarantees from each of the brokers in the derivative markets in which it operates on behalf of customers and which the Parent Company in turn requires from its customers (see Note 16.d). Said guarantees cover both national organised markets (MEFF, Eurostoxx) and international derivatives and CFD markets.

At the same time, the breakdown of receivables according to their modality and credit situation is as follows:

Thousands of Euros

	Debt		Value Guarantees		Limit		Available	
	2021	2020	2021	2020	2021	2020	2021	2020
Secured receivables	86,592	63,959	208,076	147,829	118,845	81,660	32,253	17,701
Other secured receivables	8,664	3,644	9,270	4,057	8,664	3,644	-	-
Secured doubtful receivables	7,020	8,235	7,855	6,166	7,734	8,235	714	-
Unsecured doubtful receivables	5,392	1,791	-	-	-	-	-	-
Other term receivables	19,885	14,328	121	-	19,885	16,558	710	2,230
	127,553	**91,957**	**225,322**	**158,052**	**155,128**	**110,097**	**33,677**	**19,931**

The breakdown of valuation adjustments made on transactions classified as "Loans and advances - Customers" is as follows:

Thousands of Euros

	2021	2020
Valuation adjustments:	(5,667)	(3,535)
Impairment losses on assets	602	299
Accrued interest	(5,065)	(3,236)

c) Impairment losses

The breakdown and movement of the impairment losses recorded at the close of financial years 2021 and 2020 for the assets in the Loans and advances portfolio (credit institutions and clients) is as follows:

Thousands of Euros

	Doubtful (Stage - 3)	Special surveillance (Stage – 2)	Normal (Stage – 1)	Total
Balance as of 1 January 2021	3,353	-	182	3,535
Additions				
Provisions charged to profit and loss statement (Note 22.f)	4,432	683	390	5,505
Recoveries				
Recoveries with credit to loss and profit statement				
	(2.407)	(663)	(303)	(3,373)
Uses				
Transfer to Failures	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Balance as of 31 December 2021	5,378	20	269	5,667
Of which: Credit institutions	-	-	-	-
Of which: Clients	5,378	20	269	5,667
Balance as of 1 January 2020 (*)	933	28	63	1,024
Additions				
Provisions charged to profit and loss statement (Note 22.f)	3,191	-	119	3,310
Recoveries				
Recoveries with credit to loss and profit statement	(256)	(28)	-	(284)
Recoveries of bad assets	**(44)**	**-**	**-**	**(44)**
Uses				
Transfer to Failures	**(471)**	**-**	**-**	**(471)**
Other	**-**	**-**	**-**	**-**
Balance as of December 31, 2020	**3,353**	**-**	**182**	**3,535**
Of which: Credit institutions	**-**	**-**	**-**	**-**
Of which: Clients	**3,353**	**-**	**182**	**3,535**

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

As at 31 December 2021, a total of 9 transactions with a balance of 10,880 thousand euros and an allowance of 4,077 thousand euros have been considered under individualised estimate. Of these amounts, a total of 7,571 thousand euros (4 operations), with guarantees amounting to 7,719 thousand euros, correspond to refinanced transactions (Note 5. a.5). The remaining transactions (5 transactions), with a balance of 3,309 thousand euros, have been provisioned at 100%.

With regard to other transactions, the Group used collective estimation techniques to determine credit risk coverage, with a balance of 1,304 thousand euros.

02.12

Investments in joint ventures and associates

During financial year 2021 and 2020, this section of the accompanying consolidated balance sheet experienced the following movements:

Thousands of Euros

	2021	2020
Saldo inicial	**362**	**348**
Opening balance	-	-
Registrations	-	-
Cancellations	1,742	14
Individual results for the financial year	-	-
Closing balance	**2,104**	**362**

02.13

Tangible assets

The detail of the tangible assets for own use and the movements during financial years 2021 and 2020, in this heading, are as follows:

Thousands of Euros

	Computer equipment	Furniture, Facilities and Others	Buildings	Real estate investment	Right of use	Total
Cost value						
Balance as of December 31, 2020	3,680	42,261	24,012	5,837	25,057	100,847
Registrations	262	4,273	-	-	1,582	6,117
Cancellations	(822)	(7,692)	-	-	(613)	(9,127)
Transfers	-	-	-	-	-	-
Balance as of 31 December 2021	3,120	38,842	24,012	5,837	26,026	97,837
Accumulated amortisation						
Balance as of December 31, 2020	(2,636)	(23,447)	(7,146)	(2,382)	(4,837)	(40,448)
Registrations	(506)	(3,692)	(425)	(108)	(2,641)	(7,372)
Cancellations	822	7,692	-	-	488	9,002
Transfers	12	29	-	-	-	41
Balance as of 31 December 2021	(2,308)	(19,418)	(7,571)	(2,490)	(6,990)	(38,777)
Net value at 31 December 2021	812	19,424	16,441	3,347	19,036	59,060
Cost value						
Balance as of 31 December 2019	3,311	39,369	24,012	5,837	23,326	95,855
Registrations	369	2,892	-	-	3,037	6,298
Cancellations	-	-	-	-	(1,306)	(1,306)
Transfers	-	-	-	-	-	-
Balance as of December 31, 2020	3,680	42,261	24,012	5,837	25,057	100,847
Accumulated amortisation						
Balance as of 31 December 2019	(2,185)	(19,928)	(6,723)	(2,263)	(2,603)	(33,702)
Registrations	(462)	(3,538)	(424)	(119)	(2,706)	(7,249)
Cancellations	-	-	-	-	461	461
Transfers	11	19	1	-	11	42
Balance as of December 31, 2020	(2,636)	(23,447)	(7,146)	(2,382)	(4,837)	(40,448)
Net value at 31 December 2020	1.044	18.814	16.866	3.455	20.220	60.399

The additions recognised in 2021 and 2020 financial years under “Furniture, Facilities and Others” relate to improvements made by the Group at various offices.

As of 31 December 2021 and 2020, the Group had no firm commitment to purchase or sell fixed assets for a significant amount, nor are its assets subject to significant charges or encumbrances.

As of 31 December 2021 and 2020, it is estimated that the fair value of the tangible assets owned by the Group does not differ significantly from that recognised in the accompanying consolidated balance sheet.

Also, there are no tangible assets of significant amount for which there are restrictions on use or ownership, which are out of service or which the Group has pledged to guarantee the default of debts.

As of 31 December 2021 and 2020, 19,036 and 20,220 thousand euros thousand euros, respectively, had been recorded as operating leases under “of Use” as a result of the entry into force of IFRS 16 (see Notes 2.9.a and 4.v. and 16.d).

Real estate investment

As of 31 December 2021 and 2020, the building located in Madrid at Paseo de la Habana 63 and the building located in Mallorca at Paseo de Mallorca 32, with the total net carrying amount of 3,347 and 3,455 thousand euros, respectively, were recorded as real estate investments.

The breakdown of the minimum future collections on non-cancellable operating lease contracts as of 31 December 2021 and 2020 is as follows:

Thousands of Euros

	2021	2020
Up to one year	140	132
Between one and five years	10	700
	150	**832**

On 15 March 2016, the Group carried out an independent appraisal of the most significant real estate investment, the building located at Paseo de la Habana nº 63, in order to determine its fair value. Based on the results of this appraisal, which was performed using the income restatement method and the market comparison method, its fair value does not differ from its net book value as of 31 December 2021 and 2020.

02.14

Intangible assets

a) Goodwill

The breakdown of, and movement in, this heading in the accompanying consolidated balance sheets in 2021 and 2020 financial years are as follows:

Thousands of Euros

	Cost	Value adjustment due to impairment	Total
Balances at 12/31/19	17,772	(2,481)	15,291
Transactions	-	-	-
Balances at 12/31/20	17,772	(2,481)	15,291
Transactions	-	-	-
Balances at 31.12.21	17,772	(2,481)	15,291

As of 31 December 2021 and 2020, the goodwill amounts to a total of 15,291 thousand euros, relating to the companies included in the UGE Management (in the amount of 5,476 thousand euros) and the intermediary UGE (in the amount of 9,815 thousand euros). The intermediary CGU comprises the companies Renta 4 Banco, S.A. (arising from the acquisition of Banco Alicantino de Comercio S.A.), Renta 4, S.A., Sociedad de Valores, Renta 4 Burgos S.A., Renta 4 Aragón S.A., Renta 4 Huesca S.A. and Padinco Patrimonios S.G.C., S.A.; likewise, the CGU called “Management” comprises Renta 4 Gestora S.G.I.I.C., S.A. (arising from the acquisition of Gesdinco Gestión, S.G.I.I.C.), Renta 4 Pensiones, E.G.F.P., S.A. and Renta 4 Luxembourt, S.A.

Until 2015, the Group had recorded other goodwill associated with the “Chile” CGU; this goodwill was identified with the expected business to be generated by the sale of other services offered by the Renta 4 Group to Chilean clients (intermediation, asset-investment fund management, pension funds and portfolio management), and by the possible expansion of the client portfolio in Chile due to the possibility of operating in the Spanish market. However, during 2015, and based on the results obtained by this CGU, the Directors considered it necessary to record impairment losses in this CGU amounting to 129 thousand euros, recorded under the heading “Impairment or reversal of impairment of non-financial assets - Intangible assets” in the consolidated income statement for that year (Note 22.g). As a result of this impairment, as of December 31, 2015, the goodwill of the Chile CGU was fully impaired.

As of 31 December 2021 and 2020, the Group carried out an impairment test on goodwill for the “Intermediary” CGU and the “Management” CGU, based on the assumptions set out below.

The impairment test performed by the Parent Company has been verified by an independent expert who, on 9 February 2022, issued a report on the impairment test and the correct valuation of the goodwill at 31 December 2021 and therefore no impairment has been recognised in 2021 and 2020.

Accordingly, and in accordance with the estimates and projections available to the Bank's Directors, in 2021 there were no losses of value that would have required the recording of additional impairments.

Under the regulations, impairment in value occurs when the net carrying amount exceeds the recoverable amount, which is the highest value between the value in use and the fair value less the costs to sell. In this case, the recoverable amount of the previous CGUs has been determined following a revenue approach; specifically, the dividend discount methodology has been used based on cash flow projections based on budgets approved by Group Management, as detailed below:

Thousands of Euros

Intermediary CGU	2021	2020
Projected period	5 years	5 years
Discount rate (projected period)	10.11 %	10.30 %
Perpetual growth rate	2.5 %	2.5 %

Management CGU	2021	2020
Projected period	5 years	5 years
Discount rate (projected period)	10.11 %	10.30 %
Perpetual growth rate	2.5 %	2.5 %

The main assumptions used in accordance with the aforementioned methodology are described below:

a.1 Projected period

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

a.2 Discount rate

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

This model is based on the risk-free rate (Rf), which has been calculated based on the average yield in the last three months of 2020 of the 10-year Spanish public debt (bond) for the Intermediary and management CGUs, incorporating in its calculation the effect on the profitability of Spanish public debt of the European Central Bank's Balance Sheet expansion measures, and on the other hand the historical average of the 10-year bond since 2012, to which is added the market risk premium (Rm) multiplied by the beta coefficient considered appropriate for the risk and growth profile of each CGU. The result obtained, as shown in the table above is 10.11% (2020: 10.30%).

a.3 Perpetual growth rate

For the calculation of the growth rate in perpetuity, the estimation of long-term inflation by public sources has been used, as well as the potential growth of the asset intermediation industry on said inflation. The growth rate used was 2.5% in the Cash-generating Unit.

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

Sensitivity to changes in assumptions

In order to ensure the soundness of its calculation, Management has carried out a sensitivity analysis of the value in use of the different CGUs analyzed with respect to variations in the main assumptions affecting said calculation. To this end, sensitivity analyses have been carried out on the discount rate, the perpetual growth rate and the required capital requirements. The main results are shown below:

Intermediary and Management CGUs

Reasonable variations of +/-100 basis points in the discount rate used combined with reasonable variations of +/-100 basis points in the perpetual growth rate with respect to the base scenario would not cause impairment in either of the two CGUs.

Similarly, reasonable variations of +/-100 basis points in the discount rate used combined with reasonable variations of +/-0.25 times in the minimum capital requirements required of the CGU with respect to the base scenario would not cause impairment in either of the two CGUs.

Likewise, reasonable variations of +/-100 basis points in the perpetual growth rate used combined with reasonable variations of +/-0.25 times in the minimum capital requirements required of the CGU with respect to the base scenario would not cause impairment in either of the two CGUs.

b) Other intangible assets

This section in the consolidated balance sheets includes the software applications acquired from third parties, the client portfolio generated with the acquisition of Gesdinco S.A., S.G.I.I.C. and Padinco Patrimonios, S.G.C., S.A., the client portfolio generated with the acquisition of Renta 4 Chile Corredores de Bolsa, S.A., and the client portfolio generated in the acquisition of BNP Paribas, Sucursal en España, S.A. which have had the following movements in 2021 and 2020:

Thousands of Euros

	Cost	Accumulated amortisation	Net value
Balance as of 31 December 2019	**7,220**	**(3,998)**	**3,222**
Registrations and endowments	3,298	(1,701)	1,597
Cancellations	(1,000)	1,000	-
Balance as of December 31, 2020	**9,518**	**(4,699)**	**4,819**
Registrations and endowments	3,033	(2,078)	955
Cancellations	(659)	659	-
Balance as of 31 December 2021	**11,892**	**(6,118)**	**5,774**

As of 31 December 2021 and 2020, “Other Intangible Assets” includes the fully amortised customer portfolio of Gesdinco and Padinco (815 thousand euros of cost and 815 thousand euros of accumulated amortisation). Also, as of 31 December 2021 and 2020 it includes the fully amortised client portfolio in Chile (646 thousand euros of cost and 646 thousand euros of accumulated amortisation). In addition, as of 31 December 2021, this heading includes client portfolio and software from the acquisition of the activity branch of BNP Paribas Sucursal en España, S.A. (see Note 4.j) with a cost of 2,007 thousand euros and 1,804 thousand euros pending amortisation as of 31 December 2021 (2,007 thousand euros cost and 1,947 thousand euros pending amortisation as of 31 December 2020).

Finally, this heading includes software applications with a net value of 970 thousand and 2,812 thousand euros as of 31 December 2021 and 2020, respectively.

02.15

Other assets and other liabilities

The breakdown of the balance of these asset and liability sections in the consolidated balance sheet at 31 December 2021 and 2020 is as follows:

Thousands of Euros

	2021	2020
Assets:		
Unaccrued expenses paid	2,141	1,719
Other	88	131
	2,229	**1,850**
Liabilities:		
Accruals/deferrals	2,463	2,128
Other	8,215	3,030
	10,678	**5,158**

At 31 December 2021 and 2020, the balance of other unpaid accrued expenses relates mainly to unpaid variable employee remuneration. As of 31 December 2021 and 2020 the balance of "accruals" includes fees payable to CNMV, FROB and Guarantee Fund amounting to 2,463 thousand and 2,128 thousand euros respectively.

02.16

Financial liabilities at amortised cost

The breakdown of this section on the liability side of the consolidated balance sheets as of 31 December 2021 and 2020, is as follows:

Thousands of Euros

	2021	2020
Deposits from central banks	-	-
Deposits from credit institutions	13,757	14,046
Customer deposits	1,796,651	1,495,822
Other financial liabilities	237,825	133,583
	2,048,233	**1,643,451**

The breakdown of these headings, by term remaining until maturity, is provided in Note 5.b).

a) Deposits from central banks

As of 31 December 2021 and 2020, the Bank did not hold any central bank deposits, within the framework of the programmes designed by the European Central Bank (T-LTRO III) to improve long-term funding. However, the Bank maintains an available balance with the European Central Bank of 102,304 thousand euro as at 31 December 2021 (112,123 thousand euro as at 31 December 2020).

b) Deposits from credit institutions

The detail of this heading on the liability side of the consolidated balance sheets as of 31 December 2021 and 2020, depending on the nature of the instrument, is as follows:

Thousands of Euros

	2021	2020
Other accounts	13,757	14,046

c) Customer deposits

The breakdown, by balancing entry and type of financial instrument as of 31 December 2021 and 2020, of this heading in the consolidated balance sheet is as follows:

Thousands of Euros

	2021	2020
Term deposits	-	-
Demand deposits	1,796,651	1,495,822
Assets sold under repurchase agreements	-	-
Valuation adjustments	-	-
	1,796,651	**1,495,822**

d) Other financial liabilities

All the financial liabilities included under this consolidated balance sheet heading are classified in the “Financial liabilities at amortised cost” portfolio and are accordingly measured at amortised cost. This heading includes payment obligations qualifying as financial liabilities that are not included in other headings.

The breakdown of other financial liabilities by type of financial instrument, at 31 December 2021 and 2020 is as follows:

Thousands of Euros

	2021	2020
Payment obligations	2,442	1,725
Deposits received	58	58
Clearing houses	2,082	3,161
Tax collection accounts		
Social Security Administration	689	631
Financial guarantees	177,467	90,126
Other	35,421	17,243
Leases (Note 13)	19,666	20,639
Total	**237,825**	**133,583**

As financial guarantees, the Bank includes the financial guarantees required from customers for operations in MEFF, in international derivatives and with CFD’s products (contract for difference).

The heading “Other items” mainly includes balances for unsettled transactions with financial intermediaries that are settled in the first days of the following month, including unsettled client transactions with Allfunds amounting to 5,099 thousand euro (31 December 2020: 10,101 thousand euro).

02.17

Provisions

The breakdown of this consolidated balance sheet heading as of 31 December 2021 and 2020, is as follows:

Thousands of Euros

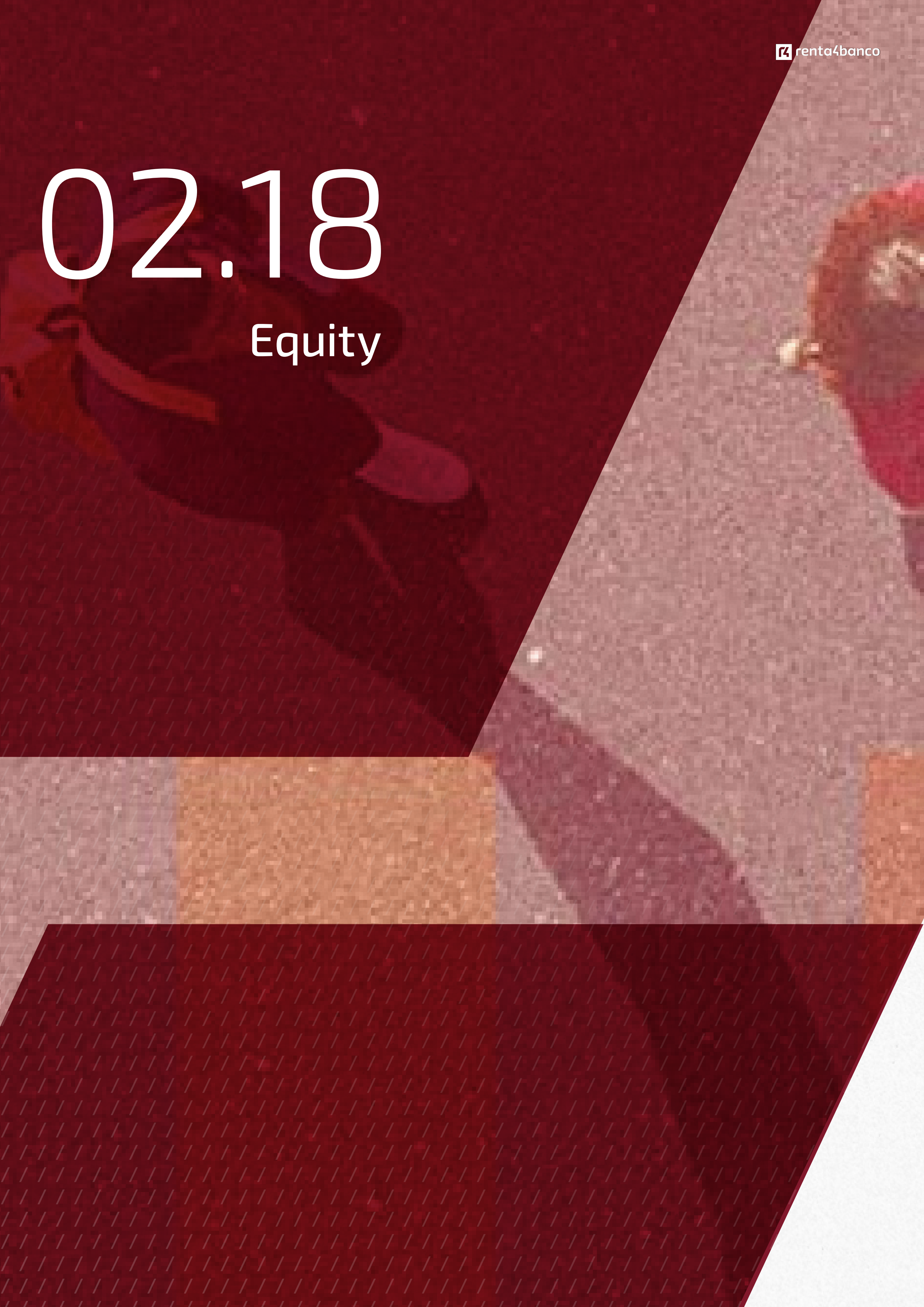
	2021	2020
Outstanding tax litigation and procedural issues	3,737	301
Commitments and guarantees granted	30	12
	3,767	**313**

The changes in these headings in 2021 and 2020 were as follows:

Thousands of Euros

	Other provisions
Balance as of 31 December 2019	492
Additions with a charge to profit or loss	225
Provision recoveries with a credit to profit or loss	-
Provisions utilised	(404)
Balance as of December 31, 2020	313
Additions with a charge to profit or loss	**3,588**
Provision recoveries with a credit to profit or loss	(14)
Provisions utilised	(120)
Balance as of 31 December 2021	**3,767**

As of 31 December 2021 and 2020, the provisions recognised on the consolidated balance sheet amounting to 3,767 and 313 thousand euros, respectively, correspond to the Parent Company and other subsidiaries and mainly cover certain risks arising from the performance of their business activities and risks arising from third party claims.



02.18

Equity

The detail of the Group's equity as of 31 December 2021 and 2020 is as follows:

Thousands of Euros

	2021	2020
Equity		
Registered capital	18,312	18,312
Share premium	8,496	8,496
Other reserves	94,147	76,943
Less: Treasury shares	(486)	(486)
Profit for the financial year	25,337	18,137
Less: Interim dividends	(12,186)	-
	133,620	**121,402**
Accumulated other comprehensive income		
Currency Conversion	(3,059)	(3,059)
Financial assets designated at fair value with changes in other comprehensive income		
Changes in the fair value of equity instruments measured at fair value with changes in other comprehensive income (Note 10.a)	(341)	(383)
Changes in fair value of debt instruments measured at fair value with changes in other comprehensive income (Note 10.a)	(1,015)	1,819
	(4,415)	**(637)**
Minority interests (non-controlling interests)		
Accumulated other comprehensive income	(352)	(225)
Other elements	1,141	1,131
	789	906
Total Equity	**129,994**	**121,671**

a) Registered capital

Share capital of the Parent, 31 December 2021 and 2020, amounts to 18,311,941.35 euros and is divided into 40,693,203 registered shares number 1 to 40,693,203, with a nominal value of 0.45 euros each, of the same class and series. All the shares are fully subscribed and paid.

The Parent's shares have been listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges since November 14, 2007 under ISIN code ES0173358039 given by the Spanish National Codification Agency. The listed price of the shares at 31 December 2021 was 10.1 euros (31 December 2020: 7.08 euros).

The composition of the Bank's shareholding at 31 December 2021 and 2020 is as follows:

	31 December 2021		31 December, 2020	
	Number of shares	Percentage of ownership	Number of shares	Percentage of ownership
Mr. Juan Carlos Ureta Domingo (*)	12,143,786	29.84 %	12,136,969	29.83 %
Mrs. Matilde Estades Seco	987,791	2.43 %	987,791	2.43 %
Surikomi, S.A.	1,266,827	3.11 %	1,266,827	3.11 %
Sociedad Vasco Madrileña de Inversiones S.L. (former AR Santamaría)	1,694,041	4.16 %	1,694,041	4.16 %
2020 Executive Portfolio (****)	346,000	0.85 %	346,000	0.85 %
Mr. Juan Carlos Ureta Estades	33,163	0.08 %	33,163	0.08 %
Mrs. Matilde Ureta Estades	30,457	0.07 %	30,457	0.07 %
Mrs. Inés Asunción Ureta Estades	27,941	0.07 %	27,941	0.07 %
Mutualidad General de la Abogacía	2,800,650	6.88 %	2,800,650	6.88 %
Mr. Oscar Balcells Curt (**)	2,349,543	5.77 %	2,275,360	5.59 %
The Bank of New York Mellon S.A. N.V.	553,852	1.36 %	88,321	0.22 %
Mr. Santiago González Enciso (***)	1,644,158	4.04 %	1,641,827	4.03 %
Mrs. Pilar Muro Navarro	422,405	1.04 %	422,405	1.04 %
Global Portfolio Investments SL	2,276,232	5.59 %	2,276,232	5.59 %
Arbarin, Sicav	313,032	0.77 %	363,686	0.89 %
Contratas y Servicios Extremeños S.A.	2,051,110	5.04 %	2,051,100	5.04 %
Santander Small Caps España, F.I. (*****)	1,234,147	3.03 %	184,000	0.45 %
Other (including treasury shares)	10,518,068	25.87 %	12,066,433	29.67 %
Total	**40,693,203**	**100 %**	**40,693,203**	**100 %**

(*) In the shares of Mr. Juan Carlos Ureta Domingo registered, his descendants have not been taken into account
(**) In the shares of Mr. Oscar Balcells Curt registered, the shares held through the companies in which he is the main shareholder have been taken into account.
(***) In the shares of Mr. Santiago González Enciso registered, his descendants have not been taken into account.
(****) Mr Juan Carlos Ureta Domingo holds a 25% share in this company, equivalent to 86,500 shares (0.21%).
(*****) Santander Asset Management S.A., S.G.I.I.C. exercises the voting rights.

At 31 December 2021, the Group's main shareholder, in addition to the percentage of direct ownership reflected in the foregoing table, held 9.92% indirectly (9.92% at 31 December 2020), representing 39.76% of the Parent Company's share capital (39.74% at 31 December 2020).

b) Share premium

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

c) Other reserves

The breakdown of this heading at 31 December 2021 and 2020 is as follows:

Thousands of Euros

	2021	2020
Legal reserve of the Parent Company	3,662	3,662
Reserves in entities accounted for using the equity method	62	48
Reserves at Group Companies	90,423	73,233
	94,147	**76,943**

The breakdown of "Reserves at Group companies" is as follows:

Thousands of Euros

Company	2021	2020
Renta 4 Banco, S.A.	85,556	67,060
Renta 4 Sociedad de Valores, S.A.	1,009	2,335
Renta 4 Burgos, S.A.	(2,475)	(2,475)
Renta 4 Aragón, S.A.	(1,049)	(1,049)
Renta 4 Vizcaya, S.A.	(363)	(367)
Renta 4 Gestora, S.G.I.I.C., S.A.	8,343	8,416
Renta 4 Huesca, S.A.	(374)	(373)
Carterix, S.A.	(139)	(138)
Renta 4 Pensiones, S.G.F.P., S.A.	4,842	6,211
Renta 4 Investment Solution (formerly Renta 4 Equities)	46	53
Other	(4,973)	(6,440)
	90,423	**73,233**

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. The portion of this reserve that does not exceed 20% of share capital 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. In addition, under certain conditions, this reserve may be used to increase share capital. At 31 December 2021 and 2020, the parent's legal reserve amounted to 20%.

e) Voluntary reserves

The Parent's voluntary reserves at 31 December At 31 December 2021 and 2020, the parent's legal reserve amounted to 20%. are freely distributable, as there were no unused tax losses pending offset and subject to equity requirements (Note 18.i).

This heading includes a restricted reserve related to goodwill under assets in the parent company's balance sheet.

f) Treasury shares

The breakdown of the movement in this heading in 2021 and 2020 were as follows:

Thousands of Euros

	2021	2020
Opening balance	(486)	(601)
Procurement	-	-
Sales	-	115
Closing balance	**(486)**	**(486)**

No equity instruments have been purchased or sold during the financial year 2021. Equity instruments amounting to 115 thousand euros were sold during the financial year 2020, with no capital gains or losses recorded.

At 31 December 2021 and 2020, this heading includes the following shares:

Number of shares

	2021	2020
Other	72,590	72,590

g) Interim dividend

On February 22, 2022, the Board of Directors, which prepares the Parent Company's financial statements, resolved to distribute a final interim dividend out of the profits for 2021, equivalent to 0.11 euros per share.

Set out below is the accounting statement prepared by the Parent's directors on the basis of their individual results, which showed the existence of sufficient liquidity for the distribution of a final interim dividend out of 2021 profit for a gross amount of 4,468 thousand euros (Note 2.10):

Thousands of Euros

Projected distributable parent company profits for the year	
Profit net of taxes as of 31 December 2021	22,481
Interim dividend paid in 2021	12,186
Maximum amount to be distributed (*)	10,295
Projected cash for one year from the date of the agreement	
Cash at the date of the agreement	1,148,295
Projected cash balances one year from the date of the agreement	1,263,125

(*) The amount to be distributed complies with the requirements established in article 277 of the Company Law.

At that date, the Parent Company had sufficient liquidity to pay the dividend.

The Board of Directors, at its meeting held on 30 November 2021, has resolved to distribute an interim dividend out of 2021 profits of 0.30 euros per share, for a gross amount of 12,186 thousand (Note 2.10).

Set out below is the accounting statement prepared by the Parent's directors on the basis of its individual results, which showed the existence of sufficient liquidity for the distribution of an interim dividend out of 2021 profit for a gross amount of 12,186 thousand euros (Note 2.10).

Thousands of Euros

Projected distributable parent company profits for the year	
Profit net of taxes as of 31 October 2021	14,797
Interim dividend paid in 2021	-
Maximum amount to be distributed (*)	14,797
Projected cash for one year from the date of the agreement	
Cash at the date of the agreement	775,264
Projected cash balances one year from the date of the agreement	852,790

(*) The amount to be distributed complies with the requirements established in article 277 of the Company Law.

At that date, the Parent Company had sufficient liquidity to pay the dividend.

On 23 February 2021, the Board of Directors which prepared the financial statements of the Parent Company resolved to distribute an interim dividend in the gross amount of 933 thousand euros out of the profit for 2020.

On 17 March 2020, the Board of Directors which prepared the financial statements of the Parent Company resolved to distribute an interim dividend in the gross amount of 4,060 thousand euros on account of the profit for 2019. On 15 April 2020, the Board of Directors of Renta 4 Banco S.A., in accordance with the provisions of articles 40.6.bis and 41.3 of RDL 8/2020, agreed to withdraw from the Agenda of the Ordinary General Meeting of 27 April 2020, the proposal for the application of profits, in compliance with the recommendation made by the European Central Bank (ECB) and the Bank of Spain. This decision had no adverse effect on the Bank's equity and therefore the Board of Directors did not consider it necessary to restate the annual financial statements.

h) Earnings per share

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

Basic and diluted earnings per share are shown below:

	2021	2020
Net profit attributable to owners of the Parent Company (in thousands of euros)	25,337	18,137
Financial costs associated with the issuance of convertible bonds (in thousands of euros)	-	-
Net profit attributable to owners of the parent, net of the finance costs associated with issuance of convertible bonds (in thousands of euros)	25,337	18,137
Weighted average number of ordinary shares, excluding treasury shares, for calculating basic earnings per share	40,620,613	40,604,856
Weighted average number of ordinary shares, excluding treasury shares, for calculating diluted earnings per share	40,620,613	40,604,856
Basic earnings per share (euros)	0,62	0,45
Diluted earnings per share (euros)	0,62	0,45

i) Minimum capital requirements

On 26 June 2013, the European Parliament and the Council of the European Union approved Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (hereinafte, “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”), which entered into force on 1 January 2014, with progressive implementation until 1 January 2019. They have the effect of repealing all formerly prevailing solvency regulations.

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

The CRR and the CRD regulate the own resources requirements in the European Union and reflect the recommendations established in the Basel III Capital Accord, specifically:

- The CRR, directly applicable by Member States, contains prudential requirements to be implemented by credit institutions and among other matters, covers:

- Definition of the items that computable as equity, stipulating the requirements for hybrid instruments to be legible and limiting the eligibility of non-controlling interests recognised for accounting purposes.

- Definition of prudential filters and deductions from capital for each defined capital tiers. Note that the Regulation 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, a phased timetable for its full application is established.

- Establishment of minimum capital requirements, included in Article 92 of the CRR, articulated around three types of capital: Common Equity Tier 1 (CET 1) capital, of at least 4.5% of RWA; Tier 1 capital, of at least 6% of RWA; and Total Capital, of at least 8%. However, the competent authority has the power to require additional equity.

- The requirement for financial institutions to calculate a leverage ratio, which is defined as the Bank’s Level 1 capital divided by the total assumed not adjusted by risk exposure.

The CRD, which has to be transposed by Member States into their national legislation at their discretion, has as its main objective the coordination of national provisions relating to access to the business of credit institutions and investment firms, their governance mechanisms and their supervisory framework. The CRD, among other aspects, includes additional capital requirements over and above those established in the CRR, failure to comply with which entails limitations on discretionary distributions of earnings, specifically:

- A capital conservation buffer and countercyclical capital buffer, further implementing the Basel III regulatory framework with the aim mitigating the procyclical effects of financial regulation, includes an obligation to maintain a Capital Conservation Buffer of 2.5% of CET 1 capital, common to all financial institutions and an institution-specific Countercyclical Capital Buffer on CET 1 capital.

- A buffer against systemic risks, aimed at mitigating systemic risks, i.e. to cover risks of disruptions in the financial system that could have serious negative consequences for the financial system and the real economy of a Member State.

- A buffer for entities of global systemic importance and other entities of systemic importance, with the aim of covering the potential impact of the bankruptcy of entities that due to their size, complexity, interconnections, cross-border activity and/or the difficulty of substitution provided, may have on the financial system and the real economy.

In this respect, in application of Article 68.2.a) of Law 10/2014, the Bank of Spain demanded a total capital ratio of at least 12.13% at consolidated and individual level in 2021. A Bank of Spain requirement was received establishing a minimum total capital ratio at consolidated and individual level of 12.13% in 2022.

As of 31 December 2021, the Renta 4 Group complies with the aforementioned ratio of 14.79%. At 31 December 2020 the balance was 14.71%.

In terms of legislative developments in Spain, the newest legislation mainly focuses on the transposition of the European regulations at the local level:

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

- Bank of Spain Circular 2/2014 of January 31 to credit institutions on the exercise of various regulatory options contained in Regulation (EU) No. 575/2013. The purpose is to establish, in accordance with the powers conferred, which options of those that the CRR assigns to the competent national authorities, the consolidable groups of credit institutions and integrated credit institutions or not forming part of a consolidable group, the Bank will have to comply with as from 1 January 2014, and with what scope. To this end, in this Circular, the Bank of Spain makes use of some of the temporary or permanent regulatory options provided for in the CRR, in general in order to allow continuity in the treatment that Spanish legislation had been giving to certain issues prior to the entry into force of said Community legislation, justified in some instances by the business model traditionally pursued by Spanish banks.

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

- Law 10/2014 of 26 June on the organisation, supervision and solvency of credit entities, the main purpose of which is to continue with the process of transposition of CRD IV initiated by the Royal Decree Law 14/2013 of 29 November and to consolidate certain national provisions in force to date concerning the organisation and discipline of credit institutions. Among the main novelties, for the first time, the Bank of Spain is expressly obliged to present, at least once a year, a Supervisory Programme that includes the content and form that the supervisory activity will take, and the actions to be undertaken by virtue of the results obtained. This program will include the development of a stress test at least once a year.

- Bank of Spain Circular 3/2014 of July 30 on credit institutions and certified appraisal companies and services. Among other measures, this Circular amends Circular 2/2014 of January 31 on the exercise of several of the regulatory options contained in Regulation (EU) No. 575/2013 with respect to the prudential requirements for credit institutions and investment services, in order to unify the treatment of the deduction of intangible assets during the transitional period established by Regulation (EU) No. 575/2013, bringing the treatment of goodwill into line with that of other intangible assets.

- Royal Decree 84/2015 of 13 February implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, which develops aspects of the regulations it develops, with special emphasis on the activity requirements applicable to credit institutions, the elements of the supervisory function and the regulatory development of capital buffers.

- Bank of Spain Circular 2/2016, of February 2 , for credit institutions, on the regulation supervision and solvency of credit institutions, which completes the adaptation of the Spanish legal system to Directive 2013/36/EU and Regulation (EU) No. 575/2013.
- Bank of Spain Circular 4/2017, of November 27, for credit institutions, on public and reserved financial information standards and model financial statements, which completes the adaptation to Regulation (EU) No. 575/2013.
- Bank of Spain Circular 2/2018 of 21 December amending Circular 4/2017 of 27 November to credit institutions on public and confidential financial reporting standards and financial statement formats, and Circular 1/2013 of 24 May on the Central Risk Information Office and financial statement formats, which completes the adaptation to Regulation (EU) no. 575/2013.

In relation to the Group's eligible own funds, the prudential filter applies concerning additional valuation adjustments on assets valued at fair value in accordance with Articles 34 and 105 of Regulation (EU) No 575/2013 and its implementing legislation Implementing Regulation (EU) 101/2016 using the simplified approach.

With regard to minimum capital requirements, the Bank applies the following:

- The standard method is applied to credit risk requirements.
- The original risk method is used to calculate counterparty risk exposures.
- The standardised approach to calculate its capital requirements in respect of market risk.
- The basic indicator approach to calculate its capital requirements in respect of operational risk.

The table below presents the Group's eligible equity at 31 December 2021 and 2020, indicating each of its components and deductions, and broken down, as required under the new regulations, into Level 1 and Level 2 capital:

Thousands of Euros

	2021	2020
Total eligible equity	89,180	73,549
Level 1 Capital	89,180	73,549
Paid-in equity instruments	18,312	18,312
Share premium	8,496	8,496
Additional valuation adjustments (-)	(456)	(636)
CET 1 equity instruments (-)		
Held directly	(486)	(486)
Held indirectly		
Retained earnings from previous years	94,147	76,943
Other reserves	(4,415)	(637)
Non-controlling interests recognised within CET 1 capital	-	-
Transitional adjustments due to additional minority interests	-	-
Goodwill (-)	(15,423)	(15,423)
Other intangible assets (-)	(5,774)	(4,819)
Additional deductions from Tier 1 capital - Art 3 CRR	(5,221)	(8,201)
Tier 2 capital	-	-
Adjustments for general credit risk using the standard method	-	-
Additional Deductions from Tier 2 capital	-	-
Ordinary Tier 1 capital ratio	14.79 %	14.71 %
Ordinary Tier 1 capital surplus (+) / deficit (-) over Pillar 1	62,045	51,053
Ordinary Tier 1 capital surplus (+) / deficit (-) over Pillar 1, Pillar 2 and combined buffer requirement	41,432	33,969
Total capital ratio	14.79 %	14.71 %
Total capital surplus (+) / deficit (-) over Pillar 1	40,940	33,556
Total capital surplus (+) / deficit (-) over Pillar 1, Pillar 2 and combined buffer requirement	16,027	10,907

j) Accumulated other comprehensive income - Elements that can be reclassified to income - Changes in the fair value of debt instruments measured at fair value with changes in other comprehensive income

This consolidated balance sheet heading includes the net amount of changes in the fair value of debt instruments classified at fair value with changes in other comprehensive income that must be classified as part of the Group's equity. These changes are recognised in the income statement when the assets from which they arose are sold (see Note 10).

k) Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Changes in the fair value of equity instruments measured at fair value with changes in other comprehensive income

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

l) Minority interests (non-controlling interests)

The detail of this caption in the accompanying consolidated balance sheets and of the changes therein in 2021 and 2020, as well as of the results for the year attributed to external partners, are shown in the accompanying table:

Thousands of Euros

Financial year: 2021	% of participation at 31.12.21	Balance at 31.12.20	Attributable profit or loss for the year	Other	Balance at 31.12.21
Carterix. S.A. (antes Renta 4 Marruecos. S.A.)	0.08 %	1	-	-	1
Renta 4 Inversiones de Valladolid. S.A.	1.00 %	3	-	-	3
Renta 4 Lérida. S.A.	18.34 %	17	(2)	-	15
Renta 4 Inversiones Inmobiliarias (antes Renta 4 On Line. S.A.)	1.00 %	1	-	-	1
Rentsegur Correduría de Seguros. S.A.	27.51 %	23	(2)	-	21
Renta 4 Equities. S.A.	0.11 %	1	-	-	1
Renta 4 Global Fiduciaria. S.A.	30.57 %	860	14	(127)	747
		906	**10**	**(127)**	**789**

Financial year: 2020	% of participation at 31.12.20	Balance at 31.12.19	Attributable profit or loss for the year	Other	Balance at 31.12.20
Carterix, S.A. (formerly Renta 4 Marruecos, S.A.)	0.08 %	1	-	-	1
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	-	-	23
Renta 4 Equities, S.A.	0.11 %	1	-	-	1
Renta 4 Global Fiduciaria, S.A.	30.57 %	874	(91)	77	860
		920	**(91)**	**77**	**906**

02.19

Contingent liabilities and commitments

a) Contingent liabilities

The detail of contingent liabilities, understood as transactions in which the Companies guarantee third party obligations arising as a result of financial guarantees granted or other types of contracts at 2021 and 2020 year-end, is as can be seen in the following table:

Thousands of Euros

	2021	2020
Financial guarantees and others	2,346	707
	2,346	**707**

A significant portion of these amounts will mature without any payment obligation materialising for the consolidated companies and, therefore, the combined balance of these commitments cannot be considered a real future financing or liquidity need to be granted to third parties by the Group.

b) Contingent commitments

The detail of the contingent commitments, understood as irrevocable commitments that may give rise to the recognition of financial assets, at 31 December 2021 and 2021, is as follows:

Thousands of Euros

	2021	2020
Credit commitments	33,677	19,931
Other obligations issued	9,154	8,657
	42,831	**28,588**

This item includes credit commitments for credit accounts signed with third parties to finance their operations on the Stock Exchange, in accordance with certain conditions and terms previously stipulated in the contract.

Details of credit commitments, grouped by counterparty and indicating the limit and the amount pending drawdown, are provided in Note 11.

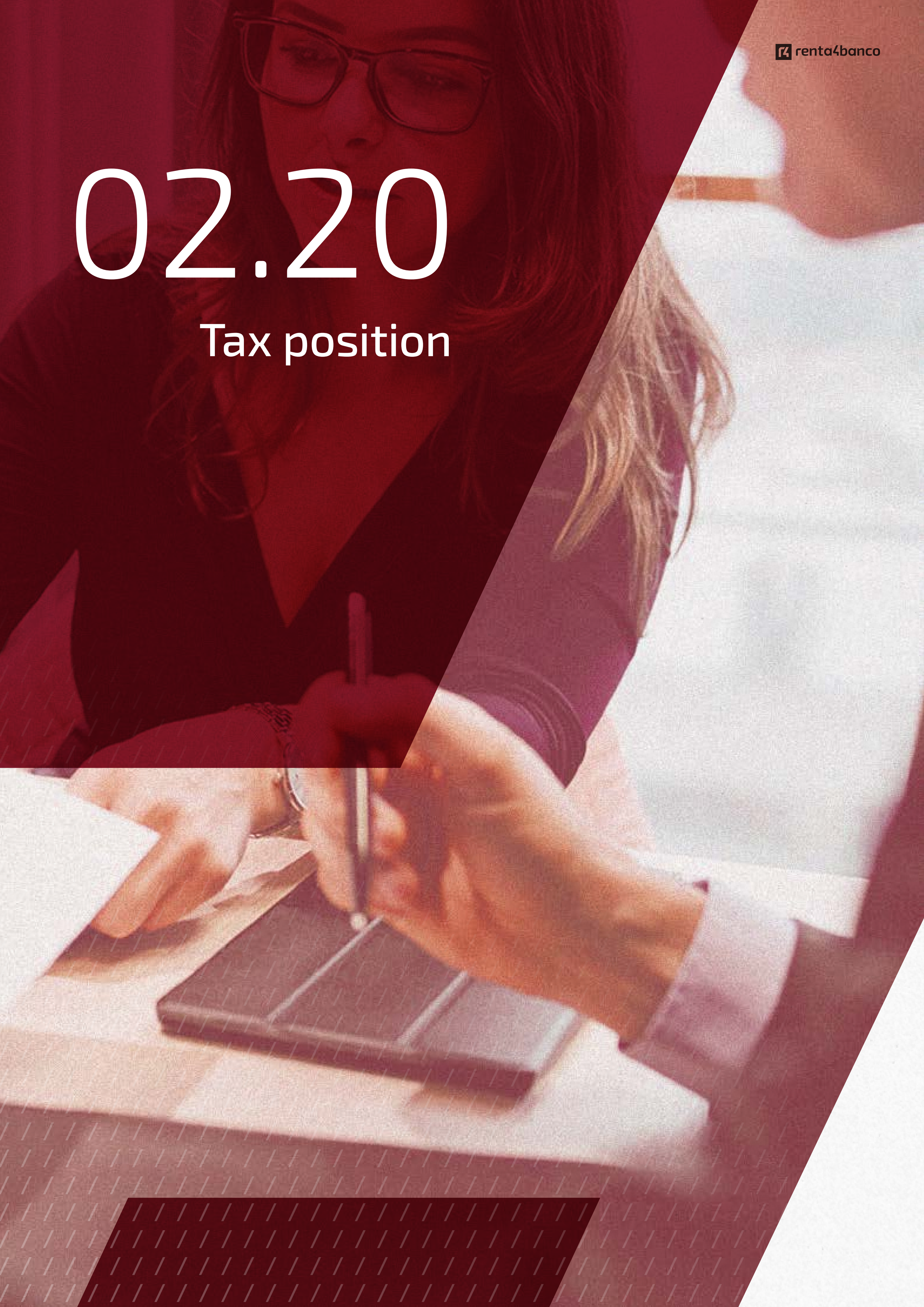
The average interest rate offered for these commitments is 12-month Euribor plus 1,07% as of 31 December 2021 (Euribor 12 months plus 1,14% as of 31 December 2020).

c) Judicial proceedings and/or ongoing claims

At 31 December 2021 and 2020, various legal proceedings and claims were in progress against the Group arising from the ordinary course of its business. Both the Group's legal advisers and its Directors consider that the outcome of these proceedings and claims will not have a material effect on the consolidated financial statements for the current year.

02.20

Tax position



On 1 January 2017, the tax group was broken up and the companies that formed part of it are individually taxed for corporate income tax at the tax rate applicable to each of them, depending on the applicable legislation.

The detail of the income tax expense and the reconciliation between the tax expense and the accounting profit before tax multiplied by the tax rate applicable to each company for 2021 and 2020 is as follows:

Thousands of Euros

	2021	2020
Consolidated profit before taxes	32,506	24,019
Quota	9,104	6,791
Adjustments to prior years' expense	(97)	8
Deductions	(474)	(495)
Offsetting of tax loss carryforwards	(327)	(444)
Effect of non-deductible/taxable items	(1,047)	113
Income tax expense	7,159	5,973
Adjustments to prior years' expense	97	8
Deferred tax effect	(90)	79
Other adjustments	77	73
Current tax rate	7,243	6,133
Withholdings and advance payments	(6,174)	(4,714)
Tax payable/(refund)	1,069	1,419

In accordance with legislation in force, taxes cannot be considered definitively settled until the statements filed have been inspected by the tax authorities or the four-year statute-of-limitations period has elapsed. As of 31 December 2021, the companies comprising the Group have the last four years open for review for all applicable taxes. The Parent Company's directors do not expect any significant additional liabilities to arise in the event of inspection.

In addition, taxes were recognised with a (charge)/ credit to equity relating to the valuation of the portfolio of financial assets designated at fair value with changes in other comprehensive income amounting to 1,170 and 22 thousand euros in 2021 and 2020, respectively.

In accordance with the corporate tax returns filed and the estimates made for 2020, the Group has the following tax loss carryforwards to offset against any future tax benefits for which the related deferred tax assets have not been recognised:

Thousands of Euros

	2021 (*)	2020 (*)
1999	5	5
2000	34	34
2001	18	18
2002	1	1
2004	371	371
2005	27	27
2011	1	1
2012	131	131
2013	89	112
2014	118	280
2015	458	458
2016	476	533
2017	926	1,388
2018	1,436	1,918
2019	1,004	1,024
2020	563	-
	5,658	6,301

(*) These are global balances of tax loss carryforwards on both domestic balances and balances corresponding to international subsidiaries.

These tax loss carryforwards include individual tax bases generated by the tax group companies prior to their integration into the Group and tax bases generated by other individual companies not belonging to the Group.

Taxable bases are adjusted to the year-end exchange rate due to the volatility of the exchange rates of foreign companies.

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

Thousands of Euros

	2021	2020
Current tax assets		
Current tax assets - Others	81	-
	81	**-**
Current tax liabilities		
Current tax liabilities relating to corporate tax		
Taxes payable relating to corporate tax	1,069	1,419
Current tax liabilities (other balances with public authorities)	-	-
Other		
Withholdings from participants in redemption of UCIT shares.	1,784	1,984
Personal income tax (I.R.P.F.)	1,031	917
Other	775	218
Taxes payable relating to VAT	625	465
Withholdings IRPF rents	20	21
Personal income tax withholdings relating to capital yields	2,719	1,437
	8,023	**6,461**

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

Thousands of Euros

Deferred tax assets	Time differences	Tax effect
2021		
Financial assets at fair value with changes in other comprehensive income	1,790	432
Impairment of financial assets at fair value with changes in other comprehensive income	637	191
Amortisation expense	637	191
Other	1,639	437
	4,703	**1,251**
2020		
Total impairment of financial assets	637	191
Amortisation expense	856	255
Other	2,036	548
	3,529	**994**

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

Thousands of Euros

Deferred tax liabilities	Time differences	Tax effect
2021		
Tax valuation of financially leased assets	2,484	714
Financial assets designated at fair value with changes in other comprehensive income	-	-
	2,484	**714**
2020		
Tax valuation of financially leased assets	2,850	821
Financial assets designated at fair value with changes in other comprehensive income	2,460	738
	5,310	**1,559**

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

Thousands of Euros

	2021		2021	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Opening balance	**994**	**1.559**	**940**	**1.644**
Registrations	432	-	118	22
Cancellations	(175)	(845)	(64)	(107)
Other	-	-	-	-
Closing balance	**1,251**	**714**	**994**	**1,559**

Regarding deferred tax assets, the provisions of Royal Decree-Law 3/2016 of 2 December, which adopts measures in the tax area aimed at consolidating public finances and other urgent social measures, stipulate that losses due to impairment of the value of investments that were tax deductible in tax periods prior to 2014 and which are not tax deductible from that date must be reversed for a minimum annual amount, on a straight-line basis over five years. The effect of this Royal Decree on the 2020 consolidated financial statements was an increase in the tax expense of 32 thousand euros.

02.21

Related parties

In 2021 and 2020 the Group considers related parties to the Group and Associated companies, key management personnel consisting of the members of the Board of Directors of the Parent Company and the members of Senior Management, consisting of a General Manager, and the significant Shareholders of the Parent Company.

Balances and transactions with related companies

The balances at 31 December 2021 and 2020 and the transactions performed by the Group in 2021 and 2020 are as follows:

Thousands of Euros

	Financial year 2021				
	Significant Shareholders (*)	Directors and Managers	Related Persons, Institutions or Group Companies	Other Related Parties (**)	Total
Expenses and Income					
Expenses					
Financial expenses	-	-	-	8	8
Services received	23	-	-	-	23
Other expenses	-	-	-	25	25
Totals	**23**	**-**	**-**	**33**	**56**
Income					
Financial income	89	9	-	-	98
Provision of Services	688	89	1,247	372	2,396
Associated entities (Kobus *)	-	-	2,276	-	2,276
Totals	**777**	**98**	**3,523**	**372**	**4,770**
Assets					
Loans and advances - Clientele	9,981	485	-	4	10,470
Other debtors	-	-	-	-	-
Other financial assets	-	-	-	-	-
Totals	**9,981**	**485**	**-**	**4**	**10,470**
Liabilities					
Financial liabilities at amortised cost	7,335	1,126	-	128	8,589
Totals	**7,335**	**1,126**	**-**	**128**	**8,589**

(*) Includes an amount of 534 thousand euros added due to the application of the equity method (30%)
(*) Significant shareholders who are Directors or Managers are included in the "Directors and Managers" column.
(**) Correspond to balances and transactions with companies related to significant shareholders and Directors and Managers.

Thousands of Euros

	Financial year 2021				
	Significant Shareholders (*)	Directors and Managers	Related Persons, Institutions or Group Companies	Other Related Parties (***)	Total
Other transactions					
Financing agreements: loans and capital contributions (lender) (**)	9,981	485	-	-	10,466
Financing, Loan and Capital Contribution Agreements (borrower)	-	-	-	-	-
Other asset transactions	-	-	-	-4	4
Other liability transactions	7,335	1,126	-	-128	8,589
Dividends distributed	4,839	4,481	-	-142	9,462
Guarantees received	8,160	1,298	-	-	9,458
Obligations undertaken	10,331	712	-	-	11,043

(*) Significant shareholders who are Directors or Managers are included in the "Directors and Managers" column.
(**) Including balance drawn down.
(***) Correspond to balances and transactions with companies related to significant shareholders and Directors and Managers.

All transactions with related parties have been carried out under market conditions.

The detail of the outstanding balances with Significant Shareholders, Directors and Managers for the transactions carried out in 2021 is as follows:

Position	Transaction type	Limit	Balances	Collateral	Maturity
Significant shareholders	Securities loan	320	292	882	23/09/2023
Significant shareholders	Securities loan	320	292	882	23/09/2023
Significant shareholders	Securities loan	320	292	882	23/09/2023
Significant shareholders	Securities loan	320	292	882	01/10/2023
Significant shareholders	Securities loan	320	292	882	01/10/2023
Significant shareholders	Securities loan	810	755	2,085	12/01/2022
Significant shareholders	Securities loan	170	162	451	23/12/2023
Significant shareholders	Securities loan	170	130	422	23/12/2023
Significant shareholders	Securities loan	170	163	396	23/12/2023
Significant shareholders	Securities loan	7,300	7,300	-	27/12/2030

Position	Transaction type	Limit	Balances	Collateral	Maturity
Significant shareholders	Securities loan	100	-	396	22/04/2024
Administrators and directors	Securities loan	700	473	1,298	29/06/2024
Administrators and directors	Other	12	12	-	01/06/2024
Significant shareholders	Other	11	11	-	01/01/2028
TOTALS		**11,043**	**10,.466**	**9,458**	

Thousands of Euros

	Financial year: 2020				
	Significant Shareholders (*)	Directors and Managers	Related Persons, Institutions or Group Companies	Other Related Parties (**)	Total
Expenses and Income					
Expenses					
Financial expenses	-	-	-	-8	8
Services received	3	-	-	-	3
Other expenses	-	10	-	-24	34
Totals	**3**	**10**	**-**	**32**	**45**
Income					
Financial income	32	11	-	6	49
Provision of Services	1,317	276	-	95	1,688
Totals	**1,349**	**287**		**101**	**1,737**
Assets					
Loans and advances - Clientele	10,025	731	-	31	10,787
Other debtors	-	-	-	-	-
Other financial assets	-	-	-	-	-
Totals	**10,025**	**731**	-	**31**	**10,787**
Liabilities			-		
Financial liabilities at amortised cost	5,520	497	-	979	6,996
Totals	**5,520**	**497**		**979**	**6,996**

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

Thousands of Euros

	Financial year: 2020				
	Significant Shareholders (*)	Directors and Managers	Related Persons, Institutions or Group Companies	Other Related Parties (***)	Total
Other transactions					
Financing agreements: loans and capital contributions (lender) (**)	10,025	707	-	-	10,732
Financing, Loan and Capital Contribution Agreements (borrower)	-	-	-	31	-
Other asset transactions	-	24	-	979	55
Other liability transactions	5,520	497	-	-	6,996
Dividends distributed	-	-	-	-	-
Guarantees received	5,610	1,941	-	-	7,551
Obligations undertaken	11,598	1,263	-	-	12,861

(*) Significant shareholders who are Directors or Managers are included in the "Directors and Managers" column.
(**) Including balance drawn down.
(***) Correspond to balances and transactions with companies related to significant shareholders and Directors and Managers.

All transactions with related parties have been carried out under market conditions.

The detail of the outstanding balances with Significant Shareholders, Directors and Managers for the transactions carried out in 2020 is as follows:

Position	Transaction type	Limit	Balances	Collateral	Maturity
Significant shareholders	Securities loan	800	800	1,462	12/01/2021
Significant shareholders	Securities loan	170	169	320	23/12/2023
Significant shareholders	Securities loan	170	167	331	24/12/2023
Significant shareholders	Securities loan	170	169	297	25/12/2023
Significant shareholders	Securities loan	175	-	-	4/22/2021
Significant shareholders	Securities loan	320	316	640	23/09/2023
Significant shareholders	Securities loan	320	316	640	24/09/2023
Significant shareholders	Securities loan	320	316	640	25/09/2023
Significant shareholders	Securities loan	320	316	640	26/09/2023
Significant shareholders	Securities loan	320	316	640	27/09/2023

Position	Transaction type	Limit	Balances	Collateral	Maturity
Significant shareholders	Securities loan	8,500	7,127	-	27/12/2030
Administrators and directors	Securities loan	271	271	410	05/24/2021
Administrators and directors	Securities loan	775	419	1,151	6/27/2021
Administrators and directors	Securities loan	200	-	380	29/11/2023
Administrators and directors	Other	17	17	-	01/06/2024
Significant shareholders	Other	13	13	-	01/01/2028
Totals		12.861	10.732	7.551	

In addition, at 31 December 2021 related party securities had been deposited with the Group amounting to 479,496 thousand euros (31 December 2020: 156,782 thousand euros).

Information on Directors

The composition of the Board of Directors and the compensation received by the Parent's Directors based in their capacity as Executives is as follows:

Thousands of Euros

Board of Directors	Board of Directors	Board Committees	Other compensations	Total
Financial year: 2021				
Aznar Cornejo Gema	60	-	-	60
Chacon Lopez Eduardo	60	-	-	60
Ferreras Diez Pedro (*)	54	-	-	54
Fundacion Obra Social Abogacia Española	71	-	-	71
Garcia Ceballos-Zuñiga Pilar (**)	6	-	-	6
Harmon Sarah Marie (***)	24	-	-	24
Juste Bellosillo Ines	60	-	-	60
Navarro Martinez Pedro Angel	60			60
Rubio Laporta Jose Ramon	60			60
Velazquez Medina Maria Pino (****)	15	-	-	15
TOTAL	**470**	**-**	**-**	**470**
Ejercicio 2020				
Navarro Martinez Pedro Angel	60	-	-	60
Ferreras Diez Pedro	60	-	-	60
Rubio Laporta Jose Ramon	60	-	-	60
Harmon Sarah Marie	60	-	-	60
Chacon Lopez Eduardo	60	-	-	60
Juste Bellosillo Ines	60	-	-	60
Fundacion Obra Social Abogacia Española	71	-	-	71
Aznar Cornejo Gema	60			60
TOTAL	**491**	**-**	**-**	**491**

(*) Ceased to be a member of the Board due to death on 30 November. (**) Was appointed as a member of the Board on 30 November. (***) Ceased to be a member of the Board on 25 May. (****) Was appointed as a member of the Board on 28 September

Remuneration of key management personnel

The Group considers key management personnel to be the members of the parent's company's Board of Directors, which includes four executive directors, and the members of the Senior Management, consisting of a general manager.

The remuneration earned by personnel is as follows:

Thousands of Euros

Item	Managers	Senior Management
Financial year: 2021		
Wages and salaries and monetary compensation	1,887	195
TOTAL	**1,887**	**195**
Financial year: 2020		
Wages and salaries and monetary compensation	1,706	186
TOTAL	**1,706**	**186**

In addition, the Group has an insurance policy to cover its liability with members of the Board of Directors and Senior Management for possible claims in the performance of their duties. The premium paid by the Group in 2021 amounted to 187 thousand euros (178 thousand euros in 2020).

The Group also had an insurance policy in 2021 to cover its obligations in the event of death, permanent and total disability of its senior executives. The premium paid by the Group in 2021 amounted to 1 thousand euros (1 thousand euros in 2020).

Other information on Directors

At the end of 2021 and 2020, the directors of the parent company, in accordance with the following resolutions with the information required by article 229 of Royal Decree 1/2010, of July 2, approving the revised text of the Corporate Act. The Board of Directors of the Parent Company has not informed to the other members of the parent's Board of Directors of any situation of conflict, direct or indirect, that they (or their related parties) may have with the interest of the Parent Company.

02.22 Income and expenses

a) Interest income, interest expense and profit or (losses) on financial assets and liabilities.

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

Thousands of Euros

	2021	2020
Interest income		
Deposits with central banks	-	19
Deposits in credit institutions	313	197
Credits for customers	3,389	2,654
Debt securities	1,137	1,560
	4,839	4,430
Interest expense		
Deposits from central banks	(2,377)	(1,804)
Deposits in credit institutions	(1,400)	(793)
Customer deposits	(259)	(860)
Other	(588)	(575)
	(4,624)	(4,032)
Gains / (Losses) on financial assets and liabilities		
Gains or (-) losses on derecognition in accounts of financial assets and liabilities not measured at fair value with changes in profit or loss, net	2,776	1
Gains or (-) losses on financial assets and liabilities held for trading, net	8,365	9,484
	11,141	**9,485**

b) Fees

“Fee and commission income” and “Fee and commission expense” headings in the consolidated income statements include the amount of all fees and commissions payable to, or paid to, the Group accrued during the financial year. The criteria used to recognise fees and commissions in results are detailed in Note 4.o).

The breakdown of income and expenses due to fees and commissions in 2021 and 2020 is as follows:

Thousands of Euros

	2021	2020
Commission income		
Contingent liabilities	65	44
Services related to securities	71,407	76,833
Sale of non-banking financial products (Note 23.a)	17,752	11,008
Management of UCITS and pension funds (Note 23.a)	82,280	69,110
Other fees and commissions	5,484	2,724
Asset management fees and equity management advice (Note 23.a)	3,642	2,013
	180,630	161,732
Commission expenses		
Paid to other entities and correspondent banks	(18,546)	(23,812)
Fees paid on trading securities	(70,667)	(63,756)
	(89,213)	**(87,568)**

c) Other operating income and expenses

The breakdown of “Other operating income” in the consolidated income statements for 2021 and 2020 is as follows:

Thousands of Euros

	2021	2020
Leases	165	133
Other products	367	138
	532	**271**

This heading includes, among others, rental income arising from the real estate investment held by the Group (see Note 13).

The breakdown of “Other Operating Expenses” in the consolidated income statements for 2020 and 2019 is as follows:

Thousands of Euros

	2021	2020
Contribution to the Investment Guarantee Fund	40	40
Contribution to the Deposit Guarantee Fund	1,716	1,681
Contribution to the NRF	575	314
Other charges	1,419	1,465
	3,750	**3,500**

”Other charges” includes mainly fees paid to the Spanish National Securities Commission (CNMV) and the Fund for Orderly Bank Restructuring (FROB).

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

The amount contributed by the companies to the aforementioned fund in 2021 amounted to 20 thousand euros and 20 thousand euros, respectively (20 thousand euros and 20 thousand euros in 2020).

d) Personnel Expenses

The breakdown of the balance of this heading in the consolidated statements of income is as follows:

Thousands of Euros

	2021	2020
Salaries and bonuses, active personnel	37,688	28,706
Social security payments	6,642	6,024
Provisions for defined benefit plans	-	-
Provisions for defined contribution plans	373	293
Termination benefits	100	121
Other staff expenses	74	81
Training expenses	315	67
Parent company share-based remuneration	760	464
	45,952	**35,756**

As of December 31 of 2021 and 2020, “Wages and Salaries” includes, among other items, the income corresponding to the financial effect of the loans granted to staff (see Note 4).

The number of Group employees as of 31 December 2021 and 2020, by gender and professional category, is as follows:

	Number of employees				
	Average			Year-end	
	Men	Women	With losses equal to or greater than 33%	Men	Women
Financial year: 2021					
Department	11	2	-	11	2
Technicians	342	150	2	360	157
Administrative staff	31	57	1	24	54
	384	**209**	**3**	**395**	**213**
Financial year: 2020					
Department	11	2	-	11	2
Technicians	313	130	1	325	135
Administrative staff	29	56	2	30	57
	353	**188**	**3**	**366**	**194**

As of 31 December 2021, the Board of Directors of Renta 4 Banco, S.A., responsible for the preparation of these financial statements, is composed of 7 men, 4 women and 1 legal entity (the Board of Directors was composed of 8 men, 3 women and 1 legal entity as of 31 December 2020).

e) Other administrative expenses

The breakdown of the balance of this heading in the consolidated statements of income is as follows:

Thousands of Euros

	2021	2020
Property, fixtures and equipment	1,912	1,817
IT	5,501	4,623
Notifications	5,909	5,663
Advertising and publicity	2,231	1,920
Technical reports	1,998	1,646
Court and legal fees	594	403
Insurance and self-insurance premiums	384	278
Entertainment and employee travel expenses	840	662

Thousands of Euros

	2021	2020
Association membership fees	282	187
Levis and other contributions		
Property tax	112	114
Other	859	1,042
Endowments	173	349
Other expenses	1,811	1,570
	22,606	**20,274**

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

The breakdown of the balance of this heading in the accompanying consolidated income statement for the years 2021 and 2020 is as follows:

Thousands of Euros

	2021	2020
Financial assets designated at fair value with changes in other comprehensive income		
Generic impairment provision	77	82
Financial assets at amortised cost		
Provisions (Note 11.c)	(5,513)	(3,310)
Of which: allocations to debt securities	8	
Recoveries (Note 11.c)	3,373	328
	(2,140)	**(2,982)**
	(2,063)	**(2,900)**

g) Exchange rate differences (net)

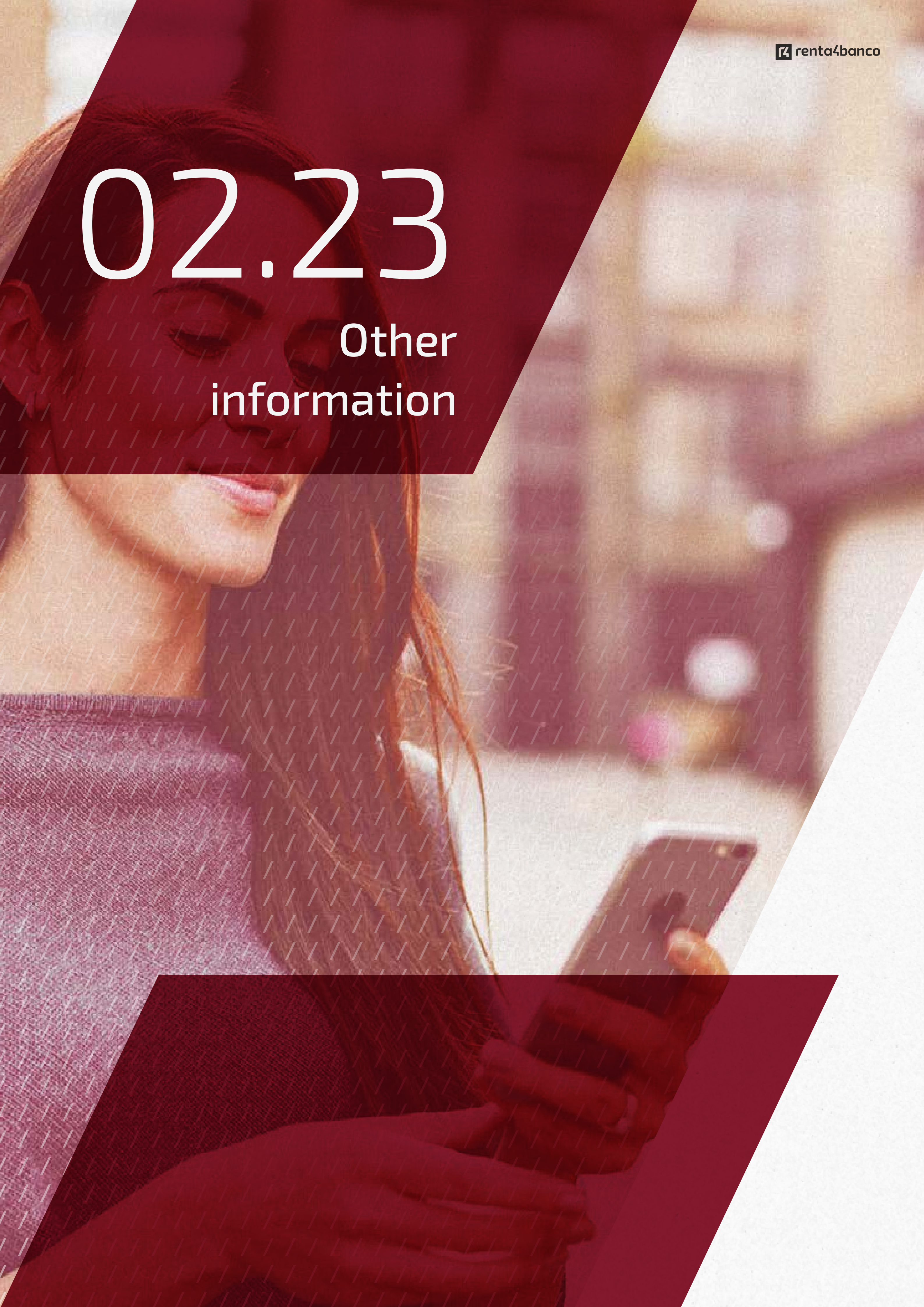
The breakdown of the heading in the accompanying consolidated income statements for the years ended in 31 December 2021 and 2020 is as follows:

Item	2021	2020
Trading operations	14,313	11,116

This heading includes gains and losses generated by intermediation transactions in currencies other than the euro.

02.23

Other information



a) Fiduciary services and investment services

The breakdown of off-balance sheet customer funds at year-end 2021 and 2020 (on a consolidated basis and eliminating overlapping) is as follows:

Thousands of Euros

	2021	2020
Mutual and pension funds	8,225,495	7,171,044
Discretionary management portfolios and fiduciary business	951,356	738,527
Funds managed by the Group	9,176,851	7,909,571
Investment Funds and Companies	3,047,279	2,426,451
Funds marketed but not managed by the Group	3,047,279	2,426,451
TOTAL	**12,224,130**	**10,336,022**

The fee and commission income generated by the management of the assets listed above in 2021 and 2020 is shown below:

Thousands of Euros

	2021	2020
Asset management fees and equity management advice (Note 22.b)	3,642	2,013
Fees and commissions generated by the marketing of non-banking financial products (Note 22.b)	17,752	11,008
Fees from the management of UCITS and pension funds (Note 22.b)	82,280	69,110
	103,674	**82,131**

In addition, the Group provides securities management and custody services to its customers. The commitments undertaken by the Group at 31 December 2021 and 2020 in connection with this service are as follows:

Thousands of Euros

	2021	2020
Securities owned by third parties (at fair value)		
Capital instruments	16,929,784	13,878,427
Debt instruments	2,470,665	2,359,745
	19,400,449	**16,238,172**
Securities owned by third parties (at nominal value)		
Derivatives	2,012,589	1,928,408
	2,012,589	**1,928,408**

b) Branches

A list of Renta 4 Banco, S.A. branches at 31 December 2021 and 2020 is provided in Annex II.

c) Agency agreements

Annex III to the accompanying consolidated 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 this annual report.

d) Audit fees

The auditing firm KPMG Auditores S.L., which audits the Group's financial statements, invoiced fees for the year ended 31 December 2021 and 2020, as detailed below:

Thousands of Euros

	2021	2020
For auditing tasks	128	117
Agreed-upon Procedures Report - FUR	8	-
Client Asset Protection Report	26	28
	162	**145**

The amounts included in the foregoing table include the fees relating to the services performed to carry out the audit in financial year 2021, regardless of when they were invoiced.

On the other hand, other institutions affiliated to the KPMG Group invoiced the Group for the year ended 31 December 2021 and 2020, fees and expenses for professional services, as detailed below:

Thousands of Euros

	2021	2020
For auditing tasks	67	59
For other verification services	-	2
For tax advisory services	9	9
For other services	23	25
	99	**95**

e) Abandoned balances and deposits

In accordance with what is indicated in article 18 of Law 33/2003, of 3 November, on the equity of public administrations, there are no balances and deposits in the Institutions in abandonment in accordance with the provisions of that Article.

f) Customer service

During the 2021 financial year, the Renta 4 Group received a total of 51 claims, complaints and/or queries, 41 of which were submitted to the Renta 4 Customer Service Department and 10 to the Participant Ombudsman, as the latter dealt with issues relating to pension plans, a matter within its jurisdiction. Of the total number of complaints received, one was not admitted for processing due to the lack of competence of the Ombudsman and the rest of the complaints were admitted for processing, opening the corresponding file and, after analysis, finally issuing the corresponding resolution, or urging the parties to reach an agreement on the disputes raised.

In relation to the complaints filed with the Ombudsman, during 2021 it received a total of 10 complaints, of which 9 were admitted for processing and one (1) was rejected as not being within its competence. The Participant Ombudsman has issued six (6) favourable resolutions for clients, one (1) unfavourable, one (1) informative and in one (1) case the participant desisted from pursuing the complaint. In none of these cases has the Entity received any financial compensation.

In 2021, the Renta 4 Customer Care Service received a total of 41 complaints, claims and/or queries, all of which were accepted for processing.

Of these, 3 were queries or requests for information, which were duly answered after requesting various information from the relevant departments. And in 2021, a total of 38 complaints were filed, slightly less than the 44 received in 2020.

As for the type of resolutions that Renta 4's Customer Care Service issued during 2021, there were 23 unfavourable resolutions for the Customer, 61% of the total. In terms of favourable resolutions for the client, in 2021 there were 4 complaints, 11% of the total, similar to the 5 favourable resolutions that were issued in 2020.

On the other hand, complaints resolved by means of a proposed settlement by Customer Service in 2021 amounted to 6, 16% of the total, lower than the 15 settlements reached in 2020, which accounted for 34% of the total. The amount paid out in such favourable agreements and resolutions in the financial year 2021 amounted to 6,235.89 euros, which is much lower than the 343,806.43 euros in 2020.

Finally, it should be noted that at the end of the 2021 financial year, 2 claims were in the processing and study phase, which as of the date of this report have been resolved.

Attached in Annex V is the Report of the Customer Service Department of Renta 4 Group for the financial year 2021.

g) Environmental impact

In view of the activity in which the Group entities are involved, they have no environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to their equity, financial position or profits or losses. For this reason, no specific breakdowns are included in this annual report of the consolidated financial statements with respect to information on environmental issues.

Also, in 2021 and 2020 the institutions composing the Group did not have any greenhouse gas emission rights.

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

The information regarding the average payment period to suppliers is as follows:

	2021	2020
(Days)		
Average payment period to suppliers	12.19	12.24
Ratio of paid operations	11.72	11.56
Ratio of outstanding transactions	1.16	1.06
(Thousands of Euros)		
Total payments made	51,119	26,833
Total payments pending	2,401	1,725

i) Most relevant contracts between Group companies

On 1 January 2021, Renta 4 Banco, S.A. signed a contract with several of its subsidiaries to provide accounting, IT, administrative and tax services. The contract has a duration of 1 year, which can be extended.

On 1 January 2021, Renta 4 Banco, S.A. signed a lease agreement with several of its subsidiaries for the lease of the building located at Paseo de la Habana 74, Madrid (see Note 13). The space will be used for investment services and financial intermediation in general in each of its subsidiaries. The contract has a duration of 1 year, which can be extended.

Since 31 August 2013, Renta 4 Banco, S.A. has signed a contract with Renta 4 Gestora SGIIC, S.A. and Renta 4 Pensiones EGFP, S.A. to market the managed UCITs and pension funds. The contract has a duration of 1 year, tacitly renewable for equal periods.

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

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

Since 1 November 2018, Renta 4 Gestora S.G.I.I.C. has signed an agreement with Renta 4 Banco, S.A, for the management and processing of orders on fixed income financial instruments placed by the Gestora on behalf of the CIIs. The agreement has a duration of 1 year, which may be tacitly extended for equal periods.

j) Annual bank report

In compliance with the provisions of Article 87.1 of Law 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions, Annex VI includes a breakdown of the information required by the aforementioned law.

k) Other public information required by the Bank of Spain

In compliance with the reporting obligations to the Bank of Spain, the Group reported the following as of 31 December 2021:

- It has not carried out financing operations for the construction, real estate development and home purchases.
- It has no foreclosed assets or assets received in payment of debts by the group of credit institutions.
- For the presentation of information on the distribution of customer loans by activity, see Note 11.c.

02.24

Subsequent events

Up to the date on which the Group's Board of Directors prepared its consolidated annual financial statements, no other significant event has occurred that must be included in the accompanying consolidated annual financial statements in order for them to give a true and fair view of the consolidated Group's equity, financial position, consolidated results of operations and consolidated cash flows.

ANNEX I

Renta 4 Banco, S.A. and Subsidiaries

Breakdown of holdings in Group Companies and Associates
at 31 December 2021

Group companies			% of ownership in	
Companies	**Address**	**Activity**	**Direct**	**Indirect**
Carterix, S.A.	Madrid	Provision of financial services	5	94.92
Renta 4 Aragón, S.A.	Madrid	Provision of financial services	99.96	-
Sociedad de Estudios e Inversiones, S.A.	Madrid	Provision of financial services	-	100
Renta 4 Burgos, S.A.	Madrid	Provision of financial services	99.97	-
Renta 4 Gestora, S.G.I.I.C., S.A.	Madrid	I.I.C. Management	99.99	-
Renta 4 Huesca, S.A.	Madrid	Provision of financial services	99.94	-
Renta 4 Inversiones de Valladolid, S.A.	Madrid	Provision of financial services	85	14
Renta 4 Lérida, S.A.	Madrid	Provision of financial services	81.66	-
Renta 4 Inversiones Inmobiliarias S.A.	Madrid	Provision of financial services	99	-
Renta 4 Pensiones, E.G.F.P., S.A.	Madrid	Management of pension funds	99.99	-
Renta 4, S.A., Sociedad de Valores	Madrid	Brokerage on the stock exchange market	100	-
Renta 4 Investment Solutions, S.A. (*)	Madrid	Provision of financial services	-	99.9
Renta 4 Corporate, S.A.	Madrid	Financial advice and consultancy	100	-
Renta 4 Vizcaya, S.A.	Madrid	Provision of financial services	-	99.99
Rentsegur, Correduría de Seguros, S.A.	Madrid	Insurance brokerage and provision of financial services	-	72.5
Padinco Patrimonios, S.A.	Madrid	Provision of financial services	100	-
Corporación Financiera Renta 4, SCR	Madrid	Venture Capital Company	100	-
Renta 4 Digital Assets, S.L.		Other NCOP (not covered elsewhere) technical services	100	-
Sociedad Operadores de la Plataforma IW, S.L.		Electronic operations for third parties	0.03	99.97
Renta 4 Chile SPA	Chile	Provision of financial services	100	-
Inversiones Renta 4 Chile, S.L.	Chile	Provision of financial services	0.01	99.99
Renta 4 Chile Corredores de Bolsa, S.A.	Chile	Provision of financial services	-	100
Renta 4 Colombia SAS	Bogotá	Provision of financial services	100	-
Renta 4 Agente de Bolsa S.A.	Lima	Provision of financial services	99.99	-
Renta 4 Luxembourg, S.A.	Luxembourg	I.I.C. Management	100	-
Renta 4 Global Fiduciaria, S.A.	Bogotá	Provision of fiduciary services	69.43	-
Associated companies				
Kobus Partners Management S.G.E.I.C. S.A	Madrid	E.I.C. Management	-	30

(*) Formerly called Renta 4 Equities, S.A.

This Annex forms an integral part of Note 10 to the management report accompanying this financial statements and should be read in together with it.

terest	Thousands of Euros					
Total	Capital	Share premium	Reserves	Valuation adjustments	Profit/(loss)	Dividend
99.92	782	-	(432)	-	(1)	-
99.96	62	-	8	-	-	-
100	60	-	(22)	-	-	-
99.97	34	-	10	-	-	-
99.99	2,374	-	10,869	-	4,775	(3,436)
99.94	3	-	(2)	-	-	-
99	60	-	255	-	(2)	-
81.66	90	-	(9)	-	(3)	-
99	60	-	(8)	-	-	-
99.99	3,889	290	4,888	-	1,880	(1,876)
100	3,149	24	6,547		(199)	-
99.9	15	-	253	-	(107)	-
100	92	-	278	-	162	(1,800)
99.99	391	-	(365)	-	(4)	-
72.5	75	-	(46)	-	5	-
100	105	-	91	-	-	-
100	1,200	-	-	-	-	-
100	3	-	-	-	-	-
100	3	-	-	-	-	-
100	9,640	-	(224)	(79)	-	-
100	6,625	-	(218)	57	-	-
100	7,969	-	(1,009)	(1,718)	2,078	-
100	587	-	(341)	(102)	(9)	-
99.99	4,550	-	(2,208)	(577)	276	-
100	700	-	238	-	39	-
69.43	6,707	-	(3,160)	(1,006)	47	-
30	223	236	310	-	5,805	-

ANNEX I

Renta 4 Banco, S.A. and Subsidiaries

Breakdown of holdings in Group Companies and Associates
at 31 December 2021

Group companies — **% of ownership inte**

Companies	Address	Activity	Direct	Indirect
Carterix, S.A.	Madrid	Provision of financial services	5	94.92
Renta 4 Aragón, S.A.	Madrid	Provision of financial services	99.96	-
Sociedad de Estudios e Inversiones, S.A.	Madrid	Provision of financial services	-	100
Renta 4 Burgos, S.A.	Madrid	Provision of financial services	99.97	-
Renta 4 Gestora, S.G.I.I.C., S.A.	Madrid	I.I.C. Management	99.99	-
Renta 4 Huesca, S.A.	Madrid	Provision of financial services	99.94	-
Renta 4 Inversiones de Valladolid, S.A.	Madrid	Provision of financial services	85	14
Renta 4 Lérida, S.A.	Madrid	Provision of financial services	81.66	-
Renta 4 Inversiones Inmobiliarias S.A.	Madrid	Provision of financial services	99	-
Renta 4 Pensiones, E.G.F.P., S.A.	Madrid	Management of pension funds	99.99	-
Renta 4, S.A., Sociedad de Valores	Madrid	Brokerage on the stock exchange market	100	-
Renta 4 Equities, S.A.	Madrid	Provision of financial services	-	99.9
Renta 4 Corporate, S.A.	Madrid	Financial advice and consultancy	100	-
Renta 4 Vizcaya, S.A.	Madrid	Provision of financial services	-	99.99
Rentsegur, Correduría de Seguros, S.A.	Madrid	Insurance brokerage and provision of financial services	-	72.5
Padinco Patrimonios, S.A.	Madrid	Provision of financial services	100	-
Renta 4 Chile SPA	Chile	Provision of financial services	100	-
Inversiones Renta 4 Chile, S.L.	Chile	Provision of financial services	0.01	99.99
Renta 4 Chile Corredores de Bolsa, S.A.	Chile	Provision of financial services	-	100
Renta 4 Colombia SAS	Bogotá	Provision of financial services	100	-
Renta 4 Agente de Bolsa S.A.	Lima	Provision of financial services	99.99	-
Renta 4 Luxembourg, S.A.	Luxembourg	I.I.C. Management	100	-
Renta 4 Global Fiduciaria, S.A.	Bogotá	Provision of fiduciary services	69.43	-
Associated companies				
Kobus Partners Management S.G.E.I.C., S.A.	Madrid	E.I.C. Management	-	30

This Annex forms an integral part of Note 14 to the management report accompanying this annual report, and should be read together with it.

erest	Thousands of Euros					
Total	Capital	Share premium	Reserves	Valuation adjustments	Profit/(loss)	Dividend
99.92	782	-	(431)	-	(1)	-
99.96	62	-	8	-	-	-
100	60	-	(22)	-	-	-
99.97	34	-	10	-	-	-
99.99	2,374	-	8,848	-	3,996	(4,068)
99.94	3	-	(2)	-	-	-
99	60	-	260	-	-	-
81.66	90	-	(7)	-	(2)	-
99	60	-	(8)	-	-	-
99.99	3,889	290	3,573	-	1,315	(1,048)
100	3,149	24	6,831		(284)	(2,682)
99.9	15	-	260	-	(7)	-
100	92	-	1,873	-	205	-
99.99	391	-	(369)	-	4	-
72.5	75	-	(41)	-	(5)	-
100	105	-	91	-	-	-
100	9,640	-	(229)	(65)	(1)	-
100	6,625	-	(218)	57	-	-
100	7,969	-	(2,239)	(947)	1,230	-
100	587	-	(330)	(87)	(11)	-
99.99	4,550	-	(2,409)	(520)	201	-
100	700	-	190	-	48	-
69.43	6,707	-	(2,865)	(735)	(295)	-
30	223	236	237	-	60	-

ANNEX II

Renta 4 Banco, S.A. and Subsidiaries

List of offices, December 31, 2021 and 2020

Financial year 2021

Office	Postal address
Renta 4 A Coruña	Calle Juan Florez, Núm 60, Bajo 15004, Coruña (A), España
Renta 4 Albacete	Calle Tesifonte Gallego, Núm 25, Bajo 2002, Albacete, España
Renta 4 Alicante	Avenida Oscar Esplá, Núm 29, Bj 3007, Alicante/Alacant, España
Renta 4 Almería	Avenida Federico Garcia Lorca, Núm 21, 4004, Almeria, España
Renta 4 Ávila	Avenida De Portugal, Núm 39, 5001, Avila, España
Renta 4 Badajoz	Calle Pedro De Valdivia, Nº7-9, (Chaflán Con Ronda Del Pilar) 06002, Badajoz
Renta 4 Barcelona	Calle Gran Via De Les Corts Catalanes, Núm 655, Local 8010, Barcelona, España
Renta 4 Barcelona - Diagonal	Avenida Diagonal, Núm 459, 8036, Barcelona, España
Renta 4 Bilbao	Calle Elcano, Núm 14, 48008, Bilbao, España
Renta 4 Burgos	Avenida De La Paz, Núm 3, Bajo 9004, Burgos, España
Renta 4 Cáceres	Avenida Virgen De Guadalupe, Núm 7, Bj 10001, Caceres, España
Renta 4 Cádiz	Calle Juan Ramón Jiménez, 1 Esquina Avenida Andalucia, 11007, Cádiz, España
Renta 4 Castellón	Calle Carrer Gasset, Núm 9, 12001, Castellon De La Plana, España
Renta 4 Ciudad Real	Calle Calatrava, Núm 5, Bj 13004, Ciudad Real, España
Renta 4 Córdoba	Ronda de los Tejares, nº 9, 14001, Córdoba
Renta 4 Cuenca	Calle Diego Jiménez, Nº2, Cp 16.004, Cuenca, España
Renta 4 Cullera	Paseo Passtge De Lúllal, Núm 2-Bj, Edificio Manantial 46400, Cullera, España
Renta 4 Fuenlabrada	Calle Leganés nº 33; 28945, Fuenlabrada
Renta 4 Elche	Calle Corredora, Núm 34, 3203, Elche/Elx, España
Renta 4 Gijón	Calle Jovellanos, Núm 2, Esquina C/Cabrales 33202, Gijon, España
Renta 4 Girona	Calle Gran Via Jaume I, Núm 29-35, 17001, Girona, España
Renta 4 Gran Canaria	Calle Venegas, nº 2; 35003, Gran Canaria
Renta 4 Granada	Calle Acera Del Darro, Núm 35, 18005, Granada, España
Renta 4 Guadalajara	Calle Padre Félix Flores, Núm 4, 19001, Guadalajara, España
Renta 4 Guipúzcoa	Calle Urbieta, Núm 2, Bajo, 20006, San Sebastian/Donostia, España
Renta 4 Huelva	Avenida De La Ría, Núm 4, Entreplanta 21001, Huelva, España
Renta 4 Huesca	Calle Cavia, Núm 8, Bajo 22005, Huesca, España
Renta 4 Jaén	Avenida De Madrid, Núm 20, Bajo 23003, Jaen, España
Renta 4 Lanzarote	Calle Esperanza, Núm 1, 35500, Arrecife, España
Renta 4 León	Calle Ordoño II, Núm 35, 24001, Leon, España

Office	Postal address
Renta 4 Lleida	Avenida Alcalde Rovira Roure, nº 19, 25006, Lleida
Renta 4 Logroño	Avenida de Portugal, 2; 26001, Logroño
Renta 4 Lugo	Avenida de A Coruña, nº 62, CP 27003, Lugo
Renta 4 Madrid	Paseo De La Habana, Núm 74, 28036, Madrid, España
Renta 4 Madrid - Almagro	Calle Almagro, Núm 11, 28010, Madrid, España
Renta 4 Madrid - Príncipe de Vergara	Calle Principe De Vergara, Núm 12, 28001, Madrid, España
Renta 4 Madrid - Recoletos	Paseo De Recoletos, Núm 21, 28004, Madrid, España
Renta 4 Madrid - Serrano	Calle Serrano, Núm 63, Bajo, 28006, Madrid, España
Renta 4 Málaga	Calle Alameda De Colon, Núm 9, 29001, Málaga, España
Renta 4 Mallorca	Calle Avinguda Comte De Sallent, Núm 2, 7003, Palma De Mallorca, España
Renta 4 Murcia	Avenida General Primo De Rivera, Núm 23, 30008, Murcia, España
Renta 4 Ourense	Calle Curros Enriquez, Núm 27, Baixo 32003, Ourense, España
Renta 4 Oviedo	Calle Conde Toreno nº 17; 33004 Oviedo
Renta 4 Palencia	Plaza Isabel La Catolica, Núm 1, 34005, Palencia, España
Renta 4 Pamplona	Avenida Baja Navarra, Núm 9 Bis, 31002, Pamplona/Iruna, España
Renta 4 Sabadell	Carrer Tres Creus, nº 87; 08202, Sabadell
Renta 4 Salamanca	Avenida Mirat, Núm 11, 37002, Salamanca, España
Renta 4 Segovia	Paseo Ezequiel Gonzalez, Núm 34, 40002, Segovia, España
Renta 4 Sevilla	Avenida De La Buharia, Núm 11, 41018, Sevilla, España
Renta 4 Soria	Avenida Navarra, Núm 5, 42003, Soria, España
Renta 4 Tarragona	Rambla Nova, Núm 114, Bajo 5 43001, Tarragona, España
Renta 4 Tenerife	Calle El Pilar, Núm 54, 38002, Santa Cruz De Tenerife, España
Renta 4 Terrassa	Calle Arquimedes, Núm 156, 8224, Terrassa, España
Renta 4 Teruel	Avenida Sagunto, Núm 42, Bajo 44002, Teruel, España
Renta 4 Toledo	Avda De La Reconquista Nº 3 Planta Baja, Toledo, España
Renta 4 Valencia	Plaza Alfonso El Magnánimo, Núm 2, 46003, Valencia, España
Renta 4 Valladolid	Calle Miguel Íscar, nº 3; 47001, Valladolid
Renta 4 Vigo	Calle Garcia Barbon, Núm 18, 36201, Vigo, España
Renta 4 Vitoria	Avenida Gasteiz, Núm 23, 01008, Vitoria-Gasteiz, España
Renta 4 Zamora	Avenida Alfonso IX, Núm 1, 49013, Zamora, España
Renta 4 Zaragoza	Calle Leon XIII, Núm 5, 50008, Zaragoza, España
International locations	
Colombia	Carrera 9 Número 78-15, Bogotá
Chile	Avenida Alonso de Córdova Nº 5752 Local A, Comuna de las Condes, Región Metropolitana
Peru	Calle Las Orquideas nº 621 Centro Empresarial Platinum Plaza, Torre 1, Oficina 101, San Isidro (Perú)
Luxembourg	Grand Rue 70; L-1660 Luxembourg

This Annex forms an integral part of Note 23 to the accompanying annual financial statements with which it should be read.

ANNEX II

Renta 4 Banco, S.A. and Subsidiaries

List of offices, December 31, 2021 and 2020

Financial year 2020

Office	Postal address
Renta 4 A Coruña	Calle Juan Florez, Núm 60, Bajo 15004, Coruña (A), España
Renta 4 Albacete	Calle Tesifonte Gallego, Núm 25, Bajo 2002, Albacete, España
Renta 4 Alicante	Avenida Oscar Esplá, Núm 29, Bj 3007, Alicante/Alacant, España
Renta 4 Almería	Avenida Federico Garcia Lorca, Núm 21, 4004, Almeria, España
Renta 4 Ávila	Avenida De Portugal, Núm 39, 5001, Avila, España
Renta 4 Badajoz	Calle Pedro De Valdivia, Nº7-9, (Chaflán Con Ronda Del Pilar) 06002, Badajoz
Renta 4 Barcelona	Calle Gran Via De Les Corts Catalanes, Núm 655, Local 8010, Barcelona, España
Renta 4 Barcelona - Diagonal	Avenida Diagonal, Núm 459, 8036, Barcelona, España
Renta 4 Bilbao	Calle Elcano, Núm 14, 48008, Bilbao, España
Renta 4 Burgos	Avenida De La Paz, Núm 3, Bajo 9004, Burgos, España
Renta 4 Cáceres	Avenida Virgen De Guadalupe, Núm 7, Bj 10001, Caceres, España
Renta 4 Cádiz	Calle Juan Ramón Jiménez, 1 Esquina Avenida Andalucia, 11007, Cádiz, España
Renta 4 Cantabria	Calle Isabel II, Núm 20, 39002, Santander, España
Renta 4 Castellón	Calle Carrer Gasset, Núm 9, 12001, Castellon De La Plana, España
Renta 4 Ciudad Real	Calle Calatrava, Núm 5, Bj 13004, Ciudad Real, España
Renta 4 Córdoba	Paseo De La Victoria, Núm 1, 14008, Cordoba, España
Renta 4 Cuenca	Calle Diego Jiménez, Nº2, Cp 16.004, Cuenca, España
Renta 4 Cullera	Paseo Passtge De Lúllal, Núm 2-Bj, Edificio Manantial 46400, Cullera, España
Renta 4 Elche	Calle Corredera, Núm 34, 3203, Elche/Elx, España
Renta 4 Gijón	Calle Jovellanos, Núm 2, Esquina C/Cabrales 33202, Gijon, España
Renta 4 Girona	Calle Gran Via Jaume I, Núm 29-35, 17001, Girona, España
Renta 4 Gran Canaria	Calle Muelle Las Palmas, Núm 6, 35003, Las Palmas De Gran Canaria, España
Renta 4 Granada	Calle Acera Del Darro, Núm 35, 18005, Granada, España
Renta 4 Guadalajara	Calle Padre Félix Flores, Núm 4, 19001, Guadalajara, España
Renta 4 Guipúzcoa	Calle Urbieta, Núm 2, Bajo, 20006, San Sebastian/Donostia, España
Renta 4 Huelva	Avenida De La Ría, Núm 4, Entreplanta 21001, Huelva, España
Renta 4 Huesca	Calle Cavia, Núm 8, Bajo 22005, Huesca, España
Renta 4 Jaén	Avenida De Madrid, Núm 20, Bajo 23003, Jaen, España
Renta 4 Lanzarote	Calle Esperanza, Núm 1, 35500, Arrecife, España
Renta 4 León	Calle Ordoño II, Núm 35, 24001, Leon, España

Office	Postal address
Renta 4 Lleida	Rambla Ferran, Núm 1, 25007, Lleida, España
Renta 4 Logroño	Calle Jorge Vigon, Núm 22, 26003, Logroño, España
Renta 4 Lugo	Calle Rua Montevideo, Núm 7, Bajo 27001, Lugo, España
Renta 4 Madrid	Paseo De La Habana, Núm 74, 28036, Madrid, España
Renta 4 Madrid - Almagro	Calle Almagro, Núm 11, 28010, Madrid, España
Renta 4 Madrid - Príncipe de Vergara	Calle Principe De Vergara, Núm 12, 28001, Madrid, España
Renta 4 Madrid - Recoletos	Paseo De Recoletos, Núm 21, 28004, Madrid, España
Renta 4 Madrid - Serrano	Calle Serrano, Núm 63, Bajo, 28006, Madrid, España
Renta 4 Madrid Sur	Calle Leganes, Núm 33, 28945, Fuenlabrada, España
Renta 4 Málaga	Calle Alameda De Colon, Núm 9, 29001, Málaga, España
Renta 4 Mallorca	Calle Avinguda Comte De Sallent, Núm 2, 7003, Palma De Mallorca, España
Renta 4 Murcia	Avenida General Primo De Rivera, Núm 23, 30008, Murcia, España
Renta 4 Ourense	Calle Curros Enriquez, Núm 27, Baixo 32003, Ourense, España
Renta 4 Oviedo	Calle General Yagüe, Núm 1, Conde de Torero 33004, Oviedo, España
Renta 4 Palencia	Plaza Isabel La Catolica, Núm 1, 34005, Palencia, España
Renta 4 Pamplona	Avenida Baja Navarra, Núm 9 Bis, 31002, Pamplona/Iruna, España
Renta 4 Sabadell	Calle Vilarrubias, Núm 9, Bajos B, 08208, Sabadell, España
Renta 4 Salamanca	Avenida Mirat, Núm 11, 37002, Salamanca, España
Renta 4 Segovia	Paseo Ezequiel Gonzalez, Núm 34, 40002, Segovia, España
Renta 4 Sevilla	Avenida De La Buharia, Núm 11, 41018, Sevilla, España
Renta 4 Soria	Avenida Navarra, Núm 5, 42003, Soria, España
Renta 4 Tarragona	Rambla Nova, Núm 114, Bajo 5 43001, Tarragona, España
Renta 4 Tenerife	Calle El Pilar, Núm 54, 38002, Santa Cruz De Tenerife, España
Renta 4 Terrassa	Calle Arquimedes, Núm 156, 8224, Terrassa, España
Renta 4 Teruel	Avenida Sagunto, Núm 42, Bajo 44002, Teruel, España
Renta 4 Toledo	Avda De La Reconquista Nº 3 Planta Baja, Toledo, España
Renta 4 Valencia	Plaza Alfonso El Magnánimo, Núm 2, 46003, Valencia, España
Renta 4 Valladolid	Calle Manuel Iscar, Núm 3, 47001, Valladolid, España
Renta 4 Vigo	Calle Garcia Barbon, Núm 18, 36201, Vigo, España
Renta 4 Vitoria	Avenida Gasteiz, Núm 23, 01008, Vitoria-Gasteiz, España
Renta 4 Zamora	Avenida Alfonso IX, Núm 1, 49013, Zamora, España
Renta 4 Zaragoza	Calle Leon XIII, Núm 5, 50008, Zaragoza, España
International locations	
Colombia	Carrera 9 Número 78-15, Bogotá
Chile	Avenida Alonso de Córdova Nº 5752 Local A, Comuna de las Condes, Región Metropolitana
Peru	Avenida Víctor Andrés Belanunde 147, Centro Empresarial Camino Real, Torre Real 1, Oficina 202 San Isido, Lima
Luxembourg	Grand Rue 70; L-1660 Luxembourg

This Annex forms an integral part of Note 23 to the accompanying annual financial statements with which it should be read.

ANNEX III

List of Agents
31 December 2021

Name of Representative
SENTIDO COMUN GESTION, S.L.
SOFABOYCO, S.L.

This Annex forms an integral part of Note 23 in the accompanying annual financial statements and both should be read jointly.

List of Agents
31 December 2020

Name of Representative
SENTIDO COMUN GESTION, S.L.
SOFABOYCO, S.L.

This Annex forms an integral part of Note 23 in the accompanying annual financial statements and both should be read jointly.

ANNEX IV

Renta 4 Banco, S.A.

Balance sheets as of 31 December 2021 and 2020

Thousands of Euros

ASSET	Notes	2021	2020
Cash, cash balances with central banks and other demand deposits	**6**	**1,148,295**	**696,791**
Financial assets held for trading	**7**	**64,316**	**54,086**
Derivatives		-	467
Equity instruments		57,881	51,044
Debt securities		6,435	2,575
Financial assets designated at fair value with changes in other comprehensive income	**8**	**388,168**	**580,174**
Equity instruments		313	282
Debt securities		387,855	579,892
Memorandum item: Loaned or given as collateral with the right to sell or pledge		274,775	283,928
Financial assets at amortised cost	**9**	**435,229**	**295,711**
Debt securities		157,435	107,591
Loans and advances		277,794	188,120
Central banks		-	-
Credit institutions		48,794	41,984
Clientele		229,000	146,136
Memorandum item: Loaned or given as collateral with the right to sell or pledge		101,930	51,294
Investments in subsidiaries, joint ventures and associates	**10**	**39,374**	**36,846**
Group companies		39,374	36,846
Jointly controlled companies		-	-
Associates		-	-
Tangible assets	**11**	**54,184**	**55,359**
Tangible fixed assets		53,920	55,087
For own use		53,920	55,087
Real estate investment		264	272
Of which: transferred under an operating lease		264	272
Memorandum item: acquired under a finance lease		17,936	18,775
Intangible assets	**12**	**7,753**	**7,332**
Goodwill		2,541	3,177
Other intangible assets		5,212	4,155

Thousands of Euros

ASSET	Notes	2021	2020
Tax assets	**18**	**1,524**	**1,012**
Current tax assets		-	-
Deferred tax assets		1,524	1,012
Other assets	**13**	**2,009**	**1,508**
Rest of the assets		2,009	1,508
Non-current assets and disposal groups of items classified as held for sale		**-**	**-**
TOTAL ASSETS		**2,140,852**	**1,728,819**

Thousands of Euros

LIABILITIES	Notes	2021	2020
Financial liabilities held for trading	**7**	**-**	**457**
Derivatives		-	457
Financial liabilities at amortised cost	**14**	**2,014,857**	**1,617,389**
Deposits		1,788,407	1,489,937
Central banks		-	-
Credit institutions		10,379	11,283
Clientele		1,778,028	1,478,654
Debt instruments issued		-	-
Other financial liabilities		226,450	127,452
Derivatives - Accounting Coverages		**-**	**-**
Provisions	**15**	**3,773**	**318**
Pensions and other post-employment defined benefit obligations		-	-
Other long-term employee compensations		-	-
Outstanding tax litigation and procedural issues		3,737	301
Commitments and guarantees granted		36	17
Remaining provisions		-	-
Tax liabilities	**18**	**6,680**	**6,588**
Current tax liabilities		6,122	5,189
Deferred tax liabilities		558	1,399
Share capital repayable on demand		**-**	**-**
Other liabilities	**13**	**8,989**	**4,081**
Liabilities included in disposal groups of items classified as held for sale		**-**	**-**
TOTAL LIABILITIES		**2,034,299**	**1,628,833**

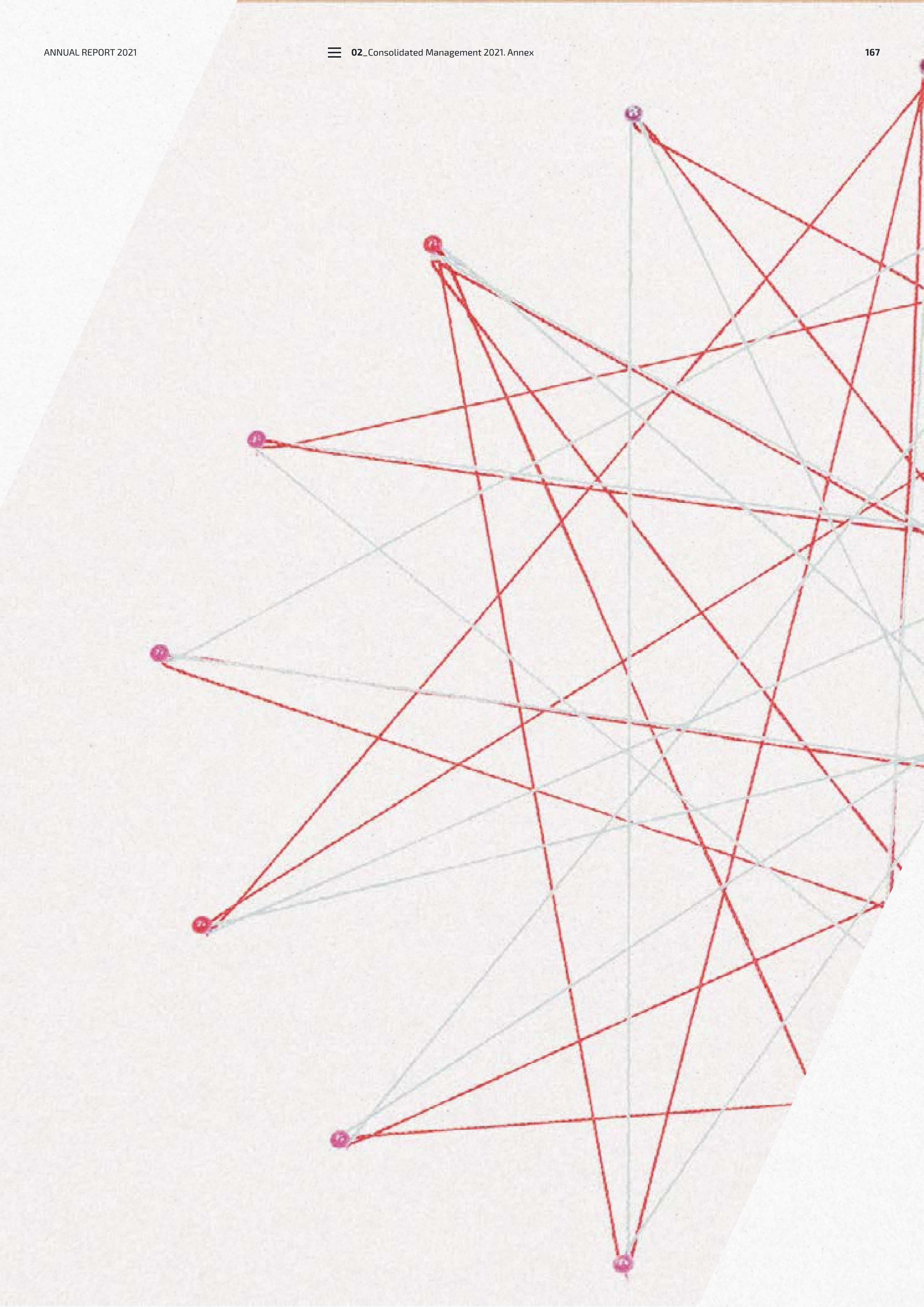
ANNEX IV

Renta 4 Banco, S.A.

Balance sheets as of 31 December 2021 and 2020

Thousands of Euros

EQUITY	Notes	2021	2020
Equity	**16**	**107,548**	**98,533**
Capital		18,312	18,312
Paid-up capital		18,312	18,312
Share premium		8,496	8,496
Other reserves		70,931	57,198
Accumulated reserves or losses on investments in joint ventures and associates		-	-
Others		70,931	57,198
(-) Treasury shares		(486)	(486)
Profit for the financial year		22,481	15,013
(-) Interim dividends		(12,186)	-
Accumulated other comprehensive income		**(995)**	**1,453**
Items that are not reclassified to the income statement		20	(366)
Changes in the fair value of equity instruments measured at fair value with changes in other comprehensive income	8	20	(366)
Elements that can be reclassified to profit and losses		(1,015)	1,819
Changes in fair value of debt instruments measured at fair value with changes in other comprehensive income	8	(1,015)	1,819
TOTAL EQUITY		**106,553**	**99,986**
TOTAL EQUITY AND LIABILITIES		**2,140,852**	**1,728,819**
MEMORANDUM ITEM: OFF-BALANCE-SHEET EXPOSURES	**17**		
Guarantees granted		8,530	4,985
Contingent commitments granted		33,677	19,931
Other obligations issued		8,629	8,657



ANNEX IV

Renta 4 Banco, S.A.

Income statements for financial years ended on December 31, 2021 and 2020

Thousands of Euros

	Notes	2021	2020
Interest income	20.a	4,813	4,377
(Interest expense)	20.a	(4,411)	(3,863)
(Expenses relating to share capital repayable on demand)		-	-
A) INTEREST MARGIN		**402**	**514**
Dividend income		7,112	7,882
Commission income	20.b	101,855	94,806
(Commission expenses)	20.b	(35,633)	(41,653)
Gains or (-) losses on derecognition in accounts of financial assets and liabilities not measured at fair value with changes in profit or loss, net	20.a	2,776	1
Gains or (-) losses on financial assets and liabilities held for trading, net	20.a	7,059	8,300
Exchange differences [profit or (-) loss], net	20.g	12,813	10,362
Gains or (-) losses on derecognition of non-financial assets		2	-
Other operating income	20.c	575	401
(Other operating expenses)	20.c	(3,534)	(3,197)
B) GROSS MARGIN		**93,427**	**77,416**
(Administrative expenses)		(53,045)	(42,512)
(Personnel Expenses)	20.d	(34,992)	(26,502)
(Other administrative expenses)	20.e	(18,053)	(16,010)
(Amortisation)	11 y 12	(9,330)	(8,752)
(Provisions or (-) reversal of provisions)	15	(3,575)	(226)
(Impairment in the value or (-) reversal of impairment in the value of financial assets not measured at fair value with changes in profit or loss)		(1,971)	(2,926)
(Financial assets at fair value with changes in other comprehensive income)	20.f	77	82
(Financial assets at amortised cost)	20.f	**(2,048)**	**(3,008)**
C) OPERATING INCOME		**25,506**	**23,000**
(Impairment in the value or (-) reversal of impairment in the value of investments in subsidiaries, joint ventures or associates)	10 y 20.f	**1,325**	**(3,910)**
D) PRE-TAX GAINS OR (-) LOSSES FROM CONTINUING OPERATIONS		**26,831**	**19,090**
(Expenses or (-) income from taxes on income from continuing operations)	18	**(4,350)**	**(4,077)**
E) GAINS OR (-) LOSSES AFTER TAX FROM CONTINUING OPERATIONS		**22,481**	**15,013**
Gains or (-) losses after tax from discontinued operations			**-**
F) PROFIT OR LOSS FOR THE FINANCIAL YEAR		**22,481**	**15,013**

ANNEX IV

Renta 4 Banco, S.A.

Statements of changes in Equity as of 31 December 2021 and 2020

I. Statement of recognised income and expenses for financial years ended 31 December 2021 and 2020

Thousands of Euros

	2021	2020
Profit for the financial year	**22,481**	**15,013**
Other comprehensive income	**(2,101)**	**(77)**
Items that will not be reclassified to profit and losses	**733**	**(357)**
Changes in the fair value of equity instruments valued at fair value with changes in overall result	776	(407)
Other valuation adjustments		-
Income tax relating to items that will not be reclassified	(43)	50
Elements that can be reclassified to profit and losses	**(2,834)**	**280**
Financial assets designated at fair value with changes in other comprehensive income	(4,049)	400
Profits or (-) losses in value recognised in equity	(1,196)	483
Transferred to profit and losses	(2,853)	(83)
Other reclassifications	-	-
Income tax relating to items that can be reclassified to profit or loss	1,215	(120)
Total comprehensive profit or loss for the financial year	**20,380**	**14,936**

ANNEX IV

Renta 4 Banco, S.A.

Statement of Changes in Equity

II.2 Total statement of changes in equity for the financial year ended on 31 December 2021

Sources of changes in equity	Capital	Share premium	Equity instruments issued other than capital	Other equity instruments
Opening balance 2021	**18,312**	**8,496**	-	-
Effects of error correction	-	-	-	-
Effects of changes in accounting policies	-	-	-	-
Opening balance 2021	**18,312**	**8,496**	-	-
Total comprehensive profit or loss for the financial year	-	-	-	-
Other changes in equity	-	-	-	-
Dividends (or remuneration to shareholders) (Note 16.g)	-	-	-	-
Purchase of treasury shares	-	-	-	-
Sale or cancellation of treasury shares	-	-	-	-
Transfers between equity components	-	-	-	-
Closing balance 2021	**18,312**	**8,496**	-	-

II.2 Total statement of changes in equity for the financial year ended on 31 December 2020(*)

Sources of changes in equity	Capital	Share premium	Equity instruments issued other than capital	Other equity instruments
Opening balance 2020	**18,312**	**8,496**	-	-
Effects of error correction	-	-	-	-
Effects of changes in accounting policies	-	-	-	-
Opening balance 2020	**18,312**	**8,496**	-	-
Total comprehensive profit or loss for the financial year	-	-	-	-
Other changes in equity	-	-	-	-
Dividends (or remuneration to shareholders) (Note 16.g)	-	-	-	-
Purchase of treasury shares	-	-	-	-
Sale or cancellation of treasury shares	-	-	-	-
Transfers between equity components	-	-	-	-
Closing balance 2020	**18,312**	**8,496**	-	-

Thousands of Euros

Retained gains	Revaluation reserves	Other reserves	(-) Treasury shares	Profit for the financial year	(-) Interim dividends	Accumulated other comprehensive income	Total
-	-	57,198	(486)	15,013	-	1,453	99,986
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	57,198	(486)	15,013	-	1,453	99,986
-	-	-	-	22,481	-	(2,101)	20,380
-	-	13,733	-	(15,013)	(12,186)	(347)	(13,813)
-	-	(933)	-	-	(12,186)	-	(13,119)
-	-	-	-	-	-	-	-
-	-	-	-		-	-	-
-	-	14,666	-	(15,013)	-	(347)	(694)
-	-	70,931	(486)	22,481	(12,186)	(995)	106,553

Thousands of Euros

Retained gains	Revaluation reserves	Other reserves	(-) Treasury shares	Profit for the financial year	(-) Interim dividends	Accumulated other comprehensive income	Total
-	-	47,901	(601)	17,258	(8,117)	1,686	84,935
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	47,901	(601)	17,258	(8,117)	1,686	84,935
-	-	-	-	15,013	-	(77)	14,936
-	-	9,297	115	(17,258)	8,117	(156)	115
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	115		-	-	115
-	-	9,297	-	(17,258)	8,117	(156)	-
-	-	57,198	(486)	15,013	-	1,453	99,986

ANNEX IV

Renta 4 Banco, S.A.

Statements of cash flows for the years ended 31 December 2021 and 2020

Thousands of Euros

EQUITY	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		**470,156**	**86,729**
Profit for the financial year		**22,481**	**15,013**
Adjustments to obtain cash flows from operating activities		**15,556**	**14,102**
Amortisation	11 and 12	9,330	8,752
Other adjustments		**6,226**	**5,350**
Net increase/decrease in operating assets		**39,549**	**83,881**
Trading portfolio		(10,230)	(27,491)
Other financial assets at fair value with changes in profits and losses		-	-
Financial assets at fair value with changes in other comprehensive income		**192,358**	**271,498**
Financial assets at amortised cost		(141,566)	(159,587)
Other operating assets		(1,013)	(539)
Net increase/decrease in operating liabilities		**396,916**	**(23,057)**
Trading portfolio		(457)	451
Financial liabilities at amortised cost		395,925	(24,025)
Other operating liabilities		**1,448**	**517**
Collections/payments from taxes on profits		**(4,346)**	**(3,210)**
CASH FLOWS FROM INVESTING ACTIVITIES)		**(8,234)**	**(7,966)**
Payments		**(8,236)**	**(7,966)**
Tangible assets	11	(4,186)	(3,248)
Intangible assets	12	(2,847)	(3,260)
Shares	10	(1,203)	(1,458)
Collections		2	-
Other collections related to investment activities		2	-
CASH FLOWS FROM FINANCING ACTIVITIES		**(10,418)**	**(5,816)**
Payments		**(17,530)**	**(13,813)**
Dividends	4 and 16.g	(13,119)	-
Acquisition of equity instruments	16.f	-	-
Other payments related to financing activities		**(4,411)**	**(13,813)**

Thousands of Euros

EQUITY	Notes	2021	2020
Collections		**7,112**	**7,997**
Disposal of equity instruments		-	115
Other collections related to financing activities		7,112	7,882
EFFECT OF EXCHANGE RATE CHANGES		**-**	**-**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**451,504**	**72,947**
Cash or cash equivalents at beginning of year	**6**	**696,791**	**623,844**
Cash and cash equivalents at end of year	**6**	**1,148,295**	**696,791**
MEMORANDUM ITEM			
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**6**	**1,148,295**	**696,791**
Cash		**45**	**56**
Cash equivalents at central banks		**840,811**	**421,247**
Other financial assets		**307,439**	**275,488**
Minus: bank overdrafts repayable on demand		**-**	**-**

renta4banco

ANNEX V

Customer Service Report

Financial year: 2021

Purpose of the Report

The purpose of this report is to highlight the activity carried out during the financial year 2021 by the Customer Service Department of Renta 4 Banco, S.A. and the member entities of the Renta 4 Group, as it has done annually since its creation in 2004, thus complying with article 20 of the *Regulation for the Defence of Customers of Group Renta 4* and with the provisions of *Order ECO 734/2004, of 11 March, on Customer Service Departments and Services and the Ombudsman for Customers of Financial Institutions*.

In that sense, as laid down in Article 6 of that regulation, *the main function* of the Customer Service Department *is the addressing and resolution of the complaints and claims that are presented before the entities subject to the law. In the case of financial services provided by the aforementioned entities,* directly or through representation, by Spanish or foreign natural or legal persons who meet the condition of users of the financial services provided by the aforementioned entities, provided that such complaints and claims refer to their legally recognised interests and rights, whether they derive from contracts, from the regulations on transparency and protection of customers or from good financial practices and uses, in particular from the principle of equity.

Result of claims during the financial year 2021

During 2021 financial year, a total of 51 complaints, claims and/or customer queries were received, 41 of which were submitted to the Renta 4's Customer Service Department and 10 claims to the Ombudsman for Participants, as the latter dealt with matters relating to pension plans, which are within its competence. Of the total number of claims/complaints filed, 1 of them was not admitted for processing and the opening of the corresponding file was rejected, because the Ombudsman for Participants considered that it did not fall within their competence.

For all claims admitted for processing, both the Ombudsman for Participants and Renta 4's Customer Service Department carried out a detailed study and analysis of each of the claims and issues raised, reviewing the procedures established by Renta 4 and finally issuing the corresponding resolution, or requesting the parties to reach an agreement on the disputes that had arisen.

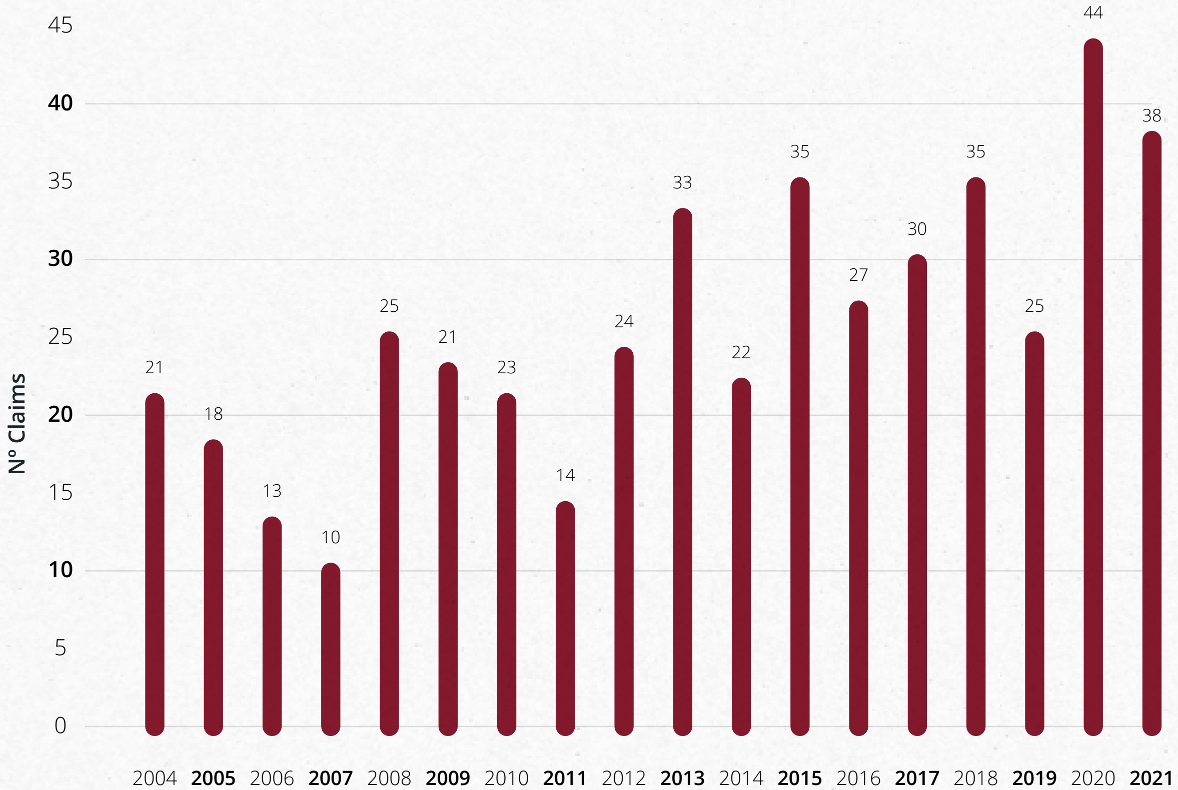
In relation to the claims filed with the Ombudsman for Participants during 2021, a total of 10 claims were received, with one (1) of the cases being dismissed for being considered out of their competence. In the nine (9) claims admitted for processing on pension plans, the Ombudsman issued one (1) unfavourable settlement for the customer, six (6) favourable settlements for the customers, one (1) informative settlement and in one (1) of the cases the participant chose not to continue with the claim. In this regard, it should be noted that most of the claims were resolved in an expeditious manner and none involved any financial compensation for the Entity.

On the other hand, during 2021 the number of claims filed with the Renta 4 Customer Service Department reached a total of 41 claims, complaints and/or queries, all of which were admitted for processing. Of the total, thirty-eight (38) were claims and three (3) queries or requests for information, which were duly answered after requesting various information from the corresponding departments.

With regard to the evolution of claims, it should be noted that in the financial year 2021 the total number of claims was slightly lower than those received in 2020, going from 44 filed in 2020 to 38 filed in 2021, although this is still a higher figure than those received in previous years. However, in none of the financial years has the number of claims processed been a significant figure in absolute terms; 38 in 2021, 44 in 2020, 25 in 2019, 35 in 2018, 30 in 2017 and 27, 35 and 22 in 2016, 2015 and 2014, respectively, with small variations from one financial year to another.

In addition to the fact that the total number of claims filed in the financial year 2021 decreased compared to 2020, this is still a limited figure and not very high and has remained stable throughout the seventeen years that Renta 4 Customer Service Department has been operating, as shown in **Chart 1**.

GRAPH 1. Total Claims 2004-2021



On the other hand, the number of claims received during the financial year 2021 by the Customer Service Department and the Ombudsman of the Participant, a total of 51, is not a very significant figure in relation to the total number of customers with equity that Renta 4 had on 31 December 2021, a total of 114,181 customers, with the same having occurred in previous financial years, such as in 2020, in which a total of 54 claims were processed compared to 102,158 customers that the end of 2020. Similarly, if we compare the number of claims filed during 2020 versus the equity managed by Renta 4 at the end of 2021, €25.927 billion, or with the number of commercial offices that Renta 4 has throughout the country, 63 offices.

In summary, the number of claims received by Renta 4's Customer Service Department or Ombudsman for Participants during the 2021 financial year continues to be insignificant and not very relevant when compared to the number of customers or the equity managed by Renta 4.

Complaints classified by Type of Resolution

In relation to the type of settlement issued by the Customer Service Department during 2021, as shown in **Table 1**, of the 38 claims received, twenty-three (23) unfavourable settlements were issued to the customer, 61% percent of the total, being practically the same figure as in the financial year 2018 and higher than the sixteen (16) unfavourable settlements issued in 2020 and 2019.

On the other hand, in four (4) claims favourable settlements were issued to the ccustomers, 11% per cent of the total, similar to the five (5) favourable settlements issued in 2020 by the Customer Service Department. On the other hand, in six (6) claims the Customer Service Department urged the parties to reach an agreement, 16% per cent of the total, lower than the 15 agreements reached in 2020, which accounted for 34% of the total. On the other hand, in three (3) of the cases, the customers left the claim without effect, after the explanations and clarifications provided by the Service. Finally, it should be noted that, as of 31 December 2021, 2 claims were in the processing and study phase, which as of this date have been resolved.

TABLE 1. Evolution Claims filed with CSS- Classification by type Resolution

	2021		2021		2019		2018		2017		2016		2015		2014		2013		2012	
Classification by Settlement Type*	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%
Unfavourable for the customer	23	61 %	15	34 %	16	64 %	24	69 %	21	70 %	24	89 %	18	51 %	12	55 %	24	73 %	20	83 %
Favourable for the customer	4	11 %	5	11 %	1	4 %	1	3 %						0 %	2	9 %	0	0 %		0 %
SAC Compromise Proposal (Agreement)	6	16 %	15	34 %	8	32 %	9	26 %	8	27 %	3	11 %	14	40 %	6	27 %	7	21 %	4	17 %
Customer cancellation	3	8 %	1	2 %									1	3 %		0 %	2	6 %		
Not admitted for processing/suspension	0	0 %	1	2 %			1	3 %	1	3 %			2	6 %	2	9 %				
Pending Resolution	2	5 %	7	16 %																
TOTAL	**38**		**44**		**25**		**35**		**30**		**27**		**35**		**22**		**33**		**24**	

In the cases in which Renta 4 and the customers have reached an agreement in 2021, the amount paid amounted to €6,161.45, while the amount paid corresponding to the favourable settlements issued was €74.44. In total, the amount disbursed by the entity on account of claims filed in 2021 amounted to €6,235.89, much lower than the €343,806.43 disbursed in the financial year 2020, and slightly lower than the amounts paid in previous financial years; in 2019 it amounted to €8,454.71, in 2018 to €24,832.61. However, it is not significant compared to the Entity's financial figures.

Likewise, it should be noted that Renta 4's Customer Service Department, in addition to carrying out the main function of resolving complaints and claims, plays an intermediary role between the Customer and the Entity. In this sense, having analysed the reason for the claim, reviewed the procedures, and in the cases this is feasible, it is the Service itself that urges the parties to reach an agreement.

In addition, as this Customer Service Department has been doing every year, an estimate has been made of the amounts and sums affected by the claims filed and admitted for processing, i.e. the maximum cost that Renta 4 would have had to pay if all the settlements were favourable to customers, estimating an overall amount for 2021 of €193,633.53.

Claims classified by content

In relation to the content of the claims reflected in **Table 2** and following the same classification used in previous financial years' reports, the figures are as follows:

TABLE 2. Evolution Claims filed with CSS-Classification by Content

	2021		2020		2019		2018		2017		2016		2015		2014		2013		2012	
Classification by Content	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%
Commissions - Fees	8	21 %	3	7 %	6	24 %	3	9 %	6	20 %	9	33 %	13	37 %	11	50 %	18	55 %	7	29 %
Securities transactions, order execution	13	34 %	17	39 %	6	24 %	20	57 %	15	50 %	8	30 %	3	9 %	5	23 %	13	39 %	16	67 %
Investment Funds/ Pensión Plans	6	16 %	15	34 %	7	28 %	4	11 %	3	10 %	1	4 %	9	26 %	5	23 %	0	0 %	0	0 %
Other	11	29 %	9	20 %	6	24 %	8	23 %	6	20 %	9	33 %	10	29 %	1	5 %	2	6 %	1	4 %
TOTAL	**38**		**44**	**100%**	**25**	**100%**	**35**	**100%**	**30**	**100%**	**27**	**100%**	**35**	**100%**	**22**	**100%**	**33**	**100%**	**24**	**100%**

In 2021, the heading with the highest number of claims was that relating to *Securities transactions and order execution* with thirteen (13) claims, 34% of the total, six (6) claims in the chapter referring to *Investment Funds-Pension Plans*, 16% of the total, while in the remaining headings eight (8) claims were received in the area of *Fees*, 21%, and eleven (11) in the chapter *Others*, 29%.

The heading of *Securities transactions and order execution,* includes claims relating to discrepancies in the trading and execution of orders and the procedure for marketing and advising customers on the various financial products. In the year 2021, a total of thirteen (13) claims were received, 34% of the total, a similar figure to that of the financial year 2020 in which seventeen (17) claims were filed out of a total of 44, 39% of the total.

The claims filed in *Investment Funds-Pension Plans* are those whose content refers to the marketing and operation in the subscription, reimbursement and transfer of investment funds and pension plans. In 2021, a total of six (6) claims were received, 16% of the total, lower than those processed in the financial year 2020.

On the other hand, under the heading *Fees-Rates* includes the claims related to the fees and expenses associated with the different investment products and services. In 2021 the number of claims on this matter totalled eight (8), a higher figure than in previous financial years, in which in the heading of *Fees* a slightly lower number of claims was collected, such as in 2020 with three (3) claims (7%), in 2019 a total of six (6) (24%) and three (3) in 2018 (9%).

Finally, the claims classified under *Others* include all those claims that could not be included in any of the other segments, and therefore the content of these claims is very heterogeneous. In 2021 there were a total of eleven (11) claims, 29%, a similar figure to 2020 and 2018, with nine (9) and eight (8) claims respectively.

On the other hand, it should be noted that in recent years the National Securities Market Commission and the Bank of Spain have requested more information from entities' Customer Service Department regarding claims and a greater degree of detail, establishing different classifications as to the reasons, causes, types of products, among others, etc. This information enables the regulatory bodies to prepare annual reports with the aggregate information of all entities.

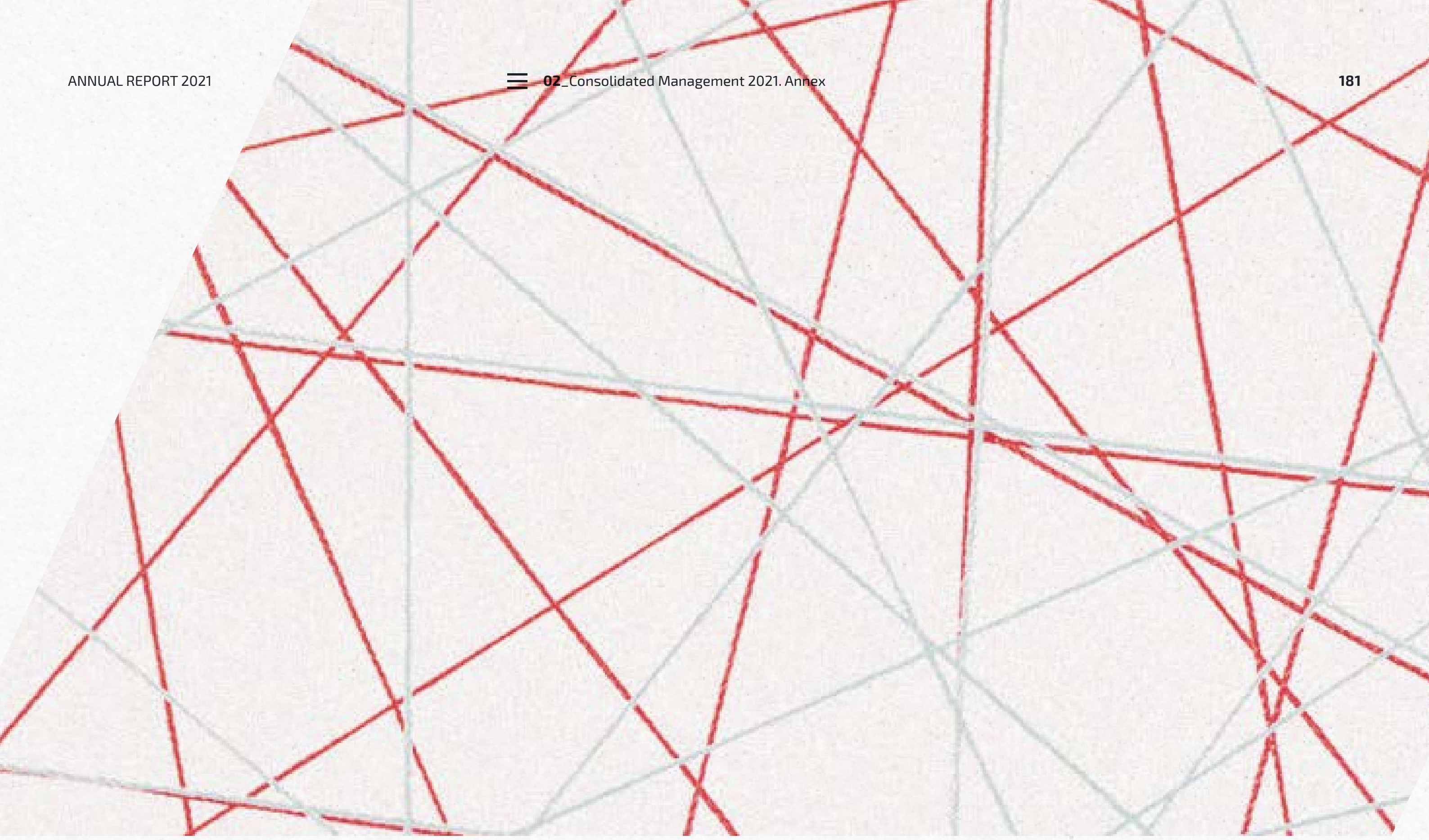
For this reason, as in previous financial years, this Annual Report has included information on claims filed from financial years 2015 to 2021, using the classification and reporting criteria required by the National Securities Market Commission and the Bank of Spain, as shown in **Tables No. 3 and No. 4** of this report.

TABLE 3. Evolution of Claims filed with the CCS - CNMV Classification

Produced type	Claim Reason	2021	2020	2019	2018	2017	2016	2015
Shares and rights	Marketing		1		1	3	3	3
	Management and execution of orders	3	4	3	1	5	4	
	Fees	1	2				1	1
	Other							1
Debt and hybrid instruments	Fees							2
	Other							1
IIC	Marketing	3	1	4	1		1	
	Management and execution of orders	10	13	3	3	4		6
	Other					1		2
Derivatives	Marketing	3	4	1	1	1	3	2
	Management and execution of orders	3	11	3	16	8	4	1
	Fees	1	1			1		
	Other							1
Portfolio Management Contracts	Other							1
Other	Marketing	8	2	1				
	Management and execution of orders	6		6	3	5	7	9
	Fees		3		3			
	Other		2	4	6	2	2	4
TOTAL		**38**	**44**	**25**	**35**	**30**	**24**	**35**

TABLE 4. Claims Evolution - BdE Classification

Subject Bank of Spain		2021	2021	2019	2018	2017	2016	2015
Other Investment Services	Fees and expenses	11	3	6	3	8	10	13
	Discrepancy in notes	5	20	6	10	11	8	2
	Ex Ante	2	3	2	1	2	2	2
	Ex Post		1		2	1	2	
	Miscellaneous	7	3	3	14	3	4	9
Relationship with IIC	Relationship with IIC		12			5	1	9
	Discrepancy in notes	7		3	2			
	Ex-ante		1	2	2			
	Ex Post		1	2				
	Miscellaneous	6			1			
Current accounts	Miscellaneous			1				
TOTAL		**38**	**44**	**25**	**35**	**30**	**27**	**35**



CONCLUSIONS

In summary, the Customer Service Department of Renta 4 considers that the number of complaints, claims and/or queries submitted during the 2021 financial year, a total of 41, and 10 received by the Ombudsman for Participants, despite representing a slight increase compared to previous financial years, continues to be a non-significant figure both in absolute and in relative terms if compared with the total number of the Entity's customers, with the equity managed by Renta 4, or with the amounts claimed therein.

On the other hand, the evolution of the number of claims since the start of its activity in 2004 and up to 2021 continues to be of little relevance and remains stable with respect to the growth of the Entity and its business volumes.

In addition, it should be noted that the Customer Service Department, as it has been doing since the beginning of its activity, in each of the claims received it has gathered as much information as it has deemed appropriate from the different areas of the Entity, in order to know all the aspects relating to the claims, in order to be able to issue an appropriate resolution or to urge the parties to reach an agreement. In this process, this Service, together with other areas of Renta 4, has promoted and carried out amendments both in procedures and in the information available through the different channels at its disposal, all with the aim of correcting any specific incidents that may occur, as well as improving operations and the information available.

All this with the aim of reducing incidents, improving the quality of the provision of financial services and increasing transparency towards the customer, offering better and more complete information on products, their risks, operations and other specific characteristics.

In this way, in addition to the functions assigned, the Customer Service Department is intended to be a means of communication between customers and the different entities of the Renta 4 Group, in order to improve the procedures and practices of the Renta 4 Group and offer a higher quality service to all customers.

ANNEX VI

Annual Banking Report

Financial year: 2021

On 27 June 2014, Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, transposing Article 89 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 relating to the taking up and pursuit of the business of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC (CRD IV) and repealing Directives 2006/48/EC and 2006/49/EC, was published in the Official State Gazette.

In compliance with the provisions of Article 87.1 and the Twelfth Transitional Provision of Law 10/2014, of 26 June, credit institutions shall be obliged to publish, specifying by countries where they are established, the following information on a consolidated basis corresponding to the last closed financial year:

a) Name, nature and geographical location of the activity.

b) Turnover and number of full-time employees.

c) Gross profits before tax and income tax

d) Subsidies and public aid received

On the basis of the foregoing, the information required, as mentioned above, is set out below:

a) Name, nature and geographical location of the activity.

Renta 4 Banco, S.A. is the entity resulting from the merger by absorption, which took place on 30 March 2011, of Renta 4 Servicios de Inversión S.A., (absorbing entity) and Renta 4 Banco, S.A. (absorbed entity), the latter previously known as Banco Alicantino de Comercio, S.A., the change of name of the latter having been registered in the Mercantile Registry on 8 June 2011. In addition, during the merger process, the absorbing company's bylaws were amended, changing its trade name from Renta 4 Servicios de Inversión, S.A. to Renta 4 Banco, S.A. and extending its corporate purpose to include banking activities, as well as the investment and ancillary services of investment service companies. The Parent Company is registered on the Mercantile Registry and on the Special Registry of Credit Entities of the Bank of Spain under code 0083.

The corporate purpose of Renta 4 Banco, S.A. consists of the activities of credit institutions in general, including the provision of investment services, as well as the acquisition, holding, enjoyment, administration and disposal of all types of transferable securities, and in particular those specified in article 175 of the Commercial Code and other legislation in force relating to the activity of such entities.

The activity or activities constituting the corporate purpose may be carried out by the Company totally or partially, indirectly, through the ownership of shares or ownership interest in companies with an identical or similar corporate purpose. In addition to the operations it carries out directly, the Bank is the head of a group of subsidiaries which engage in various activities and which, together with it, constitute Renta 4 Group. As a result, the Parent Company is required to prepare, in addition to its own individual financial statements, the Group's consolidated financial statements. The Parent has its registered office at Paseo de la Habana 74, Madrid.

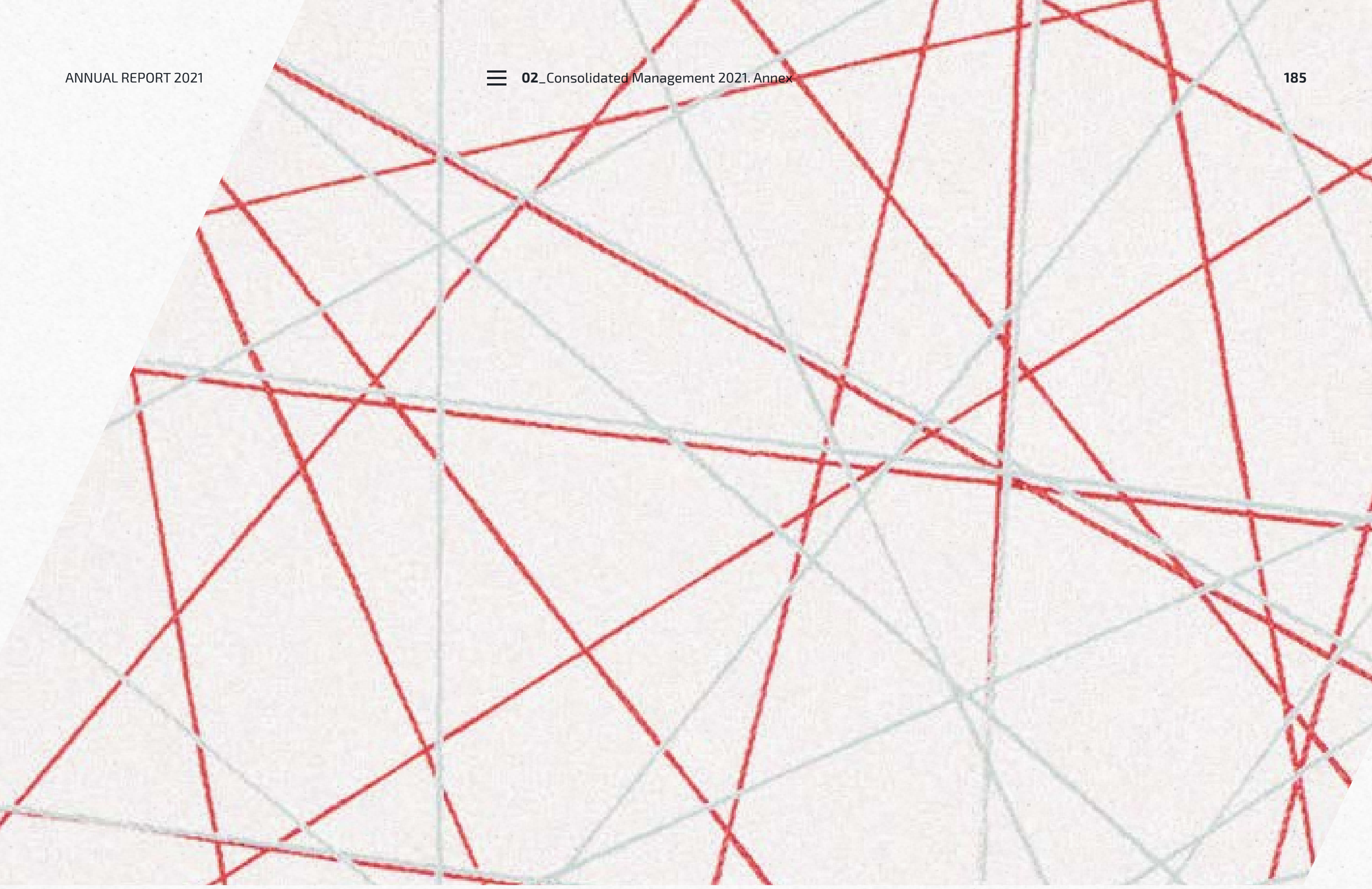
The Group operates mainly in Spain. The activities, name, nature and geographical location of the subsidiaries are included in Annex I to this annual report.

b) **Turnover and number of full-time employees.**

This heading provides information on the business volume and the number of full-time employees by country at the end of the 2021 and 2020 financial years, on a consolidated basis.

Business volume was considered to be the number of fees and commissions received, as shown in the Group's consolidated income statement, at the end of the 2021 and 2020 financial years:

	Thousands of Euros		Number of employees	
	Turnover		(full time)	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Spain	172,142	156,143	534	497
Chile	4,464	3,217	30	30
Colombia	1,590	803	20	19
Peru	785	333	21	11
Luxembourg	1,649	1,236	3	3
TOTAL	**180,630**	**161,732**	**608**	**560**



c) Gross profits before tax and income tax

This heading shows the information relating to consolidated profit before tax and consolidated income tax as included in the Group's consolidated income statement at the end of the 2021 and 2020 financial years:

Thousands of Euros

	Profit before tax		Income tax	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Spain	29,349	21,744	(6,433)	(6,015)
Chile	2,711	1729	(633)	71
Colombia	38	(329)	-	(1)
Peru	349	202	(73)	-
Luxembourg	59	673	(20)	(28)
TOTAL	**32,506**	**24,019**	**(7,159)**	**(5,973)**

d) Subsidies or public aid received

No public subsidies or aid were received during the 2021 and 2020 financial years.

e) Return on assets

The return on assets calculated as the net profit divided by the entire balance sheet is 1.15% (2020: 1.01%).

03 Consolidated Management Report 2021

03.1

Economic environment and financial markets

Two years after the coronavirus pandemic onset, the world is still searching for a way out of it. Despite this situation and the new virus variants, 2021 has been a very positive year for investors, especially in risky assets.

The global **variable income** has appreciated at double-digit rates in 2021. In the case of the US S&P, this rate was 26.9%, reaching new all-time highs (in 2021 it reached 70 highs, almost equalling the record of 77 achieved in 1995) and in the last 3 years it has risen 90%, which is the highest three-year appreciation since 1997-99. Technology has of course participated in the "rally", with the Nasdaq rising 26.6% in 2021 (+157% in the last 3 years).

In Europe, the Stoxx 600 gained +22% (EuroStoxx 50 +21%), with the best performance in banks (+34%), technology (+34%) and media (+32%). Leisure and travel, which at the end of May was one of the best sectors (+24% then), closed 3.5% up, affected by the Covid variants at the end of the year, being the worst sector, together with "utilities" (+5%) and food/personal care (+7%). Within Europe, the best performance was seen in the CAC 40 (+29%), the Swedish OMX (+29%), the Dutch AEX (+28%) and the Italian MIB (+23%). The Ibex 35 closed positive but well below average, with +8%. The best global markets, in local currency terms, were Mongolia (+130%), Sri Lanka (+80%) and Abu Dhabi (+68%). The Nikkei (+4.9%) and Shanghai Index (+4.2%) closed with positive but low single-digit profitability. The worst were Hong Kong (-14%, where some Chinese companies such as Alibaba or Tencent have had the most relevant impact), Brazil (-12%) and Malta (-6%).

Variable income increases have been supported by the strong recovery in corporate profit (>60%, from a depressed basis), with significant upward reviews to estimations versus what was estimated in Dec-20. There has been no expansion of multiples; on the contrary, there has been a contraction, both in the United States and in Europe.

From a macro standpoint, the global economic recovery continues, albeit somewhat more subdued than expected months ago. The peak of the cycle is now behind us, and at present (based on PMIs by sector and area), we are seeing a decline in activity after the initial strong rebound. The pandemic and new virus variants remain one of the major risks to continued economic expansion, although mass vaccination significantly reduces pressure on the healthcare system.

On the other hand, supply-side tensions continue, taking into account global trade figures, supply chain problems, shipping logistics costs, etc. Regionally, in the United States, manufacturing indicators are showing some deceleration, while supply-side tensions remain present. Inflation remains at high levels, reflecting the solid recovery in demand (economic reopening) coupled with supply problems (bottlenecks, energy costs), and is expected to remain so for a few more months.

Regarding Fixed Income, the financial year 2021 has been a year of interest rate curve recovery, both due to the improvement of economic indicators once the vaccination of the population allowed the economies to reopen, and due to the rebound in inflation, which was initially expected due to the base effects of the fall in prices in 2020, but which has proven to be more persistent than expected. In this scenario, central banks turned around at the end of the financial year and have already begun or are preparing to begin withdrawing the strong monetary stimulus programs they implemented in the wake of the economic slowdown caused in 2020 by measures to try to contain the Covid pandemic.

Already in the first months of the year, the US and German yield curves rose strongly, especially in the long-term sections, which led to a sharp increase in their slopes, due to the fact that the Covid vaccines gave a glimpse of the beginning of the economic recovery, as well as to some fear that the fiscal stimuli of the Biden Administration would overheat the economy and lead to a higher than expected rise in inflation, which was reflected in a much faster upward movement of the US curve than that of the European curve. Subsequently, some dissipation of inflation fears and a rebound in Covid contagions caused yield curves to fall again, flattening to reach lows in July. Subsequently, government bond rates rose again, in a context in which the withdrawal of stimuli by central banks had already been verified, and with inflation surprisingly rising, not because of the strong fiscal stimuli in the US, which have been reduced, but because of the strong disruptions in supply chains and, in the case of Europe, also because of the sharp rise in energy prices in Europe.

The anticipation of the next rate hikes in 2022 in the US and the UK has been reflected in the rise of the short part of the curve in these countries in the last months of the year, with a flattening of the curves in the longest stretches.

Risk premiums on peripheral debt (Italy, Spain, Portugal, Greece) remained more or less contained throughout the financial year, thanks to the strong asset purchase programme being carried out by the European Central Bank (ECB), except for a certain upturn in Italian and Greek premiums in the last two months of the year, in anticipation of the sharp reduction of this programme in 2022. Likewise, in a scenario with very low rates and few investment alternatives, and in which the search for profitability has been a dominant trend, credit spreads (credit profitability differential with government bonds) have remained very contained and very close to minimum levels.

In terms of monetary policy, of the major Western central banks, the European Central Bank (ECB) continues to be the one that maintains the most expansionary policy, although it has already begun to take its first steps in the withdrawal of stimuli. Thus, at its December meeting, the ECB approved a detailed plan for the withdrawal of its emergency purchase programme (PEPP). This will end in March 2022, as expected, although it will already begin to be reduced in the first quarter, something that was not contemplated by the markets. To avoid abrupt termination, the ECB approved an increase of the "standard" programme, the APP, in the second quarter to $40 billion per month, to fall back to $30 billion in the third quarter and return to its original size of $20 billion in the fourth quarter. Thus, the reduction in asset purchases by the central bank was more aggressive than what the markets were discounting - PEPP is flexible and has no fixed amount of monthly purchases, but hovered around €70 billion in each of the last few months. However, the ECB has left itself some flexibility: i) firstly, to reactivate the PEPP if it deems it necessary and, furthermore, ii) to carry out reinvestments of the maturities of the bonds purchased by the PEPP as they occur, reinvestments which, moreover, are maintained for one more year, until 2024.

This will allow it to retain some room for manoeuvre in the face of a much more rigid APP programme, being able to purchase more peripheral bonds in the face of a potential rise in risk premiums, as well as continuing to buy Greek bonds, which are not eligible for the APP as they do not yet have a rating equivalent to Investment Grade. Therefore, there is a significant reduction in bond purchases by the ECB, which will mean that peripheral debt will have, in principle, less support, but with sufficient flexibility to avoid an uncontrolled increase in the risk premiums of these countries. As for possible rate hikes, no transactions by the ECB are expected until at least the end of 2023.

More advanced in its withdrawal of stimulus is the US Federal Reserve (Fed) - in line with the faster recovery that this economy, more flexible than Europe's, has recorded. Thus, the Fed began reducing its purchase programme as early as November, a reduction that was accelerated again in December in the face of persistent inflation, so that the programme is expected to be completed by March 2022. In addition, the Fed is already forecasting three rate hikes (of 25 basis points each) in 2022, three more in 2023 and two more in 2024.

Even more hawkish is the Bank of England (BoE), which in December already raised its benchmark interest rate by 15 basis points to 0.25% in response to high inflation, in an environment where, in addition to supply chain disruptions and high energy costs, labour shortages in the country are creating additional inflationary pressures. Two further increases are expected in 2022.

In the **commodities markets,** the price of crude oil (Brent) is up 52% in 2021 (to $79/barrel), as are other commodities such as aluminium (+42%) and, to a lesser extent, copper (+26%) and nickel (+24%). The exception to this trend is gold (-4%) and silver (-12.6%), which performed well in 2020 as a safe haven asset. In the currency market, in 2021 the euro depreciated by 7% against the dollar (to $1.13/€) and by 6% against the pound (to £0.84/€), and emerging currencies depreciated against a stronger US dollar.

03.2

Evolution of the sector

Most likely, 2022 is going to be the beginning of a significant economic and financial transition. A transition that, in addition to capturing the post-COVID scenario, will reflect a normalisation in monetary policies, likely more moderate performance in financial markets, as well as a transition to a stronger focus on sustainability as the world moves towards net-zero emissions.

From a macro point of view, looking ahead to 2022, we expect a decline in the pace of economic recovery, but from very high levels and maintaining GDP growth above potential in 2021-22. The 2022 forecasts from international bodies range from 4.5% from the OECD and EC, to 4.9% from the IMF, with Europe and the US experiencing growth in the range of 4.0-4.5%, Japan around 3%, China around 5%, and India above 8%. The main supporting elements are the maintenance of favourable financial conditions (despite the start of monetary normalisation), still expansionary fiscal policies (infrastructure, social, green economy), control of health risk, and high levels of accumulated savings. Households continue to have excess savings, as a result of 1) the decrease in spending on services during the pandemic, 2) the increase in stimulus, 3) the wealth effect (higher value of financial/real estate assets).

Despite improvements in the economy, consumer confidence remains below pre-pandemic levels. Assuming a gradual recovery in consumer confidence, household spending and strength in private demand growth should continue to support economic growth. The main risks to global growth are persistently high inflation, prolonged bottlenecks over time, new Covid variants/ rebounds involving significant restrictions, and excessive slowdown in China.

Special mention should be made of the tensions in supply chains and bottlenecks at the global level. The strong increase in post-Covid demand (especially for goods), in the face of a limited supply (Covid restrictions, combined with a situation of previous under-investment in some sectors), has had an impact on the transport sector, with congestion in maritime transport (which accounts for 90% of cargo transportation), with a 5-fold increase in cost. Looking ahead to 2022, there are expectations of moderation considering the relaxation in the demand for goods (with a shift of the recovery more to services), gradual reduction of Covid restrictions and increase in supply (2022/2023).

There has also been an impact on the semiconductor sector, where strong demand, already present before Covid (5G, "Internet of Things"), and exacerbated by increased digitalisation and remote work resulting from the pandemic situation, has been compounded by insufficient supply. Lead times have doubled, and some experts point out that tensions and bottlenecks in the sector could persist until the end of 2022. In commodities (metals, energy, wood), some moderation is expected due to the loss of momentum in the construction sector and industrial production in China, and a gradual recovery of supply. In the labour market, a shortage of skilled workers has been seen in 2021 in some sectors. These tensions are expected to moderate, with an increase in the participation (especially in the US). If bottlenecks and supply chain problems persist until the end of 2022, they could have an estimated impact on the GDP of 2022 of -0.7/-0.9 percentage points.

With regard to Covid, the health situation and possible restrictions, the link between infections-ICUs/deaths has weakened in recent months, confirmed by the little we know about Omicron, a fact that should make it possible to avoid harsh and prolonged restrictions.

Regarding inflation, we believe it will remain high for longer than expected, but with limited second-round effects (no generalised price-wage spiral), and with progressive moderation, more evident from mid-2022. On the one hand, high energy prices (perhaps necessary to force the transition to a low-carbon economy) should moderate as supply increases, demand softens (end of winter 21-22, demand destruction caused by high prices) and inventories normalise. On the other hand, bottlenecks should diminish in the medium term, favoured by the control of health risk and self-adjustment (increase in installed capacity). And finally, other aspects such as increased participation in the labour market, or the disappearance of base effects (reopening, German VAT, etc.). The main risk lies in second-round effects, which we understand to be controlled by overcapacity in European labour markets, and by deflationary structural factors (automation, globalisation, demographics). Medium-term inflation expectations remain well-anchored, especially in Europe, and suggest moderation in the medium term.

Regarding monetary policy, we expect gradual normalisation. The economic recovery together with high inflation in the short term justifies the beginning of the withdrawal of monetary stimulus, although the persistence of risks to growth, the expectation of moderation of inflation in 2022 and the high levels of debt justify a gradual withdrawal. The main risk for financial markets is a too rapid and/or too intense a turn to a restrictive monetary policy. With respect to fiscal policies, we expect support to continue, albeit with less intensity. The Eurozone (Next Generation EU fund, EUR 750 billion) should take over from the US (infrastructure plan, Build Back Better). The main beneficiaries in Europe are the peripheral countries, and the preferred destinations are energy and digitalisation. The main risks are delays in the reception of funds and/or inadequate use or inefficient allocation of funds.

Regarding currencies, despite maintaining a strong dollar in the short term, we expect a progressive appreciation of the Euro to 1.15-1.20 USD/EUR, due to the shrinking of the US-Europe growth differential, as well as the moderation of QE in Europe and US twin deficits. Commodities should continue to be driven by improving demand in the face of economic recovery and more resilient supply, as well as the expected depreciation of the dollar.

As for corporate earnings, after continued upward revisions since the end of 2020, and strong growth in 2021, they should return to normal at levels around the high single digit (around +6%/+9%), which would bring earnings at the end of 2022 10-15% above the 2019 level. To place the recovery in profits within the historical context, in the cycle following the Global Financial Crisis, it took 11 years for European profits to recover to their pre-crisis level of 2007. Special attention should be paid to company margins. The starting position is strong, with an adjustment in structural costs in many industries to cope with the pandemic. The risk lies in higher production costs, and the inability of some companies to pass them on to higher selling prices.

Absolute valuations are somewhat demanding in the US (PER 22e of 22x on the S&P 500), not so much in Europe (PER 22e of the Stoxx 600 on historical average, 15-15.5x, which is 0.7x vs. the US, low end of the historical 0.7-1.0x range of the last 20 years). They are not so demanding if we consider metrics such as FCF yield, with a greater weight in the indices of companies with leaner business models and greater capacity to convert to free cash. The market is willing to pay these multiples, in a context of a lack of alternatives, and with the main support of liquidity. Risk premiums remain stable and the percentage of companies with a higher dividend yield than corporate bond yields is high since central bank intervention, with the spread between dividend yields and bond yields remaining at historically high levels.

We therefore expect corporate earnings growth to be the main factor in seeing variable income perform well in the coming months/years, rather than the expansion of multiples (given the limited potential for financial conditions to become even looser). The focus will therefore be on the extent and speed of the economic recovery, and of corporate profits.

Therefore, after the good performance of variable income in 2021, we are currently in transition towards a scenario of slowing economic growth and a progressive tightening of financial conditions, coupled with regulatory intervention in China, pressure on supply chains, inflationary pressures and doubts about the start of the tapering period in the United States. The underlying scenario, however, remains positive, given the current phase of the expansionary cycle and the good expectations for corporate earnings.

The main drivers of a good performance of variable income are:

1) attractive valuation in relation to public debt and credit in a financial repression context (flows seeking profitability); 2) continuity in the economic recovery and corporate earnings in 2022; 3) progressive moderation of inflation to maintain an accomodating monetary policy despite the beginning of monetary stimuli withdrawal (liquidity support will continue, although to a lesser extent than in previous years); 4) support from fiscal policies although to a lesser extent than in previous years; 5) corporate movements (low rates, need to grow inorganically, gain scale); 6) high dividend yields and share buybacks. With regard to the main risks for variable income, we distinguish between: 1) continued high inflation for longer than expected leading to a premature increase in time and amount of interest rates; 2) New Covid outbreaks, challenging healthcare systems and forcing associated restrictions on economic activity; 3) risk of stagflation in the worst case (beware of possible excessive slowdown in China); 4) poor use of the NGEU (unproductive spending vs. boosting potential growth) and political risks from elections in Latam, Italy, France, midterm US; 5) demanding absolute valuations in historical terms, although reasonable in an environment of negative or very low real rates. In this context, we expect an increase in volatility, probably higher than that seen in 2021, which we believe will provide buying opportunities.

We believe this scenario offers opportunities for company selection and bottom-up management. We continue to overweight quality, visibly growing, well-managed, megatrend-driven, financially sound companies with high cash generation and attractive returns on capital employed, which are currently at reasonable valuations. They are mainly found in the health, technology and consumer sectors.

As far as technology is concerned, the debate about a possible bubble and its comparison with the year 2000 is still open. However, we have seen significant corrections in some stocks in 2021, which perhaps at valuations of 30-40 times Enterprise Value/Sales seen months ago, were already factoring in a very positive price scenario and growth for the coming years. Although many of these companies have continued to grow significantly in 2021, their multiples have contracted to more reasonable figures of 15-20x, leading to sharp corrections in share prices. Only 29% of Nasdaq stocks in early 2022 are above their 200-session moving average, and 60% of the Nasdaq's gain in 2021 comes from 5 stocks. As we pointed out a year ago, the scenario in the case of FAAMGs was quite different, we are talking about companies that in addition to high double-digit growth, have dominant positions in the businesses in which they operate, strong barriers to entry, high gross and operating margins, lean business models that lead to high returns on equity and strong conversion to free cash, very healthy financial position (in many cases net cash), and future growth opportunities, with expanding market sizes and new verticals. Their scalability and market structure is evolving towards monopolies, and from a valuation point of view they continue to present reasonable levels considering the visibility of their growth (they continue trading at 3-4% FCF yield 22e).

Health and consumer staples are more defensive sectors, with visible medium-to-long-term growth supported by demographic and socio-economic trends. Pharmaceuticals, medical technology, food and beverage, personal care, are significantly present in our funds. And finally, we continue to see opportunities in quality cyclical sectors, which are facing a scenario of rising volumes (increased activity) and higher prices, with attractive valuations. Companies that are currently undervalued, leaders in their sector, in good financial shape, and with strong earnings sensitivity to improvements in volumes and prices. We find them mainly in industrial niches and commodities.

In conclusion, despite the good performance in recent months, we continue to see significant dispersion in different markets/assets, explained by potential scenarios in the current COVID environment, yield movements, disruption in multiple sectors, or the impact of ESG. We continue to see opportunities for active management and stock selection. We maintain a balanced portfolio of visible growth and quality companies, accompanied by value companies and exposure to the economic cycle. We believe that a balanced portfolio between the two philosophies is an appropriate strategy, especially in this scenario.

Regarding fixed income, the key for the market in 2022 will be how fast inflation slows down and, therefore, how fast central banks have to act in their stimulus withdrawal process. In this sense, countries further ahead in the economic recovery and with greater inflationary pressures, such as the US and the UK, will see their central banks gradually raise their interest rates. On the contrary, in the Eurozone, the central bank is still far from being able to raise its rates, so we expect more or less contained yield curves in Europe, with the short-term tranches still quite anchored and slight rises in the long term, i.e. a further steepening of the curve. Therefore, we encourage investment in the short sections as opposed to the long ones.

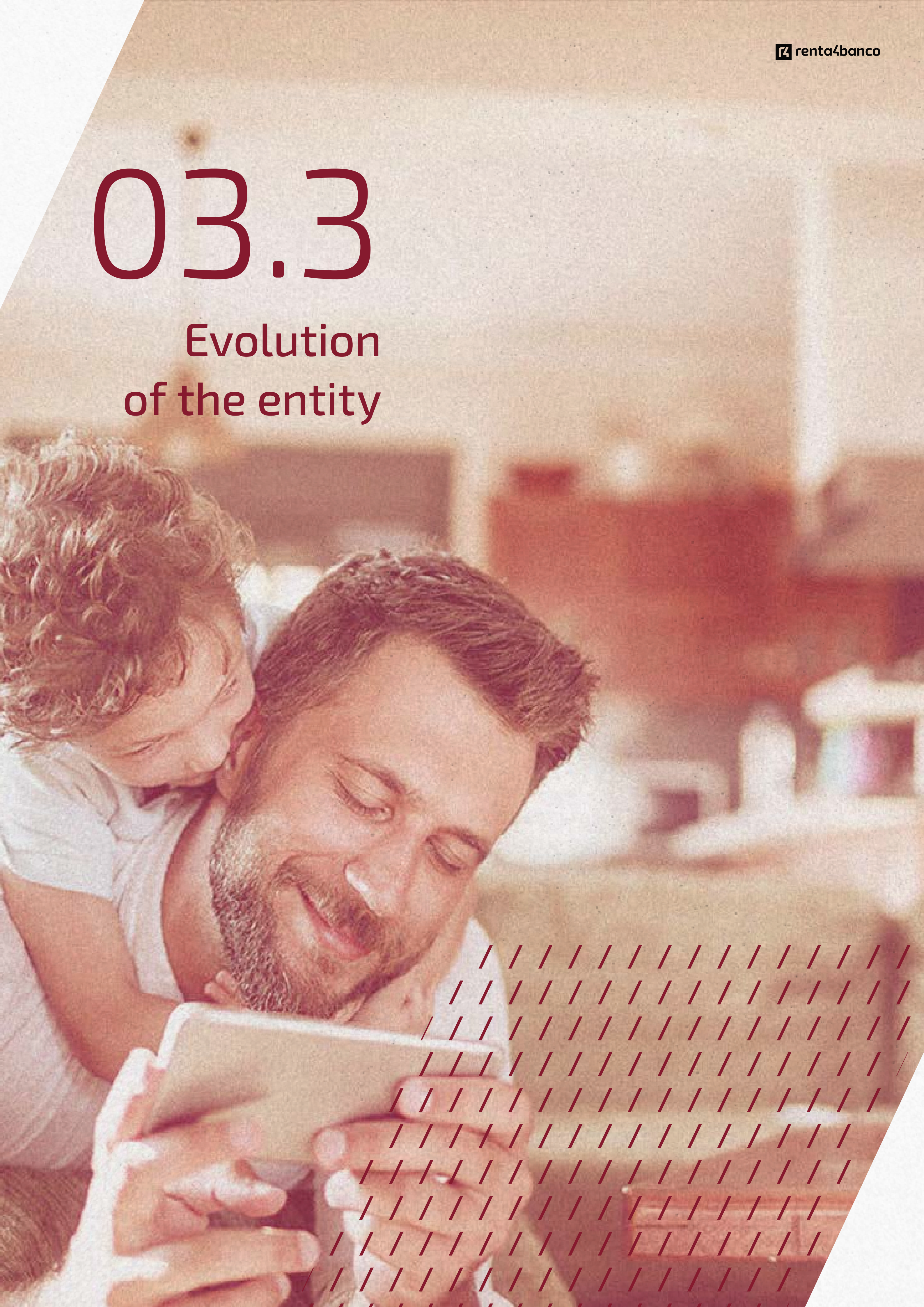
This rise in core rates would justify a certain increase in risk premiums on peripheral debt, albeit without aggressive movements, because of the central bank's determination to maintain favourable financing conditions. Significant increases in risk premiums on peripheral debt could therefore represent investment opportunities.

Meanwhile, investment grade corporate debt will no longer be supported by the purchase programmes in the US and the UK, while in Europe the support will be much less than it has been. On the contrary, the economic recovery and the expected decline in default rates are in their favour. Although valuations are tight, we see little downside risk. In this case we also see shorter terms as more attractive, as we believe that the duration is not well paid.

As for high yield debt, which is not supported by central banks, we believe that we should be selective, even though default rates are already at very low levels and we are in a scenario of significant recoveries in credit ratings. We therefore encourage investment in resilient business models with competitive strengths that enable them to cope with economic change. We also particularly favour entering this category through subordination, i.e. high yield subordinated debt of investment grade issuers. Within the banking sector, we see an opportunity in legacy bonds, bonds that due to regulatory changes are no longer classified as bank capital and are therefore being repurchased by their issuers.

03.3

Evolution of the entity



Net profit in 2021 was 25.3 million euros compared to 18.1 million euros in the previous year, representing an increase of 39.7%. Renta 4 Banco closed 2021 with the best result in its history.

Net profit for the fourth quarter amounted to 8.3 million euros, compared to 7.3 million euros in the same period of 2020, an increase of 13.6%.

The CET1 Fully Loaded capital ratio is around 14.7%, which is well above the regulatory requirement.

The Return on Equity (ROE) amounts to 21.6%, return on investment that is well above the industry average.

For yet another year, commercial and business activity continued to develop at a satisfactory pace, growing steadily. Net attraction of new client equity from the proprietary network amounted to 1,365 million euros and the number of clients increased by 12.7% in the year to 114,181 clients.

Total client assets at 31 December amounted to 27,885 million euros, 19.0% more than a year earlier, of which 15,124 million euros corresponded to client assets in the proprietary network, an amount 2,577 million euros higher than a year earlier (growth of 20.5%).

The positive trend in commercial and business activity was reflected in the results, with improved spreads in all business segments, leading to record net fee income.

Latin American subsidiaries continued the trend of increasing positive results, with a combined contribution of 9.4% of consolidated results.

Once the restrictions imposed on the sector for the payment of dividends were lifted, an interim dividend of 0.30 euros per share was paid last December, charged to the results of the first ten months of the financial year 2021.

Operational Data overview

The volume of assets administered and managed in 2021 amounted to 27,885 million euros, 4,453 million euros more than a year ago, representing an increase of 19.0%, of which 15,124 million euros corresponded to the proprietary network, which increased by 2,577 million euros in the last twelve months.

Client assets under management (mutual funds, SICAVs and pension funds) amounted to 13,492 million euros, 2,237 million euros more than in 2020 (+19.9%).

The growth rate in the number of clients was maintained, and our market share increased steadily for a further period. The total number of accounts in the proprietary network was 114,181 compared to 101,278 in the same period of the previous year and the growth in the volume of net attraction of new equity by the proprietary network continued at satisfactory levels (1,365 million euros in the year).

Profit and main items of income and expenses

Net profit attributable to the Group amounted to 25.3 million euros, an increase of 39.7% compared to the figure of 18.1 million euros in 2020.

In 2021, gross fees and commissions (fees and commissions received, profit from companies accounted for using the equity method and other operating income) grew by 13.2% compared to the previous year, reaching 183.4 million euros.

Net fees (Gross fees - Fees paid) plus exchange rate differences increased by 26.7% to 108.5 million euros, compared to 85.6 million euros in 2020.

Net interest income amounted to 0.2 million euros, due to the high liquidity held on the balance sheet remunerated at negative interest rates.

Net trading income amounted to 11.1 million euros compared to 9.5 million euros in 2020, an increase of 17.5%.

Gross Margin for the year was 116.1 million euros, compared to 92.1 million euros in the previous year, an increase of 26.1%.

On the cost side, Operating Costs (General expenses, Personnel expenses, depreciation and amortisation and other operating expenses) amounted to 81.8 million euros, an increase of 19.4%.

Personnel expenses increased by 28.5% to 46.0 million euros and general administrative expenses were 22.6 million euros, compared to 20.3 million euros the previous year, an increase of 11.5%.

The impairment charge for financial assets amounted to 2.0 million euros.

The operating result amounted to 32.5 million euros, compared to 24.0 million euros in the previous year, a comparative growth of 35.3%.

03.4

Foreseeable evolution of the company

Inflation problems and supply bottlenecks that had surfaced in the global economy as of September 2021 have been confirmed at the beginning of 2022 and everything indicates that they are due to structural misalignments in basic markets such as energy, commodities or the labour market, so that overcoming them may take longer than initially estimated.

Likewise, the decelerating growth rate of the global economy, geopolitical instability and the tightening of monetary policy announced by the US Federal Reserve, contribute to generate a certain instability in the financial markets, causing very rapid and intense adjustments in valuations that even affect sectors as relevant as the technology sector.

In this more uncertain environment, and after a very positive financial year 2021, we expect to maintain a good pace of revenues and profits in 2022. This expectation is based on the growth in client assets, the acquisition of new accounts and the dynamism of the financial markets as a result of the profound transformation of the economy in the wake of the pandemic.

We believe that, beyond temporary situations, the background scenario of a changing economy that will require high and prolonged investments, largely channelled through the financial markets, is favourable to Renta 4's positioning as a bank specialising in investment services, in the three lines of advisory/wealth management, intermediation in the capital markets and corporate finance services to companies.

Likewise, the emergence of blockchain technology and crypto-assets in all their variants will lead to a new expansion of investment markets, triggering a new stage of innovation and transformation in the financial industry in the medium term.

We see 2022 as a challenging year, in a very demanding and extremely competitive industry environment, in which the processes related to the disintermediation of bank balance sheets and the adaptation of financial markets to the new post-Covid economy will continue.

To meet these challenges, we have launched a number of initiatives, under the 'Plan Más' programme, introducing new investment solutions, new products and services and new business units, with the aim of extending our offer to new client segments.

Our aim is to strengthen our position as a bank specialising in investment services, with a broad offering based on thematic and trend investment, in line with the constructive and impact investment vision that inspires Renta 4 Banco's actions.

Thanks to our record earnings in 2021, together with our high level of solvency, liquidity and return on equity, we can face the challenge of tackling a period of expected high growth while maintaining adequate shareholder remuneration.

03.5 Management policy and risks

Information on the entity's risk management policies is explained in detail in Note 5 to the financial statements corresponding to year 2021.

03.6 Acquisition of treasury shares

Information on treasury shares is disclosed in detail in Note 18.f of the financial statements from the financial year 2021.

03.7 Environmental impact

In view of the activities in which the Entity is involved, it has no environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or profits or losses.

For this reason, no specific breakdowns are included in this annual report with respect to information on environmental issues.

In addition, in financial years 2021 and 2020, the Entity had no greenhouse gas emission rights.

03.8 Research and development

In 2021, R&D efforts have been channelled into digital development.

03.9 Events subsequent to the closing of the financial year

The events subsequent to the balance sheet date are detailed in Note 24 of the financial statements corresponding to year 2021.

03.10 Information on human resources

Information on matters relating to the entity's personnel is disclosed in Notes 3.p) and 22.d) to 2021 financial statements.

03.11 Non-financial and diversity information

On 28 December 2018, Law 11/2018 on non-financial and diversity information was approved, amending the Code of Commerce, the revised text of the Corporate Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Auditing of Financial Statements, in relation to non-financial and diversity information, which involves the transposition of the European regulations provided for in Directive 2014/95/EU of the European Parliament and of the Council, of 22 October 2014, imposing the obligation of disclosure of non-financial information and information on diversity by certain entities and groups.

Renta 4 Banco, S.A. and subsidiaries present the required non-financial information in a separate report entitled "Non-financial information Renta 4 Group".

04

Annual corporate governance report

Annual corporate governance report of listed public limited companies

End date of reported year:
12/31/2021

Issuer identification
CIF: A-82473018
Company name:
RENTA 4 BANCO, S.A.
PS. DE LA HABANA N.74 (MADRID)

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the share capital and voting rights attributed, including, if applicable, those corresponding to shares with loyalty voting rights, as of the closing date of the fiscal year:

Indicate whether the Company's articles of association contain a provision for double loyalty voting:

Yes **No** ✓

Date of last change	Share capital (€)	Number of shares	Number of voting rights
27/09/2011	18,311,941.35	40,693,203	40,693,203

Indicate whether different types of shares exist with different associated rights:

Yes **No** ✓

A.2. List the direct and indirect owners of significant shares as of the closing date of the financial year, including the directors who have a significant stake:

Name or company name of the shareholder	% of voting rights attached to the shares		% of voting rights through financial instruments		Total % of voting rights
	Direct	Indirect	Direct	Indirect	
Ms. Maria Beatriz Lopez Perera	0.00	5.04	0.00	0.00	5.04
Mutualidad General de La Abogacia	6.88	0.00	0.00	0.00	6.88
Indumenta Pueri S.L.	0.00	5.59	0.00	0.00	5.59
Mr. Óscar Balcells Curt	0.21	5.57	0.00	0.00	5.77
Mr Juan Carlos Ureta Domingo	29.84	9.70	0.00	0.00	39.54

The position of the MUTUALIDAD GENERAL DE LA ABOGACIA is reported in this section because in 2019 the company resigned as a director, but continues to be a shareholder of the company.

Mr. Óscar Balcells Curt controls the companies MOBEL LINEA S.L., and MUEBLES Y ASIENTOS DE OFICINA S.L., and the latter, in turn, controls the other two companies that hold voting rights: LORA DE INVERSIONES S.L., and 98 FUTUR 2000, S.L.

Details of the indirect stake:

Name or company name of the indirect holder	Name or company name of the direct holder	% of voting rights attached to the shares	% of voting rights through financial instruments	Total % of voting rights
Ms. Maria Beatriz Lopez Perera	Contratas Y Servicios Extremeños, S.A.	5.04	0.00	5.04
Indumenta Pueri S.L.	Global Portfolio Investments S.L.	5.59	0.00	5.59
Mr. Óscar Balcells Curt	Mobel Linea S.L.	2.31	0.00	2.31
Mr. Óscar Balcells Curt	98 Futur 2000, S.L.	0.57	0.00	0.57

Total % of voting rights	Name or company name of the direct holder	% of voting rights attached to the shares	% of voting rights through financial instruments	Total % of voting rights
Mr. Óscar Balcells Curt	Lora De Inversiones S.L.	2.69	0.00	2.69
Mr Juan Carlos Ureta Domingo	Sociedad Vasco Madrileña De Inversiones, S.L.	4.16	0.00	4.16
Mr Juan Carlos Ureta Domingo	Surikomi S.A.	3.11	0.00	3.11
Mr Juan Carlos Ureta Domingo	Doña Matilde Estades Seco	2.43	0.00	2.43

Indicate the most significant movements in the shareholder structure during the year:

Most significant movements::

(i) It is clarified that although Mr. Juan Carlos Ureta owns 25% of the shares of the Managers Portfolio 2020, all of the voting rights of this company are held by Mr. Juan Luis López.

(ii) It is indicated that Santander Asset Management, S.A., SGIIC acquires, through Santander Small Caps España, FI, 3% of the voting rights attributed to the shares on 23/12/2021.

A.3. List, regardless of the percentage, the stake at year-end of the members of the Board of Directors who are the owners voting rights attributed to shares of the Company or through financial instruments, excluding the Board Members identified in section A.2 above:

Name or company name of the director	% of voting rights attached to the shares		% of voting rights through financial instruments		Total % of voting rights	% of voting rights that may be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr Pedro Angel Navarro Martinez	0.42	0.19	0.00	0.00	0.52	0.00	0.00
Mr Santiago Gonzalez Enciso	1.40	2.64	0.00	0.00	4.04	0.00	0.00
Mr Eduardo Chacon Lopez	0.03	0.00	0.00	0.00	0.03	0.00	0.00
Mrs Ines Juste Bellosillo	0.03	0.00	0.00	0.00	0.03	0.00	0.00
Mrs Gemma Aznar Cornejo	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Ms. María Del Pino Velázquez Medina	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ms. Pilar García Ceballos-Zuñiga	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mr Jose Ramon Rubio Laporta	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Mr Juan Luis Lopez Garcia	0.32	0.91	0.00	0.00	1.23	0.00	0.00
Mr Jesús Sanchez- Quiñones Gonzalez	0.76	0.00	0.00	0.00	0.76	0.00	0.00
total % of voting rights owned by members of the Board of Directors						**6.61**	

Details of the indirect stake:

Name or company name of the director	Name or company name of the direct holder	% of voting rights attached to the shares	% of voting rights through financial instruments	Total % of voting rights	% of voting rights that may be transferred through financial instruments
Mr Santiago Gonzalez Enciso	IGE-6, S.L.	0.64	0.00	0.64	0.00
Mr Santiago Gonzalez Enciso	Fundacion Gonzalez Enciso	1.11	0.00	1.11	0.00
Mr Pedro Angel Navarro Martinez	Kursaal 2000, S.L.	0.10	0.00	0.10	0.00
Mr Juan Luis Lopez Garcia	Cartera de Directivos 2011, S.A.	0.91	0.00	0.00	0.91
Mr Juan Luis Lopez Garcia	Cartera de Directivos 2020, S.A.	0.85	0.00	0.85	0.00

Mr Eduardo Chacón López has been included as the indirect owner of a percentage that makes up 0.001% of voting rights attached to the shares, but the real percentage cannot be included in the table above because the system only allows two decimal places.

With regard to Juan Carlos Ureta Domingo (indirect stake) and Mr Juan Luis López García (direct stake), we have reported their positions in CFDs on the Renta 4 Banco security for the purposes of consistency of the information entered into the CNMV records. Nevertheless this position in CFDs does and will not grant its holder any voting rights on the Renta 4 Banco security as the CFDs are a synthetic financial instrument that is always settled by differences (not deliverable).

Detail the total percentage of voting rights represented on the Board:

% of total voting rights represented on the Board of Directors	**0.00**

A.4. Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant stakes, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities, except for those reported in section A.6:

Name or company name of the related party	Type of relationship	Brief description
No data		

A.5. Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant stakes, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities:

Name or company name of the related party	Type of relationship	Brief description
No data		

A.6. Describe the relationships, unless insignificant for both parties, between the significant shareholders, or represented shareholders, on the Board and the directors, or their representatives, when the administrators are a legal entity.

Explain, where appropriate, how the significant shareholders are represented. In particular, specify any directors who have been appointed to represent significant shareholders, those whose appointment was promoted by significant shareholders, or those who were related to significant shareholders and/or entities in their group, indicating the nature of such relationship. In particular, indicate, where appropriate, the existence, identity and position of Board members or directors' representatives of the listed company who are also members of the management body, or their representatives, in companies with a significant stake in the listed company o in companies of the group of such significant shareholders:

Name or company name of the director or representative, related	Name or company name of the significant related shareholder	Company name of the significant shareholder's group company	Description of the relationship/ position
Mr Eduardo Chacon Lopez	Contratas y Servicios Extremeños, S.A.	Contratas y Servicios Extremeños, S.A.	Chairman - Ceo
Fundacion Obra Social de la Abogacia Española	Mutualidad General de la Abogacia	Mutualidad General de la Abogacia	Representative of the significant shareholder on renta 4 board of directors

A.7. Indicate whether the company has been notified of any shareholders' agreements pursuant to Articles 530 and 531 of the Spanish Limited Liability Companies Law. If so, provide a brief description and list the shareholders that are party to the agreement:

Yes **No** ✓

Indicate whether the company is aware of the existence of any joint actions among its shareholders. Give a brief description as applicable:

Yes **No** ✓

Expressly indicate any amendments to or termination of such covenants, agreements or joint actions during the year:

None.

A.8. Indicate whether any individual or legal entities currently exercise control or could exercise control over the company pursuant to Article 5 of the Securities Market Law. If so, identify:

Yes ✓ No

Name or company name
Juan Carlos Ureta Domingo

The direct and indirect stake in the share capital is 39.546%

A.9. Complete the following tables on the company's treasury shares:

At the end of the fiscal year:

Number of direct shares	Number of indirect shares(*)	Total % out of share capital
72,590		0.18

(*) Through:

Name or company name of the direct holder of the stake	Number of direct shares
No data	

A.10. Give details of the applicable conditions and current timeline for the general meeting to authorise the Board of Directors to issue, buy back or transfer treasury shares:

On 27 April 2018, the General Meeting of Shareholders adopted the following resolution: "The Board of Directors is authorised, with express power of substitution – even if this could lead to self-hiring or despite opposing interest – to carry out the derivative acquisition of the Company's treasury shares, directly or indirectly through the Company's group entities, and as deemed convenient in the light of the circumstances, subject to Article 146 and the following articles in the revised text of the Corporate Act and other applicable regulations. The minimum acquisition price or consideration will be equal to the nominal value of the treasury shares acquired, and the maximum acquisition price or consideration will be equal to the share price of the treasury shares purchased in an official secondary market on the date of acquisition. At no time may the par value of the shares directly or indirectly purchased, added to those already held by the Company and its subsidiaries, exceed 10% of the subscribed share capital or the maximum amount that may be established by law. The types of purchase may include sale and purchase, swap, donation, allocation or payment in kind or any other type of transaction for consideration according to the circumstances. This authorisation is granted for a period of five years.

It is hereby stated for the record that the authorization granted to acquire treasury shares may be used, in whole or in part, for the delivery or transmission thereof to directors or employees of the Company or of companies belonging to the Company's group, either directly or as a result of the exercise by the former of option rights, all within the framework of the duly approved remuneration systems indexed to the Company's share price. For this, the Board of Directors is authorised, with express power to substitute the members of the Board as deemed convenient, included the Secretary and the Vice Secretary of the Board, as extensively as necessary to apply for authorisations and adopt as many resolutions as necessary or convenient under the current regulations to execute and successfully deliver this agreement."

A.11. Estimated floating capital:

Estimated floating capital	39.41%

A.12. Give details of any restrictions (statutory, legal or otherwise) on the transfer of securities and/or voting rights. In particular, detail the existence of any kinds of restrictions that could hinder the company takeover through the purchase of its shares in the market, as well as any prior authorisation or communication rules that, with regard to the purchase or transfer of financial instruments in the company, would be applicable under the industry regulations.

Yes ✓ No

Description of the restrictions.

Renta 4 Banco, S.A., as a credit institution, is subject to Article 17 of the Spanish Law 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions and its development regulations, including Royal Decree 84/2015 of 13 February that develops said law and Circular 5/2010 of 28 September issued by the Bank of Spain. In this regard, when a person (natural or legal, alone or jointly with other persons) decides to purchase (directly or indirectly) a significant stake in a credit institution such that they acquire a percentage of voting rights or owned share capital equal to or above 20, 30 or 50% or if by virtue of the acquisition such person will gain control of the credit institution as described in Article 42 of the Code of Commerce, such person will be required to the Bank of Spain of this beforehand and will need prior authorisation for the acquisition/transmission their stake in the share capital of the credit institution.

A.13. Indicate whether the general meeting has resolved to adopt neutralisation measures to address a takeover bid by virtue of the provisions of Law 6/2007..

Yes **No** ✓

If applicable, explain the measures approved and the terms under which these restrictions may be non-enforceable:

A.14. Indicate whether the company has issued securities not traded in a regulated market of the European Union.

Yes **No** ✓

Where applicable, state the various classes of shares, and the rights and obligations attached to each class:

B. SHAREHOLDERS MEETING

B.1. Indicate and state, if any, the differences with respect to the minimums stipulated in the Spanish Limited Liability Companies Law (LSC) with regard to the quorum required for the constitution of the general meeting:

Yes **No** ✓

B.2. Indicate and, as applicable, describe any differences between the company's system of adopting corporate resolutions and the framework established in the Spanish Limited Liability Companies Law (LSC):

Yes **No** ✓

B.3. Indicate the rules governing amendments to the company's bylaws. In particular, indicate the majorities required to amend the bylaws and, if applicable, the rules for protecting shareholders' rights when the bylaws are amended.

Pursuant to Article 21 of the Company Bylaws ("Bylaws"), "any amendments to the Company Bylaws, will require, on first call, the attendance of shareholders, in person or represented, with at least fifty percent (50%) of the subscribed capital with voting rights and, on second call, the attendance of twenty-five percent (25%) of such capital", foreseeing, for the valid adoption of the corresponding resolution, that when on second call the meeting is attended by shareholders who make up twenty-five percent (25%) or more of the subscribed capital with voting rights but less than fifty percent (50%), the resolutions will only be validly adopted with the vote in favour of two thirds of the share capital, present or represented at the General Meeting.

Similar provisions are included in Article 12 of the Regulations of the General Meeting of Shareholders (the "General Meeting Regulations"), in its Article 25.3.c), which provides that the amendment of the Bylaws should be put to vote to the shareholders separately to allow the shareholders to exercise their voting preferences individually, and this should apply to all other matters that are materially independent, including amendments to the Bylaws.

Finally, Article 26 of the Regulations of the General Shareholders' Meeting establishes that, in order to agree on any modification of the Bylaws, if the capital present or represented exceeds fifty percent (50%), it shall be sufficient for the resolution to be adopted by absolute majority, requiring the favourable vote of two thirds of the capital present or represented at the General Shareholders' Meeting when, at second call, shareholders representing twenty-five percent (25%) or more of the subscribed capital with voting rights are present without reaching fifty percent (50%).

B.4. Indicate the attendance figures for the general meetings held during the year and those of the two previous fiscal years:

	Attendance information				
Date of General Meeting	**% of attendance in person**	**% in represented**	**% remote voting Electronic voting**	**Other**	**Total**
27/04/2018	42.81	28.12	0.00	0.00	70.93
Of which Floating Capital	1.58	9.89	0.00	0.00	11.47
29/04/2019	48.13	19.61	0.00	0.00	67.74
Of which Floating Capital	1.72	6.40	0.00	0.00	8.12
27/04/2020	33.06	7.83	0.00	31.13	72.02

	Attendance information				
Date of General Meeting	**% of attendance in person**	**% in represented**	**% remote voting Electronic voting**	**Other**	**Total**
Of which Floating Capital	0.04	2.64	0.00	12.89	15.57
26/10/2020	33.48	16.78	0.00	24.59	74.85
Of which Floating Capital	0.04	7.79	0.00	12.04	19.87
26/03/2021	0.00	1,46	0.00	66.56	68.02
Of which Floating Capital	0.00	0.00	0.00	6.03	6.03

B.5. Specify if there have been any items on the agenda at the General Meetings held during the year that, for whichever reason, were not adopted by the shareholders:

Yes **No** ✓

B.6. Indicate whether the bylaws contain any restrictions with respect to a minimum number of shares required to attend general meetings or to vote remotely:

Yes **No** ✓

B.7. Indicate if there is a rule establishing that certain decisions, other than those established by Law, that involve the purchase, disposal, contribution to another company of key assets or other similar corporate operations, should be put to vote at the General Meeting of Shareholders:

Yes **No** ✓

B.8. Indicate the address and mode of accessing corporate governance content on the company's website, as well as other information on general meetings which must be made available to shareholders on the Company website:

Corporate website: https://www.renta4banco.com/es/

Information on corporate governance and other information on the general meetings can be found on the website in the "Corporate Governance" section, located at the top of the corporate website. This section contains all the corporate information on the subject in accordance with current legislation.

C. STRUCTURE OF THE COMPANY'S GOVERNING BODY

Maximum number of directors	**15**
Minimum number of directors	**5**
Number of directors stipulated by the General Meeting	**12**

C.1. BOARD OF DIRECTORS

C.1.1 The maximum and minimum number of directors stipulated in the Company Bylaws and the number stipulated by the General Meeting:

C.1.2 Fill in the following table with the Board members' particulars:

Name or company name of the director	Representative	Category of the director	Position on the Board	Date of first appointment	Date of last appointment	Appointment procedure
Mr Jose Ramon Rubio Laporta		Independent	Independent Lead Director	28/04/2015	29/04/2019	Resolution of the general meeting of shareholders
Ms Ines Juste Bellosillo		Independent	Director	28/04/2017	26/03/2021	Resolution of the general meeting of shareholders
Mrs Juan Carlos Ureta Domingo		Executive	Chairman	20/08/1999	26/03/2021	Resolution of the general meeting of shareholders
Mr Eduardo Chacon Lopez		Proprietary	Director	28/04/2017	26/03/2021	Resolution of the general meeting of shareholders
Mr Pedro Angel Navarro Martinez		Other External	Vice-president	20/08/2000	26/03/2021	Resolution of the general meeting of shareholders
Mrs Gemma Aznar Cornejo		Independiente	Director	29/04/2019	29/04/2019	Resolution of the general meeting of shareholders
Mr Juan Luis Lopez Garcia		Executive	Ceo	27/09/2011	26/03/2021	Resolution of the general meeting of shareholders
Mr Jesús Sanchez- Quiñones Gonzalez		Executive	Director	26/05/2000	26/03/2021	Resolution of the general meeting of shareholders
Mr Santiago Gonzalez Enciso		Executive	Director	20/08/1999	26/03/2021	Resolution of the general meeting of shareholders
Fundacion Obra Social De La Abogacia Española	Mr Rafael Navas Lanchas	Proprietary	Director	27/11/2012	27/04/2018	Resolution of the general meeting of shareholders
Ms. Pilar García Ceballos- Zuñiga		Independient	Director	30/11/2021	30/11/2021	Co-optation
Ms. María Del Pino Velázquez Medina		Independient	Director	28/10/2021	28/10/2021	Co-optation
Total number of directors						**12**

Indicate any resignations from the Board of Directors during the reporting period, whether due to resignation or by resolution of the General Shareholders' Meeting:

Name or company name of the director	Category of the director when they left	Date of last appointment	Date of departure	Special committees the director was a member of	Indicate whether the director left before the end of their office
Mrs Sarah Marie Harmon	Independient	20/4/2020	25/05/2021	Member of the Audit and Control Committee and the Appointments and Remuneration Committee.	Yes
Mr Pedro Ferreras Diez	Other External	28/04/2017	19/11/2021	No	Yes

C.1.3 Complete the following tables on board members and their respective categories:

EXECUTIVE DIRECTORS

Name or company name of the director	Position in the company organisation chart	Profile
Mr Juan Carlos Ureta Domingo	Chairman	Mr Ureta has a degree in Law-Economy (Lawyer specialising in Economics) by Deusto University. As State Attorney (1980 examination), he worked for the Ministry of Economy and Treasury (1980 -1984). He has been a Stockbroker of the Madrid Stock Exchange since 1986 (number 1 in his year). Mr Ureta was the Chairman of the Instituto Español de Analistas Financieros from 2010 to 2016 and of the Fundación de Estudios Financieros from 2010 to 2016. Between 1996 and 2003 he was a member of the Board of Directors of the Servicio de Compensación y Liquidación de Valores (Iberclear) and was the chairman of such service in 2002. He was also a member of the Board of Directors and the Standing Committee of the Sociedad Rectora de la Bolsa de Madrid from 1989 until 2019. Mr Ureta is also a member of the Board of Directors of Bolsas y Mercados Españoles (BME) from 2002 to 2006, and from 2018 to 2020, member of the Board of Directors of Indra Sistemas (1998- 2007) Spanish leading company in information technology; and member of the Advisory Board of Lucent Technologies in Spain (1996 and 2001). He is currently a member of the Board of Directors of Saint Croix Holding Immobilier, Socimi, S.A. In addition to being the author of numerous publications specializing in legal and financial matters, Mr. Ureta is a consultant to several Spanish and foreign business groups.
Mr Juan Luis Lopez Garcia	Ceo	Mr. López García holds a degree in Economics and Business Administration from the Complutense University of Madrid. From 1980 to 1986, he worked as a financial analyst at BANIF. After this period, he moved to Banco Hispano Urquijo in London (Risk Department) for 10 months. In 1987 he joined Urquijo Gestión de Patrimonios as a portfolio manager and manager of Collective Investment Institutions. Subsequently (1988 -1991) he worked as a portfolio manager at GESBANZANO, SGIIC (Banco Zaragozano Group), and subsequently developed his activity as an independent professional advising institutions, especially in the non-for-profit sector (1991-1997). In 1997 he joined Renta 4 where he was appointed as General Manager in March 2004. From 2006 until 2007 he was Chairman of Renta 4 Pensiones EGFP S.A. Until March 2011 he was Chairman and CEO of Renta 4 Gestora, SGIIC, S.A. and General Manager of Renta 4 Servicios de Inversión, S.A. where he has taken on different functions. At present, Mr Juan Luis López is a member of the Board of Directors of Renta 4 Pensiones SGFP, S.A. and Renta 4 Banco, S.A. and has also been CEO of the latter since January 2015.

EXECUTIVE DIRECTORS

Name or company name of the director	Position in the company organisation chart	Profile
Mr Jesús Sanchez- Quiñones Gonzalez	General manager	Mr Sánchez-Quiñones has a degree in Business Management and Administration by ICADE and a Master's degree in Tax and Economic Studies by CECO. He was in charge of the management (and attendance) of all courses and seminars organised by Aula Financiera & Fiscal from 1991 to 2004. Since 2012, Mr. Sánchez-Quiñones has been General Manager at Renta 4 Banco, being the head of the areas of Business, Markets, Asset Management, Online Intermediation, Corporate Finance, Research, Marketing and Private Banking. From 2006 to 2012, he held the position of General Manager at Renta 4 S.V., being the head of the areas of Business, Markets, Asset Management, Online Intermediation, Corporate Finance, Research, Marketing and Private Equity Management. Since 2000, he has been Director at Renta 4 Servicios de Inversión (Holding), where he had a significant degree of involvement in the company's IPO (2007). In 1991 he founded (and was the Administrator of) Aula Financiera & Fiscal, S.L. a company specialising in training professionals from the Private Banking and Equity Management sector in tax and financial matters, most of them inspectors from the General Tax Department. Between 2004-2006 he was Chairman of Renta 4 S.G.I.I.C., S.A. and General Manager at Renta 4 S.V. In 1996 (until 2000) he was Assistant Manager of the Chairman of Renta 4 S.V. and had previously worked as Manager of the analysis department, Operator of the table of derivates and international contracting and Analyst of the Corporate Finance department. Besides being the coauthor of many publications and taking part in different work teams (e.g. CNMV or BME), is a member, among other organisations, of the Economic Advisors Group, the Spanish Institute of Financial Analysts, and a regular speaker at courses and seminars organized by different institutions (e.g. the Economics and Financial Policy Committee of the CEOE). Since April 2019 he is also a Director of KOBUS PARTNERS MANAGEMENT SGEIC, S.A.
Mr Santiago Gonzalez Enciso	Regional director	After training as a lawyer, his career has been linked to the business world, taking on management roles and being part of governing bodies in different companies, mainly within the financial and real-estate market. In this field, he joined Manglo, S.A. as Sales Manager in 1982 where he supervised the Finances and HR Department. Mr González was then appointed Director from 1985 until 1996. He was also Sole Administrator at Miralpáramo, S.L. He joined Renta 4 in 1991 as Regional Manager at Renta 4 SV in Valladolid and Regional Manager at Renta 4 SV in Castilla y León. He is currently Manager at Renta 4 Valladolid; Regional Manager at Renta 4 Castilla y León; Director of Renta 4 Banco; Director of Renta 4 S.V., S.A; Chairman of the Board of Directors of Auditórium Privatum S.L; and CEO of I.G.E-6,S.L. Furthermore, Mr González Enciso is a financial advisor and trustee of several non-profit foundations and associations, and member of the Social Board at the University of Valladolid. He is currently Manager at Renta 4 in Valladolid; Regional Manager at Renta 4 in Castilla y León and Chairman of Renta 4 Banco, SA:
Total number of executive directors		**4**
% out of the total of the board		**33.33%**

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of the director	Name or company name of the significant shareholder they represent or who has proposed their appointment	Profile
Mr Eduardo Chacon Lopez	Contratas Y Servicios Extremeños, S.A.	Mr Chacón has a degree in Business and Economics Sciences by the University of Extremadura (1995) having studied the first two years at the University of Valladolid and has a degree in Business Senior Management by the San Telmo Business School, Seville (1997). He also attended a course on Senior Management, PAD (2008) by the Extremadura Business School of which he is founder and owner. Since 1995 he has been CEO of a group of family businesses from Extremadura that specialise in managing different services: street cleaning, maintenance, upkeep and cleaning of property, car parks and signposting, with a workforce of about eight hundred people, of which an approximate ten percent is disabled. He has been a member of the Business Advisory Board of Extremadura Mutua Fremap since 1997, and is also Director of Sociedad Cacereña de Parking, S.L. He was a member of the Governing Body of Caja Rural of Almendralejo, a credit cooperative society, from December 2013 to April 2017. He has also taken other courses on different subjects including Environment, Urban Waste Management and Treatment, trained to transport goods by road and other courses on Family business management, Leadership skills and Technical analysis of financial markets. He regularly attends high-level training courses and is especially interested in matters related to business strategy, team management, family businesses and the parallelism between the management of the sports world and the business world.
Fundacion Obra Social de la Abogacia Española	Mutualidad General de la Abogacia	Mr Navas Lanchas (natural person representing the Foundation) has a degree in Economic Sciences (1986) and Insurance Actuary (1986) by the Complutense University. He has also taken several courses on the Liquidation of Insurance Companies in UNESPA (July 1991); insurance and reinsurance in general and other specific courses on life insurance and pension funds; and Internal Control and solvency II of insurance companies. Basic skills in office software, Internet, email and actuary calculation software (ACTUS). Since 2013, he has been the General Manager of Mutualidad General de la Abogacía, having acted as Assistant General Manager the previous year. From 2006 to 2012 Mr Navas was Deputy General Manager of Mutualidad General de la Abogacía (since 2008 Deputy General Manager of the Financial Area of Mutualidad General de la Abogacía in charge of the departments of Financial Investments, Real-estate investments, Accountancy and Actuary Department; and from 2006 to 2008, Deputy General Manager coordinating all the departments in Mutualidad). He was also the Head of the Technical Actuary Department of Mutualidad General de la Abogacía (1991-2006). Previously Mr Navas had worked at Ernst Young as an auditor (insurance and finance sector, 1990-1991) and at Espacontrol Deloitte where he also worked as an auditor (1987-1990).
Total number of proprietary directors		**2**
% out of the total of the board		**16.67**

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of the director	Profile
Mr Jose Ramon Rubio Laporta	Mr Rubio has held different positions of responsibility during his professional career. In particular, he started his career working at the headquarters of Marks & Spencer in London. Then between 1975 and 1982 he was General Secretary and Secretary to the Board of Directors as well as Manager of the Legal Consultancy department for a group of family-run companies in the building, property development, housing, mining and electrical supply sector. In 1982 he founded the law firm 'Mateu de Ros, Ramón y Cajal & Rubio', today known as 'Ramón y Cajal Abogados', where he remained until 1994 where he mainly developed international business, participating in various transactions of Spanish companies public offering in London, introducing foreign investors to Spanish listed companies, organising presentations of the Spanish Chamber of Commerce in London, and advising different listed companies, among others, 'BNP Securities', 'Ask Securities' and 'Map Securities', all from London. He has been a director at entities such as 'Mediterranean Fund' managed by 'Lombard Odier y Cia.' and Secretary of the Board of Directors at 'Ascorp, S.A.' a listed company of the 'Grupo Cooperativo Mondragón', and has held various other positions as Director in other companies dedicated to strategic management, real estate services as well as from within the health sector. From 1995 to 1998, he was Managing Director of the 'Previasa' insurance group. From 1998 to 2014 he was Executive Vice President and Managing Director of 'Grupo Hospitalario Quirón'. In June 2012, for the statutory period of one year, he was appointed President of the 'Instituto para el Desarrollo e Integración de la Sanidad' (IDIS), and in July 2012 and until 2014, Executive Vice President and Chief Executive Officer of 'USP Hospitales'. He currently holds the position of Executive Vice President at 'Philyra, S.A.'. Mr. Rubio holds a Law Degree from the Complutense University of Madrid (1974) and completed his training with various disciplines in Political Science from the Complutense University of Madrid (1975) and courses on Urban Law. He speaks English and German.
Mrs Ines Juste Bellosillo	She finished her degree in Business Sciences by the Autónoma University of Madrid in 1997 and her MBA by the Instituto de Empresa in 1998. In 1999 she became exports manager in charge of the European market and of opening new markets, meeting new trade partners and attending international fairs for Perfumería GAL, S.A. From 1999 until 2001 she was external consultant at DPB Consultores and was the Financial Head of the NGO-German Agro Action (Luanda, Angola) from 2003 to 2004. In 2011 (to date) she was appointed Chairwoman of the JUSTE Group which is a Spanish industrial group with family capital and over 90 years' experience in research, development, manufacturing and selling pharmaceutical and chemical-pharmaceutical products.
Mrs Gemma Aznar Cornejo	Ms. Aznar Cornejo holds a degree in Economics and Business Administration from the Abad Oliba University of Barcelona (specializing in Business Economics). Since 2005 Ms. Gemma has held the position of General Manager at Mary Kay Cosmetics Spain, where she has mainly developed management functions through different departments (Finance, Marketing, Sales, Operations and HR), as well as multiple strategies, including: commercial, marketing, internal, cost control and analysis of variables. From the end of 1998 to the end of 2004, he held the position of Senior Analyst in Corporate Banking in the Risk Division of Banco Santander, S.A., where he carried out, among others functions, the financial and operational analysis for large corporations in different sectors. Previously (May 1996 to September 1998) he was a Corporate Banking analyst at Banco Central Hispano in London, where he developed financial and economic analysis functions for multinational groups, and served as a liaison with the client to understand their needs. In addition to speaking Spanish, English and Catalan, Mrs. Aznar has taken various courses and programmes that complement her main training, including the 'International Business' course (City of London Polytechnic), the 'Techniques and Analysis of Stock Market Transactions' course (Barcelona Stock Exchange and Abad Oliba), and the 'Advance Management Programme' (AMP) (ESADE).
Ms. María Del Pino Velázquez Medina	She holds a degree in Mathematics with a major in Statistics at the Complutense University of Madrid. From 1988 to 1989 she worked as a consultant at Accenture, from 1991 to 1993 she was a senior consultant at A.KEARNEY, in 1993 she became a member of the Chairman's Office and Strategic Planning at Banco Santander, in 1995 she was Director of Customer Service at Vodafone and from 1999 to 2021 Founder, main shareholder and President of Grupo Unisono. She received the 2016 FEDEPE Best Businesswoman award, and the 2008 IWEC Award (International Women's Entrepreneurial Challenge, www.iwecawards.com) in New York. She received recognition by the Chambers of Commerce of Barcelona, New York, New Delhi and Johannesburg for women's entrepreneurial work. Member of IESE's National Students' Committee, since 2007, Honorary Master's Degree from the European Business School, 2012. She appeared in the study of "El Mundo": the 500 most powerful women in Spain 2018, among the most influential in the World of technology, Silver Medal of Merit for sport 2005, by Castilla-La Mancha, trustee of Codespa, 2018, an international NGO that promotes entrepreneurship in underdeveloped countries, a member of the Circle of Orellana, a not-for-profit foundation that aims to promote female talent, a member of the global Executive Committee and Circle of CEOs of DCH and member of the Generation Foundation.

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of the director	Profile
Ms. Pilar García Ceballos- Zuñiga	Holds a bachelor's degree from CEU San Pablo University in Madrid and an MBA from the Open University, UK. An executive expert with a long professional career in the technology field working in multinational environments with a special dedication to technological innovation and organisational efficiency. She has worked at IBM Corporation for more than 25 years, for 12 of which he has had senior responsibilities in Europe and globally, with Executive Vice-President of IBM Global Digital Sales Services, Cloud and Security based in New York being his last executive responsibility until 2016. She was General Manager in Spain of the company Insa (currently ViewNext) and Softinsa in Portugal for 5 years, an entity specialised in the development of applications and infrastructure services. She has been a member of the Management Committee of IBM Spain and Portugal, IBM Southwest Europe and Insa, leading IBM Global Committees for management and transformation in strategic, commercial and internal process optimisation areas worldwide. She is currently President of the Trust of the "Foundation Caja de Extremadura" (Liberbank), an independent director of Amadeus and a member of its audit committee.
Total number of independent directors	**5**
% out of the total of the board	**41.67**

List any independent directors who receive from the company or group any amount or payment other than standard director remuneration or who maintain or have maintained during the period in question a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior officer of an entity which maintains or has maintained this relationship.

If applicable, include a statement from the board detailing the reasons why it believes this director may carry out duties as an independent director.

Name or company name of the director	Description of the relationship	Reasoned statement
No data		

Identify the other external directors and explain why these directors may not be considered proprietary or independent directors, and what their connection is with the Company, its managers or its shareholders:

OTHER EXTERNAL DIRECTORS

Name or company name of the director	Reason	Company, director or shareholders to which this person is linked	Profile
Mr Pedro Angel Navarro Martinez	Has exceeded the 12-year limit to hold the position of independent Director.	Renta 4 Banco S.A.	Mr Navarro is an industrial engineer by the Polytechnic University of Barcelona. He also has an MBA by ESADE and a Master's degree in Finances by the Texas Tech University (USA). He began his career by working for two years and a half at Texas Instruments Inc. in Dallas (USA) and Nice (France). Mr Navarro then worked for a year at Honeywell Bull Spain. In 1972 he joined Accenture (formerly Arthur Andersen) where he remained until 2001. In Accenture he held the positions of Office Managing Partner in the office in Barcelona, then Chairman for Spain, CEO for Southern Europe and CEO of the Financial Entities sector for Europe, Latin America and Africa. He was a member of the World Board for ten years, from 1990 until 2000. Mr. Navarro is currently a Director. He is an Independent Director of Renta 4 Banco, S.A. and Jazztel PLC; Executive Vice President of the Trust of ESADE and Vice President of CEDE (Spanish Confederation of Managers and Executives). Mr Navarro also belongs to the Business Circle and the Institute of Directors and Administrators (ICA).
Total number of other external directors			**1**
% out of the total of the board			**8.33**

Indicate any changes in the status of each director that may have occurred during the year:

Name or company name of the director	Date of change	Prior category	Prior category
No data			

C.1.4 Complete the following table with the information on the number of female directors over the past 4 years and their category:

	Financial year: 2021	Financial year: 2020	Financial year 2019	2018	Financial year: 2021	Financial year: 2020	Financial year 2019	2018
Executive					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	4	3	3	2	80.00	75.00	75.00	40.00
Other External Female Directors					0.00	0.00	0.00	0.00
TOTAL	**4**	**3**	**3**	**2**	**33.33**	**25.00**	**25.00**	**14.29**

C.1.5 Indicate whether the company has diversity policies in place for its Board of Directors with regards to age, gender, disability, education or work experience, among other matters. Small and medium businesses, as described by the Auditing Law, should at least report about the policy they have established to ensure gender diversity.

Yes No **Partial policies** ✓

If this is the case, describe the diversity policies, their targets, measures and the way they have been implemented and their outcome in the fiscal year. Also indicate the specific measures taken by the Board of Directors and the Appointments and Remuneration Committee to ensure a balanced and diverse ratio of directors.

Should the company not have a diversity policy in place, explain the reasons for it.

Description of policies, targets, measures and way they have been implemented, as well as their outcome.

In accordance with the provisions of Article 33.2 of the Articles of Association, Article 9.3 of the Regulations of the Board of Directors (the "Board Regulations") stipulates that "the Board of Directors shall ensure that the procedures for the selection of its members favour diversity in terms of matters related to age, gender, different abilities, knowledge, training or professional experience, and do not suffer from any implicit bias that could imply any discrimination and, in particular, that they facilitate the appointment of female directors in such a number that enables a balance representation of men and women in the Company, always in support of the interests of the Company". The Board of Directors has entrusted this function to the Appointments and Remuneration Committee (“ARC”) as described in Article 32.3(g) of the Board Regulations, where it indicates, among other functions assigned to the ARC, that it should “Ensure that the director appointment procedures do not discriminate in terms of gender diversity, set a representation target for the least represented gender and prepare guidelines on how to reach such target”.

Throughout the 2021 financial year, the ARC, in application of the diversity policies, has analysed possible candidates for female directors of the Company for the near future. Likewise, and in application of said policies, the General Shareholders' Meeting, at the proposal of the ARC and after a report from the ARC and the Board, agreed to the re-election of Ms. Inés Juste Bellosillo as independent director of the Company. Similarly, the Board of Directors, at the proposal of the ARC and after previous reports from it, agreed to the appointments, by cooptation, of Pilar García Ceballos- Zúñiga and Ms. María del Pino Velázquez Medina as independent directors of the Company.

C.1.6 Explain any measures that may have been agreed by the appointments committee to prevent any implicit bias in selection procedures to hinder the selection of female board members, and for the company to deliberately strive to include women who meet the professional profile sought among the candidates and that will enable a balanced ratio of men and women. Also indicate whether these measures include encouraging the company to have a significant number of senior female managers:

Explanation of the measures

Article 9.3 of the Board Regulations provides that the Board must ensure that the procedures for the selection of its members favour diversity with respect to matters such as age, gender, different abilities or knowledge, training and professional experience, and do not suffer from implicit biases that could imply any discrimination and, in particular, that they facilitate the appointment of female Directors in a number that allows a balanced presence of women and men in the Company, all in the best interests of the Company. In this regard, the Board has entrusted the ARC with the responsibility of ensuring that director selection procedures do not discriminate on the basis of age and gender diversity, establishing a representation target for the under-represented sex; and to prepare guidelines on how to achieve this target in accordance with the provisions of article 32.3.g) of the Board Regulations.

In turn, Article 32 of the Board Regulations and, in order to avoid any implicit bias in the procedures for selecting the members of the Board of Directors that might hinder and/or prevent the selection of Female Directors, provides that the ARC shall: (i) Evaluate the skills, knowledge and experience required by the Board of Directors, defining, as a consequence, the functions and skills required by the candidates to fill each vacancy and evaluating the time and dedication required to properly perform their duties.

Any Director may request that the ARC consider potential candidates to fill Director vacancies, if it deems them suitable; and (ii) Ensure that director selection procedures do not discriminate on the basis of age and gender diversity by establishing a representation target for the underrepresented sex, and develop guidance on how to achieve this target.

The ARC has aimed to, by establishing the goals and basic principles applied to the director selection process and a series of conditions that the candidates must meet, in line with the director Selection Policy:

(i) Encourage diversity and integration of knowledge, experience and gender.

(ii) Reach a suitable balance on the Board of Directors that will enrich the decision-making and contribute plural points of view to the debates on the matters under its domain; and

(iii) The proposals for appointment and re-appointment of directors must be based on a prior analysis of the needs of the Board. As a result, the ARC prepared the proposed Policy for the Selection of Directors based on the principles of diversity and balance in the composition of the Board of Directors, which was approved by the Board of Directors. In application of this policy, the ARC, throughout the 2021 financial year, carried out the evaluation procedure for the renewal of Ms. Inés Justo Bellosillo as independent director of the Company, as well as the evaluations for the appointments of Ms. Pilar García Ceballos- Zúñiga and Ms. María del Pino Velázquez Medina, as independent female directors, in order to maintain the diversity of the Board of Directors, concluding, both in re-election and appointments by co-option, of the aforementioned female directors in 2021.

When, despite the measures adopted, there are few or no female directors or leadership positions, explain the reasons:

In order to continue applying the best corporate governance practices pursued by the Company and, in particular, those relating to gender diversity within the Board of Directors, the ARC has focused, throughout the 2021 financial year, on the application of these policies by proceeding to the study and analysis of different female candidates in order to increase the percentage of female representation on the Board, as well as proposing (i) to the General Shareholders' Meeting (and approved by this same body) the renewal of Ms. Inés Juste Bellosillo as an independent director of the Company; and (ii) to the Board of Directors (and approved by this same body) the appointments by co-optation of Ms. Pilar García Ceballos-Zúñiga and of Ms. María del Pino Velázquez Medina. As it could not be otherwise, the Company will continue working along these lines, promoting diversity on the Board of Directors and prohibiting the existence of discrimination or bias in the selection procedure for directors, especially those related to the gender of the potential candidate. The foregoing only makes it easier for the composition of the Company's Board to be even more in line with the trends, best practices and guidelines of good corporate governance.

Likewise, the Company continues to apply gender diversity policies within its internal structure, increasing the participation of women in the Company's management positions.

C.1.7 Explain the conclusions of the appointments committee on the verification of compliance with the policy aimed at favouring an appropriate composition of the board of directors.

The Appointments and Remuneration Committee established the basic principles and/or guidelines on which the policy for the appointment of directors should be based, contained in the Policy for the Selection of Directors which was approved by the Board of Directors. Said Policy, based on the principles of diversity and balance in the composition of the Company's Board of Directors, is expressly aimed at favouring diversity and integration of knowledge, experience and gender, seeking to facilitate the appointment of female directors in a number that allows a balanced presence of women and men in the Company, all in the best interests of the Company.

The members of the ARC issued a positive report on the Company's corporate governance policies, which expressly foresees that the Board should ensure that the member selection procedures should foster diversity of gender, experience and knowledge, and be free of any implicit bias that may lead to discrimination and, in particular should facilitate the appointment of female directors.

In accordance with the above, the activity of the ARC has focused particularly on the application of these policies, proposing in 2021 (i) the renewal of Ms. Inés Juste Bellosillo as independent director of the Company to the General Shareholders' Meeting, which approved it in April, as well as (ii) the appointments, by co-optation, of Ms. Pilar García Ceballos-Zúñiga and Ms. María del Pino Velázquez Medina, as independent directors of the Company, to the Board of Directors, which were approved in November and September, respectively.

C.1.8 Explain any reasons for which proprietary directors have been appointed at the behest of shareholders accounting for less than 3% of share capital:

Name or company name of the director or committee	Justification
No data	

Provide details of any rejections of formal requests for board representation from shareholders whose shareholding is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If so, explain why these requests have not been granted:

Yes **No** ✓

C.1.9 Indicate, if any, the powers and authorities delegated by the Board of Directors, including those related to the possibility of issuing or repurchasing shares, to Board Members or Board Committees:

Name or company name of the director or committee	Brief description
Juan Luis Lopez Garcia	All the powers granted to the Board of Directors, except those that cannot be delegated by Law or the Company Bylaws.

C.1.10 Identify any Board members working as managing directors, representatives of managing directors or executives at other companies that are part of the listed company's group:

Name or company name of the director	Group company name	Position	Has executive duties?
Mr Juan Carlos Ureta Domingo	Renta 4 Sociedad Agente de Bolsa S.A.	Chairman of the board	No
Mr Juan Carlos Ureta Domingo	Renta 4 Corredores de Bolsa S.A.	Board member	No
Mr Juan Carlos Ureta Domingo	Renta 4 Global Fiduciaria, S.A.	Member of the governing board	No
Mr Juan Luis Lopez Garcia	Renta 4 Global Fiduciaria, S.A.	Member of the governing board	No
Mr Juan Luis Lopez Garcia	Renta 4 Pensiones S.G.F.P S.A.	Director	No
Mr Jesús Sanchez- Quiñones Gonzalez	Renta 4 Corporate, S.A.	Chairman - Ceo	Yes
Mr Jesús Sanchez- Quiñones Gonzalez	Renta 4 S.V., S.A.	Director	No
Mr Jesús Sanchez- Quiñones Gonzalez	Kobus Partners Management Sgeic, S.A.	Director	No
Mr Santiago Gonzalez Enciso	Renta 4 S.V., S.A.	Director	No
Mr Juan Carlos Ureta Domingo	Sociedad Operadora De La Plataforma Iw S.L.	Chairman	Yes
Mr Juan Carlos Ureta Domingo	Renta 4 Digital Assets, S.L.	Chairman	Yes
Mr Juan Carlos Ureta Domingo	Renta 4 Corporate, S.A.	Director	No
Mr Juan Carlos Ureta Domingo	Corporación Financiera Renta 4 Scr S.A.	Chairman	Yes
Mr Juan Luis Lopez Garcia	Corporación Financiera Renta 4 SCR	Director	No
Mr Juan Luis Lopez Garcia	Renta 4 Lerida	Sole administrator	Yes
Mr Juan Luis Lopez Garcia	Renta 4 Digital Assets, S.L.	Member	No
Mr Juan Luis Lopez Garcia	Sociedad Operadora de la Plataforma IW S.L.	Member	No

C.1.11 List any director or administrator positions held by directors or representatives of directors who are members of the board of directors of the company in other entities, whether or not they are listed companies:

Identification of the director or representative	Company name of listed or non-listed entity	Position
Mr Juan Luis Lopez Garcia	Otago Inv. SICAV	Director
Mr Juan Luis Lopez Garcia	Cabito Inv. SLU	Sole administrator
Mr Juan Luis Lopez Garcia	Cartera de Directivos 2020 S.A	Sole administrator
Mr Juan Luis Lopez Garcia	Cartera de Directivos 2011 S.A	Sole administrator
Mr Juan Carlos Ureta Domingo	Grupo Ecoener S.A	Director
Mr Eduardo Chacon Lopez	Cacereña Obras y Proy S.L	Ceo
Mr Eduardo Chacon Lopez	Cacereña de Parking S.L	Ceo
Mr Eduardo Chacon Lopez	Invercysex S.L	Ceo - Managing director
Mr Eduardo Chacon Lopez	Contratas y Serv. Extreme	Ceo - Managing director
Mr Juan Carlos Ureta Domingo	Cartera de Directivos 2021	Sole administrator
Doña Ines Juste Bellosillo	Juste Farma SLU	Sole administrator
Doña Ines Juste Bellosillo	Justesa Imagen SAU	Ceo - Managing director
Doña Ines Juste Bellosillo	Juste SAQF	Ceo - Managing director
Doña Ines Juste Bellosillo	Juste Internacional SAS	Director
Mr Jose Ramon Rubio Laporta	Stellaria S.A	Ceo
Mr Jose Ramon Rubio Laporta	Philyra S.A	Ceo
Mr Jose Ramon Rubio Laporta	Philyra Inmuebles Alfa S.L	Joint administrator
Mr Jose Ramon Rubio Laporta	Blue Healthcare S.L	Director
Mr Pedro Angel Navarro Martinez	Nextret S.L	Director
Mr Pedro Angel Navarro Martinez	Real Estate Value Recover	Director
Mr Pedro Angel Navarro Martinez	Orange Espagne S.A	Director
Mr Pedro Angel Navarro Martinez	Acentra Renovacion S.L	Sole administrator
Mr Pedro Angel Navarro Martinez	Nucontrasu S.L	Sole administrator
Mr Pedro Angel Navarro Martinez	Drei Marvel S.L	Sole administrator
Mr Pedro Angel Navarro Martinez	Troposfera S.L	Sole administrator
Mr Pedro Angel Navarro Martinez	Kursaal 2000 S.L	Sole administrator
Mr Santiago Gonzalez Enciso	Auditorium Privatum S.L.	Ceo - Managing director
Mr Santiago Gonzalez Enciso	Ige 6, S.L	Joint administrator
Mr Santiago Gonzalez Enciso	Inmosimancas, S.L.	Joint administrator
Mr Santiago Gonzalez Enciso	Fundacion Gonzalez Enciso	Chairman
Mr Rafael Navas Lanchas	Privilegia Sdad. Age. Segur	Ceo - Managing director

Indicate, if applicable, any other remunerated activities of the directors or representatives of the directors, whatever their nature, other than those indicated in the table above.

Identification of the director or representative	Other remunerated activities
Mrs Gemma Aznar Cornejo	Chief executive officer at MARY KAY COSMETICS ESP.SA
Mr Rafael Navas Lanchas	Legal representative at FUNDACION OBRA SOCIAL ABOGACIA
Mr Jose Ramon Rubio Laporta	Joint and several administrator in INVERSIONES VIZCOBO SL

C.1.12 Indicate and, explain where appropriate, whether the company has established rules on the maximum amount of company boards the company's directors may sit on, identifying, if any, where these rules are established:

Yes **No** ✓

C.1.13 Specify the amounts of the following items regarding the global remuneration of the Board of Directors:

Remuneration accrued by the Board of Directors during the fiscal year (thousands of euros)	1,887
Amounts accumulated by current directors for long-term savings systems with vested economic rights(thousands of euros)	
Amounts accumulated by current directors for long-term savings systems with non-consolidated economic rights(thousands of euros)	
Amounts accumulated by former directors through long-term savings systems (thousands of euros)	

C.1.14 List any members of the senior management who are not also executive directors and state the total remuneration accrued by them during the year:

Name or company name	Position(s)
Mr José Ignacio García-Junceda Fernández	Chairman/General manager of renta 4 s.v., S.A.

Number of women in senior management	
Percentage over the total number of members of senior management	0.00
Total remuneration of senior executives (thousands of euros)	195

C.1.15 Indicate whether any amendments have been made to the Board regulations during the fiscal year:

Yes **No** ✓

C.1.16 Indicate the procedures for the selection, appointment, re-election and removal of directors. Give details of the competent bodies, the formalities to be fulfilled and the criteria to be used in each of the procedures.

The appointment of the Directors corresponds to the Meeting, without prejudice to the right of proportional representation that corresponds to the shareholders in the terms stipulated in the Spanish Corporate Law. In this sense, if vacancies arise during the period for which the Directors were appointed, the Board may, by means of co-option, appoint the persons who are to occupy them until the first Meeting is held, unless the Meeting has already been called, in which case the Board may appoint a Director until the next Meeting after the one called is held.

The proposals to appoint, ratify or re-elect Directors should refer to people who are known for their integrity, solvency, technical skills and experience and will be approved by the Board upon the proposal made by the ARC for Independent Directors or upon the proposal of the Board, based on the ARC's report, for all other Directors. In any case, the proposal or the report made by the ARC should assign the new Director to one of the director classes foreseen in the Company's

Board Regulations. Proposals must be accompanied by a supporting report from the Board that assesses the competence, experience and merits of the proposed candidates, which will be attached to the minutes of the General Meeting or the Board meeting. When the Board diverges from the ARC's proposals, it must provide its reasons for the decision and these must be included in the minutes.

The directors shall meet the legal requirements established for directors and shall be subject to their duties as such.

From the moment the call is announced and until the General Meeting takes place, the Company the following minimum details on the persons proposed to be appointed, ratified or re-elected as members of the Board should remain published on the Company's website: identity, curriculum vitae, and director class they belong to, as well as the proposal and reports mentioned above.

Persons who hold representation or management positions or functions in other credit entities or a significant stake in their share capital may not be appointed as directors unless expressly authorised by the Board.

Once a year, the Board will assess (i) its performance and the quality of its work, (ii) the Coordinating Director's, Managing Director's and CEO's performance of their roles based on the ARC's report, (iii) the performance and composition of its Committees, based on their reports, (iv) the diversity in the composition and competencies of the Board, based on the ARC's report and (v) the performance and contribution made by the Directors, with special focus on the heads of the different Board Committees, based on the reports produced by the Committees. For such purposes, the Chairman will organise and coordinate the assessment of the Board with the Chairmen/Chairwomen of the Committees.

The Directors will remain in office for four years unless the General Meeting agrees to remove them or they resign from the position and they may be re-elected more than once for four-year terms.

The Directors will leave their position when, at the end of the term they were appointed for, the General Meeting is held or the time set to hold the General Meeting that is to agree the previous year's financial statements has passed, or when so agreed by the General Meeting by virtue of the powers granted by Law or the Company Bylaws.

The ARC may propose the removal of independent Directors before the end of the statutory term for which they were appointed, if the ARC deems that there are reasonable grounds to do so. In particular, there will be reasonable grounds for removal when the Director fails to carry out the duties attached to his/her position or when he/she is under whichever circumstances described in Article 9.2.a of the Board Regulations that prevent his/her appointment as independent Director when the Director takes on a new position or new duties that prevent him/her from devoting the necessary time to carry out his/her role as Director.

The removal of directors may also be proposed as a result of public buy-outs, mergers or other similar corporate transactions implying a change in the structure of the Company's capital, where such changes in the Board structure are due to the proportionality criterion in the Board Regulations.

C.1.17 Explain to what extent the annual evaluation of the Board has prompted significant changes in its internal organisation and the procedures applicable to its activities:

Description of changes

There have been no changes as the result of the self-assessment was satisfactory.

Describe the assessment procedure and the areas assessed by the Board of Directors with the support, if any, of an external consultant, regarding the performance and composition of the Board and its committees and any other area or aspect that has been assessed.

Description of the assessment procedure and areas assessed

The Board of Directors has assessed its composition and competencies, the performance and composition of its Committees and the performance of the Chairman, CEO, Independent Lead Director and Secretary of the Company by sending all directors the relevant assessment questionnaires regarding the Board of Directors, Appointments and Remuneration Committee ('ARC') and the Audit and Control Committee ('ACC').

Once the answers were received, the ARC prepared the related reports assessing the Board of Directors, Chairman, CEO, Lead Director and the Secretary of the Board. In addition, the ARC prepared a report assessing its own composition, competencies and performance. The ACC also prepared a report assessing its own composition, competences and performance.

Subsequent to the evaluation, the Board of Directors approved the assessment reports for the Board and its committees, the Chairman, CEO, Independent Lead Director and Secretary, finding that:

(i) The Board of Directors has an appropriate composition and effectively takes on and exercises the powers and competences granted to it by the Articles of Association and the regulations of the Board of Directors, always acting in the Company's interest and to maximise the Company's economic value;

(ii) The ARC and the ACC each have an appropriate composition and effectively take on and exercise the powers granted to them by the current regulations and the Company's different corporate texts; and

(iii) The Chairman, CEO, Independent Lead Director and the Secretary of the Board have effectively and diligently discharged their duties.

C.1.18 Detail, as appropriate, for the years in which the assessment was supported by an external consultant, any business dealings that the consultant or any company in its group have with the Company or any company in its group.

Throughout the 2019 financial year and with respect to the previous 2018 financial year, the Company was assisted by an external expert, Mr. Salvador Montejo Velilla. The latter also assisted the Company in the assessment of the 2021 financial year.

C.1.19 Indicate the cases in which the directors must resign.

Pursuant to Article 12.2 of the Board Regulations, 'The Directors shall hand in their resignation in the following cases:

a) At the age of 80.

b) When they leave the job, position or function linked to their appointment as executive directors.

c) In the case of proprietary Directors, when the shareholder who proposed the appointment transfers their entire shake in the Company or reduces it to an extent that entails the reduction of the number of its proprietary Directors.

d) When subject to one of the cases of incompatibility or bans foreseen by Law, the Company Bylaws or herein.

e) When the Board itself so requests by a majority of at least two thirds of its members, for having breached its obligations as a director, following a proposal or report from the Appointments and Remuneration Committee.

f) When, in view of any situation affecting them, whether or not related to their performance in the Company itself, the credit and reputation of the Company may be jeopardised, informing the Board and the Appointments and Remuneration Committee of any criminal proceedings in which they are under investigation, as well as the progress of the proceedings.

In the event that the Board of Directors has been informed, or has otherwise become aware, of any of the situations referred to in the preceding paragraph, the Board shall examine the case as soon as possible and, in view of the specific circumstances, shall decide, following a report from the Appointments and Remuneration Committee, whether or not to adopt any measure. A reasoned account of such circumstances shall be included in the Annual Corporate Governance Report, unless there are special circumstances that justify not to, which must be recorded in the minutes.

g) When the Director has received a serious caution from the Audit and Control Committee.

h) At the end of, for whichever reasonable grounds, the contractual or organic relationship with the Company's shareholders that had given rise to the Director's appointment'.

C.1.20 Are qualified majorities other than those prescribed by law required for any type of decision?

Yes **No** ✓

If applicable, describe the differences.

C.1.21 State whether there are any specific requirements, apart from those relating to the directors, to be appointed Chairman of the Board of Directors:

Yes **No** ✓

C.1.22 Indicate whether the Bylaws or the board regulations set any age limit for directors:

Yes ✓ No

	Age limit
Chairman	80
CEO	80
Director	80

C.1.23 Indicate whether the Bylaws or the Board regulations set a limited term of office or other stricter requirements for independent directors other than those established by the regulations:

Yes **No** ✓

C.1.24 Indicate whether the Bylaws or Board regulations stipulate specific rules to delegate votes on the Board of Directors to other directors, the procedures thereof and, in particular, the maximum number of proxy votes a director may hold. Also indicate whether there is any limit as to the categories in which it is possible to delegate votes, beyond the limits provided in Law. If so, give brief details.

Proxy voting is provided for in Article 38.2 of the Articles of Association, which establishes that: '[...] all Directors may be represented by another Director. The representation shall be granted specifically for the meeting of the Board of Directors in question and may be communicated by any of the means provided for in section 2 of the preceding article. Non-executive directors may only be represented by another non-executive director'.

As regards the means by which proxies must be communicated, Article 37.2 of the Articles of Association states that: 'The meetings of the Board of Directors shall be called by letter, fax, telegram, email or any other means, and shall be authorised with the signature of the Chairman or the Secretary or Vice Secretary by order of the Chairman. The meeting shall be called in due time to ensure that the Directors are notified at least three days before the meeting date, except for emergency meetings that may be called to be held immediately. This will not apply to those cases where the Regulations of the Board of Directors require a specific time to call a meeting. The call shall always include, unless reasonably justified, the Agenda for the meeting and shall attach, where appropriate, any information deemed necessary', including the procedure to appoint a proxy, which shall be in writing and specifically for each meeting.

C.1.25 Indicate the number of board meetings held during the fiscal year. Also state, if applicable, the number of occasions on which the Board met without its Chairman in attendance. Attendance shall also include proxies appointed with specific instructions.

Number of board meetings	14
Number of Board meetings without Chairman's attendance	0

Indicate the number of meetings held by the Independent Lead Director with the other directors without the attendance, in person or by proxy, of an executive Director:

Number of meetings	5

Indicate the number of meetings of the various board committees held during the year:

Number of meetings of the AUDIT AND CONTROL COMMITTEE	11
Number of meetings of the APPOINTMENTS AND REMUNERATION COMMITTEE	5

C.1.26 Indicate the number of meetings held by the Board of Directors during the fiscal year and the attendance data of its members:

Number of meetings where at least 80% of directors attended in person	14
% of attendance in person out of the total votes during the fiscal year	100.00
Number of meetings where all the directors attended in person or by proxy with precise instructions	14
% of votes cast with attendance in person, or by proxy with precise instructions, out of the total votes during the fiscal year	100.00

C.1.27 Indicate whether the consolidated and individual annual financial statements submitted to the Board for their preparation are certified beforehand:

Yes **No** ✓

Identify, where applicable, the person(s) who certified the Company's individual and consolidated annual financial statements to be prepared by the Board:

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements that the Board of Directors submits to the General Shareholders' Meeting are drawn up in accordance with accounting regulations.

The Audit and Control Committee analyses the quarterly, half-yearly and yearly financial statements and holds regular meetings with the External Auditor reviewing, where necessary, any changes in the accountancy criteria that would affect the financial statements, ensuring that there are no qualifications by the Auditor and that the Board of Directors prepares the statements without qualifications. In compliance with Article 31 and 37 of the Regulations of the Board of Directors, the Audit and Control Committee is in charge of reviewing the Company's financial statements, enforcing compliance with legal requirements and correctly applying the standard accountancy principles, as well as providing information on the proposals made by the management to change accounting principles and criteria.

C.1.29 Is the secretary to the board a director?

Yes **No ✓**

If the secretary is not a director complete the following table:

Name or company name of the secretary	Representative
MR PEDRO ALBERTO RAMON Y CAJAL AGÜERAS	

C.1.30 Indicate the specific methods established by the company to protect the independence of the external auditors, as well as the methods, if any, employed to protect the independence of the financial analysis, of investment banks and of credit rating agencies, including how the legal provisions have been effectively implemented.

In accordance with Article 31.3.b) of the Board Regulations, the Audit and Control Committee is the body in charge of ensuring the External Auditors' independence by establishing, inter alia, the duty, as regards the external auditor, to:

(i) Present before the Board of Directors, to then be put forward to the General Meeting of Shareholders, the proposals to select, appoint, re-elect or replace the external auditor, as well as the terms of his/her contract, the scope of the auditor's professional office and the revocation or renewal of his/her appointment;

(ii) Regularly gather information from the external auditor about the audit plan and protect their independence -ensuring that the compensation given to the external auditor for their work does not compromise the quality of their work or their independence- and about matters that may threaten their independence and the results of the audit, to be examined by the Committee, and any other information related to the accounts audit. It should also receive information and exchange communications with the external auditor as outlined by legislation on accounts audits and the auditing regulations, and it should check that the senior management takes into account the auditor's recommendations;

(iii) Once a year, the Committee must receive from the external auditors the declaration of their independence in relation to the Company or companies directly or indirectly related to it, and information concerning additional services of any kind that have been provided and the fees received by the external auditor or by persons or companies related to it, in accordance with the provisions of the audit legislation and, for such purposes, ensure that the Company reports any changes of auditor to the CNMV alongside a statement on the possible existence of disagreements with the outgoing auditor and, if any, with the contents. Should the external auditor resign, the Committee will examine the circumstances surrounding this decision;

(iv) Every year issue, prior to the issue of the auditors' report, a report expressing an opinion on the independence of the auditors. Such report should always include the assessment of the provision of the additional services referred to above, considered separately or jointly, other than the legal audit and connected to the independence system or with the audit regulations, ensuring that the Company and the external auditor observe the current regulations on providing non-audit services, the limits on the auditor's business concentration and, in general all other rules on auditor independence;

(v) Encourage the Company's auditor to take on the auditing of the companies that, if any, make up the group; and

(vi) Ensure that the external auditor annually holds a meeting with the full Board of Directors to report on the work done and the evolution of the Company´s accounting and risk situation.

In practice, in 2021, the ACC performed all the duties outlined and with the due diligence required to keep the external auditor's independence.

C.1.31 Indicate whether the company changed its external auditors during the fiscal year. Where appropriate, identify the incoming and outgoing auditors:

Yes **No** ✓

Explain any disagreements with the outgoing auditor and the reasons for the same:

Yes **No** ✓

C.1.32 Indicate whether the audit firm performs other non-audit work for the company and/or its group, and if so, state the amount of fees received for such work and the percentage the previous amount represent of the auditing fees billed to the company and/or its group:

Yes ✓ No

	Company	Group companies	Total
Amount of non-audit work (thousands of euros)	63	3	66
Amount of non-audit work/Amount of audit work (as a %)	39.62	2.94	25.29

C.1.33 Indicate whether the audit report for the annual financial statements of the previous fiscal year included any qualifications. Indicate the reasons given by the Chairman of the audit committee to the shareholders of the General Meeting to explain the contents and scope of qualifications.

Yes **No** ✓

C.1.34 Indicate the number of consecutive years that the current audit firm has been auditing the Company's individual and/or consolidated annual financial statements. Likewise, indicate for how many years the current firm has been auditing the annual financial statements as a percentage of the total number of years over which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	5	5
Number of years audited by the current audit firm/number of years the company or its group has been audited (as a %)	14.3	14.3

C.1.35 Indicate whether there is a procedure for the directors to be able to receive the necessary information to prepare for meetings of the management bodies sufficiently in advance, and if so, give details:

Yes ✓ No

Detail of the procedure:

The Directors' right to information regarding the meetings of the Board of Directors is provided for in Article 22 of the Board Regulations. Directors have the duty to request and the right to obtain from the Company any information they need to fulfil their Board responsibilities. In this respect, Directors may obtain information on any aspect of the Company and its subsidiaries and may examine their books, records, documents and any other records of corporate operations and inspect all their facilities. They may also communicate with the Company's senior officers. Likewise, Directors are entitled to receive regular information on the movements in the shareholding and on the opinions that significant shareholders, investors and rating agencies have of the Company and its group.

So as to not disturb the Company's ordinary management, all rights to information will be exercised through the Chairman of the Board of Directors who will address the Directors' requests and will provide them with the information directly or with suitable contacts at the relevant company level.

The Chairman, in collaboration with the Secretary, will ensure that the Directors have all the information required sufficiently in advance to deliberate and adopt resolutions for the matters on the agenda.

Based on Article 37 of the Company Bylaws, the call for the Board of Directors meeting shall attach all information required for such meeting.

C.1.36 Indicate whether the company has established rules that oblige directors to inform and, where appropriate, resign when situations arise that affect them, whether or not related to their actions in the company that could damage the credit and reputation of the company:

Yes ✓ No

Explain

As described in the Board Regulations, in Article 12, "1. The directors shall leave their position when, at the end of the term they were appointed for, the General Meeting is held or the time set to hold the General Meeting for agreeing the previous year's financial statements has elapsed, or when so agreed by the General Meeting by virtue of the powers granted by Law or the Company Bylaws', in which case they shall resign.

a) At the age of 80.

b) When they leave the job, position or function linked to their appointment as executive directors.

In the case of proprietary Directors, when the shareholder who proposed the appointment transfers their entire shake in the Company or reduces it to an extent that entails the reduction of the number of its proprietary Directors.

c) When subject to one of the cases of incompatibility or bans foreseen by Law or Board Regulations.

d) When the Board itself so requests by a majority of at least two thirds of its members, for having breached its obligations as a director, following a proposal or report from the Appointments and Remuneration Committee.

e) When, in view of any situation affecting them, whether or not related to their performance in the Company itself, the credit and reputation of the Company may be jeopardised, informing, in all cases, the Board and the Appointments and Remuneration Committee of any criminal proceedings in which they are under investigation, as well as the progress of such proceedings [...].

f) When the Director has received a serious caution from the Audit and Control Committee.

g) At the end, for whichever reasonable grounds, of the contractual or organic relationship with the Company's shareholder that had given rise to the Director's appointment.

Likewise, article 21 of the Board Regulations sets forth that directors shall inform the Company: 'Of any legal, administrative or other proceedings lodged against the Director that, due to their relevance or nature, could have a serious impact on the Company's reputation. In particular, all Directors should inform the Company, through the Chairman, if they are charged, put on trial or subject to an order to proceed to a hearing for any of the offences detailed in Article 213 of the revised text of the Spanish Limited Liability Companies Law. In such event, the Board shall examine the case as soon as possible and shall make the decisions it deems convenient in the Company's interest'.

C.1.37 Indicate, unless there have been special circumstances that have been recorded in the minutes, whether the board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to their performance in the company itself, that could damage the credit and reputation of the company:

Yes **No** ✓

C.1.38 Detail any significant agreements entered into by the company which will come into force, are amended or terminated in the event of a change of control of the company following a takeover bid and the effects thereof.

None.

C.1.39 Identify, separately when referring to directors and aggregated when referring to all other cases and provide detailed information on agreements between the company and its officers, executives and employees that provide for indemnities or guarantee or golden parachute clauses when they resign or are wrongfully dismissed or if the contractual relationship ends due to a takeover or another kind of transaction.

Number of beneficiaries	5
Type of beneficiary	**Description of the agreement**
Chairman (Mr. Juan Carlos Ureta Domingo), CEO (Mr. Juan Luis López García), the Director and General Manager (Mr Jesús Sánchez-Quiñones Gonzalez), Regional Director (Mr. Santiago Gonzalez Enciso); Member of the Management Committee, Chairman of Renta 4 Gestora SGIIC SA and Renta 4 Pensiones EGFP SA (Mr. Antonio Fernández Vera)	In the event their dismissal is declared to be unfair, the Chairman, the CEO, the Director and General Manager and the Territory Manager would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment laws. On the other hand, the member of the Management Committee, Chairman of Renta 4 Gestora SGIIC and Renta 4 Pensiones EGFP, S.A, is entitled to, in the event of their dismissal is declared to be unfair, to compensation equivalent to the compensation provided for unfair dismissal under the ordinary employment laws.

Indicate whether, beyond the assumptions foreseen by the regulations, these agreements must be reported to and/or authorised by the governing bodies of the company or its group. If this is the case, specify the procedures, assumptions foreseen and nature of the bodies in charge of their approval or their communication:

	Board of Directors	General Meeting
Body which authorises the clauses	✓	

	Yes	No
Is the General Meeting informed of the clauses?		✓

C.2. Board Committees

C.2.1 Give details of all board committees, their members and the proportion of executive, proprietary, independent and other external directors that form them:

AUDIT AND CONTROL COMMITTEE

Name	Position	Category
Mr Jose Ramon Rubio Laporta	Member	Independent
Fundacion Obra Social De La Abogacia Española	Member	Proprietary
Mrs Ines Juste Bellosillo	Chairman	Independent

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of other external directors	0.00

Explain the functions, including any added functions that are not legally foreseen, if any, conferred to this Committee and describe the procedures and rules of its organisation and operation. For each of these functions, indicate the more relevant actions during the fiscal year and how it effectively carried out each of the functions conferred to it by Law or Bylaws or other corporate agreements.

A. Composition. It is composed of at least 3 Directors who will be appointed by the Board of Directors at the proposal of its Chairman, chosen from among its non-executive members, and at least two of them should be independent. The Committee will appoint, from among its members, the Chairman, who will always be an Independent Director and will be replaced every 4 years, without prejudice to his/her continuity or re-election as a member of the Committee. Furthermore, the Committee will appoint its Secretary and, where appropriate, a Vice President. Likewise, all members of the Audit and Control Committee should have the necessary knowledge, professional experience and devotion to carry out the functions they are entrusted with.

B. Competences. The Committee's functions are set forth in Article 42 of the Company Bylaws and Article 31 of the Board Regulations.

C. Workings. The Committee will meet at least once every quarter and, in any case, every time it is called by its Chairman or at the request of the Chairman of the Board of Directors. The conclusions drawn from each meeting will be included in the minutes that will be reported at the Board meeting. Any members of the management team, Company employees or auditors requested to do so will be obliged to attend the Committee meetings and to collaborate and provide the information they have.

In the financial year 2021, the ACC carried out the following functions, inter alia:

- Acted as a communication channel between the Board and the external auditor, assessing the results of each audit.

- Authorising KPMG Abogados, S.L. to provide professional advice in preparing and filing the appropriate 1042-S forms for the financial year 2021.

- Issued, prior to the auditors' report, a report on whether the independence of the auditors or audit firms was jeopardised.

- Approve the Internal Audit Action Plan.

- Supervise the effectiveness of the Company's internal control, internal audit and risk management systems, having adapted the Company's Operational Risk and Reputational Risk Policy, and discuss with the auditor any significant weaknesses detected in the internal control system.

- Overseeing compliance with the rules of the internal codes of conduct and ESG.

- Approve, for submission to the Board, the External Expert's Report on the Prevention of Money Laundering, the Annual Report and Report on the degree of effective compliance with the internal control rules and procedures implemented, the half-yearly Report of the CII Depositary Unit, and the reports on conflicts of interest, Prudential Relevance and Capital Self-Assessment, among others.

- Oversaw the reporting and submission of regulatory financial information, in particular the separate and consolidated financial statements.

- Reported on the annual corporate governance report.

- Evaluated its own performance within the framework of the self-assessment of the performance of the Board of Directors and its internal Committees.

- Reporting, where appropriate, on related-party transactions to be approved by the general meeting or the board of directors and supervising the internal procedure established by the Company for those transactions whose approval has been delegated.

Identify the directors who are members of the audit committee appointed with regard to his or her knowledge and experience in accounting, auditing or both, and indicate the date when the Chairman of the committee was appointed as such.

Names of directors with experience	Mr. Jose Ramon Rubio Laporta / Fundacion Obra Social de la Abogacia Española / Ms. Ines Juste Bellosillo
Date the Chairman was appointed as such	25/11/2021

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
Mr Pedro Angel Navarro Martinez	Member	Other External
Mr Jose Ramon Rubio Laporta	Member	Independient
Mrs Gemma Aznar Cornejo	Chairman	Independient

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	66.67
% of other external directors	33.33

Explain the functions, including any added functions that are not legally foreseen, if any, conferred to this Committee and describe the procedures and rules of its organisation and operation. For each of these functions, indicate the more relevant actions during the fiscal year and how it effectively carried out each of the functions conferred to it by Law or Bylaws or other corporate agreements.

A. Composition. It is made up of at least 3 members who should all be non-executive Directors -at least a third of them should be independent Directors- who will leave their position once they stop being Directors or when agreed by the Board of Directors. The Board of Directors will appoint its Chairman from among its members, always an independent Director, and its Secretary.

B. Competences. The Committee’s functions are set forth in Article 32 of the Regulations of the Board of Directors.

C. Workings. The Committee will meet as frequently as necessary to carry out its functions. It should also meet when called by its Chairman, the Chairman of the Board of Directors and at least once every quarter. The Appointments and Remuneration Committee will be validly called to order when the majority of its members is present. The Committee will have access to all the information and documentation required to perform its duties. The conclusions drawn in each meeting will be registered in the minutes ledger that will be signed by the Chairman and the Secretary.

In the financial year 2021, the ARC carried out mainly the following duties, inter alia:

- Ensured that the remuneration policy established by the Company was observed.
- Directed the process of evaluating its own performance, the performance of the board and the discharge of duties by the chairman, secretary, lead independent director and CEO, and reported to the board on the findings reached.
- Proposed the 2019 Remuneration Policy to the Board.
- Proposed the contents of the Annual Report on Directors' Remuneration to the Board.
- Proposing to the Board the reelection of Ms. Inés Juste Bellosillo.
- Proposing to the Board the co-opted appointments of Ms. Pilar Garcia-Ceballos Zúñiga and Ms. María del Pino Vázquez Medina.

Likewise, and in accordance with the health crisis situation caused by and derived from Covid-19, the ARC was informed of the measures adopted and the means made available to employees by the Company for their safety at work.

C.2.2 Fill in the following table with the information on the number of female directors sitting on the Board Committees at the end of the last four years:

	Number of female board members							
	Financial year: 2021		Financial year: 2020		Financial year 2019		2018	
	Number	%	Number	%	Number	%	Number	%
Audit and control committee	1	33.33	1	33.33	0	0.00	0	0.00
Appointments and remuneration committee	2	66.67	2	66.67	2	66.67	1	33.33

C.2.3 Indicate, where applicable, the existence of regulations governing the Board Committees, where they can be accessed, and any amendments thereto during the fiscal year. Also state whether any voluntary annual reports have been produced on the activities of each committee.

Appointments and remuneration committee

The ARC is governed by Article 42 bis in the Company Bylaws and by Article 32 of the Board Regulations. Both corporate texts are available on the Company's website.

The Board of Directors, pursuant to its duty to comply with Article 28 of the Board Regulations, which includes Recommendation 36 of the Code of Good Governance of Listed Companies after its review of June 2020 approved by the Board of the National Securities Market Commission (CNMV), assesses once a year (i) its own performance and the quality of its work, (ii) the performance of the roles of Board Chairman, Lead Director and Managing Director of the company based on the ARC's report, (iii) the performance and composition of its Committees, based on their reports, (iii) the functioning and composition of it Committees, based on the report submitted by these, and (iv) the diversity in the composition and competencies of the Board of Directors and the performance and contribution of each Board Member, paying special attention to the heads of the different committees of the Board based on the report submitted by the ARC.

In this respect, each Board Committee has prepared a report on its own performance to help the Board assess their performance during the year. Both reports are available, together with all the documentation related to the General Meeting, on the Company's corporate website. These reports also include the main activities of each of the Committees.

Audit and control committee

The Audit and Control Committee is governed by Article 42 in the Company Bylaws and by Article 31 of the Board Regulations. Both corporate texts are available on the Company's website.

The Board of Directors, pursuant to its duty as per Article 28 of the Board Regulations that includes Recommendation 36 of the Code of Good Governance of Listed companies after its review of June 2020 approved by the Board of the National Securities Market Commission (CNMV), assesses once a year (i) its own performance and the quality of its work, (ii) the performance of the roles of the Company's Board Chairman and Managing Director based on the ARC's report, (iii) the performance and composition of its Committees, based on their reports, (iv) the diversity in the composition and competences of the Board of Directors, based on the ARC's report and (v) the performance and contribution made by the Directors, with special focus on the heads of the different Board Committees, based on the reports produced by the ARC.

In this respect, each Board Committee has prepared a report on its own performance to help the Board assess their performance during the year. Both reports are available, together with all the documentation related to the General Meeting, on the Company's corporate website. These reports also include the main activities of each of the Committees.

D. RELATED-PARTY TRANSACTIONS AND INTRACOMPANY TRANSACTIONS

D.1. Explain, if applicable, the procedure and competent bodies for the approval of related-party and intra-group transactions, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected directors or shareholders and detailing the internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Pursuant to Article 5 in the Board Regulations, the Board of Directors shall be in charge of 'adopting agreements on all kinds of matters that are not assigned to the General Meeting by Law or the Articles of Association, and shall have full powers to manage, run and represent the Company in court or otherwise. Notwithstanding this, the Board shall fundamentally focus its activity on the supervision and control of the Company's running and ordinary management entrusted to the executive Directors and senior management, and shall consider any matters that are especially relevant to the Company or that are deemed necessary for the appropriate performance of the aforementioned general supervisory function'.

2. In any case, the following matters that may not be delegated will be reserved to the Board of Directors meeting: [...] t) The approval, with a prior positive report from the Audit and Control Committee, of the operations that the Company may run with Directors, under the Spanish Limited Liability Companies Law, or with Shareholders who own, individually or jointly with others, a significant stake, including shareholders represented on the Company's Board of Directors or with persons related to them. The Directors affected or representing or related to the affected shareholders should refrain from taking part in the deliberation and vote of the resolution in question.n.

[...]

3. The competences mentioned in the section above may be carried out, in an emergency, by the Executive Committee or, if appropriate, by the CEO, to the extent permitted by Law, to then be ratified at the Board meeting.

4. The Board of Directors will develop its functions with a common purpose and independent judgement, providing the same treatment to all shareholders who are in the same position, in the Company's interest, which will not prevent the consideration of all other legal, public or private interests, that converge in the course of all business operations, and especially the interests of the employees. 'In this context, it shall be understood as a corporate interest, as the achievement of a profitable and sustainable business in the long term that shall promote its continuity and maximise the Company's financial value'.

D.2. List individually any transactions that are significant due to their amount or relevant due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the company's board of directors, indicating the competent body for their approval and whether any shareholder or director affected abstained. In the case of board competence, indicate whether the proposed resolution has been approved by the board without a majority of the independent directors voting against it:

Name or company name of the shareholder or of any of their subsidiary companies	% of ownership	Name or company name of the company or the subsidiary company	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
Contratas y Servicios Extremeños, S.A.	5.04	Renta 4 Banco S.A.	857	Entity's usual line of business		No
Contratas y Servicios Extremeños, S.A.	5.04	Renta 4 Banco S.A.	5	Entity's usual line of business		No
Contratas y Servicios Extremeños, S.A.	5.04	Renta 4 Banco S.A.	662	Council - board		Yes
Global Portfolio Investments S.L.	5.59	Renta 4 Banco S.A.	687	Entity's usual line of business		No

Name or company name of the shareholder or of any of their subsidiary companies	% of ownership	Name or company name of the company or the subsidiary company	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
Global Portfolio Investments. S.L.	5.59	Renta 4 Banco S.A.	6	Entity's usual line of business		No
Global Portfolio Investments. S.L.	5.59	Renta 4 Banco S.A.	735	Council - board		Yes
98 Futur 2000. S.L.	0.57	Renta 4 Banco S.A.	755	Risk Committee		No
98 Futur 2000. S.L.	0.57	Renta 4 Banco S.A.	317	Entity's usual line of business		No
98 Futur 2000. S.L.	0.57	Renta 4 Banco S.A.	17	Entity's usual line of business		No
98 Futur 2000. S.L.	0.57	Renta 4 Banco S.A.	1	Entity's usual line of business		No
98 Futur 2000. S.L.	0.57	Renta 4 Banco S.A.	810	Entity's usual line of business		No
98 Futur 2000. S.L.	0.57	Renta 4 Banco S.A.	2.085	Entity's usual line of business		No
98 Futur 2000. S.L.	0.57	Renta 4 Banco S.A.	74	Council - board		Yes
Lora de Inversiones. S.L.	2.69	Renta 4 Banco S.A.	2.288	Entity's usual line of business		No
Lora de Inversiones. S.L.	2.69	Renta 4 Banco S.A.	302	Entity's usual line of business		No
Lora de Inversiones. S.L.	2.69	Renta 4 Banco S.A.	352	Council - board		Yes
Mobel Linea S.L.	2.31	Renta 4 Banco S.A.	7.300	Board		Yes
Mobel Linea S.L.	2.31	Renta 4 Banco S.A.	1.491	Entity's usual line of business		No
Mobel Linea S.L.	2.31	Renta 4 Banco S.A.	59	Entity's usual line of business		No
Mobel Linea S.L.	2.31	Renta 4 Banco S.A.	7.300	Board		Yes
Mobel Linea S.L.	2.31	Renta 4 Banco S.A.	304	Council - board		Yes
Mr. Óscar Balcells Curt	0.21	Renta 4 Banco S.A.	18	Entity's usual line of business		No
Mr. Óscar Balcells Curt	0.21	Renta 4 Banco S.A.	27	Council - board		Yes

Name or company name of the shareholder or of any of their subsidiary companies	% of ownership	Name or company name of the company or the subsidiary company	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
Mutualidad General de la Abogacia	6.88	Renta 4 Banco S.A.	1.498	Entity's usual line of business		No
Mutualidad General de la Abogacia	6.88	Renta 4 Banco S.A.	23	Entity's usual line of business		No
Mutualidad General de la Abogacia	6.88	Renta 4 Banco S.A.	904	Council - board		Yes

Name or company name of the shareholder or of any of their subsidiary companies	Type of relationship	Type of transaction and other information necessary for its evaluation
Contratas y Servicios Extremeños, S.A.	Contractual	Others
Contratas y Servicios Extremeños, S.A.	Contractual	Services provided
Contratas y Servicios Extremeños, S.A.	Corporate	Dividend distributed/received
Global Portfolio Investments S.L.	Contractual	Others
Global Portfolio Investments S.L.	Contractual	Services provided
Global Portfolio Investments S.L.	Corporate	Dividend distributed/received
98 Futur 2000, S.L.	Contractual	Financing agreements: loans
98 Futur 2000, S.L.	Contractual	Others
98 Futur 2000, S.L.	Contractual	Interests paid
98 Futur 2000, S.L.	Contractual	Services provided
98 Futur 2000, S.L.	Contractual	Obligations undertaken
98 Futur 2000, S.L.	Contractual	Guarantees received
98 Futur 2000, S.L.	Corporate	Dividend distributed/received
Lora de Inversiones, S.L.	Contractual	Others
Lora de Inversiones, S.L.	Contractual	Services provided
Lora de Inversiones, S.L.	Corporate	Dividend distributed/received
Mobel Linea S.L.	Contractual	Financing agreements: loans

Name or company name of the shareholder or of any of their subsidiary companies	Type of relationship	Type of transaction and other information necessary for its evaluation
Mobel Linea S.L.	Contractual	Others
Mobel Linea S.L.	Contractual	Interests paid
Mobel Linea S.L.	Contractual	Obligations undertaken
Mobel Linea S.L.	Corporate	Dividend distributed/received distribuido/recibido
Mr Oscar Balcells Curt	Contractual	Others
Mr Oscar Balcells Curt	Corporate	Dividend distributed/received distribuido/recibido
Mutualidad General de la Abogacia	Contractual	Others
Mutualidad General de la Abogacia	Contractual	Services provided
Mutualidad General de la Abogacia	Corporate	Dividend distributed/received distribuido/recibido

D.3. List individually the transactions that are significant due to their amount or relevant due to their subject matter, carried out by the company or its subsidiaries with the company's directors or managers, including any transactions carried out with entities that the director or administrator controls or jointly controls, and indicating the competent body for their approval and whether any shareholder or director affected abstained. In the case of board competence, indicate whether the proposed resolution has been approved by the board without a majority of the independent directors voting against it:

Name or company name of the directors or managers or of their controlled or jointly controlled entities	Name or company name of the company or the subsidiary company	Link	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
Mr Santiago Gonzalez Enciso	Renta 4 Banco S.A.	Contractual	473	Board		Yes
Mr Santiago Gonzalez Enciso	Renta 4 Banco S.A.	Contractual	7	Entity's usual line of business		No
Mr Santiago Gonzalez Enciso	Renta 4 Banco S.A.	Contractual	700	Board		Yes
Mr Santiago Gonzalez Enciso	Renta 4 Banco S.A.	Contractual	1,298	Board		No
Mr Santiago Gonzalez Enciso	Renta 4 Banco S.A.	Corporate	184	Board of directors - general meeting		Yes
Mr Eduardo Chacon Lopez	Renta 4 Banco S.A.	Contractual	2	Entity's usual line of business		No

Name or company name of the directors or managers or of their controlled or jointly controlled entities	Name or company name of the company or the subsidiary company	Link	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
Mr Eduardo Chacon Lopez	Renta 4 Banco S.A.	Corporate	4	Board of directors - general meeting		Yes
Mr Jesús Sanchez-Quiñones Gonzalez	Renta 4 Banco S.A.	Contractual	87	Entity's usual line of business		No
Mr Jesús Sanchez-Quiñones Gonzalez	Renta 4 Banco S.A.	Corporate	100	Board of directors - general meeting		Yes
Mr José Ignacio García-Junceda Fernández	Renta 4 Sociedad de Valores S.A.	Contractual	12	Entity's usual line of business		No
Mr José Ignacio García-Junceda Fernández	Renta 4 Banco S.A.	Contractual	50	Entity's usual line of business		No
Mr José Ignacio García- Junceda Fernández	Renta 4 Banco S.A.	Contractual	2	Entity's usual line of business		No
Mr José Ignacio García- Junceda Fernández	Renta 4 Sociedad de Valores S.A.	Contractual	12	Entity's usual line of business		No
Mr José Ignacio García- Junceda Fernández	Renta 4 Banco S.A.	Corporate	5	Board of directors - general meeting		Yes
Mr Jose Ramon Rubio Laporta	Renta 4 Banco S.A.	Contractual	37	Entity's usual line of business		No
Mr Jose Ramon Rubio Laporta	Renta 4 Banco S.A.	Contractual	22	Entity's usual line of business		No
Mr Jose Ramon Rubio Laporta	Renta 4 Banco S.A.	Corporate	131	Board of directors - general meeting		Yes
Mr Juan Carlos Ureta Domingo	Renta 4 Banco S.A.	Contractual	802	Entity's usual line of business		No
Mr Juan Carlos Ureta Domingo	Renta 4 Banco S.A.	Contractual	58	Entity's usual line of business		No

Name or company name of the directors or managers or of their controlled or jointly controlled entities	Name or company name of the company or the subsidiary company	Link	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
Mr Juan Carlos Ureta Domingo	Renta 4 Banco S.A.	Corporate	3,922	Board of directors - general meeting		Yes
Mr Juan Luis Lopez Garcia	Renta 4 Banco S.A.	Contractual	63	Entity's usual line of business		No
Mr Juan Luis Lopez Garcia	Renta 4 Banco S.A.	Contractual	1	Entity's usual line of business		No
Mr Juan Luis Lopez Garcia	Renta 4 Banco S.A.	Corporate	42	Board of directors - general meeting		Yes
Mr Pedro Angel Navarro Martinez	Renta 4 Banco S.A.	Contractual	42	Entity's usual line of business		No
Mr Pedro Angel Navarro Martinez	Renta 4 Banco S.A.	Contractual	1	Entity's usual line of business		No
Mr Pedro Angel Navarro Martinez	Renta 4 Banco S.A.	Corporate	56	Board of directors - general meeting		Yes
Mr Pedro Ferreras Diez	Renta 4 Banco S.A.	Contractual	25	Entity's usual line of business		No
Mr Pedro Ferreras Diez	Renta 4 Banco S.A.	Corporate	30	Board of directors - general meeting		Yes
Mrs Gemma Aznar Cornejo	Renta 4 Banco S.A.	Contractual	5	Entity's usual line of business		No
Mrs Gemma Aznar Cornejo	Renta 4 Banco S.A.	Contractual	7	Board of directors - general meeting		No
Mrs Gemma Aznar Cornejo	Renta 4 Banco S.A.	Corporate	2	Board of directors - general meeting		Yes
Mrs Ines Juste Bellosillo	Renta 4 Banco S.A.	Contractual	7	Entity's usual line of business		No
Mrs Ines Juste Bellosillo	Renta 4 Banco S.A.	Corporate	4	Board of directors - general meeting		Yes
Ms. María Del Pino Velázquez Medina	Renta 4 Banco S.A.	Contractual	2	Entity's usual line of business		No
Ms. Pilar García Ceballos-Zuñiga	Renta 4 Banco S.A.	Contractual	2	Entity's usual line of business		No

Name or company name of the directors or managers or of their controlled or jointly controlled entities	Name or company name of the company or the subsidiary company	Link	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
Mrs Sarah Marie Harmon	Renta 4 Banco S.A.	Contractual	2	Entity's usual line of business		No
Mrs Sarah Marie Harmon	Renta 4 Banco S.A.	Corporate	1	Board of directors - general meeting		Yes

Name or company name of the directors or managers or of their controlled or jointly controlled entities	Nature of the transaction and other information necessary for its evaluation
Mr Santiago Gonzalez Enciso	Financing agreements: loans
Mr Santiago Gonzalez Enciso	Interests paid
Mr Santiago Gonzalez Enciso	Obligations undertaken
Mr Santiago Gonzalez Enciso	Guarantees received
Mr Santiago Gonzalez Enciso	Dividend distributed/received
Mr Eduardo Chacon Lopez	Others
Mr Eduardo Chacon Lopez	Dividend distributed/received
Mr Jesús Sanchez- Quiñones Gonzalez	Others
Mr Jesús Sanchez- Quiñones Gonzalez	Dividend distributed/received
Mr José Ignacio García- Junceda Fernández	Financing agreements: loans
Mr José Ignacio García- Junceda Fernández	Others
Mr José Ignacio García- Junceda Fernández	Interests paid
Mr José Ignacio García- Junceda Fernández	Obligations undertaken
Mr José Ignacio García- Junceda Fernández	Dividend distributed/received
Mr Jose Ramon Rubio Laporta	Others
Mr Jose Ramon Rubio Laporta	Services provided
Mr Jose Ramon Rubio Laporta	Dividend distributed/received
Mr Juan Carlos Ureta Domingo	Others

Name or company name of the directors or managers or of their controlled or jointly controlled entities	Nature of the transaction and other information necessary for its evaluation
Mr Juan Carlos Ureta Domingo	Services provided
Mr Juan Carlos Ureta Domingo	Dividend distributed/received
Mr Juan Luis Lopez Garcia	Others
Mr Juan Luis Lopez Garcia	Services provided
Mr Juan Luis Lopez Garcia	Dividend distributed/received
Mr Pedro Angel Navarro Martinez	Others
Mr Pedro Angel Navarro Martinez	Services provided
Mr Pedro Angel Navarro Martinez	Dividend distributed/received
Mr Pedro Ferreras Diez	Others
Mr Pedro Ferreras Diez	Dividend distributed/received
Mrs Gemma Aznar Cornejo	Others
Mrs Gemma Aznar Cornejo	Services provided
Mrs Gemma Aznar Cornejo	Dividend distributed/received
Mrs Ines Juste Bellosillo	Others
Mrs Ines Juste Bellosillo	Dividend distributed/received
Ms. María Del Pino Velázquez Medina	Others
Ms. Pilar García Ceballos- Zuñiga	Others
Mrs Sarah Marie Harmon	Others
Mrs Sarah Marie Harmon	Dividend distributed/received

D.4. Report on an individual basis on intra-group transactions that are significant due to their amount or are relevant due to their subject matter carried out by the company with its parent company or with other entities belonging to the parent company's group, including the listed company's own subsidiaries, unless no other related party of the listed company has an interest in such subsidiaries or such subsidiaries are wholly owned, directly or indirectly, by the listed company.

In any case, all intracompany operations with companies established in countries or jurisdictions considered as a safe haven must be reported:

Corporate name of the company in the group	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
Kobus Partners Management S.G.E.I.C. S.A.	Stake method	2,276
Kobus Partners Management S.G.E.I.C. S.A.	Services provided	1,247

D.5. List individually any transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties in accordance with the International Accounting Standards adopted by the EU, which have not been reported under the previous headings.

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
Matilde Fernández De Miguel	Others	66
Matilde Fernández De Miguel	Obligations undertaken	100
Matilde Fernández De Miguel	Guarantees received	396
Matilde Fernández De Miguel	Dividend distributed/received	116
Santiago González-Enciso Fernández	Financing agreements: loans	292
Santiago González-Enciso Fernández	Interests paid	2
Santiago González-Enciso Fernández	Obligations undertaken	320
Santiago González-Enciso Fernández	Guarantees received	882
Santiago González-Enciso Fernández	Dividend distributed/received	26
María González-Enciso Fernández	Financing agreements: loans	292
María González-Enciso Fernández	Interests paid	2
María González-Enciso Fernández	Obligations undertaken	320
María González-Enciso Fernández	Guarantees received	882
María González-Enciso Fernández	Dividend distributed/received	26
Cristina Gonzalez-Enciso Fernandez	Financing Agreements: Loans	292
Cristina Gonzalez-Enciso Fernandez	Others	1
Cristina Gonzalez-Enciso Fernandez	Interests paid	2
Cristina Gonzalez-Enciso Fernandez	Obligations undertaken	320
Cristina Gonzalez-Enciso Fernandez	Guarantees received	882
Cristina Gonzalez-Enciso Fernandez	Dividend distributed/received	26

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
Ignacio González-Enciso Fernández	Financing agreements: loans	303
Ignacio González-Enciso Fernández	Others	4
Ignacio González-Enciso Fernández	Interests paid	2
Ignacio González-Enciso Fernández	Obligations undertaken	331
Ignacio González-Enciso Fernández	Guarantees received	882
Ignacio González-Enciso Fernández	Dividend distributed/received	26
Matilde González-Enciso Fernández	Financing agreements: loans	292
Matilde González-Enciso Fernández	Interests paid	2
Matilde González-Enciso Fernández	Obligations undertaken	320
Matilde González-Enciso Fernández	Guarantees received	882
Matilde González-Enciso Fernández	Dividend distributed/received	26
Matilde Estades Seco	Dividend distributed/received	319
Matilde Ureta Estades	Financing agreements: loans	163
Matilde Ureta Estades	Others	97
Matilde Ureta Estades	Interests paid	1
Matilde Ureta Estades	Obligations undertaken	170
Matilde Ureta Estades	Guarantees received	396
Matilde Ureta Estades	Dividend distributed/received	10
Juan Carlos Ureta Estades	Financing agreements: loans	130
Juan Carlos Ureta Estades	Others	11
Juan Carlos Ureta Estades	Interests paid	1
Juan Carlos Ureta Estades	Obligations undertaken	170
Juan Carlos Ureta Estades	Guarantees received	422
Juan Carlos Ureta Estades	Dividends distributed/received	11
Juan Carlos Ureta Estades	Services provided	1

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
Inés Asunción Ureta Estades	Dividend distributed/received	9
Inés Asunción Ureta Estades	Financing agreements: loans	162
Inés Asunción Ureta Estades	Interests paid	1
Inés Asunción Ureta Estades	Obligations undertaken	170
Inés Asunción Ureta Estades	Guarantees received	451
Cartera de Directivos 2020 S.A.	Dividend distributed/received	112
Surikomi S.A.	Services provided	16
Surikomi S.A.	Dividend distributed/received	409
Cartera de Directivos 2011 S.A.	Others	6
Cartera de Directivos 2011 S.A.	Services provided	21
Cartera de Directivos 2011 S.A.	Dividend distributed/received	8
Invercysex S.L.	Other bonds	4
Invercysex S.L.	Leases	25
Invercysex S.L.	Interests paid	8
I.G.E. 6, S.L.	Dividend distributed/received	84
Kursaal 2000 S.L.	Others	118
Kursaal 2000 S.L.	Services provided	25
Kursaal 2000 S.L.	Dividend distributed/received	13
Avilugam S.L.	Services provided	314
Avilugam S.L.	Dividend distributed/received	9
Sociedad Vasco Madrileña de Inversiones	Services provided	357
Sociedad Vasco Madrileña de Inversiones	Dividend distributed/received	547
Indumenta Pueri S.L.	OThers	4
Indumenta Pueri S.L.	Services provided	12
Fundación González Enciso	Dividend distributed/received	146

D.6. State the mechanisms established to detect, determine and resolve any conflicts of interest between the company and/or the group, directors, managers, significant shareholders or other associated parties.

The Board Regulations establishes in Article 17 that there is a conflict of interest in situations where the Company's or its Group's interest clashes, directly or indirectly, with the Director's personal interest, when the matter affects him/her or a person related to him/her.

The following are persons related to the individual Director: a) spouse or persons with a marriage-like relationship; b) the ancestors, descendants and siblings of the director or his/her spouse (or person with a marriage-like relationship); c) Spouses of the ancestors, descendants or siblings; d) Companies in which, itself or through a third party, fall into one of the situations described in Article 42.1 of the Spanish Commercial Code.

Situations of conflict of interest will be governed by the following rules: a) Disclosure: the Director will inform all other Directors and, if appropriate, the Board, through the Chairman or the Secretary, of any conflict of interest pertaining the Director or his/her related persons; b) Abstention: the Director may not carry out any professional or commercial transactions, whether directly or indirectly, with the Company unless he/she has first disclosed the conflict of interest and the Board has approved the transaction. The Director will refrain from attending and taking part in the deliberation and vote for such matters. Regarding proprietary Directors, these must refrain from taking part in the vote for matters that could entail a conflict of interest between the shareholders they represent and the Company; c) Transparency: Disclose in the annual report and in the Annual Corporate Governance Report of any conflicts of interest.

The Internal Conduct Regulations (ICR) governs conflicts of interest in Articles 21, 22 and 23. In this regard, there will be a conflict of interest between the Company and one of its clients or between two of the Company's clients when, in a given situation, the Company may gain a benefit, provided that there is also a potential correlative damage to the client, or when the client could gain a profit or avoid a loss and there is the chance that another client will suffer a loss as a result.

To identify these situations, it shall be determined whether the Company, a reporting party to the ICC ('Reporting Party to ICC') or another person directly or indirectly related to such person through a position of control, falls into any of the following situations: a) The Company or the relevant person may gain a financial benefit or avoid a financial loss at the client's expense; b) Has an interest in the outcome of the service provided or the transaction executed at the client's expense, other than the client's own interest; c) Has financial or other incentives to favour the interests of third-party clients, to the detriment of the interests of the client in question; d) The professional activity is identical to the client's; e) Receives, or is due to receive, an incentive from a third party based on the service provided to the client, in cash, goods or services, other than the usual fee or compensation for the service in question.

The Company may determine other conflicts of interest in which the Persons subject to ICR may be involved on account of family, financial, professional or other links.

All employees and Subject Persons shall inform the Company, through the ICC Monitoring Body, of any personal or family, economic or any other type of the ICR Monitoring Body, of any personal or family situation, economic or otherwise, that may constitute a conflict between such person and those of a client of the Company or of the Company itself.

There will be a conflict of interest when the Person subject to ICR, or a person or entity who is a relative or is closely related to such person, falls into one of the following cases: a) Is a member of the Board of Directors or senior management of a company whose business purpose is the same as the Company's; b) Significant stake in companies whose business purpose is the same as the Company's; c) Significant stake or another type of personal interest in a client of the Company.

Persons subject to ICR will refrain from taking part in preparations and in the decision or vote, and will inform the people who will be taking the relevant decision. Furthermore, they will inform portfolio management clients of any conflicts that may arise in the course of their activity. When in doubt on the existence of a conflict of interests, Persons subject to ICR are required to inform about this to the Body in charge of ensuring compliance with the ICR, as well as the specific circumstances of the operation to allow the Body to determine the appropriate steps.

The resolution of conflicts shall always be carried out under the following principles:
1. 1. The legitimate interests of clients shall in all cases be the priority to consider, without prejudice to the due respect for the integrity of the market.
2. Efforts shall be made to minimise conflicts between clients and between the Company and its clients.
3. The interests of the Company shall not take precedence over those of the clients in transactions with identical characteristics.
4. No client should be privileged when there is a conflict between several clients. 5. They will not multiply transactions unnecessarily and without benefit to the client.

D.7. No client should be privileged when there is a conflict between several clients. 5. They will not multiply transactions unnecessarily and without benefit to the client..

Yes **No** ✓

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Describe the scope of the financial and non-financial Risk Management and Control System in place at the company, including tax risks:

The different risks involved in the operations conducted by the Renta 4 Group are managed under the principle of prudence to preserve its solvency level, profitability, efficiency and appropriate liquidity. Renta 4 Group has an ongoing management and control system for the risks taken in its business, expanding to all the companies in the Group, as well as all the areas or business units, with special focus on those that are more sensitive to the risks inherent in the business.

E.2. Identify the bodies responsible for preparing and implementing the financial and non-financial Risk Management and Control System, including tax risks:

BOARD OF DIRECTORS. Descripción de funciones:

- Approval of the risk control and management policy, including tax risks, identifying the main risks faced by the Company and implementing, supervising and monitoring the internal information and control systems.

AUDIT AND CONTROL COMMITTEE. Description of its functions:

- Supervise the efficiency of the Company's internal control, the risk management systems, including tax risks, the management of internal audit services that ensure the good performance of the internal information and control systems, especially related to the reporting processes in terms of accuracy and filing the regulated financial information on the Company and its group, check compliance with the regulatory requirements, the appropriate limits on the scope of consolidation and the right use of the accounting criteria, reporting this to the Board of Directors. The person in charge of the internal audit is required to present before the Committee his/her guidance and work planning for their approval and make sure that the activity is fundamentally focused on the material risks faced by the Company and directly inform the Committee of any incidents that may arise in its course, as well as present the Committee with a report on its activities at the end of each fiscal year. Furthermore, the Audit and Control Committee will discuss with the Auditor any material weaknesses identified in the internal control system during the audit.

- Supervise the procedure followed to prepare and file the regulatory financial and non-financial information and the internal risk management and control systems related to the Company's significant risks for them to be identified (operational, technological, financial, legal or reputational), managed and reported appropriately, setting the risk level tolerated by the Company, the measures needed to minimise the impact of the risks identified, and determine the control and information systems to be used to control and manage them, ensure the independence and efficiency of the internal auditing unit, propose the selection, appointment, re-election and removal of the head of the internal audit service, and the budget of such service, receive regular information on its activities and check that the senior management takes into account the conclusions and recommendations in the reports.

- Supervise the development of the functions assigned to the area in charge of preventing money laundering and know the reports and proposals presented in this regard.

INTERNAL AUDIT. Description of its functions:

- Revise the procedures and systems established for risk control. RISK DEPARTMENT

Description of its functions:

- This body reports to the Board of Directors.

- The Risk department carries out its functions on all the entities included in the scope of consolidation of the Renta 4 Group and is in charge of monitoring the established risk control systems.

REGULATORY COMPLIANCE DEPARTMENT. Description of its functions:

- This body reports to the Board of Directors.

- The regulatory compliance department regularly identifies and appraises the risks of regulatory incompliance in the different business areas and helps manage this efficiently.

E.3. Specify the main risks, including the financial and non-financial tax risks and, where significant, risks derived from corruption (as described in the Spanish Royal Decree 18/2017) that may jeopardise the business targets:

The Renta 4 Group consists of a group of companies devoted to providing special services for savings and investments and is independent of any other financial or industrial group. For this reason, it is particularly exposed to the progress of the financial industry as it can have a significant impact on its results.

In accordance with the above, the basic risks that may affect the Renta 4 Group are as follows:

1. Credit risk: Credit risk is defined as the possibility of experiencing losses when a debtor violates its contractual duties, including the counterparty risk.

2. Market risk: Market risk is the possibility of experiencing losses on account of adverse fluctuations in the price of the assets that make up the trading portfolio of the Renta 4 Group.

3. Operational risk: Operational risk refers to potential loss arising from inadequate or failed procedures, employee mistakes and internal system errors or due to external events, in particular, natural catastrophes, mistakes made by price and information suppliers or hacking into technological systems that could jeopardise the infrastructure of the Renta 4 Group.

4. Liquidity risk: Liquidity risk refers to, as its name indicates, a shortage of cash, usually resulting from an imbalance in cash inflows and outflows.

5. Regulatory risk: This risk refers to the likelihood of experiencing loss as a result of failing to adjust Renta 4 Group's policies to the regulations governing its operations, of poorly documented operations or of claims and actions against the Group.

6. Reputational risk: Reputational risk arises from Renta 4 Group's actions that could lead to negative publicity regarding its business practices and connections. This could entail the loss of trust in the Group and therefore impact its solvency.

7. Tax risk: Tax risk is the threat of a negative impact on the financial statements and/or the Renta 4 Group's reputation as a result of tax-related decisions made by the entity or the legal or tax authorities.

8. Technological Risks: Risks arising from a loss of Confidentiality, Integrity or Availability associated with systems or data; or from the inability to change Information and Communication Technology in a reasonable time and cost when the environment or business requirements change. This includes security risks resulting from inadequate or failed internal processes, or from external events including cyber attacks or inadequate physical security.

9. ESG or sustainability risk: Environmental, social and governance risks that, because they are considered material, both in the short and long term, may generate economic losses or negatively impact its capital and/or liquidity. Climate change and environmental degradation can manifest in financial risks through basically two transmission channels: physical risks and transition risks. Social risks are related to labour conditions, local communities, employee health and safety and discrimination, among others. Governance risks relate to executive remuneration, respect for the rule of law, bribery and corruption, fiscal strategy, cybersecurity and money laundering, among others.

E.4. State whether the entity has risk tolerance levels, including fiscal risks.

Renta 4 Group's risk management strategy is based on implementing measures that will minimise or dilute the risks defined, setting specific limits for each business line, market and product.

The purpose of this system is to protect the Group's solvency and liquidity ensuring that the exposure to the risk is within the predefined limits and has a balanced profile.

The Renta 4 Group has a Risk Appetite Framework that establishes limits for the main risks attached to its operations.

E.5. Indicate which financial and non-financial risks, including fiscal risks, have emerged during the financial year.

No risks materialised during the fiscal year.

E.6. Explain any response and supervision plans in place for the entity's main risks, including fiscal risks, as well the procedures followed by the company to ensure that the Board of Directors can respond to coming challenges.

The measures to mitigate the impact of the basic risks that may affect the Renta 4 Group are described below:

1.Credit risk: specific procedures and limits are established to avoid situations of overdraft of cash and/or securities in the intermediation and settlement of client transactions. Exceptionally, there may be certain situations where this shortage is allowed when duly authorised. These situations, in any case, are limited according to the client's credit guarantee and are monitored by the Risk Department and the Audit Unit. Renta 4 grants financing to clients through the signing of a credit agreement secured by securities, in such a way that, through the pledging of financial instruments and the continuous monitoring of their evolution, the risk assumed in the transactions granted to clients is hedged. Exposure to the credit risk in balance-sheet exposure is largely focused on cash investments (current accounts, deposits and Spanish short-term sovereign debt) all this in line with the limits on portfolio concentration set forth in the current regulations. The counterparty risk assessment with respect to credit entities is based on the credit ratings of the main agencies that provide this information, selecting those with the greatest solvency, experience and recognition on the markets.

2. Market risk: limits are established so that, at all times, in the event of variations in market prices, losses are limited to the preset maximums. The limits are set depending on the conditions of the different assets and the relevance of the risk attached to each market. The VaR (Value at Risk or maximum potential loss that a portfolio may experience under the current market conditions) is especially relevant and is factored into the risk screening systems. The Risk Department and the Audit Unit are in charge of supervising compliance with the established limits.

3. Operational risk: the Company has imposed minimum training requirements for employees, in addition to primary controls in the different workstations, so that control routines are integrated into each task. The improvements made to computer systems contribute to tightening control and cutting down on manual processes which in turn reduces the likelihood of human error. The Risk Department and the Audits Unit are constantly monitoring and assessing the materialisation of risks derived from possible mistakes, mainly arising from brokerage operations for clients, checking that the control system works as expected. In addition, a governance model has been implemented that covers the main areas of technological risk management, and includes a control framework to monitor them for internal and external management and reporting.

4. Liquidity risk: in order to comply with all legal requirements regarding ratios and payment commitments with third parties, the residual maturities of assets and liabilities are reviewed. The monitoring and control of the liquidity risk is undertaken by the Cash and Banks Department on a daily basis working with the Finances Department and supervised by the Risk Department in the Renta 4 Group. The policy to mitigate this risk focuses on the current policy of investing in short-term, liquid assets that could be available in the event of any stress that might emerge.

5.. Regulatory risk: The Renta 4 Group has a Regulatory Compliance Unit responsible for adapting procedures to regulatory requirements, as well as monitoring and controlling their correct application.

6. Reputational risk: The Renta 4 Group has established a series of regulatory compliance policies, through which it directly monitors the most significant aspects that may cause this risk to materialise: Anti-Money Laundering. • Code of conduct in the securities market (ICC). • Marketing of MIFID [II], MIFIR and PRIIPs products and regulations. • Market abuse in intermediation operations in the capital markets • Customer claims. • Criminal risk management model. - Personal data protection (GDPR)

7. Fiscal risk: this is mitigated by independent expert actions within the framework of the financial audit, fiscal opinions requested within the framework of relevant transactions and, ultimately, by interaction with the Tax Administration.

8. Technological risk: a technological risk management model has been defined based on two fundamental pillars, the governance model and the operational model. The model clearly establishes the responsibilities and competencies in technological risk management, including the main governing bodies, as well as the internal regulations and the main technological risk management processes.

9. ESG/sustainability risk: The Renta 4 Group integrates these risks into its current procedures, adopting a global approach for their identification, evaluation, monitoring and mitigation, specifically in relation to sustainable finance, incorporating ESG criteria in the product catalogue, implementing ESG advice and management preferences for clients, reporting the actions carried out, developing processes and methodology for environmental risk management and adapting favourable capital treatments to ESG-related exposures.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS IN RELATION TO INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

Describe the mechanisms that comprise the risk control and management systems in relation to internal control over financial reporting (ICFR) at your company.

F.1. The company's control environment.

Provide information, stating the main features, on at least the following:

F.1.1 Which bodies and/or units are responsible for (i) the existence and maintenance of a proper ICFR system; (ii) its implementation; and (iii) its supervision.

BOARD OF DIRECTORS.

The Board of Directors of Renta 4 Banco is ultimately in charge of the implementation and maintenance of an appropriate and effective ICFR which, in line with its Regulations, it entrusts to the Audit and Control Committee.

AUDIT AND CONTROL COMMITTEE.

The Regulations of the Board of Directors of Renta 4 Banco, in their Article 31, foresee that the basic duties of the Audit and Control Committee in connection with the internal information and control systems are as follows:

1. Supervise the effectiveness and the management of the internal auditing services in the Company that will ensure the good performance of the internal information and control systems, especially related to the preparation processes in terms of accuracy and filing the regulated financial information on the Company and its group, checking compliance with regulatory requirements, the appropriate limits on the scope of consolidation and the right use of the accounting criteria, and reporting this to the Board of Directors. The person in charge of the internal audit is required to present before the Committee his/her yearly work planning and directly inform the Committee of any incidents that may arise in its course, as well as report to the Committee on its activities at the end of each fiscal year.

2. Supervise the procedure followed to prepare and file the regulatory financial information and the internal risk management and control systems related to the Company's significant risks for them to be identified (operational, technological, financial, legal or reputational), managed and reported appropriately, setting the risk level tolerated by the Company, the measures needed to minimise the impact of the risks identified, and determine the control and information systems to be used to control and manage them, ensure the independence and efficiency of the internal auditing unit, propose the selection, appointment, re-election and removal of the head of the internal audit service, and the budget of such service, receive regular information on its activities and check that the senior management takes into account the conclusions and recommendations in the reports.

3. Check the Company's accounts, ensure compliance with the legal requirements and the right use of the standard accounting principles, and inform about the proposals to change the accounting principles and criteria suggested by the management.

4. Previously review and report to the Board of Directors about: (i) financial information that, being listed, the Company is to disclose on a regular basis, making sure that the interim statements are prepared following the same accounting criteria as the yearly statements and, for such purposes, consider if it is convenient to request a limited review from the Company's external auditor; (ii) the issue or purchase of shares in entities with a special purpose or based in countries or jurisdictions that are considered tax havens, as well as any other transaction or operation of a similar nature that, due to its complexity, could hinder the transparency of the Company's group; (iii) and of linked operations.

5. Receive from employees, confidentially but not anonymously, written communications on possible irregularities with a potential relevance, especially financial or accounting ones, that they may detect in the Company or its group companies.

6. Ensure compliance with the internal codes of conduct and the rules of corporate governance as well as the regulations on markets in the industry.

7. Supervise the development of the functions assigned to the area in charge of preventing money laundering and know the reports and proposals presented in this regard. Members of the Audit and Control Committee are appointed taking into account their knowledge and experience in accountancy, auditors and risk management. All its members will be external Directors and are duly kept abreast of any regulatory changes that may take place in those areas. From among its members, the Board of Directors appoints a Chairman who will be an independent Director and will remain in office for no longer than four years without prejudice to his/her continuity or re-election as a member of the Committee.

INTERNAL AUDIT.

The Group has an Internal Audit area that is subject to the control and supervision of the Audit and Control Committee. Below are some of the functions undertaken by the Internal Audit area:

1. Supervise compliance and the effectiveness of the internal control systems and procedures, as well as supporting the organisation in improving such systems and procedures as well as the control activities.

2. Ensure that all financial and management information is sufficient, accurate and reliable.

3. Examine the established systems to ensure compliance with the internal rules and external regulations in force, assessing their suitability and effectiveness.

So as to meet its goals, this area combines in-person audits with remote audits.

MANAGEMENT COMMITTEE.

The functions of the Management Committee are to manage, control and monitor the Bank and the Group; to monitor, control and evaluate the business units; to establish the commercial strategy and monitor its activity; to implement the targets and the common commercial policy; to evaluate investments, transactions in the securities markets and finance structure; to analyse prices and propose intra-group rates and prices; to evaluate the Group's technological needs and make proposals for improving the system;

to coordinate the Bank with the different areas of the Group; and, lastly, to implement policies for managing subsidiaries and to monitor results.

REGULATORY COMPLIANCE UNIT.

The Renta 4 Group has an independent unit in charge of the regulatory compliance that, through the right policies and procedures, detects and handles the risk of non-compliance with the organisation’s duties, whether internal or external, in this respect. Furthermore, the unit reports and advises the management and employees about, and monitors compliance with, the internal rules across the organisation. The risk of non-compliance with the regulations could have an impact on the financial information.

Furthermore, the Renta 4 Group provides its clients with a Customer Service to learn, study and solve any complaints and claims they may have regarding the operations, agreements and financial services and, generally, their experience with the different entities making up the Renta 4 Group. This Customer Service is an extra control tool to detect any possible errors in the financial information after analysing the claims received.

ADMINISTRATION AND ACCOUNTANCY AREA.

The Administration and Accountancy Area of Renta 4 Banco is the area in charge of preparing and directly controlling the financial information, reporting directly to the senior management and the Board of Directors.

This area is in charge of the following tasks for the financial reporting:

1. Accountancy: in charge of the Bank’s accountancy and ensuring compliance with the procedures set to control the quality and reliability of the information produced by the different areas in the Group.

2. Consolidation: in charge of the consolidation process and following up the information on subsidiaries and affiliates.

F.1.2 If any, especially in connection with the financial reporting process, the following elements:

· Departments and/or mechanisms tasked with: (i) devising and reviewing the organisational structure; (ii) clearly defining the boundaries of responsibility and authority, with proper distribution of tasks and functions; and (iii) ensuring that sufficient procedures are in place to spread awareness of this across the company:

The devising and reviewing of the organisational structure as well as the drawing up of responsibilities and authority is undertaken by the Board of Directors by means of the CEO and the Appointments and Remuneration Committee (body made up of external members of the Board of Directors) with the support of the Management Committee.

The Managing Director and the Appointments and Remuneration Committee determine the assignment of tasks and functions, ensuring a suitable distribution of functions and a series of coordination systems between the different departments to ensure the efficiency of the transactions.

· Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record-keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action:

The Renta 4 Group has an Internal Code of Conduct adopted by the Board of Directors. This applies to all employees, proxies, executives, directors and representatives of the Group and it sets forth the principles and values that should govern the Group’s actions. This Internal Code of Conduct sets a framework for action in the event of breach by the people subject to the Code.

Renta 4 Banco delivers this Internal Code of Conduct to all people affected by it, who in turn acknowledge its receipt and personally accept that they know, understand and accept the ICC as well as all the commitments contained therein.

The Regulatory Compliance unit is the body in charge of ensuring the appropriate distribution of this Code and its compliance. It will report to the Audit and Control Committee any non-compliances or bad practices detected and will propose the relevant disciplinary actions that should be then ratified by the appropriate governing body.

· Whistleblower channel, to inform the audit committee of irregularities of a financial and accounting nature, in addition to possible code of conduct infringements and irregular activities in the organisation, informing, where appropriate, whether it is confidential in nature and whether it allows anonymous communications, respecting the rights of the whistleblower and the reported party.

Any financial or accounting irregularities are reported to the Audit Committee through the Internal Auditor who attends all the Committee meetings and informs the Committee Chairman of such irregularities for them to be studied and remedied.

Furthermore, the Group has a whistleblowing channel where customers, employees and suppliers can inform of any alleged irregular conduct, non-compliance or illegal act committed in the course of the operations run by the companies making up the Renta 4 Group that could entail a criminal offence. This whistleblowing channel is confidential.

The Compliance Unit (made up of the Head of Internal Audit, the Head of Risks and the Head of Regulatory Compliance) is the body that reports to the Audit and Control Committee and receives and analyses all the complaints. It has independent power to investigate and solve each case. The Compliance Unit reports its activity in handling the claims to the Board's Audit and Control Committee.

· Training programmes and regular refresher courses for personnel involved in the preparation and review of financial information and the assessment of ICFR, covering at least accounting standards, auditing, internal control and risk management:

The Group develops training schemes for the entire staff, including employees who are directly involved in the financial reporting.

These schemes include permanent updates on regulatory changes in the operations conducted by the different companies in the Group, including the knowledge of the International Rules on Financial information and the applicable regulations enforced by the Bank of Spain, CNMV and the General Directorate of Insurance.

F.2. Assessment of risks related to financial information.

Report, at least, on:

F.2.1 The main characteristics of the process for identification of risks, including the risk of error or fraud, as follows:

· Whether the process exists and is documented:

The Management of Renta 4 Bank is in charge of keeping an adequate internal control on the financial reporting. This internal control on the financial information is overseen by the Chairman of the Board and of the Audit and Control Committee so as to provide a reasonable level of assurance regarding the reliability of the financial information and the preparation of the disclosed consolidated financial statements of the Group that are reported under the rules in force at the time.

The main risks in the financial reporting process are:

- Errors from misapplying the accounting principles.

- Fraudulent financial information.

- Deficiencies in breaking down the information.

In order to minimise these risks in the financial reporting, the Renta 4 Group has automated practically all the accounting of the operations with clients.

With regard to the processes with a manual element in financial reporting, we have identified the risks and controls or the minimising factors related to them so as to assess, supervise and conclude, for each of these and for the financial information as a whole, that they are reasonably free of material errors.

In addition to this, we run a series of conciliations to guarantee that the accounting information matches the information provided by third parties.

The Audit and Control Committee supervises the process followed to identify the risks pertaining the financial information as part of its duties to supervise and control the financial information.

· Whether the process covers all financial reporting objectives (existence and occurrence, completeness, measurement, presentation, disclosure and comparability, and rights and obligations), whether it is updated and how often:

This process covers all financial information and especially focuses on identifying risks of material error based on the complexity of the transactions, the quantitative and qualitative relevance, the complexity of the calculations and the application of judgements and estimates. This process is updated depending on the change in the level of exposure to the risks inherent in the operations run by the Renta 4 Group.

· The existence of a process to identify the scope of the consolidated group, considering aspects such as the possibility of complex corporate structures or special-purpose vehicles:

EThe scope of consolidation of the Renta 4 Group is determined by the Administration and Accounting Area in line with the criteria foreseen by the relevant regulations.

The scope of consolidation is also supervised by the internal audit unit and by the external auditors.

· Whether the process takes into account other types of risks (operational, technology, financial, legal, tax, reputational, environmental risk etc.), which may affect the financial statements:

The process takes into account the main risks affecting the Renta 4 Group, including operational, technological, financial, legal, reputational and other risks.

· Which of the entity's governing bodies supervises the process:

This internal control on the financial information is overseen by the Chairman of the Board and of the Audit and Control Committee so as to provide a reasonable level of assurance regarding the reliability of the financial information and the preparation of the disclosed consolidated financial statements of the Group that are reported under the rules in force at the time.

F.3. Control activities.

Specify, indicating any salient features, if it has at least:

F.3.1 Procedures to review and authorise the financial reporting and description of the ICFR to be disclosed in the securities markets, indicating the people in charge and the documents describing the work flows and controls (including those related to fraud risk) of the different types of transactions that may have a material impact on the financial statements, including the procedure for the year-end closing and the special reviewing of the relevant judgements, estimates, assessments and forecasts.

There are a series of checks in place for the transactions that could have a material impact on the financial statements.

These checks are fundamentally based on the following aspects:

• Confirmation of transactions: checks to ensure the completeness and accuracy of the transactions recorded.

• Checks based on the conciliation of relevant transactions, positions and parameters.

• Assessment: running checks on the assessment methods, hypothesis and inputs used to estimate the fair value of the financial instruments.

• Taxes: internal checks to ensure that the tax calculations are appropriate and the balances are duly posted in the financial statements with the help of the Group's external tax consultancy firm.

• Adjustments based on estimates: checks to ensure that the techniques used to prepare the estimates are based on previously disclosed and authorised judgements.

• Checks on the consolidation and other processes in the year-end closing: The checks on the consolidation include, among other measures, verifying the accounting entries posted to eliminate inter and intra-group operations and the review of the adjustments made after the year-end closing.

• Filing and breaking down the financial statements: final review of the financial statements by the Group's senior management, especially by the financial area with prior checks run by the Administration and Accounting area and the Audits Unit.

F.3.2 Internal control policies and procedures for IT systems (including access security, control of changes, system operation, continuity and separation of duties) giving support to key Company processes involved in the preparation and publication of financial information.

The Renta 4 Group keeps different levels of access security on the IT systems that support the preparation and disclosure of the financial information to guarantee the right segregation of the functions within the accounting process, and to avoid intrusions in this regard.

The IT systems are exposed to the business continuity risk that arises from possible contingencies due to failed communications, power cuts, faulty hardware or software and other unexpected events or disasters.

The Renta 4 Group has a business continuity plan in accordance with the applicable regulations and it translates into different plans to tackle the aforementioned risks.

F.3.3 Internal control policies and procedures designed to supervise the management of third-party subcontracted activities, in addition to any evaluation, calculation or appraisal tasks entrusted to independent experts that may have a material impact on the financial statements.

The Renta 4 Group does not outsource any relevant activities that would have a material impact on the Group's financial statements.

F.4. Information and reporting.

Specify, indicating any salient features, if it has at least:

F.4.1 A specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and resolving queries or settling disputes over their interpretation, which is in regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the Company's operating units.

The Administration and Accounting Area is responsible for the appropriate application of the accounting rules in financial reporting. Along with preparing the accounting records, their functions are:

- Defining the Group's accounting policies and procedures.

- Analysing any given operations and/or transactions to be posted accordingly.

- Assessing the potential impacts of plans to change regulations.

- Solve any in-house doubts.

The Administration and Accounting Area is in contact with the external auditors for any doubts about the posting of operations and/or transactions.

F.4.2 Mechanisms to capture and prepare the financial information with consistent formats, to be implemented and used by all units in the Company or group, which support the main financial statements and the notes, in addition to any information provided on the ICFR.

The main computer systems used for the financial reporting by the Renta 4 Group are centralised and linked.

There are procedures and checks in place to ensure the adequate development and maintenance of such systems and their correct operation, continuity and security.

When consolidating and preparing the financial information the company uses the financial statements reported by the Group's subsidiaries as input with the predefined formats as well as any other financial information required for the accounting reconciliation and to meet the information requirements.

F.5. Supervision of system operation.

Provide information, stating the main features, on at least:

F.5.1 ICFR supervisory activities conducted by the audit committee and whether the entity has an internal audit department whose competences include supporting the committee in its oversight of the internal control system, including ICFR. Likewise, specify the scope of the ICFR assessment conducted during the year and the procedure followed by the person in charge of the assessment to report the findings, whether the entity has an action plan detailing the corrective measures, and whether their impact on the financial information has been taken into account.

The Audit and Control Committee oversees that the financial reporting runs smoothly by directly supervising the internal audit unit and the work performed by the external auditors.

In parallel, the Audit and Control Committee may ask for help from the employees in the different areas in the Group to gather information on the existence of weaknesses that may have a significant impact on the financial information.

The Group's senior management, based on the information received from the audit areas, both internal and external, and the information on inspection procedures followed by regulatory bodies, will assess the effectiveness of the ICFR.

F.5.2 Whether the company has a discussion procedure whereby the accounts auditor (in accordance with what is set forth in the NTAs), the internal audit staff and other experts are able to inform senior management and the audit committee or company directors of any significant weaknesses in internal control identified during the processes of review of annual financial statements or any others entrusted to them. State also whether the entity has an action plan to correct or mitigate the weaknesses found.

The Internal Audit unit informs the senior management and the Audit and Control Committee of any relevant weaknesses in the internal control identified during the year's reviews.

Furthermore, the Group's accounts auditor is in direct contact with the Group's senior management and holds regular meetings with them to obtain the information needed for his/her work and to report any weaknesses in the control detected in the course of his/her duties. Regarding the weaknesses, the external auditors provide the senior management with yearly and half-yearly reports detailing the weaknesses in the internal control found in the course of his/her duties.

The accounts auditor will also inform the Audit and Control Committee of the findings of his/her review of the Group's financial statements including any aspects that he/she may deem relevant.

The Internal Audit area regularly follows up the action plans resulting from the external auditor's recommendations and informs the Audit and Control Committee of their progress at least once a year depending on the relevance of the situation.

F.6. Other significant information.

No additional issues to be disclosed have been identified.

F.7. External auditor's report.

Report:

F.7.1 If the ICFR information supplied to the market has been reviewed by the external auditor, the corresponding report should be attached. If this is not the case, it should explain why.

The Renta 4 Group deemed that a report from the external auditor on the ICFR would be redundant, mainly because the external auditors conduct, on a half-yearly basis, an audit on the consolidated financial statements or a limited review of the summarised interim consolidated financial statements within the framework of the auditing regulations, and discusses with the Audit and Control Committee any relevant aspects or incidents.

G. EXTENT TO WHICH THE CORPORATE GOVERNANCE RECOMMENDATIONS ARE FOLLOWED

Please indicate the extent to which the company has followed the recommendations of the Code of Good Governance of Listed Companies.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations are not acceptable.

1. That, when the listed company is controlled, within the meaning of Article 42 of the Commercial Code, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it should publicly disclose precisely the following:

Complies ✓ Explain

2. That, when the listed company is controlled, within the meaning of Article 42 of the Commercial Code, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it should publicly disclose precisely the following:

a) The respective areas of activity and any business relationships between, on the one hand, the listed company or its subsidiaries and, on the other hand, the parent company or its subsidiaries.

b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies Partially complies Explain **Non applicable**

3. During the ordinary general meeting, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report, and in particular:

a) Of the changes that have occurred since the last ordinary general meeting.

b) Of the specific reasons why the company is not following certain recommendations of the Code of Corporate Governance and, if any, the alternative rules applied to this matter.

Complies Partially complies Explain

4. The company will define and promote a policy of communication and contact with shareholders and institutional investors within the framework of their participation at the company, as well as with the proxy advisors, respecting the rules on market abuse and treating shareholders who are in the same position equally. And the company should make this policy public via its website, including information on the way it has been put into practice and identifying the interlocutors or persons responsible for carrying this out.

And, without prejudice to legal obligations regarding the dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social networks or other channels) that helps to maximise the dissemination and quality of the information available to the market, investors and other stakeholders.

Complies **Partially complies** Explain

The Board remained committed to updating, analysing and reviewing the Company's internal policies in order to adapt them, if necessary, to the amendments to the good governance recommendations approved by the CNMV in June 2020. This recommendation is complied with, although the Company is currently in the process of analysing and reviewing the policy on reporting and contacting with shareholders and institutional investors, in order to update it as necessary.

5. That the Board of Directors does not submit to the general meeting a proposal of delegation of powers to issue shares or convertible securities excluding the right to preferential purchase, for an amount above 20% of the share capital at the time of delegation.

And that when the Board of Directors approves any issue of shares or convertible securities excluding the right to preferential purchase, the Company should immediately publish on its website the reports on this exclusion as laid down in the companies' laws.

Complies Partially complies Explain

6. The listed companies which produce the reports listed below, either in mandatory or voluntary form, publish them on their website with sufficient notice before the ordinary general meeting is held, although their dissemination is not mandatory:

a) Report on the external auditor's independence.

b) Reports of proceedings of the audit committees and the appointments and remuneration committee.

c) Audit committee report on related-party transactions.

Complies ✓ Partially complies Explain

7. The Company broadcasts live, via its website, the holding of general meetings of shareholders.

And that the company has mechanisms that allow the delegation and exercise of votes by telematic means and even, in the case of highly-capitalised companies and to the extent proportionate, attendance and active participation in the General Shareholders' Meeting.

Complies ✓ Partially complies Explain

8. The audit committee should ensure that the financial statements that the board of directors submits to the general meeting of shareholders are drawn up in accordance with accounting regulations. And in those cases in which the auditor has included a qualification in its audit report, the chairman of the audit committee should clearly explain the audit committee's opinion on its content and scope at the general meeting, making a summary of said opinion available to shareholders at the time of publication of the call of the meeting, together with the rest of the proposals and reports of the board, a summary of said opinion.

Complies ✓ Partially complies Explain

9. The Company should make public on its website, permanently, the requirements and procedures it will accept to prove ownership of shares, the right to attend the general meeting of shareholders and the exercise or delegation of voting rights.

And such requirements and procedures facilitate the shareholders' attendance and the exercise of their rights and are applied in a non-discriminatory manner.

Complies ✓ Partially complies Explain

10. Where any legitimate shareholder has exercised, prior to the holding of the general meeting of shareholders, the right to complete the agenda or to submit new resolution proposals, the Company:

a) Immediately disseminates such additional items and new resolution proposals.

b) Makes public the attendance card model or form of proxy or remote voting with the changes required so that the new items on the agenda and alternative resolution proposals can be voted on, in the terms proposed by the board of directors.

c) Submits all these items or alternative proposals to vote and the same voting rules are applied to them as those made by the board of directors, including, in particular, presumptions or inferences about the direction of the vote.

d) Announces, after the general meeting of shareholders, the breakdown of the vote on such additional points or alternative proposals.

Complies ✓ Partially complies Explain Non applicable

11. In the event that the Company plans to pay premiums to attend the general meeting of shareholders, it will previously establish a general policy on such premiums and this policy is stable.

Complies Partially complies Explain **Non applicable**

12. The Board of Directors will perform its duties with unity of purpose and independent judgment, and it will treat all shareholders who are in the same position equally and guide itself by the Company's interests which are understood as achieving a profitable and sustainable long-term business, to promote the Company's continuity and maximise its economic value.

In pursuing the Company's interests, in addition to complying with laws and regulations and acting in good faith, ethically and respecting the commonly accepted uses and good practices, the Board of Directors will endeavour to reconcile the Company's interests with, where applicable, the legitimate interests of its employees, its suppliers, its customers and those of other stakeholders that may be affected, as well as the impact of the Company's activities on the community as a whole and in the environment.

Complies Partially complies Explain

13. The board of directors has enough members in order to implement efficient and participative proceedings, which makes it advisable that the board should have between five and fifteen members.

Complies Explain

14. That the board of directors approves a policy aimed at encouraging an appropriate composition of the board of directors and that:

a) Is specific and verifiable.

b) ensure that proposals for appointment or reappointment are based on a prior analysis of the competencies required by the board; and

c) promotes the diversity of knowledge, experience, age and gender. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.

The result of the previous analysis of the competencies required by the board of directors is registered in the committee's report justifying the appointments to be published when the general meeting of shareholders is called, in which the ratification, appointment or re-election of each director is submitted.

The appointments committee will annually verify compliance with this policy and inform thereof in the annual corporate governance report.

Complies Partially complies Explain

15. The proprietary directors and independent directors constitute a significant majority of the Board of Directors and the number of executive directors is kept to the minimum necessary, having regard to the complexity of the corporate group and the percentage shareholding of the executive directors in the Company's share capital.

And that the number of female directors should account for at least 40% of the members of the board of directors by the end of 2022 and thereafter, and not be less than 30% prior to that date.

Complies Partially complies Explain

16. The percentage of proprietary directors over the total of non-executive directors is not higher than the proportion between the capital represented by such directors and the remainder of the Company's share capital.

This criterion may be reduced:

a) In large-cap companies where the shareholdings legally considered significant are low.

b) In companies where there is a diversity of shareholders represented on the board of directors and there are no links between them.

Complies ✓ Explain

17. The number of independent directors represents at least half of all directors.

However, where the Company is not highly capitalised or where, being highly capitalised, it has a shareholder or several shareholders acting together, who control more than 30% of the share capital, the number of independent Directors should represent at least one third of the total members.

Complies ✓ Explain

18. Companies should post the following director particulars on their websites, and keep them permanently updated:

a) Professional and biographical profile.

b) Other boards of directors on which they sit, whether or not these belong to listed companies, as well as other remunerated activities in which they may be involved.

c) The category to which the director belongs, where applicable, stating, in the case of proprietary directors, the shareholder they represent or to whom they have links.

d) Date when they were first appointed as a director of the company, as well as the dates of any subsequent reappointments.

e) Their holdings of company shares and their stock options.

Complies ✓ Partially complies Explain

19. The Annual Corporate Governance Report, with prior verification by the Appointments Committee, explains the reasons for the appointment of proprietary directors at the request of shareholders whose shareholding is less than 3% of the share capital; and reasons are given why formal requests for a seat on the board from shareholders with a stake equal to or greater than that of others, at whose request proprietary directors were appointed, have not been respected.

Complies ✓ Partially complies Explain Non applicable

20. Proprietary directors tender their resignation when the shareholders they represent sell their entire shareholding. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

Complies Partially complies Explain **Non applicable** ✓

21. The Board of Directors shall not propose the removal of any independent Director before the statutory period for which they were appointed, except where just cause is found by the Board of Directors following a report from the Appointments Committee. It shall be understood that there is just cause when the director takes up a new post or takes on new duties that prevent him/her from devoting the necessary time to the performance of the duties associated with the directorship, when the director fails to carry out the duties inherent to his/her post or when the director is involved in circumstances which cause him/her to lose his/her independent status in accordance with the provisions of the legislation applicable.

The removal of independent directors from office may also be proposed as a result of public buy-outs, mergers or other similar enterprise-level transactions implying a change in the structure of the Company's capital, where such changes in the Board are due to the proportionality criterion in Recommendation 16.

Complies ✓ Explain

22. Companies should establish rules obliging directors to report and, where appropriate, to resign when situations arise that affect them, whether or not related to their performance in the company itself, that could damage the credit and reputation of the company and, in particular, obliging them to inform the board of any criminal proceedings in which they are under investigation, as well as the progress of any such proceedings.

And, having been informed or having otherwise become aware of any of the situations mentioned in the preceding paragraph, the board should examine the case as soon as possible and, in view of the particular circumstances, decide, following a report from the appointments and remuneration committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing his or her removal. And to report thereon in the annual corporate governance report, unless there are particular circumstances that justify it, which shall be recorded in the minutes. This is without prejudice to the information that the company may be required to disseminate, if appropriate, when the corresponding measures are adopted.

Complies ✓ Partially complies Explain

23. All directors clearly express their opposition when they consider that a proposal submitted to the Board for Directors for decision could be contrary to the Company's interests. Moreover, independent directors and other directors in particular, who are not affected by potential conflict of interest, should do the same in the case of decisions that could be detrimental to shareholders not directly represented on the Board of Directors.

And when the Board of Directors adopts significant or repeated decisions on matters with regard to which the director has expressed serious reservations and subsequently opts to resign, the ensuing conclusions drawn and reasons for the resignation must be explained in the letter referred to in the following recommendation.

This recommendation also extends to the secretary to the board of directors, even if the secretary is not a director.

Complies ✓ Partially complies Explain Non applicable

24. When, either by resignation or by resolution of the general meeting, a director resigns before the end of their term of office, they should sufficiently explain the reasons for their resignation or, in the case of non-executive directors, their opinion on the reasons for the removal by the board, in a letter to be sent to all members of the board of directors.

Notwithstanding the fact that all of the above is disclosed in the annual corporate governance report, to the extent that it is relevant for investors, the company should publish the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Complies ✓ Partially complies Explain Non applicable

25. In addition, the Appointments Committee will ensure that non-executive directors have sufficient time to properly perform their duties.

And that the Board regulations sets the maximum number of boards of which the directors may form part.

Complies **Partially complies** ✓ Explain

The Company's Board Regulations do not specify a maximum number of boards on which the Company's directors may sit but such limit is set forth in the regulations applied to the Company as a credit entity. For this reason, the principle given by the recommendation is met. In other words, the directors should devote sufficient time to efficiently perform their duties and to know the Company's business and the governance rules that govern it and they meet its purpose despite not fully observing the recommendation and all the directors are aware of the limits set in the regulations in this regard.

26. The Board of Directors holds meetings as frequently as required in order to carry out its role effectively, at least eight times a year, following the programme and agenda established at the start of the year, with each director able to propose for inclusion alternative items not originally on the agenda.

Complies ✓ Partially complies Explain

27. Directors' absences should be limited to the bare minimum and quantified in the Annual Corporate Governance Report. And, when they must occur, instructions are given to proxies.

Complies ✓ Partially complies Explain

28. When the directors or the secretary express concerns about a particular proposal or, in the case of the directors, about the Company's progress and such concerns are not resolved within the Board of Directors, this is recorded in the minutes at the request of whoever expressed such concerns.

Complies ✓ Partially complies Explain Non applicable

29. The Company will establish suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the Company's expense.

Complies ✓ Partially complies Explain

30. In addition, regardless of the knowledge required of the Directors to perform their duties, the Company will also offer Directors refresher programmes when circumstances so warrant.

Complies ✓ Partially complies Explain

31. The agenda of the sessions clearly indicates the points on which the Board of Directors will adopt a decision or agreement so that directors can study or seek, in advance, the information required for its adoption.

When exceptionally, for reasons of urgency, the Chairman wishes to submit for the approval of the Board of Directors any decisions or agreements not included in the agenda, this will require the express prior consent of the majority of the directors present, which will be duly recorded in the minutes.

Complies ✓ Partially complies Explain

32. Directors should be regularly informed of the movements in shareholdings and of the opinions that significant shareholders, investors and rating agencies have of the Company and its group.

Complies ✓ Partially complies Explain

33. The chairman, as the person responsible for the proper functioning of the board of directors, in addition to exercising the functions assigned to him by law and the bylaws, should prepare and submit to the board a schedule of dates and items to be discussed; organise and coordinate regular assessment of the board and, where applicable, assessment of the company's chief executive; take responsibility for management of the board and of the effectiveness of its functioning; ensure that sufficient time is allocated to discuss strategic issues, and agree and review programmes to update knowledge for each director, when circumstances so advise.

Complies ✓ Partially complies Explain

34. When there is an independent lead director, the Bylaws or regulations of the Board of Directors, in addition to the powers legally entitled, attribute him/her the following: chairing the Board of Directors in the absence of the Chairman and Vice-Chairmen, if any; echoing the concerns of non-executive directors; maintaining contacts with investors and shareholders to ascertain their views in order to form an opinion about their concerns, particularly in relation to the corporate governance of the Company; and coordinate the Chair´s plan of succession.

Complies ✓ Partially complies Explain Non applicable

35. The Secretary to the Board of Directors shall also ensure that the Board of Directors is aware of recommendations on good governance that apply to the Company and that are part of the Code of Good Governance for listed companies.

Complies ✓ Explain

36. The complete Board of Directors should evaluate, once a year, and adopt, where applicable, an action plan to correct deficiencies identified with respect to:

a) The quality and efficiency of operation of the board of directors.

b) The operations and the composition of its committees.

c) The diversity of Board membership and competences.

d) The performance of the Chairman of the Board of Directors and the Chief Executive Officer of the Company.

e) The performance and contribution of each Director, paying particular attention to those who are in charge of the various board committees.

The evaluation of the various committees will be based on the reports they submit to the Board of Directors, and for the latter, evaluation will be based on the one submitted by the Appointments Committee.

Every three years, the Board of Directors will be assisted to carry out the evaluation by an external consultant, whose independence will be verified by the Appointments Committee.

Business relationships that the consultant or any Company in its group have with the Company or any Company of its group should be detailed in the annual corporate governance report.

The process and the evaluated areas will be further described in the annual corporate governance report.

Complies ✓ Partially complies Explain

37. When there is an executive committee, at least two non-executive directors should sit on it, at least one of whom should be independent; and its secretary should be the secretary of the board of directors.

Complies Partially complies Explain **Non applicable** ✓

38. The Board of Directors is always aware of matters dealt with and decisions adopted by the Executive Committee and all the members of the board receive a copy of the minutes of the meetings of the Executive Committee.

Complies Partially complies Explain **Non applicable** ✓

39. The members of the audit committee as a whole, and especially its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management, both financial and non-financial.

Complies ✓ Partially complies Explain

40. Under the supervision of the audit committee, there should be a unit that assumes the internal audit function to ensure the proper functioning of the information and internal control systems, which are functionally dependent on the non-executive Chairman of the Board or the Audit Committee.

Complies ✓ Partially complies Explain

41. The head of the unit that assumes the internal audit function should present its annual work plan to the audit committee for approval by the latter or by the board, report to it directly on its execution, including any incidents and limitations on scope that may arise in its development, the results and follow-up of its recommendations, and submit an activities report at the end of each fiscal year.

Complies ✓ Partially complies Explain Non applicable

42. In addition to those as legally established, the Audit Committee is responsible for the following:

1. With regard to information systems and internal control:

a) Supervise and evaluate the preparation process and the integrity of financial and non-financial information, as well as the control and management systems for financial and non-financial risks relating to the company and, where appropriate, the group - including operational, technological, legal, social, environmental, political, reputational and corruption-related risks - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensure the independence and effectiveness of the internal audit processes, proposing the election, appointment, re-election and removal of the head of the internal audit division in addition to proposing the budget for this service, approving or propose the approval of both orientation and operating plans of the internal audit, ensuring that their activity is focused mainly on the risks that are relevant to the Company (including those related to reputation), receiving regular information on their activities and verifying that senior management is taking into account the conclusions and recommendations of the Committee's reports.

c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial and accounting irregularities, or any other type of irregularity they may notice within the company or its group. This mechanism should guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the complainant and the accused.

d) To generally ensure that established internal control policies and systems are effectively implemented in practice.

2. With regard to the external auditor:

a) Examine the circumstances behind the resignation of the external auditor, should this occur.

b) Ensure that the remuneration for the external auditor for his or her work does not compromise his or her integrity or independence.

c) Ensure that the Company notifies the change of auditor to the CNMV and that this notification is accompanied by a statement citing any disagreements the Company may have had with the outgoing auditor and, if there were such disagreements, to discuss them.

d) Ensure that the external auditor annually holds a meeting with the full Board of Directors to report on the work done and the evolution of the Company´s accounting and risk situation.

e) Ensure that the Company and the external auditor adhere to current regulations regarding the provision of non-audit services as well as the limits on the auditor's business concentration and, in general, the other rules on auditor independence.

Complies ✓ Partially complies Explain

43. The Audit Committee may summon any employee or executive of the Company; this includes appearances without the presence of any other executive.

Complies ✓ Partially complies Explain

44. The Audit Committee should be informed of the operations of structural and corporate changes that the Company plans to carry out, for analysis and preliminary report to the Board of Directors on their economic conditions and their accounting impact, and especially, if any, on the proposed swap equation.

Complies ✓ Partially complies Explain Non applicable

45. The control and risk management policy should specify or determine at least:

a) The different types of financial and non-financial risks (including operational, technological, legal, business, environmental, political and reputational, as well as those related to corruption) that the Company faces, including financial and economic risks, contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, of which a specialised risk committee shall form part when the sector regulations so provide or when the company deems it appropriate.

c) The level of risk that the company considers acceptable.

d) The measures planned to mitigate the impact of identified risks, should they materialise.

e) The information and internal control systems to be used to control and manage the abovementioned risks, including contingent liabilities or off-balance sheet risks.

Complies ✓ Partially complies Explain

46. Under the direct supervision of the Audit Committee or, if any, of a specialised committee of the Board of Directors, there is an internal function of risk control and management exercised by a unit or internal department of the Company that has expressly attributed the following functions:

a) Ensure the proper functioning of the control and risk management systems and, in particular, that all the important risks affecting the Company are adequately identified, managed and quantified.

b) Actively participate in the development of a risk strategy and take part in the important decisions concerning risk management.

c) Ensure that the control and risk management systems in place adequately mitigate the risks within the framework of the policy defined by the Board of Directors.

Complies ✓ Partially complies Explain

47. Members of the Appointments and Remuneration Committee – or both Committees if they were separate – are designated by ensuring that they have the knowledge, skills and experience appropriate to the duties that they are to perform and that most of these members are independent directors.

Complies ✓ Partially complies Explain

48. Highly-capitalized companies have an Appointments Committee and a separate Remuneration Committee.

Complies Partially complies **Explain** ✓

49. The Appointments Committee should consult with the company's Chairman of the Board of Directors and chief executive, especially on matters relating to executive directors.

Any Director may request that the Appointments Committee take into consideration potential candidates to fill director vacancies if he/she feels that they are suitable.

Complies ✓ Partially complies Explain

50. The duties of the remuneration committee must be exercised with independence and include, in addition to those indicated by law, the following:

a) Propose to the Board of Directors the standard conditions for senior officers' employment contracts.

b) Check compliance with the remuneration policy set by the company.

c) Periodically review the remuneration policy applied to directors and senior officers, as well as the remuneration systems that include shares and how they are implemented, in addition to guaranteeing that their individual remuneration is proportional to that which is paid to other directors and senior officers of the Company.

d) Ensure that any conflicts of interest do not interfere with the independence of the external advice given to the committee.

e) Verify the information on directors' and senior officers' remuneration found in various corporate documents, including the annual report on directors' remuneration.

Complies ✓ Partially complies Explain

51. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies ✓ Partially complies Explain

52. The rules regarding the composition and proceedings of the supervisory and control committees should be listed in the Board Regulations and be consistent with those applicable to the legally mandatory committees under the foregoing recommendations, including the following:

a) They should be composed exclusively of non-executive directors, with a majority of independent directors.

b) The chairmen should be independent directors.

c) The board of directors should appoint the members of these committees, taking into account the knowledge, skills and experience of the directors and the responsibilities of each committee; deliberate on its proposals and reports; and, at the first plenary session of the board after their meetings, receive an account of their activity and a report on the work carried out.

d) The committees should seek external advice when they deem it necessary to perform their duties.

e) Minutes of meetings should be taken, and copies sent to all directors.

Complies ✓ Partially complies Explain Non applicable

53. The supervision of compliance with the company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct, should be assigned to one or more committees of the board of directors, which may be the audit committee, the appointments committee, a committee specialising in sustainability or corporate social responsibility or any other specialised committee that the board of directors, in exercise of its powers of self-organisation, has decided to create. This committee should only be made up of non-executive directors, the majority of whom should be independent, and should be specifically assigned the minimum functions indicated in the following recommendation.

Complies ✓ Partially complies Explain

54. The minimum functions referred to in the above recommendation are as follows:

a) Supervision of compliance with corporate governance rules and the company's internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.

b) The supervision of the application of the general policy relating to the communication of economic-financial, non-financial and corporate information as well as communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the entity communicates and relates to small and medium-sized shareholders will also be monitored.

c) Regular assessment and review of the adequacy of the Company's corporate governance system and environmental and social policy, so that it may fulfil its mission of promoting its social activities and keep the legitimate interests of other stakeholders in mind.

d) Monitoring that the company's environmental and social practices are in line with the strategy and policy established.

e) Supervising and evaluating relations with different stakeholders.

Complies ✓ Partially complies Explain

55. That sustainability policies in environmental and social matters identify and include at least:

a) The principles, commitments, objectives and strategy with regard to shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conduct.

b) The methods or systems for monitoring compliance with policies, associated risks and their management.

c) Non-financial risk supervision mechanisms, including those related to ethical and business conduct issues.

d) The channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that prevent manipulation of information and protect integrity and honour.

Complies ✓ Partially complies Explain

56. Directors' remuneration is what is necessary to attract and retain directors with a desirable profile, to compensate them for the dedication, qualifications and responsibility that the position entails, and to ensure that the amount does not interfere with the independence of non-executive directors' decisions.

Complies ✓ Explain

57. Executive directors are restricted to variable remuneration linked to the performance of the Company and to their personal performance, as is the remuneration in the form of shares, stock options or rights to shares or instruments that are referenced to the value of the stock and long-term savings systems such as pension plans, retirement schemes or other social security systems.

Delivery of shares as remuneration can be contemplated for non-executive directors on condition that they hold them until they cease to be directors. The foregoing will not apply to shares that the director needs to dispose of, if appropriate, to meet the costs related to acquisition.

Complies ✓ Partially complies Explain

58. In the case of variable remuneration, remuneration policies should include precise limits and technical safeguards to ensure they reflect the professional performance of the recipients and not only the general progress of the markets or the company's activity sector or circumstances of this kind.

And in particular, the variable components of remunerations:

a) Should be linked to performance criteria that are predetermined and measurable, and these criteria should consider the risk taken to obtain a result.

b) Should promote the sustainability of the Company and include non-financial criteria that are suitable for creating long-term value, such as compliance with internal rules and procedures of the Company and its policies for control and risk management.

c) Should be configured on the basis of a balance between compliance with short-term, medium-term and long-term objectives, to remunerate output for continuous performance over a period of time that is sufficient to appreciate the contribution to the sustainable creation of value, in such a way that the items measuring this performance do not focus only on sporadic, occasional or extraordinary facts.

Complies ✓ Partially complies Explain Non applicable

59. The payment of variable components of remuneration should be subject to sufficient verification that the performance or other conditions set out above have been effectively met. The entities shall include in the annual directors' remuneration report the criteria regarding the time required and methods for such verification depending on the nature and characteristics of each variable component.

In addition, institutions should consider the establishment of a malus clause based on the deferral for a sufficient period of time of the payment of a portion of the variable components that entails their total or partial loss in the event that some event occurs prior to the time of payment that makes it advisable to do so.

Complies ✓ Partially complies Explain Non applicable

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor’s report.

Complies ✓ Partially complies Explain Non applicable

61. A significant percentage of the variable remuneration of executive directors should be linked to the delivery of shares or financial instruments referenced to their value.

Complies ✓ Partially complies Explain Non applicable

62. That once the shares, options or financial instruments corresponding to the remuneration systems have been attributed, executive directors may not transfer ownership or exercise them until at least three years have elapsed.

An exception is made in the case where the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice their annual fixed remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable opinion of the Appointments and Remuneration Committee, in order to deal with extraordinary situations that so require.

Complies ✓ Partially complies Explain Non applicable

63. Contractual agreements include a clause that allows the Company to claim reimbursement of variable components of remuneration when payment has not been adjusted to the return conditions or when they have been paid based on data that are subsequently credited with inaccuracy.

Complies Partially complies **Explain** ✓ Non applicable

No mechanisms are foreseen in this respect other than those included in the applicable mercantile regulations, although the content of this recommendation is included in the directors' remuneration policy.

64. Payments for contract resolution or termination do not exceed the established amount equivalent to two years of total annual remuneration and they are not paid until the Company has been able to verify that the director has met the criteria or requirements previously established to qualify for it.

For the purposes of this recommendation, termination or contractual termination payments shall include any payments whose accrual or payment obligation arises as a result of or in connection with the termination of the contractual relationship between the director and the company, including amounts not previously vested in long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Complies **Partially complies** ✓ Explain Non applicable

Severance payments for contract termination will be an amount equal to the accrued and vested part of the annual variable remuneration, as appropriate, and regarding the deferred part, the total amount of the deferred payment, and in the event of a resignation, the accrued and vested part of the annual variable remuneration, as appropriate, in accordance with the regulations, until the date of contract termination.

H. OTHER INFORMATION OF INTEREST

1. If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this report and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or group, explain briefly.

2. Any other information, clarification or observation related to the above sections of this report may be included in this section insofar as they are relevant and not repetitive.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different to that required by this report.

3. Also state whether the company voluntarily subscribes to other international, sectorial or other ethical principles or standard practices. If applicable identify the code and date of adoption. In particular, it will be specified whether the Company has adhered to the Code of Good Tax Practice of 20 June 2010:

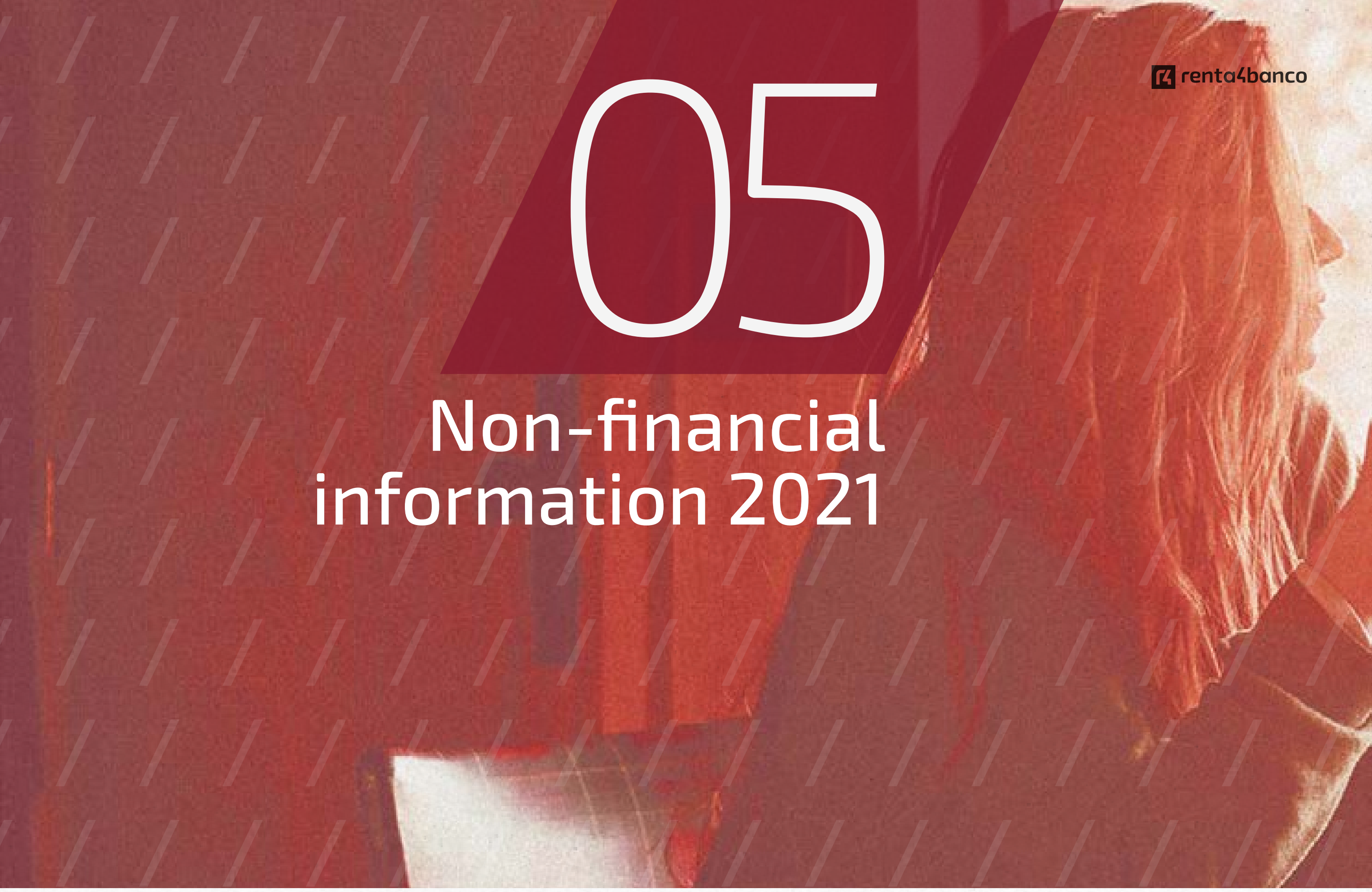
C.1.12. The Company's Board Regulations do not specify a maximum number of boards on which the Company's directors may sit but such limit is set forth in the regulations applied to the Company as a credit entity. For this reason, the principle given by the recommendation is met. In other words, the directors should devote sufficient time to efficiently perform their duties and to know the Company's business and the governance rules that govern it and they meet its purpose despite not fully observing the recommendation and all the directors are aware of the limits set in the regulations in this regard.

This annual corporate governance report was approved by the Company's Board of Directors at its meeting held:

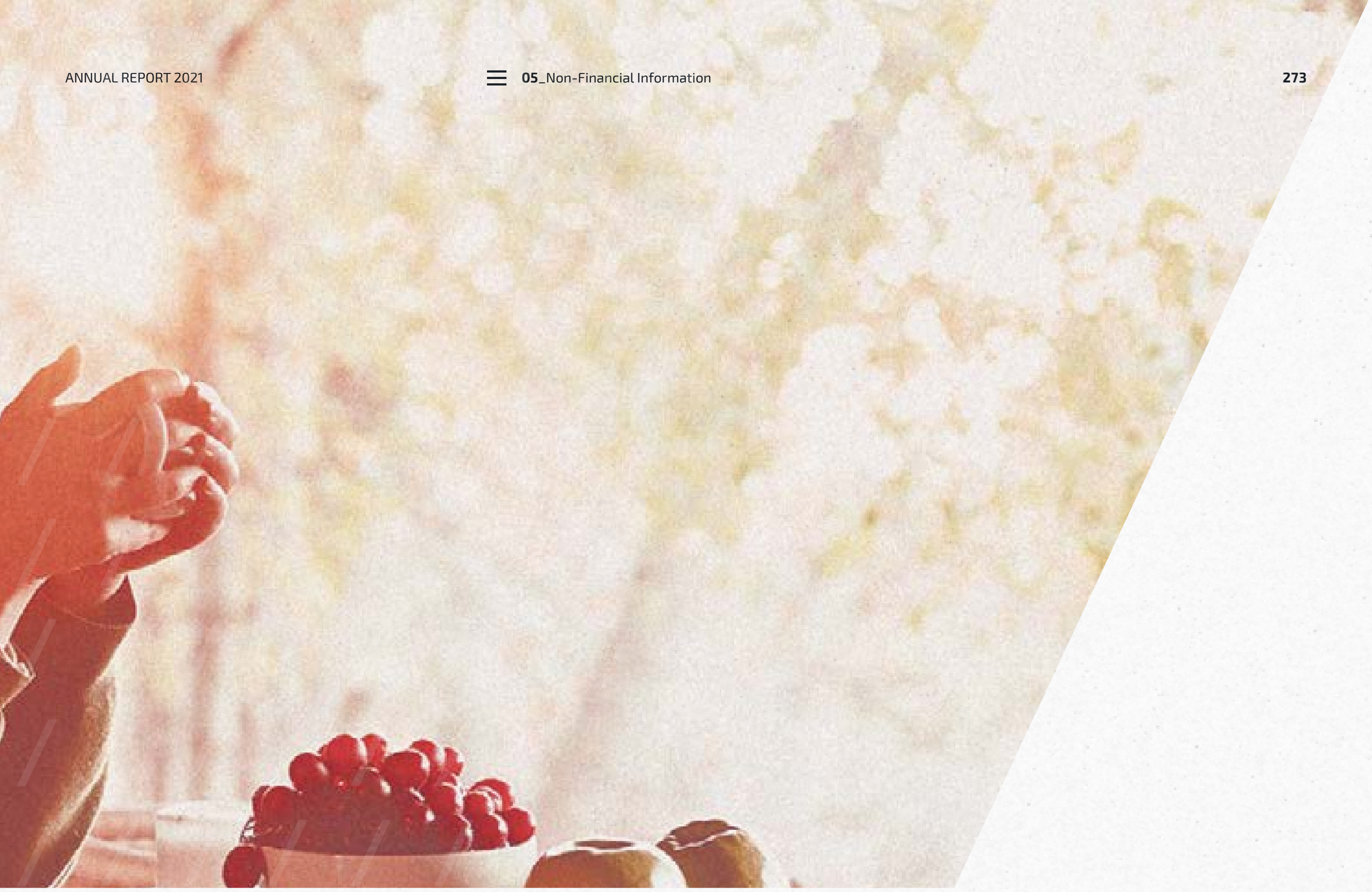
22/02/2022

List whether any directors voted against or abstained from voting on the approval of this Report.

Yes **No** ✓



05 Non-financial information 2021



05.1

Guidelines for the elaboration of the non-financial information statement

In accordance with Law 11/2018 of 28 December, on non-financial information and diversity, the Board of Directors of Renta 4 Banco, S.A. (the Parent Company) and its group subsidiary companies, hereinafter Renta 4, issues this Non-Financial Information Statement (NFIS) for the 2021 financial year as an annex to the Consolidated Management Report submitted with the consolidated financial statements.

This report is public and can be consulted on the corporate website *https://www.renta4banco.com/es*

Renta 4 has analysed the requirements of Law 11/2018, taking into account the opinion of its main stakeholders. For this purpose, the Group has identified the following stakeholders: clients, professionals, shareholders, the environment, and suppliers.

The Renta 4 Group's business model, based on proximity and relationship with society, allows for continuous access to these stakeholders by all operating lines, control areas (risks, regulatory compliance, and internal audit), and, especially, senior management and members of the Board of Directors, who are fully aware of the most relevant aspects in the economic, social, and environmental fields.

This continuous interrelationship leads to knowing each stakeholder's needs to establish lines of action and respond to them in a timely manner.

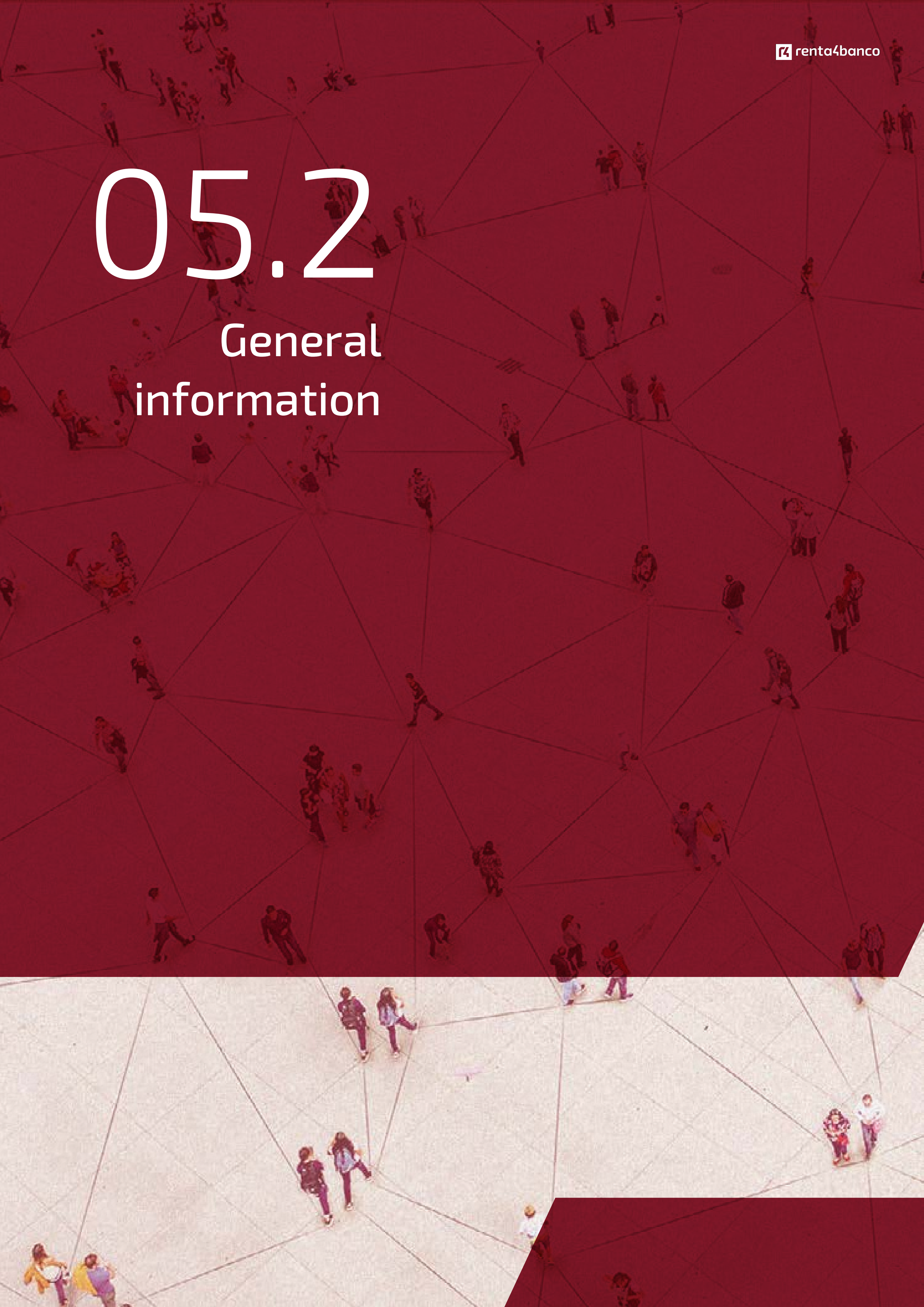
The Board of Directors of Renta 4 Banco, S.A. is ultimately responsible for all aspects arising from the management and control of the risks inherent to the activity carried out by the Renta 4 Group. Thus, at the request of the Board of Directors, a Risk Appetite Framework, different risk management policies, and risk control structures have been set up to ensure their correct application.

The Risk Appetite Framework is a statement of the aggregate level of risk types that the Renta 4 Group is willing to accept or avoid to achieve its business purposes. The Risk Appetite Framework is also a tool that monitors all risks by means of metrics, establishing different policies for adequate management.

Therefore, the Risk Appetite Framework includes a commitment to economic and social sustainability, especially emphasising on compliance with policies for the prevention of Anti-Money Laundering and Countering Financing of Terrorism, ESG, regulatory compliance, the code of conduct in stock markets (Internal Code of Conduct) and handling clients' complaints.

As shown in Annex I, “Index of contents required by Law 11/2018 dated December 28,” the NFIS was elaborated in accordance with the Global Reporting Initiative (GRI) selected standards for those requirements considered essential to the business.

The scope of the information reported includes Renta 4 Banco, S.A. (the Parent Company) and its Group subsidiary companies for the 2021 financial year, both in Spain and abroad.



05.2

General information

Renta 4 is composed of a number of companies dedicated to the provision of investment and asset management services, and Renta 4 Banco S.A. is the parent company. The most representative companies in terms of income and services offered within the Group are the following ones:

- **Renta 4 Banco S.A.**
- **Renta 4 Gestora SGIIC S.A.**
- **Renta 4 Pensiones SGFP S.A.**
- **Renta 4 S.V. S.A.**
- **Renta 4 Corporate S.A.**
- **Renta 4 Investment Solutions, S.A.**

Renta 4 desarrolla su actividad principalmente en el territorio nacional, si bien, mantiene una parte no significativa de su actividad en Chile, Colombia, Perú y Luxemburgo, siendo la tipología de su clientela y los productos ofertados similares en todos los territorios.

Las principales líneas de negocio del Grupo son:

- Financial intermediation
- Portfolio management
- Management and marketing of investment funds and other collective investment institutions
- Management of pension funds
- Advisory and Corporate Finance
- Development of solutions based on algorithmic models

Group Structure

The activity of Renta 4 Banco, S.A. focuses mainly on the provision of investment and asset management services. The entity has a network of 66 offices located in the main Spanish provincial capitals and one office in each of the countries mentioned above with an average workforce of 593 employees.

The distribution network is complemented by sales agents and partners.

In addition, the Group has a website, www.r4.com and an APP, which offers clients the possibility of operating in national and international markets.

In addition, it offers several support services for clients, such as permanent access to market news, access to databases of analysts on companies from all the major stock exchanges, alert services, access to technical comments, and graphic tools.

The Group has also established offices in Peru and Chile, although clients in these two regions have the possibility of acquiring Renta 4 products through the website. Complementarily, a representative office and an entity dedicated to the trust business are established in Colombia. The international business of Renta 4 is completed by the management company of CIIs in Luxembourg.

History of the entity

Renta 4 started in 1986 as an investment services company. In the beginning, it was dedicated to the purchase/sale of Public Debts. In 1989, it became a Securities and Exchange Company registered before the Spanish National Securities Market Commission (CNMV) under number 1, extending the range of investments beyond public debt and financial intermediation. In 1987, Renta 4 Gestora SGIIC, S.A. was incorporated, but it was not until 1991 that it began to manage collective investment schemes, establishing the first investment fund. Renta 4 Pensiones S.G.F.P. was established in 1997.

In the nineties, new offices were opened throughout the country until the current distribution network was formed. Between 1990 and 1995, 11 new offices were opened, starting with only three in 1990.

In 1999, the strategy of territorial expansion and the multi-channel philosophy led to the development of the online platform www.renta4.com, which allowed the outsourcing of products and services through the network.

In 1999, a holding company was set up under the name of Renta 4 Servicios Financieros, S.L., which aligned the businesses of CII management and pension funds. In 2000, the intermediation business was integrated into the holding company.

From 2002 to 2004, Renta 4 began a process to rationalise the network through the acquisition and subsequent merger of several companies in which agents of the Renta 4 Group participated, giving rise to a fully integrated commercial structure.

In 2004, as part of the company's growth policy, Renta 4 Corporate was established while Gesdinco and Padinco were acquired in 2006.

On September 29, 2007, it became the first investment services company to float on the stock exchange.

In 2012, Renta 4 began to function as a bank by acquiring bank records from Banco Alicantino de Comercio, S.A. and establishing the company Renta 4 Banco, S.A. As a result, Renta 4 Sociedad de Valores, S.A. was partially spun off in favour of Renta 4 Banco, S.A.

On June 25, 2015, the Spanish National Securities Market Commission appointed Renta 4 Gestora, SGIIC, S.A. as the provisional management company for the CIIs that had hitherto been managed by Banco Madrid Gestión de Activos, SGIIC, S.A.

In addition, a CII management company was established in Luxembourg in 2015.

At the beginning of 2020 Renta 4 Gestora adhered to the United Nations Sustainable Investment Programme, the so-called PRI (Principles for Responsible Investment), whereby it undertakes to incorporate environmental, social and governance factors (ESG) in investment decision-making.

Purpose, mission, and vision of the company

The purpose of Renta 4 Banco is to democratise investment so that every person, family, company, or institution can benefit equally from a high-quality service to operate in financial markets and manage savings and investments. In other words, to offer an exclusive service with an inclusive approach to help clients protect and make the most of their savings and investments while managing risk.

Everything that is happening and what we believe is going to happen in the sector is aligned with our mission as a Bank and as an investment company, which is to encourage investment to improve people's lives. We are moving towards a world of investors in which investment can and must play an essential role in moving towards a more sustainable and efficient world, and contribute to the progress of society. The Entity wants to play an important role in this new financial system that will finance innovation and the positive transformation of the economy. And it will do so as it has always done, by allocating resources well and managing risks well, helping clients invest well and helping companies find the best financial solutions for their growth.

This vision is translated into a slogan that is communicated and disseminated internally (employees) and externally (society): "PROMOTING INVESTMENT FOR THE PROGRESS OF PEOPLE AND SOCIETY".

To successfully accomplish its corporate purpose, Renta 4 has established a consistent business model that coordinates strategies, structures, developments, and activities. This model can be summarised in the following two core values:

1 (1) A specialised bank (in savings, investment, equity, and corporate services): because it is necessary to fully focus on an activity to offer good quality and excellent services in a scalable way. To be the best in an activity and, based on this, to be "A SPECIALISED INVESTMENT BANK"

2 (1) A bank devoted to its clients: To establish a long-term relationship of trust based on an expert, efficient and personalised service for every investor. A premise that is expressed as **"A BANK WHERE EVERY INVESTOR IS A GREAT CLIENT".**

Unique value proposition: This approach offers the opportunity for the Renta 4 brand to be distinguishable among bank entities and private banking.

Renta 4 is a "marketplace" for investments, but with a full banking license, that is its differential value. It differs from the large universal banks in that it specialises in wealth management and capital markets. Versus smaller, boutique investment houses, it differs in that it offers the client a more complete range of solutions to their financial needs. This makes it possible to target a very broad segment of savers, from high net worth individuals to more modest investors or millennials. In short, it is a Bank with all the advantages of being a Bank, but it operates as a specialised investment firm. That's why we are a marketplace that aggregates investment solutions for a wide range of clients. There is no other bank specialised in investment listed on the Spanish stock exchange.

The business model must reinforce this differentiation as a key to its consistency and competitiveness. A model that, when it comes to people's savings and investments, bases its success and condition of permanence on building TRUST.

Renta 4 has a maxim that conveys this very idea: "At Renta 4, we are not investment managers, but investor managers". An investor needs to trust that there will always be someone to help when problems arise, to trust that the investment is the most appropriate, to trust that the advisor is knowledgeable, to trust the reputation of Renta 4, to trust that the amounts charged are right for the client and not for the Entity (we are not product placement agents), and this TRUST is transmitted through:

1 **Caring:** The best way to transmit confidence is through true caring, a personal treatment, empathy, and a clear and transparent communication: to REALLY know your clients.

2 **Experience:** The experience that comes from being specialised and being dedicated exclusively to this every day, for 35 years.

3 **Quality of service:** Because when it comes to money, every client wants to see that things are well done, with professionalism and experience, but also with caring and humanity. You have to be and look like one.

And, finally, these values must be surrounded by other aspects that are complementary in the current context, but fundamental for adapting to today's society: habits and expectations.

1 **Technology:** a high-quality service requires a high level of efficiency, which can only be achieved through technology to obtain a profitable and viable model. Besides, technology is necessary to offer users the comfortable, agile and ubiquitous experiences they demand. Growth can only happen if integration between physical and digital channels is achieved.

2 **Proactivity:** Renta 4 believes in anticipating clients' needs. The greatest satisfaction is felt when you notice that we provide solutions and ideas and that we talk to clients to better understand their needs, making investment decisions easier.

3 **Pedagogy:** the financial education and training of our clients are social responsibilities and we transfer this to every point of contact in the relational flow. From the first communications to answer inquiries and provide information to in-person commercial processes at the offices.

4 **Sustainability:** Beyond the sustainable investment notion already discussed above, bank entities cover a relevant space in society and, as such, we must play a significant and committed role in improving the planet's sustainability.

Effects of the COVID-19 pandemic on the Company's activities and foreseeable evolution

The global COVID-19 pandemic declared by the World Health Organization on 11 March 2020 was an unprecedented health crisis impacting the macroeconomic environment and business scenario during the financial year 2020. This situation has continued during the year 2021 worldwide although the possibility that the global pandemic will come to an end and return to ‘normal’ during the year 2022 is already coming into sight, since the generalised vaccination of the population has started.

As regards the management of the crisis caused by the pandemic, despite its impact and the mobility restrictions imposed, Renta 4 has focused its attention on guaranteeing the continuous operational security of the business, closely monitoring the impact of the pandemic on the business and the Group's risks (such as the impact on human capital, results, equity or liquidity).

During the financial year 2021, Renta 4 has focused on two main priorities, on the one hand, guaranteeing health security, and on the other hand, ensuring business continuity. In this regard, the Group's long-term objectives remain unchanged and have even been reinforced with a commitment to technology and digitalisation.

During 2021, Renta 4 has maintained most of the internal measures it had implemented in 2020 as a consequence of the pandemic, such as COVID-19 infection prevention protocols, as well as a hybrid remote-work organisational model.

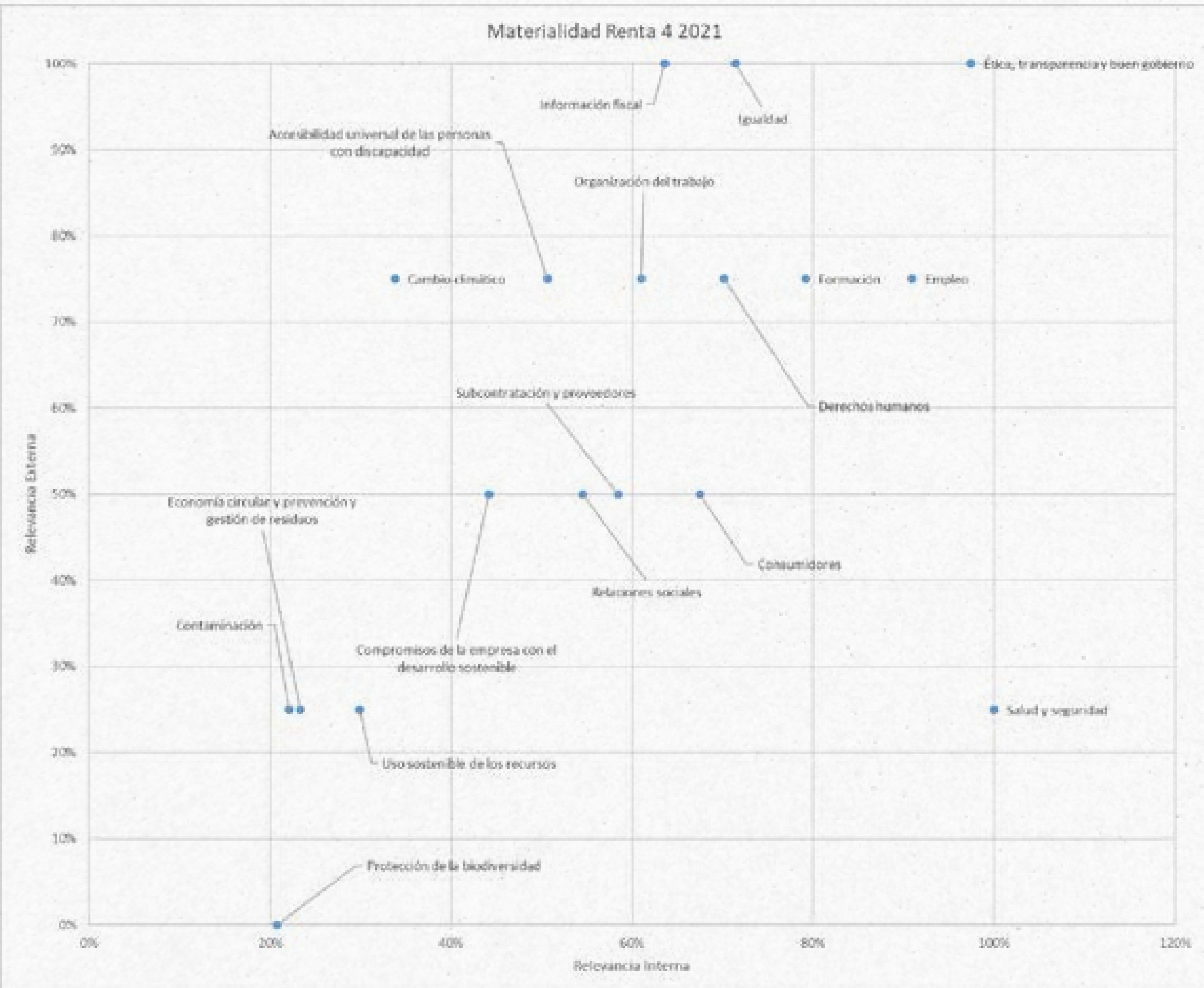
At the submission date of these financial statements, there have been no significant effects on the Company's activities and, based on the Directors' current estimations, no significant effects are expected in the financial year 2022.

05.3 Materiality analysis

Renta 4 has carried out a materiality analysis in order to identify the most relevant issues for the company and thus, define its strategic priorities to make progress in the Corporate Social Responsibility area.

This analysis has been carried out from both internal and external points of view. For the internal analysis, Renta 4 conducted interviews with the heads of the most relevant areas of the Entity, and for the external analysis, the most relevant stakeholders for the bank were considered.

The findings of this analysis are reflected in the following chart on Materiality:



05.4

Environmental management and environmental protection

Renta 4 continues to implement and improve the characteristics of the environmental policy that it has sought to implement in the last years.

It should be noted that pollution is not a material impact from Renta 4's activity. Rather, gas emissions, light and noise pollution should be considered. Likewise, that is why it is not necessary to subscribe provisions or guarantees on environmental risks, nor would it be necessary to take any action to avoid food waste.

This document includes information on Renta 4 Banco at in Spain and abroad, including its headquarters, its local branches and its branches in South America.

Continuing with the environmental commitment acquired by Renta4 Banco over recent years, it continues to maintain a comprehensive strategy covering the following areas of action:

1. **Reduction of energy consumption**
2. **Water use efficiency**
3. **Digital Office - Reducing Paper, Toner and, Storage Space Use**
4. **Environmental management of waste by seeking alternatives to those generated within the context of the circular economy.**
5. **Promotion of respect for the environment and a transition to a low-carbon economy.**
6. **Biodiversity**

Reduction of energy consumption

In 2020, the total electricity consumption of the entire office network in Spain, including the Paseo de la Habana headquarters, was 1,884,221.57 Kwh, of which 32% (611,995.57 Kwh) came from renewable energy sources. This consumption represented an emission of 205.90tCO_2. The consumption abroad was 1,920,888.57 Kwh [1 3]

In 2021, the total electricity consumption of the entire office network, including the headquarters, was 1,820,347 kWh, of which 94.46% (1,719,500 kWh) came from renewable energy sources. This consumption represented an emission of 63.41tCO_2. The consumption abroad was 1,842,530 kWh [2 3]

A drastic reduction is observed both in terms of consumption and share of renewable energy sources, virtually achieving one of the goals proposed in the short-medium term (100% renewable energy in its entire office network), which translates into a drastic reduction in CO_2 emissions.

Continuing with the energy saving strategy applied in previous years both at the headquarters and in the new branches, existing lighting has been replaced with LED lighting of greater energy efficiency, blinds have been installed and facility design has been modified to improve natural lighting and thermal comfort in the following branches:

1 No se han podido incluir los datos de la oficina de Renta4 Chile
2 Resaltar que debido al confinamiento estricto establecido en España durante los meses de Marzo, Abril y Mayo de 2020, el consumo se vió alterado de manera significativa.

- **Renta4 Príncipe de Vergara Office**
  Calle Príncipe de Vergara, 28001 Madrid, Spain
- **Renta4 Jaén Office**
  Avenida de Madrid 15, 23003 Jaén, Spain
- **Renta4 Lugo Office**
  Avenida de la Coruña 62, 27003 Lugo, Spain
- **Renta4 Alicante Office**
  Avenida Oscar Espla 29, 03007 Alicante, Spain
- **Renta4 Soria Office**
  Avenida Navarra 4, 42003 Soria, Spain
- **Renta4 Barcelona Diagonal Office**
  Avinguda Diagonal, 459, 08036 Barcelona, Spain
- **Renta4 Sabadell Office**
  Carrer de les Tres Creus 87, 08202 Sabadell, Spain
- **Renta4 Córdoba Office**
  Avenida Ronda de los Tejares 9, 14001 Córdoba, Spain
- **Renta4 Logroño Office**
  Avenida de la Rioja 12, 26001 Logroño, Spain

Focussing on Renta4's headquarters in Paseo de la Habana, which usually accounts for a large part of the consumption of the office network, it is observed that, while consumption was 866,629kw in 2020, it has been reduced to 646,668kw in 2021, which represents a 25% reduction.

As in previous years, the headquarters has a diesel generator that turns on in the event of a power shortage, but it has not been activated in recent years. Besides, the company does not own vehicles. Thus, diesel consumption in 2021 has been zero.

In order to reduce consumption, the conventional air conditioning system was replaced by a Variable Refrigerant Flow system (VRF systems) in 2021 at the following offices of the Network:

- **Renta4 Jaén Office**
  Avenida de Madrid 15, 23003 Jaén, Spain
- **Renta4 Lugo Office**
  Avenida de la Coruña 62, 27003 Lugo, Spain
- **Renta4 Alicante Office**
  Avenida Oscar Espla 29, 03007 Alicante, Spain
- **Renta4 Soria Office**
  Avenida Navarra 4, 42003 Soria, Spain
- **Renta4 Barcelona Diagonal Office**
  Avinguda Diagonal, 459, 08036 Barcelona, Spain
- **Renta4 Sabadell Office**
  Carrer de les Tres Creus 87, 08202 Sabadell, Spain
- **Renta4 Córdoba Office**
  Avenida Ronda de los Tejares 9, 14001 Córdoba, Spain
- **Renta4 Logroño Office**
  Avenida de la Rioja 12, 26001 Logroño, Spain

In this way, the performance of the systems has been significantly optimised with consequent energy savings that are believed to be between 25% and 30% less than the previous centralised ON/OFF systems.

Water use efficiency

As part of its strategy for smart natural resource management, Renta4 continues to implement the improvements established in previous years, thus sustaining its commitment to the environment.

In relation to this commitment, water consumption in our office network has been monitored, yielding the following data:

Water consumption details (m^3)

	2019*	2020** ****	2021**
Consumption of the office network in Spain	1666	1601	1437
Consumption of the international office network	1666*	1829	1570
Consumption of the RENTA4 P. Havana headquarters	1399	1500	1749
Headquarters + Spanish network consumption	3065	3042	3186
Headquarters + international network consumption	3065	3344	3319

*Only 23 offices could be accounted for, none of them abroad

No data is available for the following offices: Sevilla, Guadalajara, Segovia, Cuenca, Serrano, Almagro, Logroño, Málaga, Chile, Luxemburgo, Perú. **2021: Sevilla, Guadalajara, Segovia, Cuenca, Serrano, Almagro, Recoletos, Tarragona, Fuenlabrada, Perú, Lleida.

*** Lockdown

While it is true that there were factors in each of the years analysed that differentiate them from the rest (2019 was the first year that this analysis was carried out and the data were not entirely complete and 2020 was marked by the lockdown imposed due to the COVID19 pandemic), the analysis of the data obtained shows a significant reduction in water consumption in the office network in Spain, from 1666 m^3 in 2019 to 1437 m^3 in 2021, even accounting for a greater number of offices.

On the other hand, significant efforts were made to collect a greater amount of information in this regard, covering almost the entire office network (certain offices could not be included given that their consumption is paid indirectly within the respective communities of the office in question), thus being able to establish this year 2021 as a reliable basis for future analysis in subsequent years.

Alongside the office network, Renta4's headquarters at Paseo de la Habana 74 is the building with the greatest consumption in the network due to the number of employees, its obvious size and the presence of gardens and irrigation systems not present in conventional offices. We do have more accurate data on the evolution over the last 3 years in the headquarters. Excluding 2020 due to the aforementioned lockdown, there is a significant increase in water consumption, of 1399 m³ in 2019 and 1749 m³ in 2021. This is due to a greater increase in the usable area of the building, as areas that were previously closed are now in use, and to the evident increase in the number of personnel in the building.

Following the criteria established in previous reports, water consumption per square meter of office space was 413 l/m² in 2018, 359 l/m² in 2019, 363 l/m² in 2020, while this indicator's value was 398.58l/m² in 2021. Even so, it shall be interesting to see how this factor evolves in subsequent years.

Lastly, it should be pointed out that the improvement measures established for subsequent years (timed faucets, automatic hydroalcoholic gel dispensers, dual flush toilets) are continuously implemented and are already present in the following offices:

- **Renta4 Headquarters Paseo de la Habana 74**
  Paseo de la Habana 74, 28036 Madrid
- **Renta4 Jaén Office**
  Avenida de Madrid 15, 23003 Jaén, Spain
- **Renta4 Lugo Office**
  Avenida de la Coruña 62, 27003 Lugo, Spain
- **Renta4 Alicante Office**
  Avenida Oscar Espla 29, 03007 Alicante, Spain
- **Renta4 Soría Office**
  Avenida Navarra 4, 42003 Soria, Spain
- **Renta4 Barcelona Diagonal Office**
  Avinguda Diagonal, 459, 08036 Barcelona, Spain
- **Renta4 Lleida Office**
  Avinguda Alcalde Rovira Roure 19, 25006 Lleida, Spain
- **Renta4 Sabadell Office**
  Carrer de les Tres Creus 87, 08202 Sabadell, Spain
- **Renta4 Córdoba Office**
  Avenida Ronda de los Tejares 9, 14001 Córdoba, Spain
- **Renta4 Logroño Office**
  Avenida de la Rioja 12, 26001 Logroño, Spain
- **Renta4 Bilbao Office**
  Elcano Kalea 14, 48008 Bilbao, Spain
- **Renta4 Las Palmas de Gran Canaria Office**
  Calle Venegas 2, 35003 Las Palmas de Gran Canaria, Spain

Digital Office - Reducing Paper, Toner, and Storage Space Use

One of the most important measures implemented in Renta4 and that have a direct impact on the environment is office digitisation, seeking to reduce the consumption of ink and paper with the consequent economic savings that this entails.

With respect to toner ink consumption, no data is available for the first year when this report was started (2019), but there is a drastic reduction in consumption compared to the previous year (2020), despite the aforementioned lockdown. The following table has been prepared based on these data:

Toner consumption details (units)

	2019	2020*	2021**
Consumption of the office network in Spain	N/D	257	223
Consumption of the international office network	N/D	266	249
Consumption of the Renta4 P. Havana headquarters	N/D	51	44
Headquarters + Spanish network consumption	N/D	308	267
Headquarters + international network consumption	N/D	317	293

*COVID19 lockdown

As shown in these figures, toner consumption has been drastically reduced in the offices both in Spain and abroad, as well as at headquarters, which indicates that the strategy established is correct.

With respect to paper consumption, the following table has been prepared:

Paper consumption details

	2019**		2020* ***		2021****	
	QTY of A4 paper Sheets	Kilos of paper (5g/ud)	QTY of A4 paper Sheets	Kilos of paper (5g/ud)	QTY of A4 paper Sheets	Kilos of paper (5g/ud)
Consumption of the office network in Spain	N/D	N/D	869.677	4348	1.385.785	6.929
Consumption of the international office network	N/D	N/D	869.677	4348	1.391.305	6.957
Consumption of the Renta4 P. Havana	N/D	N/D	636.111	3181	1.145.698	5.728
Headquarters + Spanish network consumption headquarters	2.492.281	12461	1.505.788	7529	2.531.483	12.657
Headquarters + international network consumption	2.492.281	12461	1.505.788	7529	2.537.003	12.685

* COVID19 lockdown
** No data available for LatAm and Luxembourg
** No data available for LatAm and Luxembourg
**** No data available for Chile and Luxembourg

While consumption has increased in 2021 when compared to previous years, it is worth mentioning that the information is much more detailed this year and can serve as a reliable basis for the future. The year 2020 was marked by the strict lockdown due to the pandemic, while in 2019 it was not possible to complete the information on all the offices, as well as to distinguish the consumption of the headquarters from the rest of the offices.

Therefore, the information obtained during this year 2021 can be established as a reliable basis for future observations and to determine whether the measures adopted are having an impact in the short and medium term.

Environmental management of waste by seeking alternatives to those generated within the context of the circular economy.

Renta4 continues with its commitment to ‘reduce’ the amount of waste generated, ‘reuse’ existing products as much as possible and ‘recycle’ those that are no longer useful.

In this regard, Renta4 continues to reuse most of the existing furniture, while the furniture that is no longer useful for the required purposes is donated to non-for-profit associations.

Finally, we continue to use certified materials that ensure that their procurement, manufacture and recycling are subject to a series of environmental requirements, seeking to reduce the carbon footprint they generate and valuing environmentally friendly and social aspects in the execution of the products and services contracted.

Promotion of respect for the environment and a transition to a low-carbon economy.

Since June 2019, Renta4 guarantees, through a contract with one of its main electricity suppliers, that part of the energy consumed comes from 100% renewable energy sources. In 2021, 93% of the power consumed by the headquarters at Paseo de la Habana 74 (646,668 kWh) came from fully renewable sources, preventing the emission of 115.85 tonnes of CO_2 into the atmosphere. Renta4's main objective in this area is for this percentage to increase substantially year after year, with the goal in mind for this percentage to reach 100%.

Biodiversity

Renta 4 Banco has no impact on biodiversity thanks to the nature of its business and its location in urban areas.

Circular economy and waste prevention and management

The management of computer waste relating to the IT Department continues to be carried out through the agreement that Renta 4 has with the company Recyberica, which is dedicated to the recycling of computer disks and resources.

During the financial year 2021, renta4 recycled a stock of equipment in custody and awaiting recycling in 2020 and equipment from our DC no longer in use in 2021.

05.5

Social and personnel management

Introduction on HR principles and values

Renta 4, an entity specialised in providing high-quality investment services, management and advice on assets, intermediation in capital markets, and corporate advice to companies, has amongst its values, specialisation, client-oriented actions and proximity in a technological and digital environment, seeking both financial and social return.

For this reason, Renta 4's HR policies are aimed at retaining and attracting talent, in order to have highly qualified professionals with extensive experience in the industry, considering human capital as a guarantee of good quality services and business excellence.

Employment - Recruitment and Talent Management

The *Recruitment Process* of Renta 4 is based on the selection of professionals with a high level of training and enough experience to fit each position. Thus, candidates are assessed by training and professional merits to ensure their qualification to provide specialised and high-quality investment services.

In this regard, it should be noted that Renta 4 aims to maintain employment stability. This stability is reflected as of 31 December 2021 in the fact that 98.7% of the workforce has an indefinite-term employment relationship, thus maintaining the trend of recent years. Detail by type of contract, gender, age and job classification of our workforce is shown below:

Nº Contratos Final Periodo 2021-2020

	2021				2020			
Contract tipe by gender	**Male**	**Female**	**Total**	**% Total**	**Male**	**Female**	**Total**	**% Total**
Indefinite Contract TC	389	199	588	96,7%	364	181	545	97,3%
Indefinite Contract TP	1	11	12	2%	2	10	12	2,2%
Temporary Contrat TC	4	2	6	1%		3	3	0,5%
Temporary Contrat TP	1	1	2	0,3%	0	0	0	0%
TOTAL	**395**	**213**	**608**	**100%**	**366**	**194**	**560**	**100%**

	2021				2020			
Tipo de contrato según categoría	**Directivo**	**Technicians**	**Administrative Staff**	**Total**	**Directivo**	**Technicians**	**Administrative Staff**	**Total**
Indefinite Contract TC	13	509	66	588	13	456	76	545
Indefinite Contract TP	0	4	8	12	0	4	8	12
Temporary Contrat TC	0	3	3	6	0	0	3	3
Temporary Contrat TP	0	1	1	2	0	0	0	0
TOTAL	**13**	**517**	**78**	**608**	**13**	**460**	**87**	**560**

Contract type by Age Range	2021					2020				
	<30	30-40	40-50	>50	Total	<30	30-40	40-50	>50	Total
Indefinite Contract TC	99	162	206	121	588	86	161	194	104	545
Indefinite Contract TP	1	5	4	2	12	4	2	4	2	12
Temporary Contract TC	4	0	1	1	6	2			1	3
Temporary Contract TP	0	0	0	2	2	0	0	0	0	0
TOTAL	**104**	**167**	**211**	**126**	**608**	**92**	**163**	**198**	**107**	**560**

Seniority is another indicator of employment stability, with 9.8 years of average length of service of the Group's employees in 2021, as shown in the following table:

Average Seniority in Years	2021			2020		
	Male	Female	Total	Male	Female	Total
Central	9,3	8,1	8,8	9,3	8,2	88
Network	12,2	16,1	13,4	11,7	15,6	12,9
International	3,1	2,4	2,9	3,5	2,3	3,2
AVERAGE GENERAL SENIORITY	**9,6**	**10,2**	**9,8**	**9,5**	**10,2**	**9,7**

With regard to labour leaves in the financial year 2021, there were a total of 30 leaves, of which 9 were non-voluntary leaves. The following is a breakdown by category, gender and age:

Not-voluntary leaves 2021-2021

Categoría	2021			2020			% Variation
	Male	Female	Total	Male	Female	Total	
Director	0	0	0	0	0	0	0%
Technicians	6	2	8	4	0	4	100%
Administrative staff	1	0	1	0	1	1	0%
TOTAL	**7**	**2**	**9**	**4**	**1**	**5**	

	<30		(30-40)		(40-50)		>50		Total	
Category	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Director	0	0	0	0	0	0	0	0	0	0
Technicians	2	0	1	1	1	0	2	1	6	2
Administrative staff	1	0	0	0	0	0	0	0	1	0
TOTAL	**3**	**0**	**1**	**1**	**1**	**0**	**2**	**1**	**7**	**2**

2020

	<30		(30-40)		(40-50)		>50		Total	
Category	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Director	0	0	0	0	0	0	0	0	0	0
Technicians	1	0	3	0	0	0	0	0	4	0
Administrative staff	0	0	0	1	0	0	0	0	0	1
TOTAL	**1**	**0**	**3**	**1**	**0**	**0**	**0**	**0**	**4**	**1**

In this regard, it should be noted that during the financial year 2021, Renta 4 has also not conducted any temporary lay-offs or dismissals, despite the authorisation extension and the exceptional situation we are still going through as a result of COVID-19.

It should also be pointed out that the net annual increase in the workforce with respect to financial year 2020 was 8.57%, with a 1.54% turnover level in financial year 2021.

Equality and Non-Discrimination

The Entity has an *Equality Plan*, according to the applicable Spanish law, to achieve equal treatment and opportunities for women and men, adopting and implementing different policies aimed at this purpose, such as the promotion and guarantee of equal opportunities for selection and professional development at all levels of the company, policies adapted to different social changes, and equity in the remuneration policy.

As well, Renta 4 has a *Protocol for the Prevention, Treatment, and Elimination of Sexual Harassment on the Grounds of Gender and Discrimination.*

In addition, as of 31 December 2021, Renta 4 has 3 employees with proven disabilities.

Remuneration

The aim of Renta 4's remuneration policy is to attract and retain talent, hiring highly qualified professionals, and establishing remunerations according to type of job to be performed, level of responsibility, performance, and professional category and seniority, always on the basis of equality and non-discrimination.

In this sense, Renta 4 establishes remuneration levels that combine internal equity within the company and external equity, with the aim of being competitive and attractive in terms of salaries in the market and with an annual performance evaluation system, all with the aim of having the best professionals in the sector, in order to offer a service of quality and excellence.

Besides, it should be noted that Renta 4 applies and complies with the legal regulations in force in each country in which it operates at all times, as well as with the different Spanish collective agreements, highlighting that, in general terms, Renta 4 employees' salaries are higher than those established in such applicable agreements or regulations.

The following tables show the employees' average remuneration and its evolution according to age, gender, and job classification:

Average-Remuneration-Age-range area

	Domestic			International		
	2021	2020	Variation % Period	2021	2020	Variation % Period
<30	28.441	30.150	-6%	15.040	32.663	-54%
(30-40)	43.251	41.255	5%	41.118	40.854	1%
(40-50)	62.535	59.742	5%	47.379	46.430	2%
>50	85.511	86.263	-1%	34.856	29.480	18%
TOTAL AVERAGE REMUNERATION	**57.082**	**55.229**	**3%**	**33.859**	**39.234**	**-14%**

Average-Remuneration-Category Areas

	2021	2020	Variation % Period
Internacional	**33.859**	**39.234**	**-14%**
Director	126.754	123.465	3%
Technician	32.998	36.603	-10%
Administrative staff	15.309	18.692	-18%
Domestic	**57.082**	**55.229**	**3%**
Director	282.394	263.621	7%
Technician	55.845	55.136	7%
Administrative staff	30.050	30.274	-1%
OVERALL TOTAL	**54.255**	**53.373**	**2%**

Average-Remuneration-Category Areas

	2021		2020			
Category	Male	Female	Male	Female	Variation % Period	
International	**37.908**	**22.926**	**44.391**	**24.673**	**-15%**	**-7%**
Director	126.754	-	123.465	-	3%	-
Technician	36.297	24.385	40.857	25.701	-11%	-5%
Administrative staff	17.514	9.796	21.308	8.226	-18%	19%
Domestic	**63.447**	**45.835**	**61.394**	**44.154**	**3%**	**4%**
Director	291.485	241.483	280.139	197.550	4%	22%
Technician	59.059	48.607	58.081	48.109	2%	1%
Administrative staff	27.722	30.901	30.279	30.271	-8%	2%
OVERALL TOTAL	**59.956**	**43.684**	**59.164**	**42.447**	**1%**	**3%**

On the other hand, the average remuneration of the members of the Board of Directors of Renta 4 in 2021 is shown below in thousands of euros and classified by gender:

Average Remuneration*

	2021				2020				Average Remuneration variation 2021/2020			
	Male	Female	Corporate Body	Total	Male	Female	Corporate Body	Total	Male	Female	Corporate Body	Total
Executive Directors	354	-	-	354	304	-	-	304	16%	-	-	16%
Non Executive Directors	60	60	71	61	60	60	71	61	0%	0%	0%	0%
TOTAL AVERAGE REMUNERATION	**207**	**60**	**71**	**145**	**182**	**60**	**71**	**142**	**14%**	**0%**	**0%**	**2%**

* Remuneración Anualizada Ejercicio 2021

It should be noted that non-executive directors receive remunerations as members of the Board, while executive directors receive remunerations in relation to their executive duties at Renta 4 and not due to their position as directors.

Renta 4 has calculated the salary gap (the difference in % between the average salary of men and that of women) according to the average remuneration for different professional categories, differentiating between national and international levels, the results of which are shown in the following tables.

Total Remuneration 2021-2020

	MEDIAN 2021			MEDIAN 2020			
	Male	Female	Wage Gap 2021	Male	Female	Wage Gap 2020	Wage Gap Variation 2021/2020
International							
Director	126.754	-	**	113.335	-	**	
Technicians	23.063	22.652	1,8%	28.044	24.408	35,8%	-95%
Administrative staff	12.971	9.796	24,5%	17.214	8.226	52,2	-53,1%
Domestic							
Director	257.414	241.483	6,2%	303.831	197.550	35%	-82,3%
Technicians	47.000	45.000	4,3	45.825	43.500	5,1%	16,1%
Administrative staff	26.000	30.000	-15,4%	29.750	29.850	-0,3%	4475%

* Total Remuneration includes Fixed Remuneration and Variable Remuneration
* There is no Wage gap as there are no woman in this category

It is worth noting that there are different factors that could influence the results of the wage gap in Spain, such as the different subcategories included in these professional categories and jobs with different functions, seniority and remuneration. At the international level, it is also influenced by the exchange rate and the different salary levels and realities in each of the countries in which Renta 4 has an international presence, although Renta 4 applies the regulations and salary levels in force in each of them.

Social relations

Renta 4 does not have employees' legal representation. However, the entity keeps all its employees duly informed about the different policies and measures that the Company applies in the different areas, using the available communication channels, including the Employees' Portal, the company's intranet and statements sent via email.

As stated above, the Renta 4 group is formed by the following companies:

- **RENTA 4 BANCO, S.A. (Group parent company)**
- **RENTA 4 GESTORA SGIIC, S.A.**
- **RENTA 4 PENSIONES SGFP, S.A.**
- **RENTA 4 CORPORATE, S.A.**
- **RENTA 4 S.A. S.V.**
- **RENTA 4 INVESTMENT SOLUTIONS, S.A.**

In the financial year 2021, INVESTMENT SOLUTIONS, S.A., a Company whose main activity is developing solutions based on algorithmic models for decision-making in the different areas of investment banking, joined the RENTA 4 Group.

Renta 4 maintains its presence abroad in Chile, Peru, Colombia and Luxembourg.

Employees are distributed in each of these companies as follows:

Company	Nº Employees 31-12-2021	Nº Employees 31-12-2020
R4 SV	3	3
R4 Banco	423	405
R4 Management Company	76	65
R4 Pensions	13	12
R4 Corporate	14	12
R4 Investment Solutions	5	0
Chile	30	30
Peru	21	11
Colombia	20	19
Luxembourg	3	3
TOTAL WORKFORCE	**608**	**560**

Although Renta 4 does not have a collective bargaining agreement at a company level, the entity applies to each of the companies and workers, at a national level, the corresponding collective agreement according to the activity's sector. The following agreements are applicable:

Empresa	Convenio Colectivo
R4 SV	Stock Market Agreement
R4 Banco	Banking Agreement
R4 Management Company	Madrid Offices Agreement
R4 Pensions	Madrid Offices Agreement
R4 Corporate	Madrid Offices Agreement
R4 Investment Soluctions	Madrid Offices Agreement

As of 31 December 2021, 87.83% of Renta 4's employees were covered by one of the aforementioned Spanish collective bargaining agreements, while the remaining 12.17% of the workforce is not covered by such agreements, as they provide their services in the Entity's companies abroad. In this regard, it should be noted that Renta 4 complies and applies at all times with the regulations in force in each of these countries: Chile, Peru, Colombia and Luxembourg.

Despite the heterogeneous nature of the applicable collective agreements, an attempt is made to apply homogeneous criteria and measures regarding work organisation, always seeking the benefit of Renta 4's employees based on internal and external equity in the country and abroad.

Training

Renta 4 considers the training of its employees to be a fundamental and strategic value in an environment of digital transformation, being necessary for the provision of specialised and quality investment services, as well as a differentiating factor in the banking and financial sector.

In relation to MiFID training, 91% of the employees of the commercial network or who perform advisory functions hold one of the qualifications considered valid by the CNMV to comply with said regulations. 80% of them hold an EFA, EFP or EIP qualification and are members of EFPA and obtain recertification through EFPA. Moreover, RENTA 4 offers continuous training to employees who have obtained training outside EFPA.

On the other hand, less than 9% of the commercial network or employees performing advisory functions do not have any of the qualifications considered valid. However, RENTA 4 has measures in place: (i) to encourage the training of these employees, (ii) to have these employees provide services to clients under the supervision of a colleague who meets the training and experience requirements, and (iii) to have them take the specific training that will enable them to obtain one of these qualifications during the financial year 2022.

During the financial year 2021, besides the training aimed at obtaining EFA or other similar qualifications valid for the CNMV, Renta 4 has offered different training actions for employees of the different groups of the Entity, which amounted to more than 12,000 hours of training. In this regard, it is worth highlighting the ESG training provided to more than 95% of Renta 4 employees.

Furthermore, Renta 4 has a Permanent Training Plan, which includes different training actions designed to provide employees with knowledge, skills, and competences across every area and department of the company, depending on the training needs of a particular moment.

Specifically, during financial year 2021, the following training actions and number of hours were completed:

Training Action	Nº Hours
Administration Essentials for New Admins in Lightning Experience	180,00
Corporate Finance	1.178,04
Practical Accounting Course	51,00
PBC Online Course - FT Renta 4	1.121,08
Declarative Development for Platform App Builders in Lightning Experience	320,00
ESG Essentials	3.059,58
SALES BOOST	1.707,97
Sustainability, an overview	359,78
Advanced programme in Equity Management	4.468,37
Salesforce Platform Essentials	28,95
Exceptional Sales and Supports for Virtual Clients	95,45
TOTAL	**12.570,22**

Categoría	Nº Hours
Administrative Staff	631,28
Director	57,25
Technicians	11.881,69
TOTAL	**12.570,22**

Work planning

Renta 4 has always aimed to improve work-life balance and the compatibility between the personal, family and work life of all its employees, improving the work environment and increasing productivity, and various measures have been implemented in recent years to this end, such as:

- Working hours (annual estimate of 1,700 hours) that do not exceed the amount established in applicable collective agreements.
- Flexibility measures in clocking in/out and in break or food times, whenever the characteristics of the position and work centre allow it.
- Adaptation of the working day duration and distribution, including teleworking duly justified and reasoned.
- During financial year 2021, a hybrid model has been maintained, combining face-to-face and remote work, thus favouring integration in the company and family balance. On the other hand, workers who have health issues and are considered by medical criteria as vulnerable or at risk of possible contagion are allowed to carry out their functions through remote work, in the current COVID-19 pandemic situation.
- All workers shall have the right to suspend their employment contract in case of birth, adoption, and fostering within the terms and means established by the Law, allowing the worker to enjoy such permits on a part-time basis, subject to agreement with the Company.
- Employees may take one hour of breastfeeding leave per day until their child reaches 9 months of age, which may be split into two periods, one at the beginning and one at the end of the working day. Similarly, they may replace the breastfeeding leave for a period of 15 working days. This permission may be extended until the child reaches 12 months of age, provided that it is enjoyed simultaneously, with a proportional reduction in salary.

- Workers shall have the right to reduce working hours to a maximum of half of the working day and a minimum of one-eighth of the working day for legal guardianship and/or direct care of a family member, and a proportional reduction in salary shall be considered following the specifications established in applicable collective agreements and regulations.

- Employees will be entitled to request leaves of absence for several reasons, including the care of children and direct family members, preserving their job or the same professional group, and the exercise of a public position that is incompatible with their job, following the regulations established in applicable collective agreements and regulations.

- Employees may request unpaid leaves in case of, for example, duly accredited family needs, care of relatives up to the first degree of consanguinity or affinity, and the completion of higher education or PhDs.

- Renta 4 has a Digital Disconnection Policy.

With regard to the absenteeism figures relating to suspensions for childbirth and childcare (maternity and paternity), as well as those relating to occupational accidents, the data on the number of absence hours during 2021 and 2020 are shown below:

Nº of hours absence for birth and child care

	2021	2020
Suspension Tipe	**Total hours of absence (*)**	**Total hours of absence (*)**
Paternity	2.619,50	4.465,94
Maternity	7.099,00	3.642,50
TOTAL	**9.718,50**	**8.108,44**

*Absence hours have been calculated considering effective working hours per day (7.75 hours per day, full time, or its equivalent on a part-time basis) by the number of working days of absence

During the financial year 2021, there were a total of 5 occupational accidents, of which only 2 resulted in medical leave.

With regard to the diagnostic leaves such as COVID-19, there were a total of 34 in 2021, which even if considered a Temporary Incapacity due to Common Contingency according to current regulations, are similar to a sick leave due to an Occupational Accident in terms of benefits, which is why they are included in this classification, besides their relevance in recent years in terms of the absence hours they cause.

The following tables show the number of occupational accidents according to their classification, seriousness and frequency, as well as the number of absence hours implied by these accidents, distributed by gender and including the classification COVID-19.

Type of ocupational accident	2021	2020
	Total hours of absence *	
In itinere	**353,87**	**-**
Male	98,12	-
Female	255,75	-
Other	**-**	**-**
Male	-	-
Female	-	-
Covid-19	**2.363,78**	**1.730,67**
Male	1.488,00	992,00
Female	875,78	738,67
TOTAL	**2.717,64**	**1.730,67**

*Absence hours have been calculated considering effective working hours per day (7.75 hours per day, full time, or its equivalent on a part-time basis) by the number of working days of absence

Total hours of absence

Type of ocupational accident	Nº of workplace Accidents	Severity Index	Frequency Index	Nº of workplace Accidents	Severity Index	Frequency Index
In itinere	**4**	**0,000**	**0,000**	**0**	**0,000**	**0,000**
Male	2	0,000	0,000	0	0,000	0,000
Female	2	0,000	0,000	0	0,000	0,000
Other	**1**	**0,000**	**0,000**	**0**	**0,000**	**0,000**
Male	1	0,000	0,000	0	0,000	0,000
Female	0	0,000	0,000	0	0,000	0,000
Covid-19	**0**	**0,305**	**0,000**	**17**	**18,484**	**0,262**
Male	0	0,190	0,000	9	9,786	0,139
Female	0	0,114	0,000	8	8,698	0,123
TOTAL	**5**	**0,30**	**0,00**	**17**	**18,48**	**0,26**

Severity rate= (Days off*1000)/(Nº of hours worked in period*average workers)
Frequency rate= (Nº of occupational accidents with leave*1,000,000)/(Nº of hours worked in the period*average number of employees)

In financial year 2021, Renta 4 continues to have no employee with a diagnosed occupational disease.

Health and security

For Health and Safety at work, Renta 4 has hired an External Occupational Risk Prevention Service from the entity VALORA PREVENCIÓN that includes the provision of monitoring services for preventive activities in health and occupational Risks.

Thus, Renta 4 complies with the regulations on prevention, carrying out the risk assessment in the facilities of the 62 offices it has nationwide, as well as the risk assessment of the different job positions that exist in the company.

Regarding health control, Renta 4 offers all its employees the possibility of having a complete medical examination on an annual basis. The purpose of these voluntary medical examinations is to provide employees with information on their state of health, as well as to carry out preventive tests to detect possible pathologies and illnesses that may occur.

Renta 4 has in place the corresponding Risk Prevention Plan, Annual Report of activities and Emergency Plan, and it carries out training courses for employees on risks and first-aid measures, among other activities.

In relation to Occupational Accidents and Occupational Diseases, the Mutual Insurance Company for Occupational Accidents contracted by Renta 4 Banco, S.A. and Renta 4 Gestora SGIIC, S.A. for the financial year is still MAZ (0011), and for Renta 4 Corporate, S.A., Renta 4 Pensiones, S.A. and Renta 4 S.V., S.A. as MAZ (0011), *Umivale Activa* (0015).

The above mentioned insurance companies are responsible, for example, for the management of contingencies arising from occupational accidents and diseases, the execution of benefits derived from them, coverage and health care, management of occupational accident reports and preventive activities, as well as the management, control, and monitoring of economic benefits and temporary disability arising from common contingencies.

In the financial year 2021, Renta 4 has continued to apply the *COVID-19 Action Plan and Prevention and Protection Measures,* which were developed and implemented in 2020 as a result of the global pandemic and health crisis caused by COVID-19 and updated according to the recommendations made by the Spanish Government and the Health and Labour Authorities depending on the COVID-19 situation at any given time.

The measures that Renta 4 has continued to implement include the following:

- Thorough cleaning of offices and facilities, as well as sensitive and high contact areas (keyboards, mice, telephones, doorknobs, switches, etc.) all with specific and recommended products. s.
- Provision of hydroalcohols and soap dispensers in all Renta 4's offices and facilities.
- Installation of posters and communications on proper handwashing.
- Provision of approved face masks for all employees and clients.
- Taking employees', external personnel' and clients' temperatures before entering Renta 4's offices and facilities.
- Informative posters on the different preventive measures in all offices and facilities.
- Periodic internal communications on the measures adopted at any given time and mandatory compliance reminders.
- Preventive screening testing for possible *COVID-19* contagion, such as: serological tests, antigens and PCR.

05.6 Human rights

Renta 4 Group is committed (i) to complying with all the legislation applicable to its nature and activity, as well as (ii) to the observance of and respect for human rights. This commitment is the minimum standard to be taken into account in all the relationships that Renta 4 Group companies establish with their stakeholders (employees, customers, suppliers, public administration and official bodies and society as a whole).

The safeguarding of fundamental rights is materialised within the Renta 4 Group as follows:

1. There is a Code of Conduct, a top-level internal standard approved by the Board of Directors, consistent with international treaties, conventions and agreements (such as the United Nations Global Compact, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Declaration of Fundamental Principles or the Rights at Work of the International Labour Organization).

   This standard establishes general guidelines for action, in addition to the mission and values of the Renta 4 Group. These include:

   - Ethical behaviour.
   - Equality and non-discrimination, with the consequent prohibition of all types of harassment, intimidation, offensive or improper behaviour (including sexual proposals or suggestions) and other actions that may affect a person's dignity
   - Work-life balance.
   - Information security.
   - Confidentiality.
   - Respect for the right to privacy and personal data protection.
   - Respect for intellectual property.
   - Occupational risk prevention.
   - Responsibility, which must also be reflected in accountability and the preservation of fair competition behaviours
   - Due diligence in the use of resources.
   - Best practices in public tenders.

   Likewise, the Code of Conduct describes the general guidelines to be taken into account in its relationships with stakeholders:

   - Responsibility towards clients: Renta 4 Group has at its foundation transparency of information and acting in the client's best interest in its relationship with its clients. These guidelines of conduct include investor protection, safeguarding assets and funds, financial responsibility and personal data protection.

• Responsibility towards employees: Renta 4 Group considers the relationship with its employees to be fundamental to safeguard fundamental rights. Firstly, because corporate culture is reflected in its work and the way it interacts with stakeholders, that is, by protecting the rights of third parties. Secondly, because one of the Group's maxims is to promote a work environment that fosters personal development.

• Responsibility towards suppliers: Renta 4 Group shall ensure consistency in the processes of approval, selection and contracting of suppliers for acquiring goods and services, avoiding any type of interference that could hinder both the impartiality and transparency of the supplier selection process, in accordance with the Outsourcing Policy.

• Responsibility towards Public Administration and Official Bodies: Renta 4 Group is committed to collaborate and act with diligence in its relations with the competent authorities, fiscal transparency and the prohibition of corruption and bribery. This matter is addressed in the 'Corruption and Bribery' section of this document.

These general action principles are developed in the various internal regulations that have been approved for this purpose and that are summarised below.

2 With regard to Information Security and Personal Data Protection:

In 2021, joint work between the Security Office and the Privacy Office of the Renta 4 Group was pursued by incorporating the Data Protection Delegate as a member of the Information Security and Personal Data Protection Committee, as well as all the rules associated with the entity's compliance with the ISO/IEC 27001 standard, in which the entity is going to be certified. As a result of this collaboration, there have been updates to (i) the Information Security and Personal Data Protection Policy and (ii) the Code of Conduct on Information Security and Personal Data Protection. The purpose of these revisions is to reinforce information confidentiality and privacy by implementing the general principles of the Code of Conduct. In this way, principles such as privacy by design and by default, present in all the projects developed by the Group, are included in internal regulations at the highest level. As a result of the joint work of the Privacy and Security Offices, the Event Management Standard and the procedures derived from it have been updated to comply with the different applicable regulatory frameworks; a calculator has been developed to determine whether these events are subject to notification to the competent authority and/or the interested parties.

Additionally, in the area of privacy, work has been carried out during 2021 to improve the processes and procedures to incorporate the recommendations of the Audit Report submitted to the Group in 2020, after undergoing a voluntary external audit. Among the improvements, a comprehensive awareness and training plan has been launched and procedures have been documented, such as: (i) the management of rights of interested parties in offices and (ii) the management of candidates' resumes in selection processes, with special reference to interns joining Renta 4.

On the other hand, and by way of example, the Register of Processing Activities (RAT) has been reviewed; all contractual relationships with data processors have been reviewed and updated; a web audit has been carried out to verify the level of compliance of the Renta 4 Group's web pages both in terms of privacy and regulations on information society services; privacy risk analysis, impact assessments and deletion deadlines have been carried out and established.

In relation to the stakeholders' rights, Renta 4 Group received 14 claims in 2021. All of them have been managed and answered in a timely manner.

The objectives of the Privacy Office for 2022, approved by the Security Committee, are: to comply with the privacy training plan, so as to ensure that all Renta 4 Group employees receive appropriate and regular training on the subject; to comply with the actions indicated in the Action Plan derived from the Data Protection Compliance Review Report; to make progress in compliance monitoring in the Renta 4 Offices and Central Offices; to contribute to the process of continuous improvement of internal regulations on privacy, including aspects related to: reviewing the Register of Processing Activities, articulating relations with third parties, establishing deadlines for deletion and blocking of personal data; and establishing a monitoring framework with the subsidiaries of the Renta 4 Group.

Across all aspects of privacy and information security, efforts have been dedicated to coordinate the Privacy and Security Offices and, to put this into force, the entity has been advised jointly in different projects in the area of data protection and information security, and also monitored and assisted to be in compliance with privacy regulations such as the regulatory Sandbox in which Renta 4 Banco and Renta 4 Gestora have participated or to develop tools to analyse breaches or events of the entity.

In the area of information security, the security processes for remote access and remote work have been reinforced; the acceptable use of assets has been strengthened; policies, standards and procedures have been aligned with the guidelines of the European Banking Authority; and the physical security of the DC has been reinforced, thus guaranteeing the security of the entity's assets. In addition, the entity's assets have been inventoried and several audits have been carried out in relation to technological risk and information security.

The Security Office's objectives for 2022, besides initiating the process for obtaining the ISO/IEC 27001 standard certification, as mentioned above, are based on training employees in Information Security; labelling all assets based on the classification established by the group; developing a Technology Contingency Plan (TCP) and a Disaster Recovery Plan (DRP).

3 (1) Outsourcing Policy: this exhibit defines the guidelines for the decision-making, formalisation, management and monitoring process when outsourcing to a third party the provision of functions of the Renta 4 Group entities, both in normal and crisis scenarios.

Renta 4 Group entities go through the following phases in every outsourcing process: (I) Opportunity assessment; (II) Detailed analysis and approval; (III) Bidding and awarding; (V) Implementation; (V) Monitoring; (VI) Reporting and (VII) Exit or Renewal.

The factors that the Renta 4 Group considers when carrying out due diligence on a potential service provider are: the supplier's nature and capabilities, its ethical principles, the personal data processing that it may carry out and the security and internal control measures that it has in place.

In accordance with the above, among other aspects, the entity evaluates whether the supplier: (i) complies with Renta 4's values and Code of Conduct; (ii) acts ethically and with social responsibility; (iii) respects international standards on human rights, environmental protection and appropriate working conditions, including the prohibition of child labour; (iv) has a reputation and culture compatible with Renta 4's standards; (v) has a liability prevention model and (vi) has high ethical, behavioural and Social Responsibility principles in accordance with its profession, sector and jurisdiction.

4 Investor protection: safeguarding the rights of clients in accordance with current banking and securities market regulations and with the best practices in the sector is one the maxims of the Renta 4 Group for service provision. This premise is enforced as follows:

- Employees must adhere to the Internal Code of Conduct (‘ICC’) when they join any Renta 4 Group entity. Although this standard is no longer mandatory, it has been kept by the company's decision, since it lays the foundations for the behaviour of employees in the specific field of their activity. It regulates, therefore, the prevention of market abuse and conflicts of interest or the regime of personal transactions, among others. In 2021, there were no incidents of non-compliance with the ICC.

- Marketing of products and services: the Renta 4 Group's entities are committed to the continuous improvement of their internal processes and procedures in order to promote the highest quality of service. This is intended (as stated in the Code of Conduct) to *‘contribute to the training in and the accessibility to specialised financial services and products to society (...) creating value for the Group while also creating value for society.’* To do so:

    - Regulatory developments and best practices are analysed in order to implement the necessary changes and offer customers a service that guarantees their rights as investors.

    - The design and distribution process of new products and services is supervised to ensure that it complies with current regulations and that customers are marketed products in accordance with their investment profile.

    - There is a plan in place to monitor compliance with the securities market rules of conduct.

- Marketing Communication Policy: this standard has been updated in 2021 to describe in greater detail the internal controls that have been designed to ensure greater transparency in advertising messages and minimise the risks arising from advertising activities.

5 The organisation and control model for the prevention of criminal risks is the internal system for preventing or significantly reducing the commission of crimes or behaviour contrary to Renta 4's principles within any of the Group's entities. It also provides for better management, regular analysis and continuous improvement. This model consists of: (i) a Criminal Risk Prevention Manual, which includes general controls, as well as details of the misbehaviour having a potential risk for the Renta 4 Group and its specific controls; (ii) a Protocol for action in the event of infringements; (iii) a Whistleblower Channel Procedure; (iv) the Compliance Unit Regulations; and (v) the disciplinary system.

During 2021, it has been decided to split the whistleblower channel, as indicated in the following paragraph, as well as to review the processes and procedure in order to assess its degree of compliance with the regulations in force (data protection, anti-money laundering and the so-called 'Whistleblowing Directive').

As a result of this update, there are now two different whistleblower channels available: one dedicated exclusively to employee queries and complaints, hosted on the corporate intranet, and a second channel for stakeholders, who can also submit queries and/or complaints. This system is based on anonymity and the safeguarding of confidentiality and the rights of the claimant and the respondent.

No communications have been received through this channel during the financial year 2021.

The Group also has a specific whistleblower channel to prevent harassment situations.

The following table summarises the internal regulations described in this section and updated in 2021:

Internal standard	Description	Last update
Code of Conduct	It is the highest standard that reflects the Group's values and mission, as well as the general principles of conduct that must be respected in all relations with stakeholders.	September 2021
Outsourcing policy	It includes the criteria and guidelines to be followed when outsourcing an internal function to a third party. This Policy is developed in different internal procedures.	October 2021
Customer Asset and Fund Protection Policy	It includes measures related to the securities and funds entrusted by the customer to the Renta 4 Group for the provision of administration and custody services, in order to protect their rights and prevent the improper use thereof.	September 2021
Security and Data Protection Policy	Its main purpose is to protect the Renta 4 Group's information assets, as well as to ensure the confidentiality, authenticity and availability of the personal data it processes.	December 2021
Security and Data Protection Code of Conduct	Practical guide for employees with the behavioural guidelines to be followed to prevent and reduce the risk of attacks. This is intended to protect information and personal data security. It is a fundamental element within the Information Security Management System and is further developed in different internal procedures.	December 2021
Whistleblower channel procedure	Within the Renta 4 Group's organisation and criminal risk management model, this procedure regulates the sending and processing of complaints and queries related to possible offences or violations of internal regulations.	November 2021
Marketing communication policy	It establishes the general principles, criteria and procedures to which the Renta 4 Group's advertising activity must conform so that the message is clear, sufficient, objective and not misleading, making its advertising nature explicit.	September 2021
Procedure for managing the rights of stakeholders	It establishes the procedure to be followed when stakeholders approach the offices to claim their privacy rights..	March 2021
Candidate and intern management procedure	Indicates the steps to follow in terms of privacy, when receiving resumes, i.e. aspects such as: (i) the information to be provided to candidates and interns or (ii) the deadlines for blocking and deleting personal data.	December 2021

The Entity is a voluntary member of Autocontrol, the Association for Commercial Self-Regulation, which promotes best advertising practices

In order to enforce compliance with internal regulations, Renta 4 Group has the following measures in place:

- Employee training: Renta 4 Group's vision is based on the idea of '*promoting economic and social development with recognised financial soundness and with a duty of continuous and ethical training*', as stated in the Code of Conduct. This is why annual goals are set in relation to the completion of courses on regulatory or behavioural issues. During 2021, specific trainings on data protection and privacy, information security and sustainable finance have been carried out, and an information security training and awareness plan has been approved for 2022.

- Communication: compliance culture is based on informing all members of the Group of relevant issues, regulatory developments and best practices, inspiring principles and updates to internal regulations. Furthermore, during 2021: (i) training tidbits related to third-party management, cybersecurity and personal data protection have been implemented; (ii) employees have been informed of the new Code of Conduct and (iii) the corporate intranet has been enriched with the new whistleblower channel and updated versions of the policies.

New members of the Renta 4 Group receive an explanatory document with the internal regulations. Once read, they are asked to sign their endorsement and a commitment to follow them.

On the other hand, Renta 4 Group's action guidelines aim to be in line with the recently adopted Charter of Digital Rights (drawn up by the Secretary of State for Digitalisation and Artificial Intelligence of the Ministry of Economic Affairs and Digital Transformation), with the aim of guaranteeing the fundamental rights already recognised in the digital ecosystem.

In this regard, Renta 4 Group has worked during 2021 on:

- Guaranteeing workers' labour rights in remote work..

- The right to cybersecurity: as reflected in the Charter of Digital Rights, '*everyone has the right to digital information systems used by them for their personal, professional or social activities or which process their data or provide them services, that possess adequate security measures to guarantee the integrity, confidentiality, availability, resilience and authenticity of the information processed and the availability of the services rendered*'. In this regard, Renta 4 Group is working to prevent and reduce the risk of attacks and protect information, as explained in the previous section.

- The promotion of personal data protection, as described in the previous pages. .

- Development of the company in the digital environment: the Charter of Digital Rights includes: '*1. The concept of free enterprise recognised in the Spanish Constitution is applicable in digital environments within the framework of the market economy, in which the defence and promotion of effective competition is ensured, avoiding abuses of dominant position, which also guarantees the compatibility, security, transparency and equity of systems, devices and applications. 2. The technological development and digital transformation of companies must respect the digital rights of individuals, as required by legislation on the matter*'. Ethical principles that inspire corporate culture are taken into account in the technological development of Renta 4 Group's entities. This involves the implementation of processes that guarantee transparency in the marketing of products and services and the safeguarding of the digital rights of all stakeholders. As a result, in 2021 (i) the third-party approval process has been improved, which seeks effective competition where each third party's organisational and technical measures are taken into account; (ii) the principle of compliance has been taken into account in the projects that have been carried out for Renta 4 Banco's participation in the financial sandbox from the design phase, which has resulted in safeguarding the rights of investors (personal data protection, information, etc.). and the application of all regulations (anti-money laundering, privacy, investor protection, etc.). in a new environment and (iii) a comprehensive review of the Group's websites has been carried out in order to analyse cookies and the displayed information, among others.

After briefly describing the management of behavioural risk by the Renta 4 Group, the procedures put in place to avoid reputational risk are worth mentioning. In this sense, efforts are made by:

- Corporate Governance: information on corporate governance issues is mainly reflected in two documents: (i) the Annual Report on Directors' Remuneration and (ii) the Annual Corporate Governance Report. Both documents are publicly available on the CNMV's website.
  Link: *https://www.cnmv.es/Portal/Consultas/DatosEntidad.aspx?nif=A-82473018).*

• In accordance with current regulations, Renta 4 offers its customers an ombudsman service for submitting complaints and claims. Although this channel has already been described in other sections of this document, it is mentioned here because of the importance that control areas attach to it as a source of information for improving internal processes and procedures.

Likewise, and as mentioned above, the Renta 4 Group's whistleblower channel is also accessible to customers, so that they can report any violation of criminal regulations or the Code of Conduct.

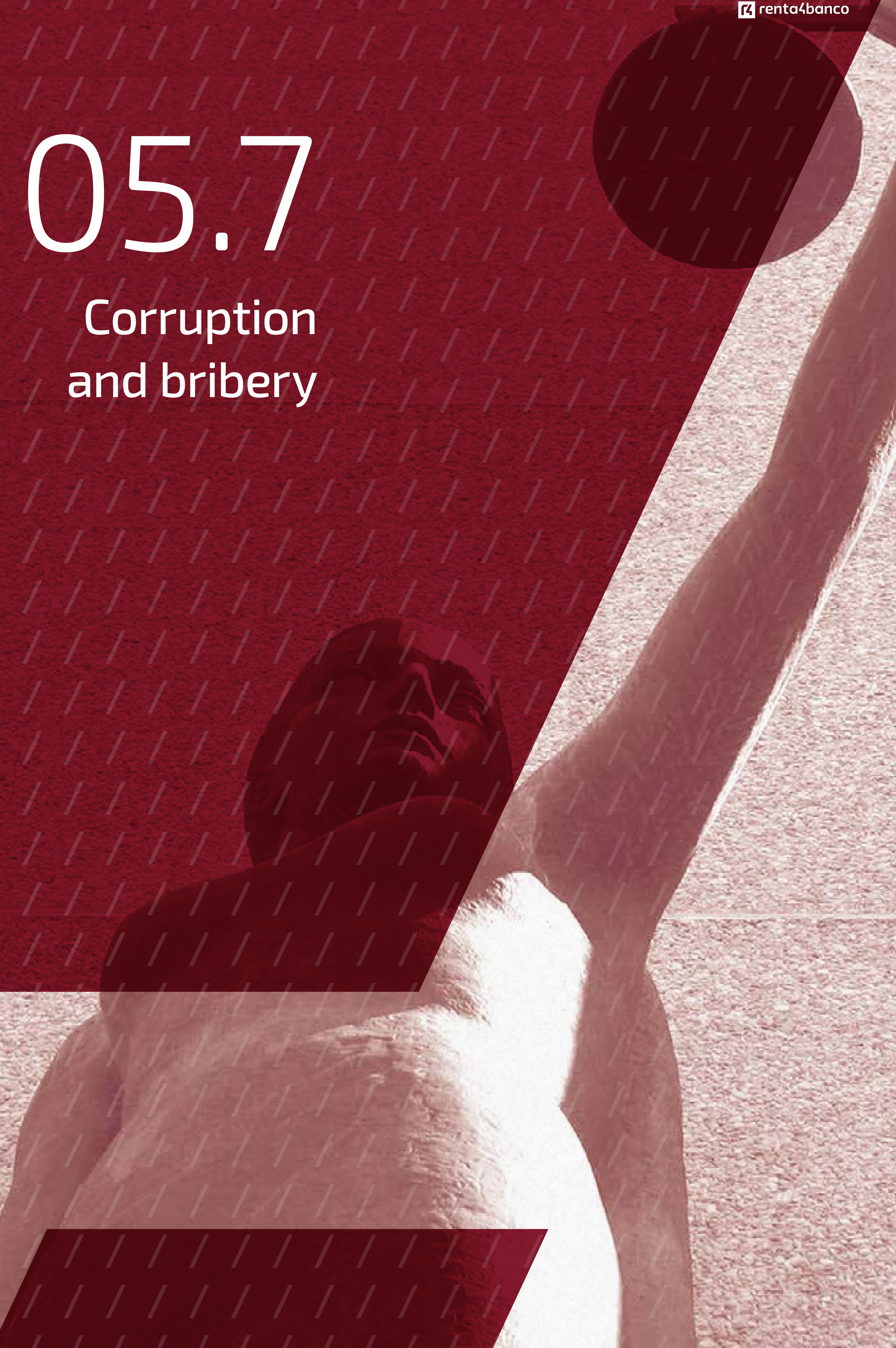
• Presence in the media: throughout 2021, Renta 4 Group was present more than 11,800 times in the written press, web and print media, radio and television. In this way, the Group is committed to fostering dialogue with its stakeholders and consolidating its position on the platforms as a stronghold of information and training. As in previous financial years, the Group's reputation has been measured in order to detect areas for improvement and increase confidence. In this regard, it is worth mentioning:

  • Written press: No serious crises have been detected in financial year 2021, only two pieces of news classified as 'minor'.

  • Social Media: Monitoring is carried out on a daily basis. In September 2021, a more accurate and efficient social listening tool was implemented to measure brand reputation.

05.7

Corruption and bribery



Renta 4 Group's Code of Conduct, the highest-level internal regulation, establishes the following among its five general principles of action:

'No employee of the Entity shall offer, pay, request any payment, gift, promise or compensation with the purpose of obtaining favourable treatment in the commercial activity or in the decision-making process. Likewise, Group employees shall refrain from accepting gifts, hospitality or any type of compensation offered by other Group employees, clients, suppliers, counterparties, intermediaries or any third party with whom they have a relationship. For such purposes, payment, gift, promise or compensation shall be understood as anything given that exceeds the usual, social and courtesy practices, favours or services that imply privilege or unjustified advantage to natural persons or entities or that may condition the performance of functions. Renta 4 Group's employees shall not make donations on behalf of it or for its account, either directly or indirectly, to political parties or contribute in any way to their financing'.

Being considered one of the five most important for Renta 4, this behavioural guideline is intended to reflect that the Group's mission and objectives shall only be considered achieved within a framework of transparency and zero tolerance for corrupt practices. Along these lines, the 2021 revision of the Code of Conduct has decided to include what the Renta 4 Group means by 'payment, gift, promise or compensation', that is, 'anything given that exceeds the usual, social and courtesy practices, favours or services that imply privilege or unjustified advantage to natural persons or entities or that may condition the performance of functions', to reflect its corporate anti-corruption policies in a transparent manner.

Likewise, the following are included as general principles of conduct for all employees: (i) faithful accounting of transactions and their adequate reflection in the financial information published by the Group and (ii) refraining from any action that compromises the Group's reputation, by carrying out unlawful practices when participating in public tenders.

Regarding the guidelines for dealing with the competent authorities and official bodies, the Renta 4 Group has established the following basic principles:

- For the exchange of information, the following premises, shall be taken into account, among others: (i) communications shall observe institutional respect and be developed under criteria of maximum collaboration and compliance with the Law; (ii) requests shall be processed with diligence; (iii) the delivery, promise or offer of any kind of payment, fee, gift or compensation to any authorities, public officials or employees or managers of companies or public bodies in Spain or any other country, whether made directly to them or indirectly through persons or companies related to them and whether it is addressed to the public official or employee themselves or to another person indicated by them, shall be forbidden.

- Regarding tax obligations: (i) practices that imply illegally avoiding the payment of taxes to the detriment of the Treasury shall be avoided and (ii) professional activities in countries or territories classified as tax haven in accordance with the Spanish legislation, if ever developed, shall be identified and defined.

In order to enforce the above, the Group has implemented:

- The ICC, which establishes the guidelines for the behaviour of employees when performing their duties in the securities market, as mentioned in other sections hereof. In particular, this standard establishes the Renta 4 Group's Conflicts of Interest Policy, with the procedures to be followed in order to prevent, avoid, manage and, if applicable, report conflicts of interest. In addition, the ICC contains the methods established by the Group to prevent market abuse.

- The organisation and control model for the prevention of criminal risks: after analysing the Penal Code offences in which a legal person may potentially incur, in relation to corruption and bribery, Renta 4 noted a risk both in business corruption crimes (articles 286 bis and ter) and in influence peddling crimes (articles 429 and 430). No unlawful behaviour has been contemplated in this regard. However, controls are in place to prevent the materialisation of the existing risk in certain daily activities of the Group's entities (such as the negotiation of agreements with clients or relations with the Administration). These include: (i) the ICC itself, mentioned above; (ii) audits; and (iii) the Board Regulations and procedures related to Corporate Governance.

- Outsourcing policy: although this internal regulation has already been described in the Human Rights section, it is mentioned here to indicate the aspects taken into account in the third-party approval process, such as: (i) whether the supplier has a criminal risk prevention model; (ii) whether it has a Corporate Responsibility Policy or (iii) whether its principles and values are in line with Renta 4's Code of Conduct.

Measures to prevent money laundering

Renta 4 is aware of the importance of this matter and of the role that financial institutions and other economic agents play in its prevention. Thus, the measures against money laundering and the financing of terrorism are based on three basic pillars: (i) the highest international standards, (ii) the adaptation thereof and (iii) compliance therewith through global policies and technological systems.

Renta 4's commitment is materialised in the mandatory standards and procedures aimed at complying with the applicable regulations on anti-money laundering and with the recommendations issued by international organisations, the Financial Action Task Force (FATF) and national and international authorities. These manuals contain complete information on the internal control measures adopted by the Group, as well as detailed policies on due diligence, information, document conservation, money laundering risk assessment and management, reporting and client admission.

These policies are updated and based on a prior risk analysis, a practical report adapted to the reality of the activity carried out by Renta 4, which constitutes an x-ray of the business from the perspective of anti-money laundering. This approach shall serve to identify the risks of someone taking advantage of the activity carried out by Renta 4 to introduce, move or hide funds of suspicious origin. No one knows the risks of each business better than those who carry it out. That is why, the bank's entities shall be classified by risk level, and measures and controls shall be designed and implemented to mitigate the risk. In addition, a specific risk analysis is performed and documented prior to the launch of a new product, the provision of a new service or a new distribution channel or the use of a new technology, and appropriate risk management measures shall be implemented thereafter. Likewise, a risk analysis is performed on the client's characteristics. Clients shall be classified into different risk levels in order to design and implement measures and controls to mitigate the risk.

On the other hand, the policies and manuals implemented by the entity are reviewed through internal and external audits in order to verify the correct functioning of the system for anti-money laundering and countering financing of terrorism. To this end, Renta 4 has a policy on Anti-Money Laundering and Countering Financing of Terrorism, which is reviewed and updated periodically to adapt it to the organisational, legal and functional changes that may occur in the Group. These modifications are approved by the Committee for Anti-Money Laundering and Countering Financing of Terrorism and the Board of Directors.

In accordance with the provisions of the Manual, the organisational structure that Renta 4 has established for Anti-Money Laundering/ Combating the Financing of Terrorism is as follows:

- An Internal Control Body (ICB) for Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT), centralised at Group level, that establishes policies on anti-money laundering and countering financing of terrorism, in accordance with Law 10/2010 and its derived regulations, and ensures compliance therewith. In addition, the different business units of the entity are represented in the ICB.

• An Anti-Money Laundering Technical Unit, centralised at Group level, with specialised staff, exclusive dedication and appropriate training in analysis. The main objective of this unit is to define and supervise the processes within the business, as well as to ensure compliance with the policy for the prevention of money laundering and the financing of terrorism.

• A representative before the SEPBLAC in charge of administration and appointed in turn by the Board of Directors, who is ultimately responsible for compliance with the reporting obligations established in Law 10/2010, of 28 April.

This organisational structure makes it possible to adequately manage the risk of non-compliance with regulations, which entails a significant reputational risk, with a potential negative impact on relations with clients, markets, employees and the authorities. In particular, non-compliance with regulations may result in penalties, damages or cancellation of contracts, with the consequent damage to the image projected by the entity.

In financial year 2021, Renta 4 has implemented policies to effectively comply with Article 31 of Law 10/2010 of 28 April, regarding internal control measures at group level. To this end, it has increased its control over foreign subsidiaries, reinforcing its reporting obligations to the parent company in order to obtain relevant information more regularly and in greater detail, especially in the areas of detection of suspicious transactions, registration of high-risk customers, matches against lists of persons with public responsibility (hereinafter PPR) and blacklists. In addition, this information exchange procedure has been documented through policies and procedures that ensure that its branches and subsidiaries abroad, in which it has a majority shareholding, have established and applied AML/CFT procedures and measures aligned with those established by the parent company

In addition, it has adopted the necessary measures to ensure that employees are aware of the internal policies, procedures and controls established in the Anti-Money Laundering & Countering Financing of Terrorism Manual. Consequently, the Group's employees must know and put into practice the prevention measures contemplated by internal regulations and examine those transactions which, due to their nature or the circumstances and characteristics of the clients, present indications of possible links with money laundering or terrorist financing activities, in order to adopt the additional prevention and communication measures defined from time to time. To this end, the Manual is permanently accessible and updated on the intranet and a course on anti-money laundering was made available to all Renta 4 employees (including employees of subsidiaries located abroad) during 2021.

The main indicators of this activity in 2021 are detailed below:

Training	% of people trained
Board of Directors	100%
Employees in Spain	97%
Employees at subsidiary companies	96%
ICB	100%

Senior management is also responsible for the AML/CFT policies and measures in place to manage ML/FT risk. This implies that it should be aware of the ML/FT risks to which it is exposed and take the necessary measures to effectively mitigate those risks. To this end, in 2021 the board of directors of the group companies, which are also considered reporting parties according to the regulations on the prevention of money laundering, CII and Pension Plan management companies, were fully trained.

Contributions to industry associations

Renta 4 establishes alliances with associations from different sectors in the communities where it operates, relying on them to identify and try to respond to the needs of the local environment. The total contribution of the Renta 4 Group to non-for-profit sector associations in 2021 amounted to €136,435.28.

Renta 4 Gestora SGIIC SA and Renta 4 Planes de Pensiones are common members of INVERCO, the Association of Collective Investment Institutions and Pension Funds, the Spanish employers' association that groups together collective investment institutions. Its members are Spanish entities that manage investment funds and pension plans, as well as foreign entities that are duly registered and controlled by the Spanish Securities Market Commission (CNMV). The fees paid in 2021 amounted to 13,300 euros and 26,500 euros, respectively.

05.8

Company

The correct development of Renta 4 activities through its processes depends to a large extent on suppliers, so their correct management has a direct effect on operations, projects, and, ultimately, on the non-financial and financial impact on society. A significant percentage of Renta 4's activities are carried out with third party suppliers, as reflected in the percentage of expenditure and investment that these represent.

The main risks affecting the organisation in terms of commitment to subcontractors and suppliers are the following ones:

Quality and compliance risks: they occur when the provider does not comply with the quality levels required by Renta 4.

Reputational risks: they occur if the provider is involved in bad practices or illegal activities in the public domain, affecting Renta 4's brand image.

Financial risks: they occur if the relationship with the supplier generates a financial impact on the group that is not aligned with the service or product outsourced, either due to incorrect compliance or an inadequate definition of the contractual relationship in other elements (contract term, cancellation clauses, etc.).

Operational risks: resulting from an inadequacy or eventual failure of processes, personnel and internal systems, or due to external events, in particular errors made by providers in information and pricing, intrusions into technological systems that could jeopardise the Group's infrastructure security.

Sustainability or ESG risks: these include as non-financial risks, losses arising from a negative perception of the group by stakeholders derived from poor performance or lack of sufficient measures to achieve better environmental protection, social development with cohesive criteria and economic growth that generates equitable wealth.

The Renta 4 Group understands that this risk, as well as the associated reputational risk, is mitigated by establishing policies and procedures with a view to Corporate Social Responsibility, with a vocation for continuity and a commitment to the highest-level business management and a shared value with the citizens in its sphere of action. The purpose is to generate profit in a responsible manner, considering sustainable investment as one of the main levers for the progress of entities and society.

In order to achieve this purpose, an internal committee or ESG Committee was set up last year, which is responsible for supervising the reporting process and internal control systems in ESG matters, and for submitting the information in this respect to the Board of Directors for approval.

The Renta 4 Group also works to raise awareness and implement incremental measures in this area, by issuing a series of annual policies and reports to inform its stakeholders about the measures to manage and reduce these non-financial risks. These include the Group's ESG policy, which establishes sustainability as a priority, integrating ESG aspects into its business strategy and corporate culture. Moreover, Renta 4 Gestora has adhered to the United Nations Principles for Responsible Investment, publishing ESG policies and the adverse impact report, the ESG asset management policy, which shall be regularly updated in accordance with regulatory developments. Finally, the Group issues an information statement on non-financial risks, which is included in the annual report and which sets out the measures adopted and their annual improvement in accordance with the development of best practices and regulations.

In addition, the group is implementing the Sustainability Disclosure Regulation for the financial services sector and other approved regulations, and has initiated in past years, with the help of external experts, policies, procedures and measures to analyse the current situation of the group with respect to the regulatory requirements to report on the integration of ESG risks.

Additionally, the Group adapts to the ESG Taxonomy Regulation in accordance with regulatory requirements and deadlines by establishing the 'ESG Taxonomy Exposure Eligibility Assessment Procedure' in which both internal and external tools (Clarity AI) are used to report compliance with the eligibility of exposures under the taxonomy in the Statement of Non-Financial Information.

From a social point of view, in terms of achieving greater social cohesion, Renta 4 has an Equality Plan, which seeks to achieve equal treatment and opportunities between women and men, promoting and guaranteeing equal opportunities for income and professional development at all company levels, adapting policies to social changes, as well as ensuring equity in the compensation policy.

It also has a 'Protocol for the Prevention, Handling and Elimination of Sexual Harassment on the Grounds of Gender and Discrimination'.

Information on partnership or sponsorship activities

In the solidarity field, the entity's activities are mainly canalised through the actions carried out by Fundación Renta 4 (Renta 4 Foundation). As of today, Renta 4 Banco accounts for 100% of the contributions received by Fundación Renta 4 to carry out its activities.

Fundación Renta 4 contributes annually to projects that promote education in the most vulnerable populations of Spain, Africa, and Latin America in order to ensure that high quality education reaches the greatest number of young people following transparency values.

Fundación Renta 4 involves the entity's employees in the project proposals and makes associations participate in the selection process. The foundation's board of trustees analyses every aspiring project/association and checks if they meet the established requirements. Then, some projects and associations are validated and all employees vote for the best of them.

Currently, the foundation makes annual contributions of €6,000 euros to 11 projects. These assignments are revalidated on an annual basis, although 5 of them already have a continuity commitment, given the path shared with the projects developed in them.

In addition, Renta 4 participates directly in specific actions, ensuring that they are always within the charity action area that the entity has set itself: education and culture, as a means of social inclusion and the development of disadvantaged groups. These actions include examples such as the patronage of the Teatro Real (€67,896.80); among others.

Specifically, in the 2020 financial year Renta 4 donated the following amounts:

- **€91,000 to the Fundación Renta 4.**
- **€67,896.80 euros as trustees of the Teatro Real**
- **€10,000 euros to Loro Parque**
- **€300 to the University of Granada**
- **€125 to the University of Valladolid**
- **€325 euros to the Cofradía Correctional Centre**
- **€300 donated to Mi grano de arena**
- **€600 to Ampao**

Company's commitment to sustainable development

Due to Renta 4's activity as a bank specialised in capital markets, an activity of a global nature and with a wide technological scope, the impact on suppliers and employment is usually broad.

In addition to the effects described above, the activity of Renta 4 consists in democratising intermediation and asset management, which has a positive effect on the financial situation, providing a value-added service with impact on the citizens' finances and savings. The dissemination and pedagogical work is a commitment that is embraced across the entire organisation, both in the offices and at headquarters. In 2021, 102 training and information courses on the different investment products were organised (23% more than in 2020); 3,902 people registered in the different courses (555% more than in 2020) and, in webinar format, the 24 training sessions scheduled obtained 7,814 live attendees and 29,153 deferred attendees (23% and 250% growth compared to 2020).

	2020	2021	Difference
Office courses			
Total courses completed	83	102	23%
Total enrolments	596	3.902	555%
Average enrolments per course	7,18	38,2	432%
Webinars			
Total number of webinars held	19	24	26%
Total live views	6.359	7.814	23%
Total views on demand	8.324	29.153	250%

One of the most attended training conferences was the ‘Cycle from Saver to Investor’, which offers 7 conferences on the fundamentals of investment, funds, the stock exchange, pension plans, sustainable investment, megatrends and crypto-assets. In this section, multiple contents are produced and disseminated throughout the year, around the theme of sustainability in the form of blog posts, audiovisual pills, conferences, webinars, courses...

In line with the commitment to nationally and internationally recognised principles, Renta 4 Gestora has adhered to the United Nations Sustainable Investment Programme, the so-called PRI (Principles for Responsible Investment), whereby it undertakes to incorporate environmental, social and corporate governance factors (ESG) in investment decision-making.

Under this agreement, Renta 4 Gestora is explicitly integrating ESG factors into all its investment decisions in order to better manage risks and enhance the returns of the funds it manages.

Renta 4 continues with the gradual incorporation of environmental, social and corporate governance factors in both the company's activity and in investment decision-making, fully convinced that these are already necessary actions to comply consistently with the company's purpose towards its clients and society.

COVID-19 has brought about a change, which began in 2020, in the work model and in the relationship with stakeholders, transforming towards a more remote model. This form of remote work has been consolidated in a hybrid model in 2021, which combines in-person and remote work to promote integration into the company and the corporate culture, while at the same time, improving work-life balance and the reduction of travel to work centres, a reduction in CO2 emissions from vehicles, as well as in the consumption of electricity, gas, water, paper, etc., at the work centres.

Description of the relationships maintained with local communities

Renta 4's activities and events are advertised through the web, social networks, and local media (radio, newspapers, etc). Special emphasis is placed on offering specialised information in collaborative formats through local newspapers and radio stations.

The establishment of Renta 4 in the country through its wide network of offices (62 offices spread in all provincial capitals) generates an economic impact on employment and the outsourcing of suppliers for maintenance and several other service activities to sustain the branches that function locally.

Renta 4 is a national benchmark in investment services and capital markets. Its presence throughout Spain, in every provincial capital, is proof of its commitment to society as a whole to democratise investment, based on the belief that investment is one of the main engines for improving people's lives.

In addition, Renta 4 Banco has a project underway that has been developed throughout 2021 and is already scheduled to be launched in 2022, to provide the company with the necessary tools to carry out its investment activity while considering sustainability factors. The purpose is to enter data and elements to filter and select the assets and agents that fit your SRI criteria.

The Corporate activity of Renta 4 includes the analysis and access to financing for small companies to support their growth and eventual IPO. This activity is combined with local offices to offer SMEs these possibilities, so we consider that it has a very positive impact on local territories.

The entity, with the collaboration of some of its employees, participates in the initiative for financial education for young people "Tus Finanzas, Tu futuro" (Your Finances, Your Future). We have been actively involved in this initiative since its inception. In 2021, as in 2020, it maintained in a more digitised version.

In addition, a multitude of training activities are carried out in financial matters in order to bring these aspects of financial culture closer to the local community (see above). During financial year 2021, due to the implications of COVID, these training activities were mainly carried out through digital channels, although some have already begun to be carried out in hybrid format, combining in-person and virtual attendees.

Outsourcing and suppliers

Renta 4 is firmly committed to carrying out supplier selection, outsourcing and subcontracting activities following the principles of contribution to society and its sustainability. It selects suppliers based on terms of financial due diligence, policy asymmetry and adaptability to future service needs.

To this end, a policy and procedure for outsourcing services and functions has been developed, which contemplates the set of analysis, monitoring and review activities that must be carried out in order to ensure that third parties comply with the minimum conditions and requirements to mitigate or reduce the risks inherent to the function or activity to be performed by the third party

In addition to the policy, it has developed a methodology on how to proceed with third parties in each of the phases of their life cycle (contracting, provision and end of service). Complementing the methodology, a tool has been defined for the evaluation of outsourcing. This tool makes it possible both to assess the inherent risks of the services to be outsourced and to evaluate the suitability of the supplier from the point of view of risk minimisation and taking into account environmental, social and human rights protection criteria..

Renta 4 has a firm commitment to carry out supplier selection, outsourcing, and contractor selection following the principles of contributing to society and its sustainability. Although Renta 4 has no formal Procurement Policy at the moment, it has been working on a series of elements to guarantee the above-mentioned principles. The three pillars of this policy are the following ones:

a Commitment to prepare RFPss

Supplier selection is carried out using established procedures to mitigate the above-mentioned risks and to take control measures, considering that these procedures are dynamic and evolve over time.

The procedures are included in the RFP document, which contains the requirements for products and services, in order to have an objective reference to determine the most suitable supplier.

b Transversal impact analysis

The supplier selection is always carried out considering transversal analyses of the different Renta 4 areas represented in three functional verticals:

- **Technology (security area)**
- **Business (Marketing, Digital Development, others)**
- **Compliance (Compliance, Risks, Continuity, others)**

These analyses are carried out by people responsible for each project or area, depending on how the activity is performed at any given time and through the corresponding meetings and reports. Besides, they are supervised individually by the Management.

c Internal committees:

c1 Security Committee

It is the body that evaluates recently developed projects or the continuity of activities from an information security point of view in relation to how they are executed and what suppliers are engaged in it. It is one of the elements that guarantee compliance with the above-mentioned principles and the application of defined procedures.

c2 Suppliers Committee

It is the body in charge of managing suppliers' IT risks, handling their approval and review, in coordination with the areas involved depending on the supplier or service.

c3 ESG Committee

It is the body that approves the procedures related to ESG or similar matters, and that shall adopt decisions in relation to possible non-compliance by third parties

d Training:

During the last financial year, a series of activities associated with the process of training and raising awareness about matters related to technological risks have been carried out, apart from those provided by the Security office or the risk management office:

- Workshops on applicable regulations in the fields of Information Technology and Cybersecurity.
- Training courses specific for the Board of Directors on technological risk management and third-party risks.
- Drawing up information tidbits on security matters.
- Drawing up information tidbits on third-party risks.

Description of supplier monitoring and audit systems

Although the Renta 4 Group does not have specific supervision systems or audits in environmental matters due to the reduced impact on the entity's financial activity, suppliers are periodically supervised and audited both according to the various areas, on a discretionary basis, and in accordance with Renta 4's transversal supervision systems. Given the growing importance of monitoring the security of suppliers, an outsourcing policy has been formalized that includes a review and approval of suppliers prior to contracting, taking into account issues such as certifications, security, continuity, data protection, cloud resources, human resources, human rights, equality, among others. In this regard, the approval of suppliers is reviewed periodically, preferably annually, taking into account human rights and sustainability criteria, and being able to certify or audit compliance with them.

Moreover, a series of audits of the third-party risk management process have been carried out in accordance with the previously defined audit plan. Specifically, the following audits have been carried out: IT governance and strategy, third-party risk management, monitoring framework, security and risk training and PSD2 compliance review.

As a result of these audit efforts, several points for improvement have been identified and action plans have been defined to remedy them.

With regard to the protection of client assets, Renta 4's own processes and those of third-party suppliers are audited by external auditors on an annual basis, in order to demonstrate the correct safeguarding and protection of client funds and assets. Likewise, in accordance with regulations, Renta 4 has a person responsible for the asset protection function, who is in charge of monitoring the activity of third parties.

The main supplier supervision systems identified are the project or activity committees, which involve several areas and are ultimately overseen by the General Management, and other formally established committees, including the Security Committee, the Supplier Committee and the ESG Committee.

Cybersecurity

Renta 4 Group is committed to the fight against cybercrime by ensuring proper information security management and continuously improving cybersecurity.

Cybersecurity has become one of the most relevant concerns of the Renta 4 Group due to the fact that, currently, there is constant interconnection through telecommunications, which results in more vulnerabilities within the information systems of the Entity.

Renta 4 Group is constantly working to raise awareness and train each of its employees through a training plan tailored to the level of maturity identified in the Entity. To this end, an annual training plan for employees is prepared, as well as an awareness plan consisting of newsletters and awareness campaigns.

On an annual basis, Renta 4 reviews the Information Security and Personal Data Protection Policy, which is sent to all employees, along with security and privacy guidelines adjusted to the work position. In addition, all the standards and procedures that make up the Group's document system are reviewed and updated.

The most important activities carried out by the Renta 4 Group over the last year to highlight are:

- Conducting quarterly meetings of the Information Security Committee.
- Collaborating in a coordinated manner with the privacy, risk and continuity departments to ensure adequate information security.
- Maintaining the Group's entire document system up to date, tailoring all its content to market security standards.

- Assessing, improving and maintaining the security of the data processing centre facilities.
- Preparing Renta 4 Group's asset inventory with the participation of all Renta 4 areas.
- Classifying Renta 4 Group's assets using MAGERIT's five dimensions (Authenticity, Confidentiality, Integrity, Availability and Auditability).
- Developing improvements in the remote-work process.
- Preparing the annual training and awareness plan based on information security for the Renta 4 Group.
- Improving standards and procedures for event management and reporting.

Amongst all these items for improvement that have been relevant in the last year, the Renta 4 Group works daily to maintain the security of its systems, with security systems such as: protection mechanisms against Denial of Service attacks, different Firewall levels to protect the Entity's network, anti-malware systems, etc. In addition to the above, the Renta 4 Group has the necessary information to prevent, protect and respond to security and operational events.

It is for these reasons that Renta 4 Group defines a series of goals in line with the needs of the Entity and the moment every year. The next defined goals are:

- To continue to train and raise awareness of Information Security amongst all employees.
- To start labelling assets based on the classification established by the Group.
- To complete the alignment of Information Security standards and procedures to the ISO 27001:2013 standard.
- To implement all standards and procedures developed in the area of Information Security.
- To perform a maturity analysis of the Information Security documentary system.
- To be in constant coordination with all the countries of the Group in order to achieve the correct level of Information Security.

The Renta 4 Group is focused on fighting for cybersecurity in order to achieve optimal and adequate levels of protection in its systems. To this end, it strives to constantly advance and improve its level of security.

Consumers

The Renta 4 Group is an entity specialised in the provision of investment services and high-quality asset management, whose principles are based on proximity to clients and specialisation, offering a wide range of products and high-quality advice for client satisfaction, one of the main purposes of Renta 4.

In accordance with Order ECO/734/2004, dated March 11, on the client departments and services of financial institutions, the Client Service Department of Renta 4, (hereinafter, CSD) has the main function of processing and solving the complaints and claims submitted by clients. Thus, the Renta 4 Group makes different channels available for the effective submission of complaints and/or claims:

- Email addressdefensor@renta4.es
- Renta 4 website https://www.r4.com/through the client's account when they are logged in (with digital certificate)
- Postal address: Paseo de la Habana nº 74, 28036, Madrid
- In person at any of Renta 4's offices
- Clients or users can also make complaints to the Consumer Affairs offices of their Town Council or Autonomous Community.

Complaints received through any of the channels mentioned are sent to the CSD to first determine whether or not they are to be processed. Then, once they have been accepted, we proceed to the study and detailed analysis of each of the issues raised, reviewing the procedures established by Renta 4 and finally issuing the corresponding resolution, or urging the parties to reach an agreement on the disputes raised.

The evolution in the number of claims submitted to and processed by the CSD is shown below, classified by the type of resolution issued.

	2021		2020		2019		2018		2017		2016		2015	
	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%
Unfavourable for the customer	23	61%	15	34%	16	64%	24	69%	21	70%	24	89%	18	51%
Favourable for the customer	4	11%	5	11%	1	4%	1	3%						0%
SAC Compromise Proposal (Agreement)	6	16%	15	34%	8	32%	9	26%	8	27%	3	11%	14	40%
Customer cancellation	3	8%	1	2%									1	3%
Not admitted for processing/suspension	0	0%	1	2%			1	3%	1	3%			2	6%
Pendings Resolution	2	5%	7	16%										
TOTAL	**38**		**44**		**25**		**35**		**30**		**27**		**35**	

Tax information

As regards tax information, according to the provisions of Law 11/2018, in its first section, two V, Renta 4 Banco SA operates in Spain, Chile, Peru, Colombia, and Luxembourg. Renta 4 Banco pays direct input taxes (own taxes) and collects others from third parties generated by economic activity and based on its role as a collaborating entity with the tax authorities (third party taxes).

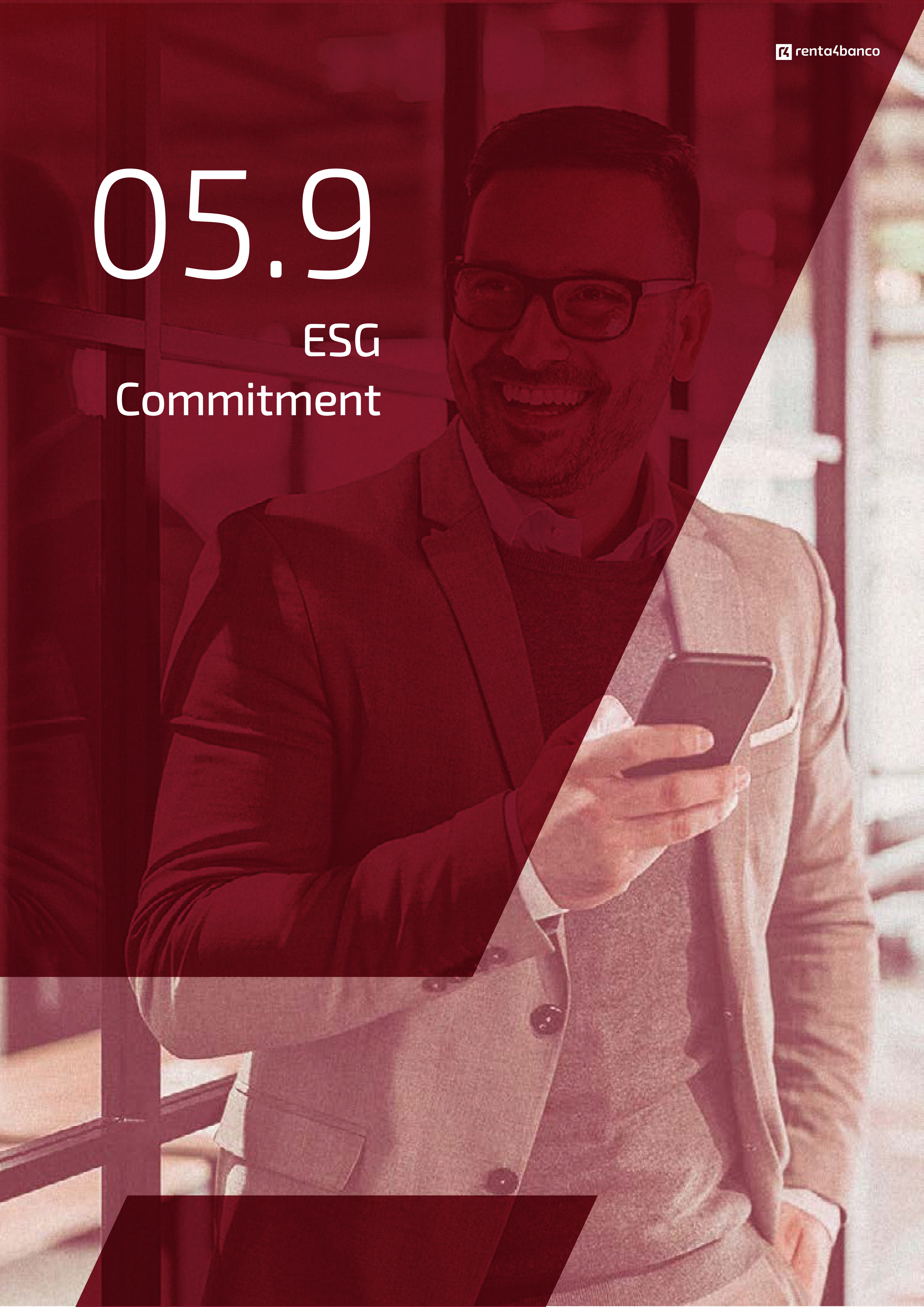
In relation to these countries, the profits obtained in each of them and the taxes on profits paid are specified in the following figures (in thousands of euros):

	TOTAL	Luxembourg	Colombia	Chile	Peru	Spain
Profit before tax	32.505	59	38	2.711	349	29.348
Taxes on profit*	-7.159	-20	0	-633	-73	-6.433
Profit after Taxes	25.346	39	38	2.078	276	22.915
Fee to be paid for the 2020 financial year	7.243	20	0	438	58	6.727

The Bank and the rest of the Group companies are subject to other taxes. In addition to income tax, the most important one is the tax on deposits in credit entities, which amounts to €482,000. During 2021, Renta 4 Banco S.A. did not receive any tax subsidies or public aid in this regard.

05.9

ESG Commitment



Sustainability has become a priority for the various stakeholders that make up the financial market: investors are increasingly taking environmental, social and governance (ESG) criteria into account when making their investments, and authorities and supervisors have launched various initiatives aimed at promoting sustainable investments.

The Renta 4 Group considers that the ESG criteria are part of the risks and opportunities currently faced by companies and therefore, incorporating these aspects into their business strategy and corporate culture is both a positive and necessary action.

Furthermore, Renta 4 is certain that its own vision of the company is, in itself, the greatest ESG commitment that can be made within the financial sector. 'Investment is one of the main levers for the progress of society and people'

Consistently with the above, Renta 4 is carrying out various actions that demonstrate its absolute commitment to the integration of ESG criteria, such as:

- Establishing **policies and procedures** in the different companies of the group to give a formal and orderly aspect to which already has a vocation and dynamics inherent to the very raison d'être of the entity.
- Selecting and integrating **solutions, tools and platforms** that provide the necessary ESG information to be used internally and/or externally (clients and prospects) in order to facilitate decision-making in line with these criteria.
- Establishing **controls and reports** to validate the level of compliance with **regulatory requirements**, as they come into force.
- Formalising the entity's commitment to responsible investment, **adhering to internationally recognised principles.**
- Establishing **ESG goals as strategic objectives of the entity** and develop and execute action plans to achieve these goals.
- Measuring all **ESG initiatives, their degree of compliance, their impact** and determine a r**ating standard** to analyse and correct.

Policies and procedures

Throughout 2020 and 2021, all Renta 4 business units formally adhered to Renta 4's ESG policies or, where appropriate, supplemented the entity's general policies with specific ones. This is the case of units that manage client assets to explicitly establish their commitment to carrying out such management considering ESG criteria and risks: Renta 4 Gestora and the Asset Management area.

In this regard, these policies are also accompanied by procedures that shape ESG investment policies, integrating environmental, social and governance (ESG) criteria into their product definition and monitoring procedures from a business and risk perspective, thus promoting sustainability. In this way, these include all information that promotes the integration of ESG criteria both in the corporate culture of the Renta 4 Group and in society.

All documents have been developed throughout 2021 and have been presented to and approved by the Management Committee. These documents have then been posted on the entity's website to be available to the general public.

Solutions, tools and platforms

Throughout 2021, multiple service providers and platforms have been analysed, selected and incorporated to facilitate decision-making based on ESG criteria, both internally (employees) and externally (clients or prospects).

These tools can be classified into 4 different areas:

Training: The FEF School was hired to develop an EFFAS ESG Essentials® training and certification program for Renta4's commercial network. This training was also given in an introductory format on ESG concepts that was made mandatory for all Renta4 employees.

Consulting: EY was hired to offer consulting services to the different areas of both Renta 4 Banco and Renta 4 Gestora, in order to undertake the first steps to compliance with the regulation that came into force in March 2021. The service is maintained to perform regular check-ups to measure the level of compliance with the different directives that are being applied.

Company rating: The Clarity IA platform was hired to use the company ratings it prepares to incorporate them into the investment valuation procedures carried out on Renta 4 Gestora's investment fund portfolios, as well as for the investments made on the investment fund portfolios carried out by the Asset Management brokers.

Fund and ETF Rating: The MorningStar platform was hired to use their investment fund ratings and thus, add simple information to make it easier for investors to consult, filter and select funds with ESG criteria, if they so wish.

Controls and reports

Policies and procedures are aligned with regulatory developments and supervisory expectations in the ESG field, including Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosures in the financial services sector.

However, many are the regulations and standards related to the ESG field, and many changes or technical definitions are being made to issued regulations, updates, interpretations and corrections. Renta 4 wishes to demonstrate its commitment to strict compliance with these standards and regulations and has carried out the following action to that end:

- **It has assigned employees with ESG functions** in different strategic areas of the entity to undertake the responsibilities of outlining and implementing policies and procedures (risk area, asset management area, investment committee of Gestora, HR...)
- **It has established an ESG committee** to entrust it with the coordination and supervision of initiatives related to sustainable investment, as well as reporting to the Audit and Control Committee, which in turn, reports to the Board of Directors.
- **It has hired the services of an external consultant specialized in ESG** for the financial sector, to create documentation and generated report checkpoints and, at the same time, train the teams mentioned above.

Adherence to international ESG initiatives

All policies created by Renta 4 are developed and complemented by other specific policies, standards and commitments related to their areas of application, with a threefold objective:

- To establish clear criteria for the ESG commitment towards the organisation and society
- To comply with the requirements of the different regulations
- To adhere to international ESG initiatives.

Renta 4 Gestora has already subscribed its adherence to the United Nations Principles for Responsible Investment (UNPRI).

Renta 4 Banco is analysing the different initiatives to determine which fits best with the bank's own activity. In this regard, in addition to UNPRI, the possible adherence to the Principles for Responsible Banking (UNEP FI) is being considered for 2022-2023.

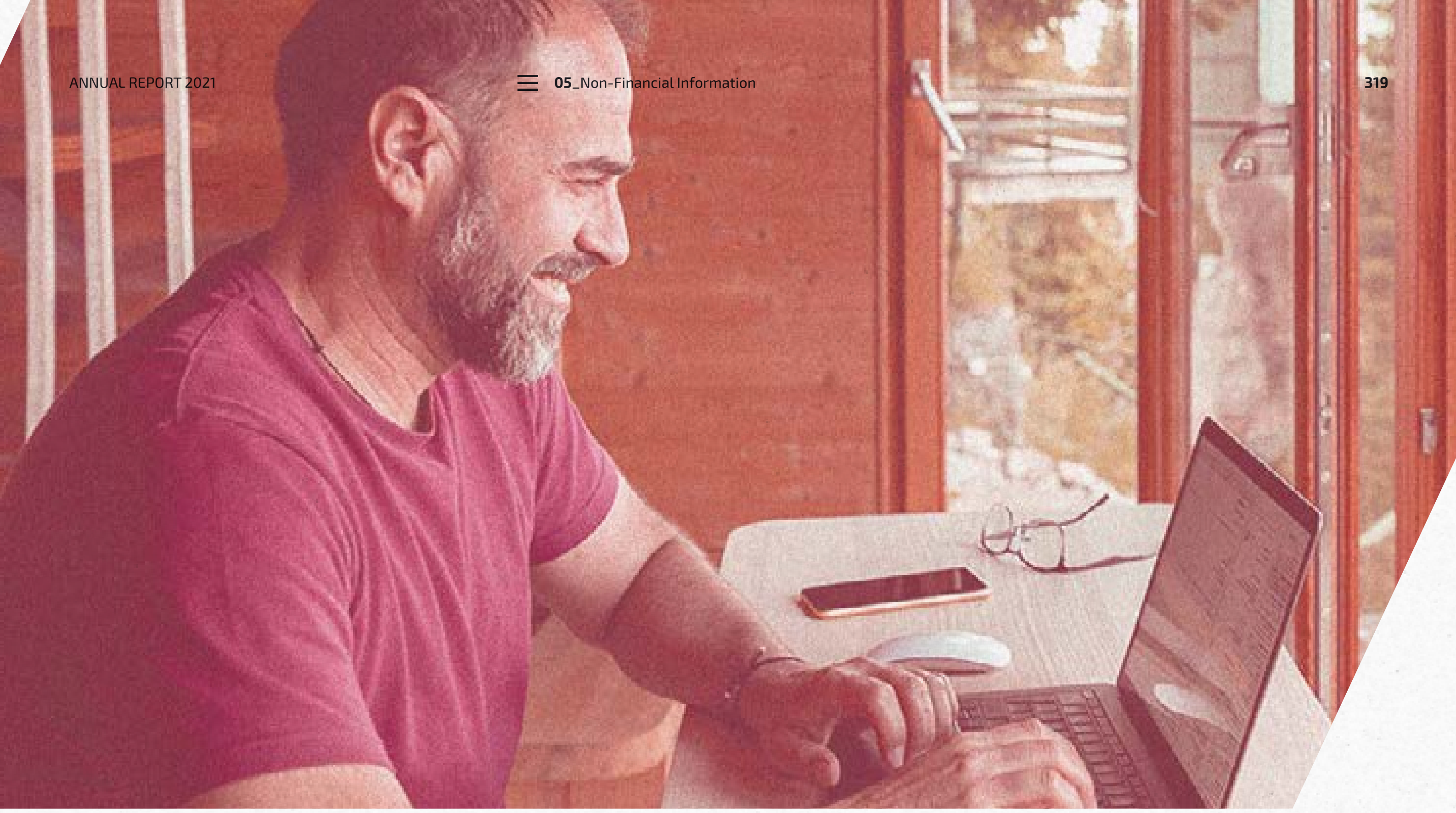
ESG Goals

The best way to put into effect the entity's commitment to sustainable investment and ESG criteria is to establish specific goals and deadlines to achieve them.

Throughout the first semester of 2022, Renta 4 is analysing and establishing these goals and deadlines and is outlining them to be strategic objectives of the entity. As such, the degree of compliance with ESG objectives shall be linked to the policies of compensation of the Board and senior management of Renta 4.

The goals shall be related to the areas of environmental care, social commitment and good governance.

- **As regards environmental care:** qualitative goals are being set for carbon footprint reduction, efficient energy consumption, consideration of climate change risk in investments...
- **As regards social commitment:** quantitative goals are being set to improve the working conditions of employees, pedagogical training in company investment, employee training, participation in programs for the social integration of disadvantaged groups...
- **As regards good governance:** quantitative goals are being set to achieve sustainable finances such as linking Board and senior management compensation to ESG objectives, setting ESG targets...



Evaluation of the degree of compliance and its impact

After analysing the different ESG rating platforms of the main listed companies, Renta 4 selected the Clarity IA platform.

The Clarity tool has been incorporated in the investment procedures of Renta 4 Gestora and the Bank to evaluate companies and compare them against each other and against a segment or market ideal.

Given that this platform that has been selected to measure other companies, it seemed reasonable that this same platform should also be chosen to evaluate our own performance in this area.

In 2021, all the information required by Clarity was forwarded to prepare Renta 4 Banco's first ESG rating.

	77%	72%	78%	78%
ESG	Total	Environmental	Social	Governance
Quantitative	71	n/a	67	76
Policies	81	72	93	79
Controversies	n/a	n/i	n/a	n/a

This process shall be carried out at least once a year to objectively evaluate the improvements or downturns obtained by the organisation in this respect. It shall make it possible to identify the quantitative and qualitative criteria, as well as the specific weight of each criterion within the taxonomy established by the platform.

In 2021, the rating was 77% with peaks of 78% in Social and Governance, and only 6 points below in Environmental. It marks a starting point above the sector average.

05.10

Taxonomy of sustainable finances

The draft delegated act elaborating on EU Regulation 852/2020, on the content and presentation of information to be disaggregated by companies subject to Non-Financial Information Reporting in the framework of environmentally sustainable activities, currently requires financial entities to calculate ratios that reflect exposure to eligible activities for the purposes of the ESG Taxonomy, as well as any other information that supports the entity's business model.

This information requirement is based on the EU taxonomy determined by EU Regulation 852/2020 and official and draft regulations, which is the basis for the development of a regulatory framework for environmentally sustainable economic activities.

This regulation sets out the relationship between the six environmental goals, the NACE codes to which the eligible economic activities are linked, and the subsequent requirements for assessing the alignment of the activities with these goals. Currently only two environmental objectives have been developed: climate change mitigation and climate change adaptation.

In order to assess the eligibility of exposures under the EU Taxonomy, the information required from financial institutions to prepare the Financial Information Report shall at least include:

- Ratio of eligible and non-eligible assets for ESG Taxonomy purposes to total assets excluding exposures to central banks, government agencies, supranational entities.
- Ratio of exposures to central banks, government agencies, supranational entities over total assets.
- Ratio of exposures to companies not subject to publishing non-financial information to total assets excluding exposures to central banks, government agencies, supranational entities.
- Ratio of interbank exposures to total assets excluding exposures to central banks, government agencies, supranational entities.
- Ratio of trading portfolio exposures to total assets excluding exposures to central banks, government agencies, supranational entities.
- Ratio of derivative exposures to total assets excluding exposures to central banks, government agencies, supranational entities.
- Qualitative information providing a more accurate insight into the status and evolution of the effective implementation of ESG principles in the regulations and culture of the Renta 4 Group.

In order to obtain and process the necessary quantitative and qualitative information, the Renta 4 Group's "Procedure for assessing the eligibility of exposures in accordance with the ESG taxonomy" has been followed.

Quantitative Information

In compliance with the aforementioned regulations, Renta 4 Group presents the following ratios with respect to the Group's own exposures against the counterparties recognised in its balance sheet:

Ratios	dec.-21
Exposures eligible for ESG taxonomy purposes	4,4722%
Exposures not eligible for ESG taxonomy purposes	95,5278%
Exposures to Central Banks and Government agencies	62,7923%
Exposures to companies not subject to NFR	39,2664%
Exposures classified in Trading Portfolios (including derivatives)	8,0527%
Exposures classified in derivatives	0,0007%
Percentage of exposures to the interbank market	49,2465%

Ratio calculations have considered all exposures on the consolidated balance sheet of the Renta 4 Group in accordance with the applicable accounting standards, taking into account all relevant data from the counterparties involved in each of the exposures.

The counterparty database sources are mainly internal, derived from the information necessary for the registration and maintenance of client accounts, updated in accordance with the Group's policies and, where appropriate, reviewed in accordance with reputable external sources.

In order to assess the compatibility between the NACEs eligible for taxonomy purposes and the NACE codes of the counterparties included in the "Balance Sheet", an application has been created in the internal system, which makes it possible to determine for each of these counterparties:

- Compliance with the eligibility criteria according to the ESG taxonomy.
- Coding of the activity according to the ESG taxonomy. Note that the taxonomy relates each activity to several NACE codes and that there are NACE codes that can include several activities. Through the application created, it is possible to link each CNAE of counterparties with the economic activities.
- Description of the activity according to ESG taxonomy.

Once the link between "balance sheet" counterparty exposures and their ESG eligibility has been obtained, the calculations defined for credit institutions in the delegated acts implementing Article 8 of EU Regulation 852/2020 are performed with the aforementioned specifications.

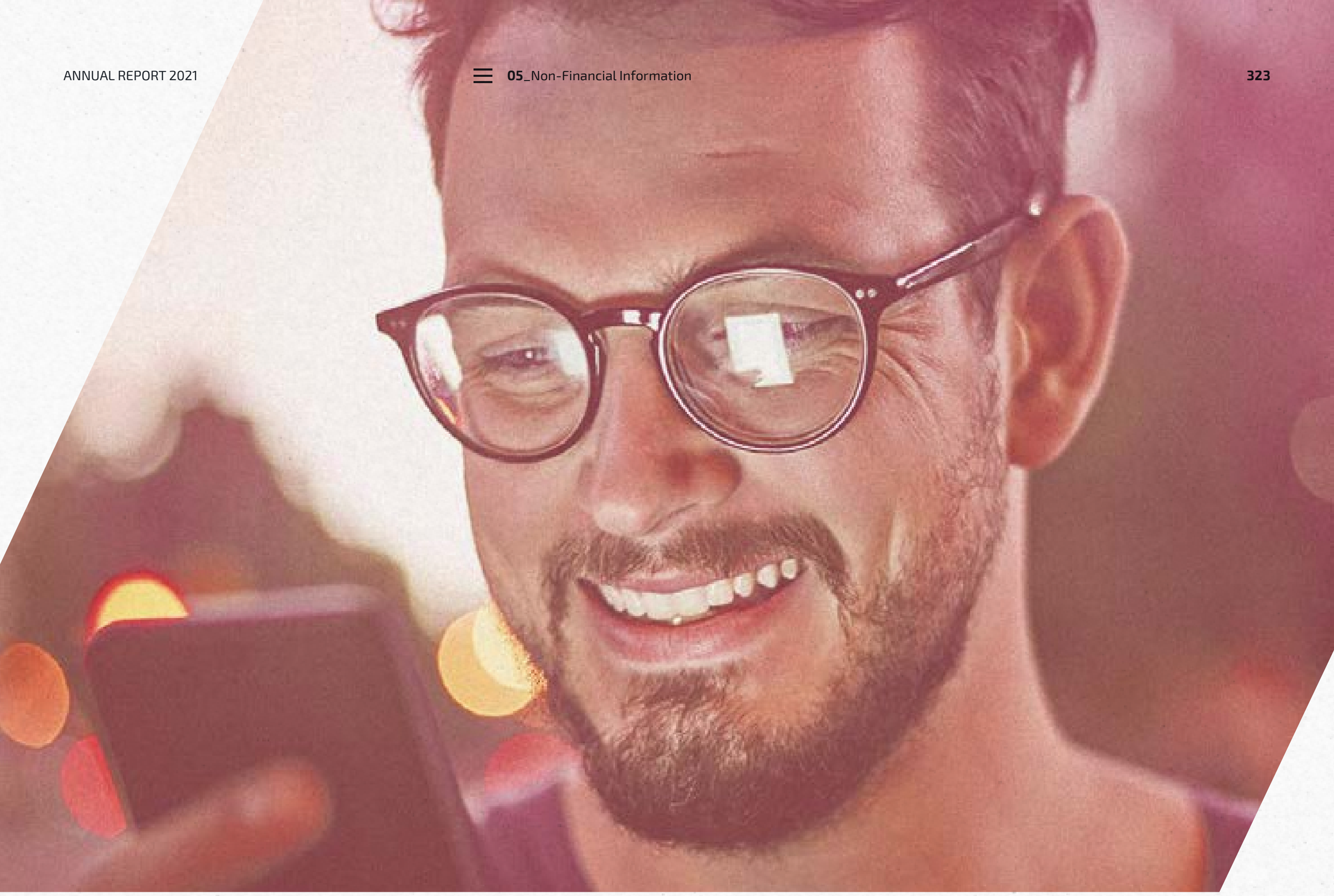
Qualitative Information

The subjective scope of application of this procedure covers the entire Renta 4 Group, which is the prudential consolidated group made up by Renta 4 and all its subsidiaries in accordance with the accounting and prudential regulations in force.

In addition to the quantitative information submitted, information that completes and allows a better understanding of the evaluation of the Renta 4 Group's exposure to ESG risk counterparties and issuers is included.

- Renta 4 Group's business model and its influence on quantitative information with respect to ESG Taxonomy

The percentage of exposures to eligible counterparties for ESG taxonomy purposes represents 4.47% of the total consolidated balance sheet excluding exposures to Central Banks, Government Agencies and supranational bodies. However, in order to interpret this result, the business model of the Group needs to be considered.



The Renta 4 Group's business model is mainly based on the intermediation and management of client assets, so that the financing received from our clients is mainly materialised in short and medium-term debt issues of Central and Regional Governments, as well as in Eurosystem accounts and in current accounts of Credit Entities, subject to prudential supervision and domiciled in States belonging to the European Union, with the aim of preserving value for the client. In addition, the Renta 4 Group, to a lesser extent, engages in investment lending activities, mainly in the granting of loans and guarantees, practically all of which are covered by effective collateral.

Thus, approximately 85% of balance sheet exposures are excluded for the purpose of calculating the ratio of eligible exposures (central banks, government agencies, interbank market exposures and trading portfolio).

- Monitoring of the evolution and compliance with ESG regulations through the Clarity AI application.

For this purpose, aspects such as ESG Risk; ESG Impact; Impact Metrics; Degree of compliance with the UN Sustainable Development Goals; ESG Risk Analysis by productive sector; analysis of the alignment of the portfolio with the guidelines of the TVFD initiative and complementary eligibility according to the ESG Taxonomy are monitored through the Clarity AI application in the following portfolios:

- Renta 4 Group's own portfolio
- Portfolio of financial assets provided as collateral for credit and collateral transactions.

ANNEX I

Index of requirements of law 11/2018

Information required by Law 11/2018	Materiality	Report page with answer	Selected GRI content
General Information			
A brief description of the business model including context, organisation, and structure	Medium-Low	5-10	GRI 102-2 GRI 102-7
Markets in which it operates	Medium-Low	5-10	GRI 102-3 GRI 102-4 GRI 102-6
Organisational purposes and strategies	Medium-Low	5-10	GRI 102-14
Main factors and trends that may affect its future development	Medium-Low	9-10	GRI 102-14 GRI 102-15
Reporting framework used	Medium-Low	3-4	GRI 102-54
Materiality principle	Medium-Low	3-4	GRI 102-46 GRI 102-47
Environmental Issues			
General detailed information			
Detailed information on current and foreseeable effects of the company's activities on the environment and, when relevant, on health and safety	Medium-Low	12-16	GRI 102-15 GRI 103-2
Environmental assessment or certification procedures	Medium-Low	12-16	GRI 102-15
Resources for environmental risk prevention	Medium-Low	12-16	GRI 103-2
Application of the precautionary principle	Medium-Low	12-16	GRI 103-2
Number of provisions and guarantees for environmental risk coverage	Medium-Low	12-16	GRI 102-11
Pollution			
Measures to prevent, reduce, or remedy emissions that seriously affect the environment, taking into account any activity-specific form of air pollution, including noise and light pollution	No Material	12-16	GRI 103-2 GRI 305-7
Circular economy and waste prevention and management			
Measures for prevention, recycling, reuse, other forms of recovery and disposal	Medium-Low	17-19	GRI 103-2 GRI 306-2
Actions to prevent food waste	No Material	-	GRI 103-2 GRI 306-2

Information required by Law 11/2018	Materiality	Report page with answer	Selected GRI content
Sustainable use of resources			
Water consumption and water supply according to local constraints	Medium-Low	12-16	GRI 303-5
Consumption of raw materials and measures taken to improve the efficiency of their use	Medium-Low	12-16	GRI 301-1 GRI 301-2 GRI 301-3
Direct and indirect energy consumption	Medium-Low	12-16	GRI 302-1 GRI 302-3
Measures taken to improve energy efficiency	Medium-Low	12-16	GRI 103-2 GRI 302-4
Use of renewable energies	Medium-Low	12-16	GRI 302-1
Climate change			
Emissions of greenhouse gases generated as a result of the company's activities, including the use of goods and services it produces	High	12-16	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4
Measures taken to adapt to the consequences of climate change	High	12-16	GRI 103-2 GRI 201-2
Voluntary medium and long-term reduction targets set to reduce greenhouse gas emissions and means implemented to achieve them	High	12-16	GRI 305-5
Protection of biodiversity			
Measures taken to preserve or restore biodiversity	No Material	19	GRI 304-3
Impacts caused by activities or operations in protected areas	No Material	19	GRI 304-1 GRI 304-2
Social and personnel issues			
Employment			
Total number and distribution of employees by gender, age, country, and job classification	High	20-21	GRI 102-8 GRI 405-1
Total number and distribution of types of employment contracts and the annual average of permanent, temporary, and part-time contracts classified by gender, age, and job classification	High	20	GRI 102-8
Number of dismissals by gender, age, and job classification	High	21	GRI 103-2
Average remuneration and their evolution broken down by gender, age, and job classification or equal value	High	22-24	GRI 103-2 GRI 405-2
Salary gap, remuneration for equal or average jobs in society	High	22-24	GRI 103-2 GRI 405-2
Average remuneration of directors and managers, including variable remuneration, allowances, compensations, payment to long-term savings schemes, and any other payment broken down by gender	High	22-24	GRI 103-2 GRI 405-2
Implementation of right to disconnect policies	High	22	GRI 103-2
Number of employees with disabilities	High	22	GRI 405-1

Information required by Law 11/2018	Materiality	Report page with answer	Selected GRI content
Work organisation			
Working time organisation	High	27-29	GRI 103-2
Number of absence hours	High	27-29	GRI 403-9 (Versión GRI 2018)
Measures to facilitate the enjoyment of work and life balance and to promote the shared responsibility of both parents	High	27-29	GRI 103-2 GRI 401-3
Health and Safety			
Health and safety conditions at work	High	29-30	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-7
Occupational accidents, particularly their frequency and severity, as well as occupational diseases; broken down by gender	High	29-30	GRI 403-9 GRI 403-10
Social relations			
Organisation of social dialogue including procedures for information provision, consulting, and negotiation	High	24-25	GRI 103-2
Percentage of employees covered by collective bargaining agreements in the country	High	25	GRI 102-41
Balance of collective agreements, particularly in the field of health and safety at work	High	25	GRI 403-4 (Versión GRI 2018)
Training			
Policies implemented in the field of training	High	26-27	GRI 103-2 GRI 404-2
Total number of training hours by professional category	High	26-27	GRI 404-1
Integration and universal accessibility for people with disabilities			
Universal accessibility for people with disabilities	High	22	GRI 103-2
Equality			
Measures taken to promote equal treatment and opportunities between women and men	High	22	GRI 103-2
Equality plans, measures taken to promote employment, protocols against sexual harassment on the grounds of gender and discrimination	High	22	GRI 103-2
Policy against all forms of discrimination and, where appropriate, diversity management		22	GRI 103-2
Respect for human rights			
Application of due diligence procedures			
Application of human rights due diligence procedures, prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage, and redress possible abuses	Medium-Low	31-39	GRI 102-16 GRI 102-17 GRI 410-1 GRI 412-1 GRI 412-2 GRI 412-3
Allegations of human rights violations	Medium-Low	31-39	GRI 103-2 GRI 406-1
Measures implemented for the promotion and fulfilment of the provisions of the fundamental ILO conventions concerning respect for freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour	Medium-Low	31-39	GRI 103-2 GRI 407-1 GRI 408-1 GRI 409-1

Information required by Law 11/2018	Materiality	Report page with answer	Selected GRI content
Prevention of corruption and bribery			
Measures taken to prevent corruption and bribery	High	40-44	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-2 GRI 205-3
Measures to prevent money laundering	High	40-44	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-2 GRI 205-3
Contributions to foundations and non-profit organisations	High	40-44	GRI 102-13 GRI 201-1 GRI 415-1
Information about the company			
Company's commitment to sustainable development			
The impact of the company's activities on employment and local development	Medium-Low	45-56	GRI 102-15 GRI 103-2
The impact of the company's activities on local populations and the whole territory	Medium-Low	45-56	GRI 103-2 GRI 203-2 GRI 204-1
Relationships maintained with local community people and dialogue approaches	Medium-Low	45-56	GRI 413-1 GRI 413-2
Partnership or sponsorship actions	Medium-Low	45-56	GRI 102-43 GRI 413-1
Outsourcing and suppliers			
Inclusion of social, gender equality, and environmental issues in the procurement policy	Medium-Low	50	GRI 103-2
Consideration in relationships with suppliers and subcontractors of their social and environmental responsibility	Medium-Low	50	GRI 102-9 GRI 308-1 GRI 414-1
Monitoring and audit systems and results	Medium-Low	50	GRI 102-9 GRI 308-2 GRI 414-2
Consumers			
Measures for the health and safety of consumers	High	54-55	GRI 103-2 GRI 416-1
Systems to manage complaints received and their resolution	High	54-55	GRI 103-2 GRI 418-1
Tax information			
Benefits obtained by country	High	56	GRI 103-2
Taxes on profits paid	High	56	GRI 103-2
Public subsidies received	High	56	GRI 201-4
ESG Commitment			
ESG Commitment		57-61	
Renta 4 2021 EU Taxonomy of Sustainable Finance			
EU Regulation 2020/852 of the European Parliament		62-65	
Commission Delegated Regulation (EU) on Taxonomy 2021/2139		62-65	

06

ARR

Annual report on remuneration of directors of listed public limited liability companies

End date of reported year:
12/31/2021

Issuer identification
CIF: A-82473018
Company name:
RENTA 4 BANCO, S.A.
PS. DE LA HABANA N.74 (MADRID)

A. REMUNERATION POLICY OF THE COMPANY FOR THE YEAR IN PROGRESS

A.1.1 Explain the current policy for the remuneration of directors applicable to the year in progress. Where relevant, certain information may be stated in relation to the remuneration policy approved by the general meeting of shareholders, provided the addition is clear, specific and concrete.

There must be a description of any specific determinations for the year in progress, of the remuneration of directors in their capacity as such and for their performance of executive functions by the board pursuant to the provisions of the contracts signed with executive directors and with the remuneration policy approved by the general meeting.

The following aspects, at least, must be reported in any case:

a) Description of the procedures and bodies of the company involved in determining and applying the remuneration policy and its conditions.

b) State and, where appropriate, explain whether consideration have been given to comparable companies for the purposes of establishing the company's remuneration policy.

c) Information as to whether an external advisor was involved and, should this be the case, the identity of the advisor.

d) Procedures under the existing directors' remuneration policy for applying temporary exceptions to the policy, the conditions under which such exceptions may be used and the components that may be subject to exception under the policy.

The purpose of the policy on directors' remuneration (the "RP") of Renta 4 Banco, S.A. (the "Company" or "Renta 4") is to align the interests of the shareholders with those of the Company, seeking prudent management of the activity and minimising the risks inherent in it, rewarding the work of the Company's personnel in achieving this purpose and ensuring that remuneration is adjusted to the market conditions of credit institutions that are comparable in terms of their size, and to criteria of moderation and adaptation to the Company's results, all in accordance with the Regulations of the BoD of Renta 4, and in order to contribute to the Company's ability to meet its strategic objectives within the framework of its activity.

In this regard, and within the framework of the provisions of the Articles of Association, the Regulations of the BoD of the Company reserve to this body the power to adopt the decisions to be proposed to the General Meeting (GMS) regarding the remuneration of directors. In accordance with the best corporate governance practices, the Board of Directors ("BoD") of the Company has established, for the best performance of its duties, Committees that assist it in matters that are within its remit. Of these, the Appointments and Remuneration Committee (the "ARC") is the body that advises and informs the BoD on remuneration issues, among others, assigned to it in the Board Regulations, ensuring compliance with the remuneration policy established by the Company's GMS and proposing, where appropriate, any modifications it deems appropriate.

For this reason, the BoD, in the exercise of its functions, shall approve, at the proposal of the ARC, the RP for the year in progress and submit it to the Company's GMS for approval.

The ARC, by virtue of the provisions of Article 32 of the Regulations of the BoD, is currently composed of 3 members appointed by the BoD, Mrs Gema Aznar Cornejo and Mr Jose Ramon Rubio Laporta, as independent directors, and Mr Pedro Ángel Navarro Martínez, as another external director.

This ARC meets as often as is necessary for the performance of its duties, convened by its Chairman or, as the case may be, by the Chairman of the BoD, at least once a quarter.

In 2021, the ARC met five times to discuss issues within its remit.

Without prejudice to other duties that should be assigned to it by the BoD, the ARC has, in relation to matters of remuneration, the following powers:

· ensure that the remuneration policy established by the Company is observed and, in particular, review it on a regular basis and propose to the BoD the RP for directors, senior executives, executive committees, executive directors and, where appropriate, categories of employees who, owing to the duties they perform, are included in the remuneration policy by virtue of the applicable regulations, the application thereof, including share-based remuneration systems and their application, as well as to guarantee that individual remuneration is proportional to that paid to directors and senior executives;

· propose the individual remuneration and the terms and conditions of the contracts of executive directors and the basic conditions of the contracts of senior executives, all in accordance with the RP approved by the GMS;

· oversee the transparency of remuneration and the observance of the remuneration policy established by the Company.

In this sense, the ARC will propose, if appropriate, the corresponding modifications of the RP to the BoD, for its submission and subsequent approval, if necessary, by the GMS.

The Regulations of the BoD, both with regard to the ARC itself and for directors in general, provide that all of them (the ARC or the members of the BoD, as the case may be) may request external advisory on any matters they consider necessary.

The Company's Corporate Governance rules have been configured so that proposals submitted for consideration by the BoD in remuneration matters originate from the ARC, which analyses them beforehand, relying on the Company's internal services and external experts when necessary. In addition, all remuneration decisions affecting the directors have been submitted (or will be submitted) to an advisory vote of the Company's GMS, which ensures the appropriate decision-making process in relation to remuneration.

A.1.2 Relative importance of items of variable remuneration in relation to the fixed items (remuneration mix) and the criteria and objectives taken into account to determine them and to guarantee a proper balance between the fixed and variable components of remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risk and to align it with the company's long-term objectives, values and interests, including, where appropriate, a reference to measures foreseen to ensure that the remuneration policy takes into account the long-term performance of the company, measures taken in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company and measures foreseen to avoid conflicts of interest.

Likewise, indicate whether the company has established a period for accrual or consolidation of certain items of variable remuneration, a deferral period for the payment of certain amounts or the delivery of financial instruments already accrued and consolidated, or whether a clause has been agreed which reduces deferred remuneration not yet consolidated or obliges the director to return any remuneration received, when the remuneration has been based on data subsequently shown to be manifestly inaccurate.

The Remuneration Policy seeks to establish a remuneration scheme appropriate to the engagement and responsibility undertaken by the people to whom it applies, with the aim, first, of attracting, retaining and motivating the most outstanding professionals and, second, contributing to the Company being able to meet its strategic objectives within the framework in which it carries on its activity. For this reason, and as established in the Regulations of the Board of Directors, the remuneration will be adjusted to the market conditions of credit institutions of a size similar to Renta 4 and based on criteria of moderation and proportionality to the results of the Entity.

Therefore, the remuneration policy is based, inter alia, on the following principles:

(a) The Remuneration Policy applies both to executive and non-executive members of the Board of Directors, to senior executives, as well as to categories of employees of the Company whose professional activities have a material impact on the Company's risk profile and those who exercise control functions, as well as categories of employees of the Company who receive a global remuneration that includes them in the same scale of remuneration as that of senior executives and employees who take on risks, whose professional activities have a material impact on the Company's risk profile.

(b) The Remuneration Policy is compatible with appropriate and effective management of risk, and fosters such management in all circumstances, without offering, consequently, incentives for a assuming a level of risk that exceeds the level of risk tolerated by the Company.

(c) The Remuneration Policy is aligned and compatible with the Company's business strategy, objectives, values and long-term interests, and is subject to annual review, with the Board proposing, as appropriate, any modifications it deems appropriate.

(d) The remuneration paid by the Company in accordance with these principles follows criteria of moderation and proportionality to the Group's results, and favours sound and effective risk management that prevents conflicts of interests.

(e) In this sense, remuneration establishes an appropriate balance between the fixed and variable items, and takes into consideration the responsibility and level of commitment of each individual, as well as all types of current and future risks.

(f) The variable remuneration has sufficient flexibility that enables its modulation to the point that it is possible to completely eliminate variable remuneration.

(g) It assesses performance in order to calculate the variable items of remuneration or the funds to pay for these items; an adjustment is made for all types of current and future risks, and the cost of capital and liquidity required is taken into account.

(h) Variable remuneration is only paid if it is sustainable with the situation of the Company, and if it is justified based on the results of the Company, the business unit and the employee in question, and the Company may, for these purposes, retain part or even all of it. However, the remuneration of personnel who exercise control functions is not subject to the results of the business areas they control.

This assessment is part of a multi-year framework ensuring that the assessment process is based on long-term results and that the actual payment of variable items is spread over the period covered by the Remuneration Policy.

(i) Payments for early termination of a contract are based on the results obtained over time, established in such a way that they do not reward poor performance.

(j) The pension policy is compatible with the Company's business strategy, objectives and values and long-term interests.

(k) Any scheme for rights of widowhood, orphanhood and death that is established is consistent with the market and the provisions of applicable regulations.

Further, in relation to the relative weight of variable remuneration items in relation to fixed ones, the principles on which the Remuneration Policy is based state that it will establish an appropriate balance between the fixed and variable items, always taking into consideration the responsibility and level of commitment involved in the role that each individual is called upon to play, as well as all types of current and future risks, an aspect that is covered in the Policy. In this regard, the Company's executive directors currently receive variable remuneration based on the performance of their executive duties, as indicated in section A.1.6 below.

In relation to the measures established in the Remuneration Policy that takes into account the results of the Company, according to provisions of section A.1.6. below that includes the objective criteria relating to the evolution of the Company's results for determining directors' variable remuneration. Furthermore, the Company's Remuneration Policy provides for an adequate balance between the fixed and variable components of remuneration for, as noted in section A.1.6, below, variable compensation depends on the achievement of objective criteria established by the Board and linked to the Company's objective results.

Likewise, as regards the measures adopted in relation to categories of personnel whose professional activities have a material impact on the Company's risk profile, the Company adopts the same measures in this respect as for executive directors, which are included in section A.1.6 below. These, in particular, relate to establishing the variable remuneration based on the targets linked to the Company's net profit and the level of default of the Renta 4 Group and ESG policies.

On the other hand, in relation to the clawback formulae or clauses to claim back variable components of remuneration, it is envisaged that in the event that the assessments conclude that performance has been deficient, the Company may reduce the deferred variable remuneration and/or claim the reimbursement of the variable remuneration already paid, up to a maximum of 100%, in either case. These assessments will analyse subsequent performance according to the criteria (indicated in section A.1.6 below), which contributed to achieving the objectives, comparing it with the initial performance assessment and will be approved by the Board of Directors at the end of the year to which said variable remuneration refers.

A.1.3 The amount and nature of any fixed components expected to accrue in the course of the year to directors in their capacity as such.

Non-Executive Directors shall receive annual remuneration appropriate to market standards for the performance of their duties as members of the Board of Directors, taking into account the duties and responsibilities exercised by each of the directors within the Board itself or its Committees.

The amount of the remuneration that the Company may pay to the entirety of its Non-Executive Directors for these items shall not exceed the amount set for this purpose by the General Meeting.

In this sense, the remuneration of the Non-Executive Directors will consist of a fixed annual amount for the performance of their duties as members of the Board of Directors, amounting to €80,000 gross per annum for each of them.

In addition, Non-Executive Directors who sit on any of the Board Committees, whether as chairman or member, shall receive €20,000 gross per annum in addition to the remuneration they receive in their capacity as Non-Executive Directors. As a rule of good governance, the committees shall be composed solely of Non-Executive Directors.

The maximum overall amount shall be €760,000, at a rate of €80,000 gross for each of the Non-Executive Directors, plus an additional €20,000 for each member of the Board committees.

However, if the number of Non-Executive Directors is increased by more than the current eight Non-Executive members of the Board of Directors, the aforementioned maximum amount may be increased for each new member of the Board of Directors by a fixed amount of €80,000 gross per annum for each of them.

Likewise, if the number of members on each committee is increased, up to a maximum of 4 members and in the event of a total of 10 Non-Executive Directors, the maximum overall amount would reach a total remuneration of €960,000 for all Non-Executive Directors, which includes the remuneration corresponding to committee membership of up to 8 members in total, 4 members on each of the two committees that currently exist.

The Executive Directors will not receive any remuneration for their position as directors of the entity, and their remuneration will only be that received for their executive functions, as indicated in the following sections, the scheme of which is set out in section A.1.item 4 below.

A.1.4 The amount and nature of any fixed components that will accrue in the year to directors for performance of senior management duties by executive directors.

It should be noted that the remuneration system established by the company for executive directors takes into account the specific characteristics of each position, the duties attributed, the level of responsibility, the level of commitment taken on and engagement required, all for the purpose of the ARC establishing, determining and/or updating remunerations in order to be competitive in the market in equivalent posts in competing entities.

The executive directors whose appointment as directors is associated with their executive functions are:

· Chairman with executive functions: Mr Juan Carlos Ureta Domingo.

· CEO: Mr Juan Luis López García.

· Director and General Manager: Mr Jesús Sánchez-Quiñones González.

· Director and Regional Manager: Mr Santiago González Enciso.

The compensation of executive directors, based on their responsibility, attributed duties and level of commitment, in terms of fixed remuneration for financial year 2022 will be as follows:

i. Executive Chairman: Mr Juan Carlos Ureta Domingo, acting as Executive Chairman will receive a fixed annual remuneration of €300,000 gross to be divided into 12 equal monthly payments.

ii. The CEO of the Company Mr Juan Luis López García will have fixed annual remuneration of €275,000 gross.

iii. Director and General Manager Mr Jesús Sánchez-Quiñones González, will have a fixed annual compensation of €275,000 gross. iv.

iv. The Director and Regional Manager, Mr Santiago González Enciso will have a fixed annual remuneration of €95,000 gross.

In relation to the estimation of the fixed annual remuneration, given that the amounts indicated are fixed and will not depend on any objective or variable aspect, there is no estimation in this regard, where said amount are the fixed remuneration each of them will receive during the year 2022 for their positions.

A.1.5 Amount and nature of any item of in-kind remuneration in kind that will be accrued in the year, including, but not limited to, insurance premiums paid in the director's benefit.

Amount and nature of any item of in-kind remuneration in kind that will be accrued in the year, including, but not limited to, insurance premiums paid in the director's benefit..

A.1.6 The amount and nature of the variable components, with a distinction made between those established in the short term and in the long term. Financial and non-financial parameters, the latter including social, environmental and climate change parameters, selected to determine variable remuneration for the year in progress, explanation of the extent to which these parameters bear a relation to performance of the director and also of the company and its risk profile, and the methodology, necessary timeline and techniques in place for the purposes of determining, at year-end, the level of compliance with the parameters used to design variable remuneration, explaining criteria and factors applied as regards the time required and methods used to verify that the performance or other conditions to which the accrual and vesting of each component of variable remuneration was linked have been effectively fulfillede.

Specify the range in monetary terms of the different variable components depending on the level of compliance with the objectives and parameters established, and whether there is any maximum monetary amount in absolute terms exists.

The variable remuneration of the directors of Renta 4 according to their responsibility, attributed functions and level of commitment is structured as follows:

1. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Non-executive directors do not currently have a Variable Remuneration Plan.

2. REMUNERATION OF EXECUTIVE DIRECTORS

Executive directors currently have the following Variable Remuneration Plan.

2.1. Variable Remuneration of the Chairman for his Executive Functions:

Mr Juan Carlos Ureta Domingo, as Executive Chairman, in 2022 will receive an Annual Variable Remuneration ("AVR") will be determined by the corresponding amount accrued according to the level of compliance with the Year's Targets linked to the Net Profit of the Group ("NP"), which will be set in accordance with the responsibilities and functions of the position, as well as any others that are specifically assigned by the Board of Directors ("BoD") to the Chairman.

The Year's Targets will be calculated on the basis of the NP and for the year 2022, they have been established according to the following scale:

· Net Profit: x < €18M = 0% of Fixed Annual Remuneration.

· Net Profit: €[18 – 19)M = 14% of Fixed Annual Remuneration.

· Net Profit: €[19 – 20)M = 28% of Fixed Annual Remuneration.

· Net Profit: €[20 - 21)M = 42% of Fixed Annual Remuneration.

· Net Profit: €[21 - 22)M = 56% of Fixed Annual Remuneration.

· Net Profit: €[22 - 23)M = 70% of Fixed Annual Remuneration.

· Net Profit: €[23 - 24)M = 84% of Fixed Annual Remuneration.

· Net Profit: €[24 - 25)M = 98% of Fixed Annual Remuneration.

· Net Profit: €[25 - 26)M = 112% of Fixed Annual Remuneration.

· Net Profit: €[26 - 27)M = 126% of Fixed Annual Remuneration.

· Net Profit: €[27 - 28)M = 140% of Fixed Annual Remuneration.

· Net Profit: €[28 - 29)M = 154% of Fixed Annual Remuneration.

· Net Profit: €[29 - 30)M = 168% of Fixed Annual Remuneration.

· Net Profit: €[30 - 31)M = 182% of Fixed Annual Remuneration.

· Net Profit: €[31 - 32)M = 196% of Fixed Annual Remuneration.

· Net Profit: > €32M = 200% of Fixed Annual Remuneration.

The provisions of article 34.1.g of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit entities, shall be applied to determine the Annual Variable Remuneration to be paid to the Chairman for each financial year.

AVR will be received provided that the levels of default or bad debt losses of the Renta 4 Group during the financial year are less than 5% of the Equity ("E") at the end of the year and when these levels do not occur as a result of actions by the Company, in which the risk levels and limits permitted and established by the European Banking Authority (EBA) or any other competent entity for this purpose are exceeded, due to defects in the control systems of the Renta 4 Group, as well as any other cause attributable to omission or poor practices by the Company.

Furthermore, the Remuneration Policy considers sustainability as an essential element of the Group's remuneration. Remuneration components contribute to the promotion of environmental, social and governance (ESG) actions in order to make the business strategy sustainable and socially responsible.

This Remuneration Policy shall also be linked to non-financial objectives on the integration of sustainability criteria and ESG policies. In this regard, the Annual Variable Remuneration will be received if, in addition to the Annual Targets set above, the targets set annually by the Board of Directors in ESG matters are adequately met. All of the above will be included in the annual performance evaluation carried out by the Company's Appointments and Remuneration Committee.

2.2. Remuneration of CEO and of Director and General Manager

The Chief Executive Officer, Mr. Juan Luis López García and the Director and General Manager, Mr. Jesús Sánchez-Quiñones González will receive an AVR that will be determined by the corresponding amount accrued depending on the level of compliance with the Year's Targets, linked to the Net Profit of the Group ("NP"), to be established annually.

The Year's Targets will be calculated on the basis of the NP and for the year 2022, they have been established according to the following scale:

· Net Profit: x < €18M = 0% of Fixed Annual Remuneration.

· Net Profit: €[18 – 19)M = 14% of Fixed Annual Remuneration.

· Net Profit: €[19 – 20)M = 28% of Fixed Annual Remuneration.

· Net Profit: €[20 - 21)M = 42% of Fixed Annual Remuneration.

· Net Profit: €[21 - 22)M = 56% of Fixed Annual Remuneration.

· Net Profit: €[22 - 23)M = 70% of Fixed Annual Remuneration.

· Net Profit: €[23 - 24)M = 84% of Fixed Annual Remuneration.

· Net Profit: €[24 - 25)M = 98% of Fixed Annual Remuneration.

· Net Profit: €[25 - 26)M = 112% of Fixed Annual Remuneration.

· Net Profit: €[26 - 27)M = 126% of Fixed Annual Remuneration.

· Net Profit: €[27 - 28)M = 140% of Fixed Annual Remuneration.

· Net Profit: €[28 - 29)M = 154% of Fixed Annual Remuneration.

· Net Profit: €[29 - 30)M = 168% of Fixed Annual Remuneration.

· Net Profit: €[30 - 31)M = 182% of Fixed Annual Remuneration.al

· Net Profit: €[31 - 32)M = 196% of Fixed Annual Remuneration.

· Net Profit: > €32M = 200% of Fixed Annual Remuneration.

The provisions of article 34.1.g of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit entities, shall be applied to determine the Annual Variable Remuneration to be received by the Chief Executive Officer and the Director and General Manager for each financial year.

The AVR will be paid as long as the levels of default or bad debt losses of the Renta 4 Group during the year remain below 5% of the E at the end of year and when these levels do not occur as a result of the Company's actions, in which the risk levels and limits allowed and established by the EBA or any other competent body are exceeded, due to deficient control systems used by the Renta 4 Group, as well as any other cause attributable to the Company's inaction or poor practices.

Furthermore, the Remuneration Policy considers sustainability as an essential element of the Group's remuneration. Remuneration components contribute to the promotion of environmental, social and governance (ESG) actions in order to make the business strategy sustainable and socially responsible.

This Remuneration Policy shall also be linked to non-financial objectives on the integration of sustainability criteria and ESG policies. In this regard, the Annual Variable Remuneration will be received if, in addition to the Annual Targets set above, the targets set annually by the Board of Directors in ESG matters are adequately met. All of the above will be included in the annual performance evaluation carried out by the Company's Appointments and Remuneration Committee.

2.3. Variable Remuneration of the Director and Regional Manager

The Regional Director shall receive an AVR determined by the corresponding amount accrued based on the extent to which annual Group Net Profit ("GNP") targets are met.

The Year’s Targets will be calculated on the basis of the NP and for the year 2022, they have been established according to the following scale:

· Net Profit: x < €18M = 0% of Fixed Annual Remuneration.

· Net Profit: €[18 – 19)M = 14% of Fixed Annual Remuneration.

· Net Profit: €[19 – 20)M = 28% of Fixed Annual Remuneration.

· Net Profit: €[20 - 21)M = 42% of Fixed Annual Remuneration.

· Net Profit: €[21 - 22)M = 56% of Fixed Annual Remuneration.

· Net Profit: €[22 - 23)M = 70% of Fixed Annual Remuneration.

· Net Profit: €[23 - 24)M = 84% of Fixed Annual Remuneration.

· Net Profit: €[24 - 25)M = 98% of Fixed Annual Remuneration.

· Net Profit: €[25 - 26)M = 112% of Fixed Annual Remuneration.

· Net Profit: €[26 - 27)M = 126% of Fixed Annual Remuneration.

· Net Profit: €[27 - 28)M = 140% of Fixed Annual Remuneration.

· Net Profit: €[28 - 29)M = 154% of Fixed Annual Remuneration.

· Net Profit: €[29 - 30)M = 168% of Fixed Annual Remuneration.

· Net Profit: €[30 - 31)M = 182% of Fixed Annual Remuneration.

· Net Profit: €[31 - 32)M = 196% of Fixed Annual Remuneration.

· Net Profit: > €32M = 200% of Fixed Annual Remuneration.

The provisions of article 34.1.g of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit entities, shall be applied to determine the Annual Variable Remuneration.

The AVR will be paid as long as the levels of default or bad debt losses of the Renta 4 Group during the year remain below 5% of the E at the end of year and when these levels do not occur as a result of the Company's actions, in which the risk levels and limits allowed and established by the EBA or any other competent body are exceeded, due to deficient control systems used by the Renta 4 Group, as well as any other cause attributable to the Company's inaction or poor practices.

Furthermore, the Remuneration Policy considers sustainability as an essential element of the Group's remuneration. Remuneration components contribute to the promotion of environmental, social and governance (ESG) actions in order to make the business strategy sustainable and socially responsible.

This Remuneration Policy shall also be linked to non-financial objectives on the integration of sustainability criteria and ESG policies. In this regard, the Annual Variable Remuneration will be received if, in addition to the Annual Targets set above, the targets set annually by the Board of Directors in ESG matters are adequately met. All of the above will be included in the annual performance evaluation carried out by the Company's Appointments and Remuneration Committee.

In order to determine the accrued Annual Variable Remuneration corresponding to the Executive Chairman, CEO, General Manager and Regional Manager, an assessment shall be made i) on the appropriate management of ESG policies and sustainability risk integration, as well as ii) of the degree of compliance with the annual objectives ('AO'), once all the magnitudes linked to said objectives are known.

Of the accrued Annual Variable Remuneration that each of them would be entitled to receive, 60% shall be paid within a maximum period of 15 days following the completion of the assessment, and in any case, prior to the end of March of the calendar year following the corresponding financial year in which it has accrued. The remaining 40% will be subject to a three-year deferral period, the accrual and payment satisfied at a rate of a maximum of 13% in the first year of deferral, a maximum of 13% in the second year of deferral and a maximum of 14% in the third year of deferral. The payment due must be made before the end of the corresponding month of March of the calendar year following each of the years in which the deferral has taken place.

In order to perfect the accrual and payment of the 40% of the deferred AVR, the Board, at the proposal of the ARC, will carry out an assessment at the end of each year of the deferral period, based on maintaining the profitability of the results of the Renta 4 Group, taking into account the circumstances of the sector during the period evaluated and will adapt to the circumstances relating to the operations of Renta 4, to the risks assumed by it and to the activity of each of these Executive Directors, and provided that the assessment made of each one concludes that their performance was adequate and in line with the Company's targets.

The payment of the AVR, both the 60% and the deferred 40%, will be performed 50% in cash and the other 50% in shares. In order to calculate the number of accrued shares to be delivered, for each payment year the share's average market value during the last 20 business days of the previous year shall be taken into consideration, the shares being non-transferable for a period of 3 years from delivery, unless (i) there is, at the time of transmission or financial year, a net economic exposure to a change in the share price for a market value equivalent to an amount of at least 2 times its annual fixed remuneration through share ownership; or (ii) in respect of shares that it needs to dispose of order to meet the costs related to their acquisition or, dependent on the prior favourable opinion of the Appointments and Remuneration Committee, to meet extraordinary situations that arise and require it.

In any case, the Company may claim the reimbursement of the variable components of the remuneration paid, when payment has not been in accordance with the conditions established for its accrual, provided that this is due to justifiable reasons and they are duly accredited or when they have been paid based on data whose inaccuracy is subsequently accredited. Likewise, the Company may not proceed with the payment, in whole or in part, of the deferred remuneration corresponding to a specific period if, when payment is due, an extraordinary event were to occur that made it advisable not to do so.

The total amount of the AVR obtained as a result of the application of the AVR system, depending on the level of fulfilment of the NP and objectives set for the Executive Chairman, CEO, General Manager and Regional Manager, may not involve the Group's NP falling below €18M by 2022. Otherwise, the Total Amount of the VR must be adjusted proportionally until the 2022 NP is at least €18M.

Likewise, and to estimate the total amount of the variable remunerations to which the current system would give rise, depending on the level of fulfilment with the assumptions or objectives taken as a benchmark, the Company considers that it could be determined in the following maximum amounts:

· Chairman with executive functions: Mr Juan Carlos Ureta Domingo would receive a maximum of €600,000 gross.

· The CEO, Mr Juan Luis López García will receive a maximum of €550,000 gross.

· The General Manager, Mr Jesús Sánchez-Quiñones González €550.000 gross.

· The Regional Manager, Mr Santiago González Enciso €190,000 gross.

A.1.7 Main characteristics of long-term savings systems. Among other information, specify the contingencies covered by the system, whether it is a contribution or a defined benefit, the annual contribution to be made to the defined contribution systems, the benefit to which beneficiaries are entitled in defined benefit systems, the conditions for vesting of the economic rights in favour of directors and their compatibility with any type of payment or compensation for early termination or dismissal, or deriving from the termination of the contractual relationship, under the terms established, between the company and the director.

It must be specified whether the accrual or consolidation of any long-term savings plans are linked to the achievement of certain objectives or parameters relating to the short-term and long-term performance of the director.

The Company has not undertaken any pension, retirement or similar obligations with non-executive directors.

With regard to the executive directors, since 2007 the Company has been covering the contingencies of retirement, work disability, death, severe dependency or major dependency by setting up systems of defined contribution employment plans with the coverage and vesting in accordance with the regulations for Pension Plans, to which €600 are currently contributed annually, as well as the insurance premium to cover these contingencies for each of them, all of which are compatible with the compensations included in A.8. The contributions made in 2021, as well as the accumulated amounts, are included in C.1.a) iii).

The accrual or vesting of long-term savings plans is not linked to the fulfilment of the targets set for the directors.

A.1.8 Any type of payment or compensation for termination or early departure or that arises from the end of the contractual relationship, in the terms stipulated, between the company and the director, whether departure is at the behest of the company or is the wish of the director, and any kind of agreement, such as an exclusivity, post-contractual non-competition and long-service or loyalty agreement, entitling the director to any kind of remuneration.

The Company's non-executive directors are not contractually entitled to receive any compensation in the event of resignation or dismissal.

For executive directors, Renta 4 has established compensation in the event of dismissal, unfair dismissal or termination of the employment relationship for reasons beyond the Director's control. In this sense, this compensation are compatible with the long-term savings plans explained in section A.7. above, the figures for which are included in C.1.a.iii. and are implemented for executive directors as follows:

· Executive Chairman: In the event of termination for reasons beyond the Chairman's control, or due to his/her removal or non-reelection as a member of the Board of Directors (BoD) by the General Meeting (GM) or due to his/her removal or non-reelection as Chairman in the BoD, he/she shall be entitled to receive compensation equal to the legal compensation provided for unfair dismissal under the ordinary employment law.

· CEO: In the event of his/her removal as Chief Executive Officer (CEO) for causes beyond his/her will; due to his/her removal or non-reelection as a member of the Board of Directors by the Board of Directors or due to his/her removal or non-reelection as a member of the Board of Directors in the Board of Directors, he/she shall be entitled to receive compensation equal to the legal compensation provided for unfair dismissal under the ordinary employment law for the period in which he/she held the position of CEO. In the event of a dismissal that is declared to be unfair, the CEO would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment law

· Director and General Manager: In the same way as the DC, the Director and General Manager shall be entitled to compensation equal to the legal compensation provided for unfair dismissal from the common labour system, in the event of unfair dismissal.

· Regional Director: there is no agreement relating to compensation or a golden parachute.

On the other hand, in addition to the envisaged compensation, and in relation to the AVR indicated in section A.1 table 6 above, the executive directors will be entitled to the following:

The Executive Chairman, in the event that the Board of Directors decides to remove him as Executive Chairman, or the GM resolves to remove him as a Director, shall be entitled to receive the accrued and vested part of the AVR as appropriate, and in relation to the deferred part, shall forfeit any right to receive any such amount. However, in the event of termination of his or her post due to (i) permanent or severe disability, (ii) death, (iii) retirement, (iv) pre-retirement, or (v) early retirement, the Executive Chairman shall be entitled to receive the accrued and vested portion of the AVR, as applicable, and in relation to the deferred portion, the full amount of the deferred payment shall be deemed to have accrued and vested.

For executive directors holding the positions of Chief Executive Officer and Director and General Manager, the Board of Directors has established that they will be entitled to receive the accrued and vested portion of the AVR, as appropriate, and in relation to the deferred part, the total amount of the deferred payment will be understood to have been accrued and vested, in the event of: (i) business withdrawal; (ii) dismissal declared unfair by the Courts or recognised as unfair by the Company; (iii) dismissal declared null and void by the Courts; (iv) termination of the employment relationship requested by the Chief Executive Officer or the General Manager, pursuant to Article 10.3 of Royal Decree 1382/1985, of 1 August, which regulates the special employment relationship of senior management personnel or the termination of the employment relationship requested by the worker, in the case of the Director General under the provisions of Article 50 of the Workers' Statute; (v) disability; (vi) death; (vii) retirement; (viii) pre-retirement; (ix) early retirement or (x) mutual agreement to suspend the relationship, provided that the assessment made concludes that the performance of the CEO and/or Director and General Manager has been correct and in line with the objectives of the Entity.

However, in the event of (i) resignation or voluntary resignation; (ii) withdrawal of the Chief Executive Officer or General Manager; (iii) voluntary leave and/or compulsory leave of absence; or (iv) dismissal declared fair by the Courts, they shall be entitled to receive the accrued and vested part of the AVR, as applicable, forfeiting any right to receive any amount for the deferred payment.

Finally, with regard to the executive director and Regional Manager, the Board of Directors has established that the latter shall be entitled to receive the accrued and vested portion of the AVR, as appropriate, and with regard to the deferred part, the total amount of the deferred payment shall be understood to have been accrued and vested, in the event of the following: (i) dismissal declared unfair by the Courts or recognised as unfair by the Company; (ii) dismissal declared null and void by the Courts; (iii) termination of the employment relationship requested by the worker under the provisions of Article 50 of the Workers' Statute; (iv) change of job category; (vi) disability; (vii) death; (viii) retirement; (ix) pre-retirement; (x) early retirement or (xi) mutual agreement to suspend the relationship, provided that the assessment conducted concludes that the performance of the Director has been correct and in line with the Company’s targets.

However, in the event of (i) resignation or voluntary resignation; (ii) voluntary leave and/or compulsory leave of absence; or (iii) dismissal declared fair by the Courts, they shall be entitled to receive the accrued and vested part of the AVR, as applicable, waiving any right to receive any amounts for the deferred payment.

A.1.9 Specify the conditions to be observed by the contracts of individuals who exercise senior management functions as executive directors. The term, limits on the amounts of termination benefits, long-service terms, notice periods, and payment as substitution for notice periods, and any other clauses covering hiring bonuses, indemnities or golden parachutes for early termination or cessation of the contractual relationship between the Company and the executive director will be reported, among others. Include, inter alia, any covenants or agreements not to compete and exclusivity, long-service or loyalty and post-contractual non-competition agreements, unless these have been explained in the preceding section.

The Board Regulations assign to this body the power to adopt decisions on the conditions that the contracts of executive directors must observe. In addition, the ARC's functions include reviewing and proposing to the Board of Directors the remuneration policy for directors and senior executives and, where appropriate, categories of employees who, owing to the functions they perform, are included in the remuneration policy by virtue of the applicable regulations, the individual remuneration and the terms and conditions of the contracts of executive directors and the basic conditions of the contracts of senior executives, all in accordance with the remuneration policy approved by the General Meeting.

The contracts arranged with each of the executive directors determine their related remuneration, economic rights and rewards, which include those items included in the Company’s bylaws and described in this report. The relevant terms and conditions of the contracts of Mr Juan Carlos Ureta Domingo (as Executive Chairman), Mr Juan Luis López García (CEO), Mr Jesús Sánchez-Quiñones González (Director and General Manager) and of Mr Santiago González Enciso (as Director and Regional Manager) are specified below:

a) Term: The contracts are of an indefinite term.

b) Limits on the amounts of termination benefits: The limitations on the maximum amounts of compensation for each of the executive directors are set out below:

· **Executive Chairman:** He would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment laws subject to the conditions shown in A.1 table 8 above. In this respect, the maximum amount of such compensation would be, in 2022, €1,831,000.

· **CEO:** He would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment laws subject to the conditions shown in A.1 table 8 above. In this respect, the maximum amount of such compensation would be, in 2022, €390,000.

· **Director and General Manager:** He would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment laws subject to the conditions shown in A.1 table 8 above. In this respect, the maximum amount of such compensation would be, in 2021, €398,000.

· **Regional Manager**: he would receive the legal compensation envisaged for unfair dismissal under the ordinary employment law. In this respect, the maximum amount of such compensation would be, in 2021, €137,000.

c) Prior notice: Those set out in the applicable collective agreement.

d) Non-competition, exclusivity, permanence or fidelization and post-contractual non-competition covenants or agreements:

In the contracts signed with each of the executive directors, a declaration is made by both parties stating that the positions they hold in the Company are full time, with exclusive dedication to the Company. Likewise, these contracts (clause on the object) highlight this exclusivity. There are no specific pacts in the aforementioned contracts relating to non-competition, length of service or loyalty and post-contractual non-competition.

In relation to these matters, the Regulations of the Board of Directors establish that no director may engage, on his own account or on behalf of others, in an activity that is the same, similar or a supplementary to that which constitutes the corporate purpose of the Company, unless expressly authorised to do so by the Company in the form of a resolution of the General Meeting, for which purpose they must give the notice specified in the aforementioned Regulation. Directors must consult the ARC before accepting any executive position or position on the board of directors of another company or entity.

With regard to possible conflicts of interest, the Board Regulations establish that directors must notify the Board of Directors of any situation of conflict, direct or indirect, that they may have with the interest of the Company. The director concerned shall refrain from participating in resolutions or decisions relating to the transaction giving rise to the conflict. Likewise, the directors must report any the direct or indirect stake either they or related persons, as defined in the Spanish Limited Liability Companies Law, hold in the capital of a company with the same, similar or complementary type of activity to that which constitutes the corporate purpose, and they must also report any posts or functions they hold in it.

In addition, the Board Regulations establish that directors must observe the regime of incompatibilities that is legally established at any given time.

A.1.10 The nature and estimated amount of any other additional remuneration that will be accrued by directors during the year in progress by way of a consideration for services provided other than those inherent in their posts.

The directors of the Company did not accrue any remuneration in this regard.

A.1.11 Other items of remuneration such as any arising from provision for the director by the company of advances, credits and guarantees and other remuneration.

Regarding loans granted to directors or related parties, on 14 June 2021 a loan of €700,000 was granted to Mr. Santiago González Enciso, having drawn down €473,000 at year-end and with a repayment period of 3 years, which is scheduled to expire on 29 June 2024. In addition, it should be noted that on 23 April 2021 a loan was granted to Ms Matilde Fernández de Miguel, spouse of Mr Santiago González Enciso for €100,000, with no amounts drawn down at year-end and a repayment term that ends on 22 April 2024. In addition, the Entity granted Mr. Santiago González- Enciso Fernández, Mr. Ignacio González- Enciso Fernández, Mrs. Cristina González- Enciso Fernández, Mrs. Matilde González- Enciso Fernández, and Mrs. María González- Enciso Fernández, descendants of the director Mr. Santiago González Enciso, a loan of €320,000 for each of them. At year-end they had drawn down €292,000 each.

The descendants of Mr. Juan Carlos Ureta Domingo, Ms. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades have each been granted a loan of €170,000 each, and at year-end Ms. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades had drawn down €162,000, €163,000 and €130,000, respectively. These loans are due to expire on December 23, 2023.

With regard to the interest rate, the loans were granted at an interest margin of 12-month Euribor plus 0.7%. The specifics and the liabilities taken therefor by way of collateral and the interest rate are those set in section C.1.a.iv) below.

A.1.12 The nature and estimated amount of any expected additional remuneration not included in the foregoing sections, whether satisfied by the entity or another group entity, which will accrue to the directors in the current year.

The directors of the Company have not accrued any remuneration for any other additional remuneration not included in previous sections.

A.2. Explain any relevant changes in the remuneration policy applicable during the year in progress arising from:

a) A new policy or an amendment to the policy already approved by the General Meeting.

b) Relevant changes in the specific determinations established by the board for the year in progress in the current remuneration policy in relation to those applied during the previous year.

c) Any proposals that the board of directors agreed to present to the general meeting of shareholders to which this annual report will be submitted, proposing that they should apply to the year in progress.

In 2021 there were no substantial changes, or substantial modifications in the remuneration policy previously approved by the General Meeting, or significant changes that the Board of Directors resolved to submit to the General Meeting for approval.

However, the Entity intends to maintain the principles, characteristics and concepts applicable to the Directors, both in the performance of their duties as an administrative body and those of the Directors who perform executive functions during the financial years 2022, 2023 and 2024, the three-year period established in article 529r of the Corporate Act.

The remuneration system provided for in this Policy shall also apply to any new Executive Director who joins the Board of Directors during the term of this Policy, adapting it to the duties assigned to them, as well as to the responsibilities assumed and their professional experience. In this regard, a fixed remuneration appropriate to such characteristics shall be established by resolution of the Board of Directors, in line with the fixed remuneration of the current Executive Directors and considering the competitive environment comprising the main comparable institutions as a whole, also applying the variable remuneration system set forth in this Policy and other contractual conditions applicable thereto, without the overall limits set forth in this Policy being applied for such purposes.

Annually, the Board of Directors shall review the specific amounts, within the aforementioned criteria, providing detailed information on remuneration to the General Meeting of Shareholders through the Annual Report on Directors' Remuneration and submitting for its approval any long-term incentives that may be considered necessary and appropriate in each financial year.

In any case, it shall also adapt the Remuneration Policy and concepts to the new rules that may be applicable to Renta 4 Banco.

If any significant corporate transaction takes place in Renta 4 Banco that could substantially affect payment of the deferred part of the remuneration, the Board of Directors may change, with due justification, the settlement dates and the expected payment schedule.

The Annual Report on Directors' Remuneration shall be submitted to the General Meeting of Shareholders annually in accordance with the provisions of article 541 of the Spanish Limited Liability Companies Act.

This Policy shall be applicable to the remuneration of the Entity's directors for financial years 2022, 2023 and 2024, unless a different resolution is adopted at the General Meeting of Shareholders. This Policy shall be interpreted by the Board of Directors, adapting it when necessary, at the proposal of the Remuneration Committee, to legislative amendments, best practices or requirements received from supervisors.

A.3. Identify the direct link to the document setting out the current remuneration policy of the company, which must be available on the company’s website.

https://www.renta4banco.com/es/accionistas/politicas-e-informes

A.4. Explain, in due consideration of the data supplied in section B.4, how the voting of shareholders at the general meeting to which the annual remuneration report for the previous year was submitted for and advisory vote was taken into account.

The annual remuneration report for year 2021 was unanimously approved by the General Meeting, as stated in section B.4, having been approved by 100% of the votes in favour. Consequently, the Entity has considered it appropriate to continue with a policy of remuneration for directors whose purpose is to continue to be aligned with the interests of shareholders, seeking prudent management of activity minimizing inherent risks to the same, and rewarding the work of Company personnel in achieving this purpose. All this in order to contribute to the Company meeting its strategic objectives within the framework in which it carries out its activity.

B. OVERVIEW OF THE APPLICATION OF THE REMUNERATION POLICY IN THE COURSE OF THE PREVIOUS YEAR

B.1.1 Explain the process carried out to apply the remuneration policy and determine the individual remuneration set out in section C of this report. This information shall include the role played by the remuneration committee, the decisions taken by the board of directors and, where appropriate, the identity and role of the external advisers whose services have been used in the process of application of the remuneration policy in the year.

The Board of Directors, at its meeting held on 23 February 2021 and at the proposal of the ARC, resolved, under point nine of the Agenda, to approve the Remuneration Policy for 2021 and, in turn, to submit it for approval by the General Meeting of Shareholders, which approved this policy with 100% of votes of the present and represented share capital in favour at its ordinary general meeting of 26 March 2021, in accordance with the responsibility, functions attributed and level of commitment taken on by the Renta 4 directors.

Likewise, the Board of Directors, at its meeting of 22 February 2022, and pursuant to the process of assessment of the Board, its Committees, the Chairman, the CEO and the Coordinating Director, as well as the performance of the Company in 2021 through the results included in the financial statements, has determined, in accordance with the Remuneration Policy in force, the variable remuneration due to directors with executive functions specified in section C below.

B.1.2 Explain any deviations from the established procedure for the application of the remuneration policy that occurred during the financial year.

There have been no deviations from the procedure established for the application of the remuneration policy during the financial year.

B.1.3 State whether any temporary exceptions to the remuneration policy have been applied and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity considers that such exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. In addition, quantify the impact that the application of these exceptions has had on the remuneration of each director during the financial year.

There have been no temporary exceptions to the compensation policy during the financial year.

B.2. Indicate the action taken by the company in relation to the remuneration system and how it has helped reduce exposure to excessive risks and adjust it to the company's long-term objectives, values and interests, including a reference to the measures adopted to ensure that the remuneration accrued has been based on the company's long-term results and has secured a proper balance between the fixed and variable components or remuneration, what measures have been taken in relation to personnel categories whose professional activities have a material impact on the company's risk profile, and what measures have been adopted to prevent conflicts of interest, if any.

In relation to the measures envisaged to guarantee that the Remuneration Policy takes into account the long-term results of the Company, section A.1. below includes the objective criteria relating to the Company's results applied to determine directors' variable remuneration.

In addition, the Company's Remuneration Policy finds a suitable balance between the fixed and variable items in the remuneration considering that, as shown in section A.1. above, the variable remuneration set for 2021 is based on the fulfilment of the objective criteria defined by the Board, always linked to the objective results of the Company and subject to the Remuneration Policy approved at the Ordinary General Meeting of 26 March 2021.

Likewise, as regards the measures adopted in relation to categories of personnel whose professional activities have a material impact on the Company's risk profile, the Company adopts the same measures in this respect as for executive directors, which are included in section A.1 above. These, in particular, relate to establishing the variable remuneration based on the targets linked to the Company's net profit and the level of default of the Renta 4 Group and ESG policies.

Lastly, in relation to the clawback formulae or clauses to claim back the variable remuneration items, it is envisaged that, should the assessments conclude a deficient performance, or when they have been paid on the basis of data subsequently found to be inaccurate, the Company may reduce the deferred variable remuneration and/or claim the reimbursement of the variable remuneration already paid, up to a maximum of 100%, in either case. These assessments will analyse the subsequent performance according to the criteria (indicated in section A.1 above, as they are the same for the current year and the reported year), which contributed to achieving the objectives, comparing it with the initial performance assessment and will be approved by the Board of Directors at the end of the year such variable remuneration refers to.

B.3. Explain how the remuneration accrued during the year meets the provisions of the remuneration policy in force and, in particular, how it contributes to the sustainable and long-term performance of the company.

Report also on the relationship between the remuneration obtained by the directors and the results or other measures of performance, in the short and long term, of the entity, explaining, where appropriate, how the variations in the company's performance may have influenced in the variation of directors' remunerations, including accrued remunerations whose payment has been deferred, and how these contribute to the Company’s short and long-term results.

Based on the Company’s director remuneration policy for 2021 indicated in section B.7 below, the executive directors’ remuneration is linked to the results produced by the Company. In this regard, and in accordance with what is indicated in this section, certain variable remuneration is conditional upon the fulfilment of the indicators also included in section B.7. below.

In 2021, the total remuneration paid to the Company’s directors in their capacity as such was €470,000, in observance of the maximum amount of €633,264 for this item as established in the Remuneration Policy. The individual remuneration of each director in his capacity as such consisted of a fixed annual amount, as established in said policy. Executive directors did not receive remuneration for their membership of the Board of Directors or of its committees; nor did they receive any annual fixed amounts, or attendance fees for meetings of the Board of Directors. In this regard, the executive directors received remuneration in the amounts to which they were entitled by virtue of their respective contracts drawn up with the Company, pursuant to the Remuneration Policy.

At a meeting on 22 February 2022, at the behest of the ARC, the Board of Directors determined the sums of the annual variable remuneration of executive directors accrued in 2021.

For the purposes of determining the variable remuneration accrued to the executive directors, consideration was given to professional engagement and excellence, the level of achievement of the targets of the annual budget, investment targets, and the result of assessment of the performance of their duties, in relation to which a variable remuneration of 100% was determined in relation to the fixed annual remuneration to which each director is entitled. Section B7 of this report contains more information in connection with these conditions.

B.4. Indicate the result of the advisory vote at the general meeting on the annual report on remuneration from the previous year, showing the number of abstentions and the number of negative, blank and affirmative votes cast:

	Number	% of total
Votes cast	27,679,930	100.00
	Number	**% of votes cast**
Dissenting votes		0.00
Affirmative votes	27,679,930	100.00
Blank Votes		0.00
Abstentions		0.00

B.5. Explain how the fixed items accrued during the financial year by the directors in their capacity as such have been determined, their proportion by director and how they have varied with respect to the previous financial year.

The Board of Directors, at its meeting held on 23 February 2021 and at the proposal of the ARC, resolved, under point nine of the Agenda, to approve the Remuneration Policy for 2021 and, in turn, to submit it for its approval by the General Meeting of Shareholders, which approved the policy at its ordinary meeting on 26 March 2021, taking into account the market standards to determine the fixed annual remuneration for the performance of their duties as members of the Board of Directors.

In this regard, the non-executive directors, in their capacity as such, in financial year 2021 received a fixed annual amount for the performance of their duties as members of the Board of Directors in the amount of €60,000 for each of the directors who are individuals and €71,088 for the legal entity Director, with the same fixed annual remuneration received by each of them in 2020, therefore not varying compared to the previous year.

B.6. Explain how the salaries accrued during the year to each of the executive directors for carrying out management functions were determined, and how they changed in relation to the previous year.

In accordance with the Remunerations Policy approved at the ordinary general meeting of 26 March 2021, during 2021 the remuneration paid to the directors was:

· Mr Juan Carlos Ureta Domingo, Executive Chairman received a fixed annual remuneration of €300,000 gross.

· Mr Juan Luis López García, CEO received a fixed annual remuneration of €275,000 gross.

· Mr Jesús Sánchez-Quiñones González, Director and General Manager, received a fixed annual remuneration of €275,000 gross.

· The Director and Regional Manager Mr Santiago González Enciso received a fixed annual remuneration of €95,000 gross.

It should be noted that the fixed remuneration paid to executive directors during the 2021 financial year amounted to €945,000 (Mr. Juan Carlos Ureta Domingo €300,000, Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González, €275,000 each, and Mr. Santiago González Enciso €95,000), the same amount they received as fixed remuneration in 2020, except Mr. Enciso for whom an increase in fixed remuneration was approved for 2021 to an annual gross amount of €95,000, from the €75,000 that he had been receiving in previous years.

B.7. Explain the nature and main characteristics of the variable components of the remuneration systems accrued in the course of the year.

In particular:

a) Identify each of the remuneration plans that determined the different variable remuneration packages accrued by each of the directors in the course of the year, including information on their scope, the date of approval, date of implementation, periods of accrual and validity, criteria used to assess performance and how this affected the establishment of the variable amount accrued, and the measurement criteria used and the timeline required to enable all the conditions and criteria stipulated to be properly measured, explaining in detail the criteria and factors applied in terms of the time required and methods to verify that the performance conditions or any other type of conditions to which the accrual and consolidation of each component of the variable remuneration was linked have been effectively met.

b) In the case of share option plans and other financial instruments, the plan's general features will include information on the conditions for securing unconditional ownership (consolidation) and for exercising such options or financial instruments, including the price and exercise timeline.

c) Each of the directors, and their category (executive directors, external proprietary directors, external independent directors or other external directors), who are beneficiaries of remuneration systems or plans that include variable remuneration.

d) Where appropriate, information will be provided in relation to any periods established for the accrual or deferral of payment that may have been applied, and/or retention/non-availability periods for shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems:

The 2021 Remuneration Policy establishes that non-executive directors shall not have a Variable Remuneration Plan.

As regards the executive directors, the variable remuneration model established in the 2021 Remuneration Policy is as follows:

1) Variable remuneration of Mr Juan Carlos Ureta Domingo, as Executive Chairman.

Mr. Juan Carlos Ureta Domingo will receive an Annual Variable Remuneration ("AVR"), consisting of up to a maximum of 100% of the Fixed Annual Remuneration ("FAR").

The Annual Variable Remuneration is determined by the amount corresponding to the amount accrued in accordance with the fulfilment of year's targets linked to the Net Profit of the Group, ("Year's Targets") that have been fixed in accordance with the responsibilities and functions of the position, as well as any others that the Board of Directors has specifically assigned to the Chairman.

In line with the principles of the Renta 4 Remuneration Policy, in addition to applying the criteria of moderation and proportionality to the results of the Renta 4 Group, solid and effective risk management is fostered. For this reason, the Annual Variable Remuneration will be received if the levels of default or bad debt losses of the Renta 4 Group during the year remain below 5% of the Equity at year end, and when such levels are not attributed to the Company's actions, when the risk levels and limits allowed and established by the EBA (European Bank Authority) or any other competent organisation are exceeded, due to deficient control systems used by the Renta 4 Group or any other cause attributed to the Company's inaction or poor practices. Furthermore, the Remuneration Policy is also linked to non-financial objectives regarding the integration of sustainability risks and ESG policies.

The year's targets are calculated on the basis of the Renta 4 Group's Net Profit ("NP") calculated as shown in the following chart:

· NP: X < €16M = 0 % of the FAR.

· NP: €16 < X > 17M = 10 % of the FAR.

· NP: €17 < X > 18M = 15 % of the FAR.

· NP: €18 < X > 19M = 35 % of the FAR.

· NP: €19 < X > 20M = 55 % of the FAR.

· NP: €20 < X > 21M = 65 % of the FAR.

· NP: €21 < X > 22M = 85 % of the FAR.

· NP: X > €22M = 100 % of the FAR.

2) Variable Remuneration of CEO and of the Director and General Manager

The 2021 Remuneration Policy establishes that the Chief Executive Officer, Mr. Juan Luis López García and the Director and General Manager, Mr. Jesús Sánchez-Quiñones González receive an AVR, consisting of up to 100% of the FAR. The amount of this is accrued based on the fulfilment of year's targets set in accordance with the responsibilities and functions of the position or those assigned.

The AVR is determined by the amount accrued depending on the level of fulfilment of the year's targets linked to the Group's Net Profit (hereinafter, the "Year's Targets") that were set taking into account the responsibilities and functions attached to the position, as well as any others that the Board of Directors may have assigned to the CEO and Director and General Manager.

The AVR will be paid provided that the levels of default or bad debt losses of the Renta 4 Group during the financial year are lower than 5% of the Equity at year-end and when these levels do not occur as a result of the Company's actions, in which the risk levels and limits allowed and established by the European Banking Authority (EBA) or any other competent entity are exceeded, due to deficient control systems used by the Renta 4 Group, as well as any other cause attributable to the Company's inaction or poor practices.

Furthermore, the Remuneration Policy is also linked to non-financial objectives regarding the integration of sustainability risks and ESG policies.

The year's targets are calculated on the basis of the Renta 4 Group's Net Profit ("NP") calculated as shown in the following chart:

· NP: X < €16M = 0 % of the FAR.

· NP: €16 < X > 17M = 10 % of the FAR.

· NP: €17 < X > 18M = 15 % of the FAR.

· NP: €18 < X > 19M = 35 % of the FAR.

· NP: €19 < X > 20M = 55 % of the FAR.

· NP: €20 < X > 21M = 65 % of the FAR.

· NP: €21 < X > 22M = 85 % of the FAR.

· NP: X > €22M = 100 % of the FAR.

3) Variable Remuneration of the Director and Regional Manager

The Director and Regional Director will receive an AVR, consisting of up to 100% of the FAR. The amount of this will be accrued based on the fulfilment of year's targets set in accordance with the responsibilities and functions of the position or those assigned.

The AVR will be determined by the amount corresponding to the amount accrued in accordance with the fulfilment of annual objectives linked to the Group's Net Profit (the "Year's Targets"), which will be set in accordance with the responsibilities and functions of the position, as well as any others that may be specifically assigned by the Board of Directors to the Director and Regional Director.

The AVR will be paid provided that the levels of defaults or bad debt losses of the Renta 4 Group during the financial year are lower than 5% of the Equity at year-end and when these levels do not occur as a result of the Company's actions, in which the risk levels and limits permitted and established by the European Banking Authority (EBA) or any other competent entity are exceeded, due to deficient control systems used by the Renta 4 Group, as well as any other cause attributable to the

Company's inaction or poor practices.

Furthermore, the Remuneration Policy is also linked to non-financial objectives regarding the integration of sustainability risks and ESG policies.

The year's targets are calculated on the basis of the Renta 4 Group's Net Profit ("NP") calculated as shown in the following chart:

· NP: X < €16M = 0 % of the FAR.

· NP: €16 < X > 17M = 10 % of the FAR.

· NP: €17 < X > 18M = 15 % of the FAR.

· NP: €18 < X > 19M = 35 % of the FAR.

· NP: €19 < X > 20M = 55 % of the FAR.

· NP: €20 < X > 21M = 65 % of the FAR.

· NP: €21 < X > 22M = 85 % of the FAR.

· NP: X > €22M = 100 % of the FAR.

Sixty percent of the AVR due to the Executive Chairman, Chief Executive Officer, General Director and the Regional Director shall be paid within a maximum period of 15 days following the assessment, and in any case before the end of the month of March of the calendar year following the year in which such remuneration is accrued, March 2022). The remaining 40% will be subject to a three-year deferral period, the accrual and payment satisfied at a rate of a third each year, a maximum of 13% in the first year of deferral, a maximum of 13% in the second year of deferral and a maximum of 14% in the third year of deferral. The payment due must be made before the end of the month of March of the calendar year following each of the years in which the deferral has taken place. i.e. 2023, 2024 and 2025.

For the vesting of the accrual and payment of 40% of the deferred AVR, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, will conduct an assessment at the end of each year of the deferral period, based on keeping up the profitability of the results of the Renta 4 Group, taking into account the circumstances of the sector during the reported period.

The payment of the AVR, both the 60% and the deferred 40%, will be performed 50% in cash and the other 50% in shares. To calculate the number of shares accrued to be delivered, the average market value of the share during the last 20 business days of the corresponding year will be used, where the shares are non-transferable during a period of three years following delivery.

Therefore, as the Group's Net Profit in 2018 was €25.347 million and the default level was less than 5% and the ESG targets have been met, consequently the level of fulfilment of the year's targets set in the 2021 Remuneration Policy establishes that executive directors are entitled to receive a global AVR for 2021 for all of them of a global amount of €945,000. Specifically, the total AVR for the Executive Chairman for 2021 amounts to €300,000; for the CEO, €275,000; this same figure is also for the Director and General Manager, and for the Regional Director the amount is €95,000.

Of the resulting total AVR for 2021, 60% of this amount will be paid during the first quarter of 2022 and the remaining 40% will be deferred to the following three financial years; 2023, 2024 and 2025. The payment of the variable remuneration, both the 60% and the deferred 40%, will be performed 50% in cash and the other 50% in shares.

Therefore, during the first quarter of 2021, the Entity will pay the Executive Directors 60% of the Total AVR for 2021, 50% in cash and the other 50% in shares. Specifically, the Executive Chairman will receive €180,000 (€90,000 in cash and €90,000 in shares), the CEO €165,000 (€82,500 in cash and €82,500 in shares), the General Manager €165,000 (€82,500 in cash and €82,500 in shares) and the Regional Manager €57,000 (€28,500 in cash and €28,500 in shares).

The remaining amounts corresponding to the deferred 40% will be paid in the following three years (2023, 2024 and 2025), as established in the 2021 Remuneration Policy.

On the other hand, in relation to the AVR accrued in the previous 2020, 2019 and 2018 financial years, 60% of which was paid during the first quarter of the financial year following the accrual (years 2021, 2020, and 2019, respectively), deferring the remaining 40% of each AVR in the 3 years following the financial year in which the accrual took place. The Board, at the proposal of the ARC, during the first quarter of 2022, has carried out a performance assessment on the Executive Chairman, the CEO, the Director, and the General Manager, as well as an assessment on the Director and Regional Director, based on the profitability maintenance of Renta 4 Group, taking into account the circumstances of the industry during the assessed period. The assessment results were positive for all of them.

For this reason, during the first quarter of 2022, the Company will pay the executive directors, on the one hand, the first third (1/3) of the 40% deferred from the AVR corresponding to 2020 and, on the other hand, the second third (2/3) of the 40% deferred from the AVR corresponding to 2019, finally, the third and last third of the deferred 40% of the AVR corresponding to the 2018 financial year, being in all cases 50% in cash and the other 50% in shares.

Specifically, the total amount corresponding to the first third (1/3) of the 40% deferred AVR for the 2020 financial year is €67,833.33, with Mr. Juan Carlos Ureta Domingo, the Executive Chairman, receiving the amount of €22,000, 50% in cash (€11,000) and the other 50% in shares (€11,000), Mr. Juan Luis López García, the Chief Executive Officer and Mr. Jesús Sanchez-Quiñones González, Director and General Manager, each receiving €20,166.67, 50% in cash (€10,083.33) and the other 50% in shares (€10,083.33) and Mr. Santiago González Enciso, Director and Regional Manager, receiving the amount of €5,500, (€2,750) in cash and (€2,750) in shares.

On the other hand, the second third (2/3) of the 40% deferred from the AVR corresponding to 2019, amounts to the total amount of €43,166.67, of which, Mr. Juan Carlos Ureta Domingo, the Executive Chairman, will receive the amount of €14,000, 50% in cash (€7,000) and the other 50% in shares (€7,000), Mr. Juan Luis López García, the CEO and Mr. Jesús Sanchez-Quiñones González, Director and General Manager will each receive €12,833.33, 50% in cash (€6,417.67) and the other 50% in shares (€6,417.67) and Mr. Santiago González Enciso, Director and Regional Manager will receive the amount of €3,500, (€1,750) in cash and (€1,750) in shares.

Finally, the total amount corresponding to the last third (1/3) of the 40% deferred AVR for the 2018 financial year is €18,500, with Mr. Juan Carlos Ureta Domingo, the Executive Chairman, receiving the amount of €6,000, 50% in cash (€3,000) and the other 50% in shares (€3,000), Mr. Juan Luis López García, the Chief Executive Officer and Mr. Jesús Sanchez-Quiñones González, Director and General Manager, each receiving €5,500, 50% in cash (€2,750) and the other 50% in shares (€2,750) and Mr. Santiago González Enciso, Director and Regional Manager, receiving the amount of €1,500, (€750) in cash and (€750) in shares.

Consequently, of the deferred 2020 AVR, two thirds (2/3) of the 40% of the deferred AVR, i.e. one third (1/3) for each of the years, should be paid in the following years, 2023 and 2024, if the annual assessment and the results of the Company so allow it. And of the deferred 2019 AVR, one third (1/3) of the 40% of the deferred AVR will be pending payment in the following year, 2023.

With regard to the decisions taken by the Board to apply these items, the Board of Directors proceeded, at the proposal of the ARC, to review and approve the Remuneration Policy for 2022 at its meeting held on 22 February 2022 to submit it for approval to the General Meeting. It also approved the Annual Remuneration Report for Directors for the year ended 31 December 2021, at the same meeting, for submission to the General Meeting.

Likewise, and taking into account the performance of the Company's activity and volume of business, the Board of Directors agreed on the variable remuneration of the executive directors for 2021, in accordance with the Remuneration Policy 2021, at the same above-mentioned meeting.

Explain the long-term variable components of the remuneration systems:

B.8. State whether any variable components have been reduced or a refund has been claimed when, in the former case, payment has been consolidated and deferred or, in the latter case, consolidated and paid, in accordance with data subsequently shown to be manifestly inaccurate. Describe the amounts reduced or refunded by the application of the malus or clawback clauses, why they have been executed and to what years they relate.

No variable components have been reduced or clawed back from any director

B.9. Explain the main characteristics of the long-term savings systems whose amount or equivalent annual cost is shown in the tables in Section C, including retirement and any other survivor's benefits, which are financed, partially or totally, by the company, whether they are provided internally or externally, indicating the type of plan, whether it is a defined contribution or benefit plan, the contingencies it covers, the conditions for consolidating the economic rights in favour of the directors and its compatibility with any type of compensation for early termination or termination of the contractual relationship between the company and the director.

The Company has not undertaken any pension, retirement or similar obligations with non-executive directors.

As regards coverage and vesting in accordance with the regulations on Pension Plans, to which €600 was contributed annually by each of the executive directors during 2021, being compatible with the compensations described in sections A.8 and A.9 (having the same content for both the current and the closed year referred to in this report), the contributions made during 2021, as well as the accumulated amounts, are described in section C.1.a) iii. below.

B.10. Explain, if applicable, the compensations or any other type of payment deriving from the early departure, whether the termination is at the will of the company or the director, or the termination of the contract, under the terms stipulated in such contract, accrued and/or received by the directors during the financial year.

The Company's directors have not earned or received any remuneration for this item during the 2021 financial year.

B.11. Indicate whether there have been significant changes in the contracts of those who perform senior management functions as executive directors and, if so, explain them. Likewise, explain the main conditions of the new contracts signed with executive directors during the year, unless they have already been explained in section A.1.

During the 2021 financial year, there have been no changes in any of the contracts of the executive directors.

B.12. Explain any additional remuneration accruing to directors in consideration for services rendered other than those inherent to their position.

During 2021, no director has received any additional remuneration for services rendered other than those inherent to their position.

B.13. Explain any remuneration resulting from the granting of advances, loans and guarantees, indicating the interest rate, their key characteristics and any amounts repaid, as well as the obligations assumed by them as guarantees.

Regarding loans granted to directors or related parties, on 14 June 2021 a loan of €700,000 was granted to Mr. Santiago González Enciso, having drawn down €473,000 at year-end and with a repayment period of 3 years, which is scheduled to expire on 29 June 2024. In addition, it should be noted that on 23 April 2021 a loan was granted to Ms Matilde Fernández de Miguel, spouse of Mr Santiago González Enciso for €100,000, with no amounts drawn down at year-end and a repayment term that ends on 22 April 2024. In addition, the Entity granted Mr. Santiago González- Enciso Fernández, Mr. Ignacio González- Enciso Fernández, Mrs. Cristina González- Enciso Fernández, Mrs. Matilde González- Enciso Fernández, and Mrs. María González- Enciso Fernández, descendants of the director Mr. Santiago González Enciso, a loan of €320,000 for each of them. At year-end they had drawn down €292,000 each.

The descendants of Mr. Juan Carlos Ureta Domingo, Ms. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades have each been granted a loan of €170,000 each, and at year-end Ms. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades had drawn down €162,000, €163,000 and €130,000, respectively. These loans are due to expire on December 23, 2023.

With regard to the interest rate, the loans were granted at an interest margin of 12-month Euribor plus 0.7%. The specifics and the liabilities taken therefor by way of collateral and the interest rate are those set in section C.1.a.iv) below.

B.14. Provide details of the in-kind remuneration accrued by directors during the year, briefly explaining the nature of the different salary components.

The directors of the Company have not accrued any remuneration for this item, except for that indicated in section B.9 above.

B.15. Explain the remuneration accrued by the director by virtue of payments made by the listed company to a third party in which the director provides services, when such payments are intended to remunerate the director's services in the company.

The directors of the Company did not accrue any remuneration in this regard.

B.16. Explain and provide details on the amounts accrued during the year regarding any other remuneration item other than those listed above, regardless of its nature or the group entity paying it, including all benefits in any form, such as when it is considered a related-party transaction or, in particular, when it significantly affects the true and fair view of the total remuneration accrued by the director, explaining the amount granted or pending payment, the nature of the remuneration received and the reasons why it would have been considered, where appropriate, that it does not constitute remuneration to the director in their capacity as such or in consideration for the performance of their executive duties, and whether or not it has been considered appropriate to include it among the amounts accrued in the "other items" section of section C.

The Company's directors have not earned any remuneration other than that described above.

C. DETAILS OF INDIVIDUAL REMUNERATION FOR EACH OF THE DIRECTORS

C.1. Complete the following tables concerning the individual remuneration of each of the directors (including remuneration for the exercising of executive functions) accrued during the year.

a) Remuneration of the company covered by this report:

Name	Classification	Accrual period 2021
Mr Eduardo Chacon Lopez	Proprietary director	From 01/01/2021 to 31/12/2021
Mrs Ines Juste Bellosillo	Independent Director	From 01/01/2021 to 31/12/2021
Mr Pedro Ferreras Diez	Director Other External	From 01/01/2021 to 31/12/2021
Fundacion Obra Social de la Abogacia Española	Proprietary director	From 01/01/2021 to 31/12/2021
Mrs Sarah Marie Harmon	Independent Director	From 01/01/2021 to 31/12/2021
Mr Pedroangel Navarro Martinez	Director Other External	From 01/01/2021 to 31/12/2021
Mr Jose Ramon Rubio Laporta	Independent Director	From 01/01/2021 to 31/12/2021
Mrs. Gema Aznar Cornejo	Independent Director	From 01/01/2021 to 31/12/2021
Mr Juan Luis Lopez Garcia	CEO	From 01/01/2021 to 31/12/2021
Mr Jesus Sanchez-Quiñones Gonzalez	Executive Director	From 01/01/2021 to 31/12/2021
Mr Juan Carlos Ureta Domingo	Chairman	From 01/01/2021 to 31/12/2021
Mr Santiago Gonzalez Enciso	Executive Director	From 01/01/2021 to 31/12/2021
Ms. Maria Del Pino Velazquez Medina	Independent Director	From 28/10/2021 to 31/12/2021
Ms. Pilar Garcia Ceballos-Zuñiga	Independent Director	From 30/11/2021 to 31/12/2021

i) Remuneration accrued in cash (in thousands of euros)

Name	Fixed remuneration	Allowances	Remuneration for members of board committees	Salary	Short-term variable remuneration	Long-term variable remunerationo	Compensation	Other	Total year 2021	Total year 2021
Mr Eduardo Chacon Lopez	60								60	60
Mrs Ines Juste Bellosillo	60								60	60
Mr Pedro Ferreras Diez	54								54	60
Fundacion Obra Social de la Abogacia Española	71								71	71
Mrs Sarah Marie Harmon	24								24	60
Mr Pedroangel Navarro Martinez	60								60	60
Mr Jose Ramon Rubio Laporta	60								60	60
Mrs. Gema Aznar Cornejo	60								60	60
Mr Juan Luis Lopez Garcia	276				45	20			341	318
Mr Jesus Sanchez-Quiñones Gonzalez	276				45	20			341	318
Mr Juan Carlos Ureta Domingo	300				50	22			372	347
Mr Santiago Gonzalez Enciso	95				13	5			113	86
Ms. Maria Del Pino Velazquez Medina	15								15	
Ms. Pilar Garcia Ceballos-Zuñiga	6								6	

Observations

ii) Table of movements in remuneration systems based on shares and gross profit on consolidated shares or financial instruments.

Name	Name of the Plan	Financial instruments at the beginning of financial year 2021 No. of instruments	Financial instruments at the beginning of financial year 2021 No. of equivalent shares	Financial instruments granted during the 202[illegible] financial year No. of instruments	Financial instruments granted during the 202[illegible] financial year No. of equivalent shares
Mr Eduardo Chacon Lopez	Plan				
Mrs Ines Juste Bellosillo					
Mr Pedro Ferreras Diez					
Fundacion Obra Social de la Abogacia Española					
Mrs Sarah Marie Harmon					
Mr Pedro Angel Navarro Martinez					
Mr Jose Ramon Rubio Laporta					
Mrs Gema Aznar Cornejo					
Mr Juan Luis Lopez Garcia	Variable Remuneration in Shares Plan (2018)	6		3	267
Mr Juan Luis Lopez Garcia	Variable Remuneration in Shares Plan (2017)	10		10	1,012
Mr Juan Luis Lopez Garcia	Plan Retribución Variable Acciones 2019	19		6	624
Mr Juan Luis Lopez Garcia	Plan Retribución Variable Acciones 2020	76		45	4,414
Mr Jesus Sanchez - Quiñones Gonzalez	Plan Retribución Variable Acciones 2017	10		10	1,012
Mr Jesus Sanchez - Quiñones Gonzalez	Plan Retribución Variable Acciones 2018	6		3	267
Mr Jesus Sanchez - Quiñones Gonzalez	Plan Retribución Variable Acciones 2019	19		6	624
Mr Jesus Sanchez - Quiñones Gonzalez	Plan Retribución Variable Acciones 2020	76		45	4,414
Mr Juan Carlos Ureta Domingo	Plan Retribución Variable Acciones 2019	21		7	667
Mr Juan Carlos Ureta Domingo	Plan Retribución Variable Acciones 2020	83		50	4,720
Mr Juan Carlos Ureta Domingo	Plan Retribución Variable Acciones 2017	12		12	1,144
Mr Juan Carlos Ureta Domingo	Plan Retribución Variable Acciones 2018	6		3	286
Mr Santiago Gonzalez Enciso	Plan Retribución Variable Acciones 2017	2		2	365
Mr Santiago Gonzalez Enciso	Plan Retribución Variable Acciones 2018	2		1	99
Mr Santiago Gonzalez Enciso	Plan Retribución Variable Acciones 2020	21		12	1,636
Mr Santiago Gonzalez Enciso	Plan Retribución Variable Acciones 2019	5		2	231
Ms. Maria Del Pino Velazquez Medina					
Ms. Pilar Garcia Ceballos- Zuñiga					

1 Financial instruments consolidated within the financial year				Expired and not exercised instruments	Financial instruments at the end of financial year 2021	
No. of instruments	No. of equivalent/ consolidated shares	Consolidated share price	Gross profit on consolidated shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
3	267	6.74	4		3	
10	1,012	6.74	11			
6	624	6.74	7		13	
45	4,414	6.74	51		31	
10	1,012	6.74	11			
3	267	6.74	4		3	
6	624	6.74	7		13	
45	4,414	6.74	51		31	
7	667	6.74	8		14	
50	4,720	6.74	56		33	
12	1,144	6.74	13			
3	286	6.74	3		3	
2	365	6.74	3			
1	99	6.74	1		1	
12	1,636	6.74	14		9	
2	231	6.74	2		3	
		0.00				
		0.00				

Observations

During the 2021 financial year, part of the Variable Remuneration ("VR") paid to executive directors Mr. Juan Carlos Ureta Domingo, Mr. Juan Luis López García, Mr. Jesús Sánchez-Quiñones González, and Mr. Santiago Gonzalez Enciso corresponds to the VR accrued in the 2019 financial year, 40% of which was deferred in thirds over the following three financial years (2021, 2022 and 2023). Specifically, the total VR for 2019, deferred and paid in 2021 amounted to €43,166.67, with 50% paid in cash and 50% in shares. Specifically, the VR paid to Mr. Juan Carlos Ureta Domingo amounted to €14,000, €7,000 in shares and €7,000 in cash, to Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González the amount of €12,833.33 to each of them, 50% in cash and the other 50% in shares and €3,500 to Mr. Santiago González Enciso, €1,750 in shares and the same amount in cash.

In addition, the VR accrued in 2018 was also paid in 2021, 40% of which was deferred over the following three years (2020, 2021 and 2022). Specifically, the total VR for 2018, deferred and paid in 2021 amounted to €18,500, with 50% paid in cash and 50% in shares. Specifically, the VR paid to Mr. Juan Carlos Ureta Domingo amounted to €6,000, €3,000 in shares and €3,000 in cash, to Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González the amount of €5,500 each, 50% in cash and the other 50% in shares and €1,500 to Mr. Santiago González Enciso, €750 in shares and the same amount in cash.

In addition, the VR accrued in 2018 was also paid in 2021, 40% of which was deferred over the following 3 financial years (2019, 2020, 2021), was also paid. Specifically, the total VR for 2011, deferred and paid in 2021 amounted to €71,120, with 50% paid in cash and 50% in shares. Specifically, the VR paid to Mr. Ureta amounted to €24,000, €12,000 in shares and €12,000 in cash, to Mr. Lopez and Mr. Sánchez-Quiñones González the amount of €20,800 to each of them, 50% in cash and the other 50% in shares and €5,520 to Mr. González Enciso, €2,760 in shares and the same amount in cash.

Lastly, regarding the VR paid out to the executive directors during 2021, the second part corresponds to the VR accrued in financial year 2020, in which it was agreed that 60% of the VR would be paid during the first quarter of 2021, deferring the remaining 40% over the following 3 years; 2022, 2023 and 2024, the amount to be paid being one third of the total amount each year, 50% in cash and 50% in shares. As a result, in 2021, 60% of the accrued VR in 2020 was paid, amounting to €305,250, 50% in cash and 50% in shares. Specifically, to Mr. Juan Carlos Ureta Domingo an amount of €99,000 (€49,500 in cash and €49,500 in shares including the deposit on account), to Mr. Juan Luis López García the amount of €90,750, 50% in cash (€45,375) and the other 50% (€45,375) in shares, (in this case, the purchase has been executed at two different prices, as shown in detail C.1.A ii.2), to Mr. Jesús Sánchez-Quiñones González also the amount of €90,750, 50% (€45,375) in cash and the other 50% (€45,375) in shares and finally to Mr. Santiago González Enciso, €24,750, 50% in cash and the other 50% in shares.

Regarding the VR in shares, to calculate the number of shares to be awarded in the financial year 2021, the average market value of the share during the last 20 business days of the previous year has been taken, as established in the Remuneration Policy. In the financial year 2020, the average share value over the last 20 business days was €6.735 per share. In this regard, in February 2021, the number of shares corresponding to the remuneration to be paid in 2021 was subscribed for each of the executive directors, taking the average price (€6.735/share) for the calculation and taking into account the interim payment associated with this remuneration in kind. In this regard, a total of 6,817 shares were subscribed to Mr. Juan Carlos Ureta Domingo, 6,317 shares were subscribed to Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González, and a total of 2,331 shares were subscribed to Mr. Santiago González Enciso. The difference between the purchase price of the shares on the market and the average share price during the last 20 business days (€6.735/share), together with the interim payment associated with the remuneration in kind, gave rise to a total additional cost of €26,963; €8,622 relating to Juan Carlos Ureta Domingo, €8,047 to Juan Luis López, €7,557 to Jesús Sánchez-Quiñones González and €2,736 to Santiago González Enciso.

All of this is included in section C.1.A. paragraph i and ii, which reflects the amounts accrued at the beginning of financial year 2021, the shares paid in 2021, as well as the deferred amounts in shares, for each of the executive directors.

iii) Long-term savings schemes.

Name	Remuneration from consolidation of rights to savings systems
Mr Eduardo Chacon Lopez	
Mrs Ines Juste Bellosillo	
Mr Pedro Ferreras Diez	
Fundacion Obra Social De Laabogacia Española	
Mrs Sarah Marie Harmon	
Mr Pedroangel Navarro Martinez	
Mr Jose Ramon Rubio Laporta	
Mrs. Gema Aznar Cornejo	
Mr Juan Luis Lopez Garcia	1
Mr Jesus Sanchez-Quiñones Gonzalez	1
Mr Juan Carlos Ureta Domingo	1
Mr Santiago Gonzalez Enciso	1
Ms. Maria Del Pino Velazquez Medina	
Ms. Pilar Garcia Ceballos-Zuñiga	

Name	Company's contribution for the year (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	Financial year: 2021	Financial year: 2020	Financial year: 2021	Financial year: 2020	Financial year: 2021	Financial year: 2020	Financial year: 2021	Financial year: 2020
Mr Eduardo Chacon Lopez								
Mrs Ines Juste Bellosillo								
Mr Pedro Ferreras Diez								
Fundacion Obra Social de la Abogacia Española								
Mrs Sarah Marie Harmon								
Mr Pedroangel Navarro Martinez								
Mr Jose Ramon Rubio Laporta								
Mrs. Gema Aznar Cornejo								
Mr Juan Luis Lopez Garcia	1	1			18	16		
Mr Jesus Sanchez- Quiñones Gonzalez	1	1			18	16		
Mr Juan Carlos Ureta Domingo	1	1			18	16		
Mr Santiago Gonzalez Enciso	1	1			14	12		
Ms. Maria Del Pino Velazquez Medina								
Ms. Pilar Garcia Ceballos- Zuñiga								

Observations

iv) Detail of other items

Name	Item	Amount of remuneration
Mr Eduardo Chacon Lopez	Item	
Mrs Ines Juste Bellosillo	Item	
Mr Pedro Ferreras Diez	Item	
Fundacion Obra Social de la Abogacia Española	Item	
Mrs Sarah Marie Harmon	Item	
Mr Pedroangel Navarro Martinez	Item	
Mr Jose Ramon Rubio Laporta	Item	
Mrs. Gema Aznar Cornejo	Item	
Mr Juan Luis Lopez Garcia	Item	
Mr Jesus Sanchez-Quiñones Gonzalez	Item	
Mr Juan Carlos Ureta Domingo	Item	
Mr Santiago Gonzalez Enciso	Item	
Ms. Maria Del Pino Velazquez Medina	Item	
Ms. Pilar Garcia Ceballos-Zuñiga	Item	

Observations

Regarding loans granted to directors or related parties, on 14 June 2021 a loan of €700,000 was granted to Mr. Santiago González Enciso, having drawn down €473,000 at year-end and with a repayment period of 3 years, which is scheduled to expire on 29 June 2024. In addition, it should be noted that on 23 April 2021 a loan was granted to Ms Matilde Fernández de Miguel, spouse of Mr Santiago González Enciso for €100,000, with no amounts drawn down at year-end and a repayment term that ends on 22 April 2024. In addition, the Entity granted Mr. Santiago González- Enciso Fernández, Mr. Ignacio González- Enciso Fernández, Mrs. Cristina González- Enciso Fernández, Mrs. Matilde González- Enciso Fernández, and Mrs. María González- Enciso Fernández, descendants of the director Mr. Santiago González Enciso, a loan of €320,000 for each of them. At year-end they had drawn down €292,000 each.

The descendants of Mr. Juan Carlos Ureta Domingo, Ms. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades have each been granted a loan of €170,000 each, and at year-end Ms. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades had drawn down €162,000, €163,000 and €130,000, respectively. These loans are due to expire on December 23, 2023. With regard to the interest rate, the loans were granted at an interest margin of 12-month Euribor plus 0.7%.

b) Remuneration of directors in the listed company for their seats on the administrative bodies of its subsidiaries:

i) Remuneration accrued in cash (in thousands of euros)

Name	Fixed remuneration	Allowances	Remuneration for members of board committees	Salary	Short-[illegible] rem[illegible]
Mr Eduardo Chacon Lopez					
Mrs Ines Juste Bellosillo					
Mr Pedro Ferreras Diez					
Fundacion Obra Social de la Abogacia Española					
Mrs Sarah Marie Harmon					
Mr Pedroangel Navarro Martinez					
Mr Jose Ramon Rubio Laporta					
Mrs. Gema Aznar Cornejo					
Mr Juan Luis Lopez Garcia					
Mr Jesus Sanchez- Quiñones Gonzalez					
Mr Juan Carlos Ureta Domingo					
Mr Santiago Gonzalez Enciso					
Ms. Maria Del Pino Velazquez Medina					
Ms. Pilar Garcia Ceballos- Zuñiga					

Observations

term variable muneration	Long-term variable remuneration	Compensation	Other	Total year 2021	Total year 2021

ii) Table of movements in remuneration systems based on shares and gross profit on consolidated shares or financial instruments.

		Financial instruments at the beginning of financial year 2021		Financial instruments granted during financial year 2021		
Name	Name of the Plan	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. o
Mr Eduardo Chacon Lopez	Plan					
Mrs Ines Juste Bellosillo	Plan					
Mr Pedro Ferreras Diez	Plan					
Fundacion Obra Social de la Abogacia Española	Plan					
Mrs Sarah Marie Harmon	Plan					
Mr Pedro Angel Navarro Martinez	Plan					
Mr Jose Ramon Rubio Laporta	Plan					
Mrs. Gema Aznar Cornejo	Plan					
Mr Juan Luis Lopez Garcia	Plan					
Mr Juan Luis Lopez Garcia	Plan					
Mr Juan Luis Lopez Garcia	Plan					
Mr Juan Luis Lopez Garcia	Plan					
Mr Jesus Sanchez - Quiñones Gonzalez	Plan					
Mr Jesus Sanchez - Quiñones Gonzalez	Plan					
Mr Jesus Sanchez - Quiñones Gonzalez	Plan					
Mr Jesus Sanchez - Quiñones Gonzalez	Plan					
Mr Juan Carlos Ureta Domingo	Plan					
Mr Juan Carlos Ureta Domingo	Plan					
Mr Juan Carlos Ureta Domingo	Plan					
Mr Juan Carlos Ureta Domingo	Plan					
Mr Santiago Gonzalez Enciso	Plan					
Mr Santiago Gonzalez Enciso	Plan					
Mr Santiago Gonzalez Enciso	Plan					
Mr Santiago Gonzalez Enciso	Plan					
Ms. Maria Del Pino Velazquez Medina	Plan					
Ms. Pilar Garcia Ceballos- Zuñiga	Plan					

Observations

Financial instruments consolidated within the financial year				Expired and not exercised instruments	Financial instruments at the end of financial year 2021	
f instruments	No. of equivalent/ consolidated shares	Consolidated share price	Gross profit on consolidated shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				
		0.00				

iii) Long-term savings schemes.

Name	Remuneration from consolidation of rights to savings systems
Mr Eduardo Chacon Lopez	
Mrs Ines Juste Bellosillo	
Mr Pedro Ferreras Diez	
Fundacion Obra Social de la Abogacia Española	
Mrs Sarah Marie Harmon	
Mr Pedroangel Navarro Martinez	
Mr Jose Ramon Rubio Laporta	
Mrs. Gema Aznar Cornejo	
Mr Juan Luis Lopez Garcia	
Mr Jesus Sanchez-Quiñones Gonzalez	
Mr Juan Carlos Ureta Domingo	
Mr Santiago Gonzalez Enciso	
Ms. Maria Del Pino Velazquez Medina	
Ms. Pilar Garcia Ceballos-Zuñiga	

	Company's contribution for the year (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
Name	Financial year: 2021	Financial year: 2020	Financial year: 2021	Financial year: 2020	Financial year: 2021	Financial year: 2020	Financial year: 2021	Financial year: 2020
Mr Eduardo Chacon Lopez								
Mrs Ines Juste Bellosillo								
Mr Pedro Ferreras Diez								
Fundacion Obra Social de la Abogacia Española								
Mrs Sarah Marie Harmon								
Mr Pedroangel Navarro Martinez								
Mr Jose Ramon Rubio Laporta								
Mrs. Gema Aznar Cornejo								
Mr Juan Luis Lopez Garcia								

Name	Company's contribution for the year (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	Financial year: 2021	Financial year: 2020	Financial year: 2021	Financial year: 2020	Financial year: 2021	Financial year: 2020	Financial year: 2021	Financial year: 2020
Mr Jesus Sanchez- Quiñones Gonzalez								
Mr Juan Carlos Ureta Domingo								
Mr Santiago Gonzalez Enciso								
Ms. Maria Del Pino Velazquez Medina								
Ms. Pilar Garcia Ceballos- Zuñiga								

Observations

iv) Detail of other items

Name	Item	Amount of remuneration
Mr Eduardo Chacon Lopez	Item	
Mrs Ines Juste Bellosillo	Item	
Mr Pedro Ferreras Diez	Item	
Fundacion Obra Social de la Abogacia Española	Item	
Mrs Sarah Marie Harmon	Item	
Mr Pedroangel Navarro Martinez	Item	
Mr Jose Ramon Rubio Laporta	Item	
Mrs. Gema Aznar Cornejo	Item	
Mr Juan Luis Lopez Garcia	Item	
Mr Jesus Sanchez-Quiñones Gonzalez	Item	
Mr Juan Carlos Ureta Domingo	Item	
Mr Santiago Gonzalez Enciso	Item	
Ms. Maria Del Pino Velazquez Medina	Item	
Ms. Pilar Garcia Ceballos-Zuñiga	Item	

Observations

c) Summary of remuneration (in thousands €):

The summary must include the amounts corresponding to all remuneration items included in this report that have been accrued by the director, in thousands of euros.

	Remuneration accrued at the Company				
Name	Total Cash remuneration	Gross profit on consolidated shares or financial instruments	Remuneration from savings systems	Remuneration from other concepts	Total co
Mr Eduardo Chacon Lopez	60				
Mrs Ines Juste Bellosillo	60				
Mr Pedro Ferreras Diez	54				
Fundacion Obra Social de la Abogacia Española	71				
Mrs Sarah Marie Harmon	24				
Mr Pedro Angel Navarro Martinez	60				
Mr Jose Ramon Rubio Laporta	60				
Mrs. Gema Aznar Cornejo	60				
Mr Juan Luis Lopez Garcia	341	73	1		
Mr Jesus Sanchez- Quiñones Gonzalez	341	73	1		
Mr Juan Carlos Ureta Domingo	372	80	1		
Mr Santiago Gonzalez Enciso	113	20	1		
Ms. Maria del Pino Velazquez Medina	15				
Ms. Pilar Garcia Ceballos- Zuñiga	6				
TOTAL	**1,637**	**246**	**4**		

Observations

	Remuneration accrued at group companies					
…year 2021 …mpany	Total Cash remuneration	Gross profit on consolidated shares or financial instruments	Remuneration from savings systems	Remuneration from other concepts	Total year 2021 group	Company + group total financial year 2021
60						60
60						60
54						54
71						71
24						24
60						60
60						60
60						60
415						415
415						415
453						453
134						134
15						15
6						6
1,887						**1,887**

C.2. **Provide information on the evolution over the last five years of the amount and percentage variation of the remuneration earned by each of the listed company's directors during the year, of the consolidated results of the company and of the average remuneration on a full-time equivalent basis of the company's employees and those of its subsidiaries who are not directors of the listed company.**

	Financial year: 2021	Variation % 2021/2020	Financial y
Executive Directors			
Mr Jesus Sanchez- Quiñones Gonzalez	415	14.96	36
Mr Juan Carlos Ureta Domingo	453	14.68	39
Mr Juan Luis Lopez Garcia	415	14.96	36
Mr Santiago Gonzalez Enciso	134	36.73	98
External directors			
Mr Eduardo Chacon Lopez	60	0.00	60
Fundacion Obra Social de la Abogacia Española	71	0.00	71
Ms Gema Aznar Cornejo	60	0.00	60
Ms Ines Juste Bellosillo	60	0.00	60
Mr Jose Ramon Rubio Laporta	60	0.00	60
Ms Maria Del Pino Velazquez Medina	15	-	0
Ms Pilar Garcia Ceballos- Zuñiga	6	-	0
Mr Pedro Ferreras Diez	54	-10.00	60
Mr Pedro Angel Navarro Martinez	60	0.00	60
Ms Sarah Marie Harmon	24	-60.00	60
Consolidated income of the company	**25**	**38.89**	**18**
Average employee remuneration	**54**	**1.89**	**53**

Observations

Total amounts accrued and % annual variation

ear: 2020	Variation % 2020/2019	Financial year 2019	Variation % 2019/2018	2018	Variation % 2018/2017	2017
1	11.76	323	-15.67	383	39.27	275
5	12.22	352	-16.78	423	34.71	314
1	12.11	322	-15.71	382	38.91	275
3	11.36	88	-12.00	100	44.93	69
0	0.00	60	0.00	60	71.43	35
1	0.00	71	0.00	71	0.00	71
0	300.00	15	-	0	-	0
0	0.00	60	0.00	60	71.43	35
0	0.00	60	0.00	60	0.00	60
	-	0	-	0	-	0
	-	0	-	0	-	0
0	0.00	60	0.00	60	0.00	60
0	0.00	60	0.00	60	0.00	60
0	0.00	60	0.00	60	0.00	60
3	0.00	**18**	12.50	16	-5.88	17
3	0.00	**53**	0.00	53	6.00	50

D. OTHER INFORMATION OF INTEREST

If there is any relevant aspect regarding the remuneration of the directors that could not be included in the rest of the sections of this report, but which is necessary to include in order to gather more complete and reasoned information on the structure and remuneration practices of the company in relation to its directors, please provide a brief description of such aspects here.

The Company's directors have not accrued any remuneration other than that indicated in Section B of this report, without prejudice to the amounts indicated in section D.3 of the Annual Corporate Governance Report concerning related-party transactions between entities owned by the directors and the Company itself.

On the other hand, the figures included in sections C.1.a.i.,C.1.a.ii, C.1.a.iii and C.1.c refer to the amounts paid and received in 2021 for all the directors, not having accrued any variable remuneration during financial year 2021 other than those included in section B above.

Likewise, as explained in section B.7, of the variable remuneration paid to the executive directors during 2021, part of the variable remuneration paid in 2021 to the executive directors; Mr. Juan Carlos Ureta Domingo, Mr. Juan Luis López García, Mr. Jesús Sánchez- Quiñones González and Mr. Santiago Gonzalez Enciso, corresponds to the variable remuneration accrued in 2017 and 40% of which was deferred in thirds in the following three financial years (2019, 2020 and 2021). Specifically, the variable remuneration for 2017, deferred and paid in 2021 amounted to €71,120, paid 50% in cash and 50% in shares. Specifically, the variable remuneration paid to Mr. Juan Carlos Ureta Domingo amounted to €24,000, to Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González €20,800 each, and to Mr. Santiago González Enciso €5,520 in shares, and the same amount in cash.

On the other hand, during 2021 part of the variable remuneration paid to executive directors Mr. Juan Carlos Ureta Domingo, Mr. Juan Luis López García, Mr. Jesús Sánchez-Quiñones González, and Mr. Santiago Gonzalez Enciso corresponds to the variable remuneration accrued in the 2018 financial year, 40% of which was deferred in thirds over the following three financial years (2020, 2021 and 2022). Specifically, the total variable remuneration for 2018, deferred and paid in 2021 amounted to €18,500, paid 50% in cash and 50% in shares. Specifically, the variable remuneration paid to Mr. Juan Carlos Ureta Domingo amounted to €6,000, to Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González €5,500 each, and to Mr. Santiago González Enciso €1,500 in shares, and the same amount in cash.

On the other hand, of the variable remuneration paid to the executive directors during 2021, another part corresponds to the variable remuneration accrued in financial year 2019, in which it was agreed that 60% of the remuneration would be paid during the first quarter of 2020, deferring the remaining 40% over the following 3 years; 2021, 2022 and 2023, the amount to be paid being one third (1/3) of the total amount each year, 50% in cash and 50% in shares. As a result, one third of the 40% variable remuneration accrued in the financial year 2019 was paid in 2021, amounting to €43.167, specifically, Mr. Juan Carlos Ureta Domingo was paid an amount of €14,000, Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González the amount of €12,833 each and finally Mr. Santiago González Enciso, €3,500, in all cases, 50% in cash and the other 50% in shares.

Lastly, of the variable remuneration paid to the executive directors during 2021, another part corresponds to the variable remuneration accrued in financial year 2020, in which it was agreed that 60% of the remuneration would be paid during the first quarter of 2021, deferring the remaining 40% over the following 3 years; 2022, 2023 and 2024, the amount to be paid being 1/3 of the total amount each year, 50% in cash and 50% in shares. Therefore, in 2021, 60% of the variable remuneration accrued in the financial year 2020 was paid out for a total amount of €305.250, €152.625 in cash and the same amount in shares. Specifically, to Mr. Juan Carlos Ureta Domingo the amount of €99,000 (49,500 in cash and 49,500 in shares, including the interim payment), to Mr. Juan Luis López García and to Mr. Jesús Sánchez-Quiñones González the amount of €90,750 each, 50% in cash (€45,375) and 50% in shares (€45,375). Jesús Sánchez-Quiñones González the amount of €90,750 each, 50% in cash (€45,375) and 50% in shares (€45,375) and finally to Mr. Santiago González Enciso, €24,750, 50% in cash (€12,375) and the other 50% in shares (€12,375)

Regarding the variable remuneration in shares, to calculate the number of shares to be awarded in the financial year 2021, the average market value of the share during the last 20 business days of the previous year has been taken, as established in the Remuneration Policy.

In the financial year 2020, the average share value over the last 20 business days was €6,735. In this regard, in February 2021, the number of shares corresponding to the remuneration to be paid in 2021 was subscribed for each of the executive directors, taking the average price (€6.735/share) for the calculation and taking into account the interim payment associated with this remuneration in kind. In this regard, a total of 6,817 shares were subscribed to Mr. Juan Carlos Ureta Domingo, 6,317 shares were subscribed to Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González, and a total of 2,331 shares were subscribed to Mr. Santiago González Enciso. The difference between the purchase price of the shares on the market and the average share price during the last 20 business days (€6.735/share), together with the interim payment associated with the remuneration in kind, gave rise to a total additional cost of €26,963; €8,622 relating to Juan Carlos Ureta Domingo, €8,047 to Juan Luis López, €7,557 to Jesús Sánchez-Quiñones González and €2,736 to Santiago González Enciso.

All of the above is shown in section C.1.A. point i and ii, which reflects all the amounts accrued, the amounts paid in cash and in shares paid, as well as the deferred periods, for each of the executive directors.

This annual remuneration report was approved by the company's board of directors at their meeting held on

22/02/2022

List whether any directors voted against or abstained from voting on the approval of this Report.

Sí **No** ✓

renta4banco