2022

Annual report

renta4banco

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Annual Report 2022

Letter from the chairman

Dear Shareholders,

2022 has been a year of major changes for the economy and financial markets, these changes have been driven by underlying factors and in our view, they will have a lasting impact.

The big news is undoubtedly the change in the monetary policy regime initiated by the US Federal Reserve, which puts an end to almost two decades of ultra-expansionary monetary policy and was triggered by the emergence of inflation from summer 2021. This Inflation was initially perceived as transitory and linked to the reopening of economies after the lifting of restrictions, but far from disappearing, it has risen over the past year and reached double-digit levels in the European economy. We have gradually come to understand that inflation is due to very structural factors, partly demand and partly supply, and it will take some time to eliminate.

From April onwards, this concern was joined by another, that of the economic slowdown caused partly by the rise in interest rates and partly by the imbalances that began to emerge in basic markets such as energy, raw materials and labour markets, and by the bottlenecks in global production chains. These problems, together with the aforementioned persistence of inflation, made it clear that the desired shift towards a greener, digital, social and sustainable economy would not be as rapid or as smooth as had been thought and that, on the contrary, the transformation of the growth model would require huge investments over a long period of time.

Along with the emergence of inflation and a slowdown in growth, the Russian military invasion of Ukraine meant that the geopolitical 'status quo' between the dominant power and the incumbent powers collapsed in 2022. Therefore, a balance that had stabilised world politics for several decades and given rise to the so-called Great Moderation, which facilitated the economic breakthrough of globalisation and international trade, has thus been disrupted.

The economy and financial markets have faced, and all indications point them continuing to face, the challenge of adapting to this triple shift in the coming years: the monetary shift, which is ending a long era of cheap money; change in the growth model, which can no longer be based on debt accumulation but on productivity; and the shift towards a de-globalisation of the economy, even if this is only partial.

As a result, capital markets experienced a significant correction of around 20% in both equity and bond assets globally, a simultaneous bond and equity market correction not seen for several decades. In particular, the fall in the value of fixed-income assets has led to losses in the portfolios of conservative savers, causing unease and discomfort among investors who fit this profile.

The improvement in inflation data in the last months of last year has fuelled, in the first weeks of 2023, expectations of a moderation in interest rate hikes and even a possible rate cut in the second part of the year. Moreover, improvement in a number of leading growth indicators has suggested that the European and US economies could avoid recession. These good inflation and growth expectations have translated into significant stock market rises in January and part of February.

A more rigorous analysis suggests that the correction of inflation will be a long process, and that the reduction of liquidity and accumulated debt may lead to a prolonged period of economic growth being below potential, i.e. positive, but the problems that have surfaced in some banks in March and caused some turbulence in the financial markets confirm that the necessary adjustments after two decades of cheap money are far from over in 2022.

The good news is that these adjustments made in the economy and financial markets are relatively orderly, thanks to excellent crisis management by the Central Banks and also due to the fact that, unlike other crises, this time the banking system is adequately capitalised, allowing the inevitable shocks to be absorbed in a non-traumatic way.

Another piece of good news is that despite the slowdown in growth, innovation and positive economic change have not stopped - on the contrary. We live in an economy of constant disruptive innovation across all sectors, a dynamic economy in which value will continue to shift from one company to another, from one sector to another and from one country to another, testing the ability of economic actors to anticipate change, overcome it and emerge stronger.

In this context, Renta 4 Banco has continued to grow and transform itself in 2022, and has continued to successfully develop its strategy as a specialised and approachable bank, which aims to offer investment and financing solutions to a wide and diversified range of clients, both private, institutional and corporate.

As a result, Renta 4 Banco achieved record numbers of new customers in 2022, as well as a record inflow of new assets from customers in its own network, both in net and gross terms. In net terms, this inflow of new customer assets amounted to EUR 1,808 million and the number of customers reached 118,542 compared to 114,181 in the previous year. This development is particularly remarkable in view of the difficult environment of the past year, with the aforementioned simultaneous correction of equity and bond markets.

Total customer assets continued to grow, despite the downward effect on their valuation of the negative market developments. The volume of customer assets in the proprietary network increased by 7.8% in 2022 to 16,299 million euros. Total customer assets, including third-party networks, amounted to 27,905 million euros, 0.1% more than a year ago. 12.01 billion of these are assets under management.

In spite of these positive results and the increase in the value of assets, the net profit attributable to the Group amounted to 21.8 million euros, 14.1% less than the previous year (25.3 million euros).

This lower profit has been due to some factors that we believe to be cyclical. First, the sharp fall in trading volumes in all financial markets and the significant decline in corporate transactions due to economic uncertainty, especially in the second half of the year. The consequence of these lower volumes was a 9.5% decline in net fees and commissions compared to 2021. All indications are that the abnormally low market activity from summer 2022 onwards is transitory, and is essentially due to the change in the monetary and valuation environment, which requires a period of adaptation for investors and issuers. The first months of 2023 confirm a gradual return to normality in brokerage volumes and corporate transactions.

A second factor is the decline in the Result on Financial Operations (ROF), which, although remaining positive in 2022, has fallen from over eleven million euros in 2021 to 3,049,000 euros this year, as a result of the impact of the poor performance of the bond and equity markets on the trading book. We expect to see a significant improvement this year and beyond as the markets gradually stabilise.

These two impacts were offset, but only partially, by the improvement in net interest income in the last quarter of the year. Net interest income amounted to EUR 9,094,000 and everything indicates that it will continue to rise significantly in the coming years as Renta 4 Banco maintains a very liquid balance sheet.

Return on Equity (ROE) remains high in 2022, at 17.0%, and the CET1 Fully Loaded capital ratio was temporarily at 14.48% at the end of December and is now comfortably above 16%, as is our target, thus maintaining one of the highest capital ratios in the sector.

The Latin American subsidiaries continued to increase their activity, continuing the trend of recent quarters with increasingly positive results and together contributing 12.4% of consolidated results. The performance of Renta 4 Global Fiduciaria in Colombia in 2022 is very notable and is expected to increase.

As mentioned before, in 2022 Renta 4 Banco has continued to transform and deepen the model of a specialised bank that is both accessible and approachable to its customers. In this regard, we continued to develop Plan Más, in its four main lines, namely: offering new basic banking services to customers; promoting new investment alternatives, such as private equity and interactive digital solutions; deepening thematic investment; and creating a quality offer to provide financial assistance to companies.

During the year, the R4Pay module was launched with excellent results, we have grown significantly in Private Equity, we have launched the Intelligent Digital Advisor and we have strengthened the teams of Renta 4 Corporate, the unit dedicated to companies. We are currently working on a complete redesign of our website, with the idea of offering differentiated websites for different customer profiles, and a simple and easy to invest in solution for those who want it.

The financial system is evolving from a system designed to finance industrial society, based on tangible assets, to a system that must finance innovation and the transformation of the economy, something that is more suited to capital markets than bank balance sheets. This evolution shifts the centre of gravity of the financial system from bank balance sheets to capital markets, and it is precisely from this sector that Renta 4 was born.. The sector is changing and requires constant adaptation to new forms of investment. At Renta 4 we pay close attention to these innovations in order to make it as easy as possible for our clients to access them, and we have developed and continue to develop innovative solutions. These include several projects in the testing phase, under the 'sandbox' regime approved by the CNMV, in the field of asset 'tokenisation' based on 'blockchain' technology.

In short, we see a very clear future for the model of a Bank which, through its specialisation in investments, is perceived by customers as their trusted financial advisor. A bank that is committed to individuals, families, institutions and companies being both accessible and approachable, which is more valuable than ever in today's environment. In such an environment, we see no reason why there should not be sustained growth in demand for our services in the coming years.

I now turnto corporate social responsibility. Starting with job creation, the average workforce in 2022 has risen to 633 people, an increase of 6.7%. Face-to-face work in offices has now become normalised, although partial teleworking has now become the norm for a large part of the workforce.

In 2022, the Renta 4 Foundation continued to support various programmes related to the education of underprivileged and disabled people. We continue our programmes with Foundations such as A.G.H., Entreculturas, Agua de Coco, Asociación Granadown and Recover adding to these the new programmes presented and chosen by the employees in an open vote each year. Together, these contributions represent partnerships with more than 10 associations.

In the area of financial education, we continued to participate, with the collaboration and commitment of our employees, in the AEB programme "Your finances, your future" to promote financial literacy among children and young people in primary and secondary schools. Furthermore, as we do every year, we offer an open educational cycle "From Saver to Investor" which consists of a series of 8 webinars covering basic and advanced fundamentals and which has mobilised more than 3,000 participants this year, complemented by more than 200 courses and conferences which are given directly in our network of branches openly and free of charge.

In the area of financial education, we continued to participate, through the commitment of our employees, in the AEB programme "Your finances, your future" to promote financial literacy among children and young people in primary and secondary schools. In addition, as we do every year, we run an open educational series "From Saver to Investor" consisting of a series of 8 webinars covering basic and advanced fundamentals, complemented by more than 200 courses and lectures, open and free of charge, which are given directly in our network of offices.

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

01

Consolidated financial statements for the year 2022

01.1

Consolidated balance sheets

Renta 4 Banco S.A. and Subsidiarie

Consolidated balance sheets at 31 December 2022 and 2021

Thousands of euro

Asset	Note	2022	2021
Cash, cash balances at central banks and other demand deposits	**8**	**771,494**	**1,194,340**
Financial assets held for trading	**6 and 9**	**56,665**	**65,959**
Derivatives		124	6
Equity instruments		54,225	58,999
Debt securities		2,316	6,954
Pro memoria: loaned or pledged as collateral with right of sale or pledge		-	-
Financial assets designated at fair value through other comprehensive income	**6 and 10**	**830,553**	**388,369**
Equity instruments		2,264	514
Debt securities		828,289	387,855
Pro memoria: loaned or pledged as collateral with right of sale or pledge		272,650	274,775
Financial assets at amortised cost	**11**	**655,790**	**466,992**
Debt securities		356,977	158,305
Loans and advances		298,813	308,687
Central banks		-	-
Credit institutions		49,135	49,393
Clientèle		249,678	259,294
Pro memoria: loaned or pledged as collateral with right of sale or pledge		301,719	101,930
Investments in joint ventures and associates	**12**	**578**	**2,104**
Multigroup entities		-	-
Associated entities		578	2,104
Tangible assets	**13**	**61,089**	**59,060**
Tangible fixed assets		57,847	55,713
Own use		57,847	55,713
Transferred under operating leases		-	-
Investment properties		3,242	3,347
Of which: leased under operating leases		255	3,347
Pro memoria: acquired under finance lease		20,996	19,036
Intangible assets	**14**	**22,122**	**21,065**
Goodwill		15,291	15,291
Other intangible assets		6,831	5,774
Tax assets	**20**	**10,111**	**1,332**
Current tax assets		-	81
Deferred tax assets		10,111	1,251
Other assets	**15**	**1,939**	**2,229**
Other assets		1,939	2,229
TOTAL ASSETS		**2,410,341**	**2,201,450**

Thousands of euro

Liabilities	Note	2022	2021
Financial liabilities held for trading	**9**	**189**	**41**
Derivatives		189	41
Short positions		-	-
Debt securities issued		-	-
Other financial liabilities		-	-
Financial liabilities at amortised cost	**16**	**2,276,545**	**2,048,233**
Deposits		2,057,990	1,810,408
Central banks		-	-
Credit institutions		13,805	13,757
Clientèle		2,044,185	1,796,651
Debt securities issued		-	-
Other financial liabilities		218,555	237,825
Pro memoria: subordinated liabilities		-	-
Provisions	**17**	**2,379**	**3,767**
Pensions and other post-employment defined benefit obligations		-	-
Other long-term employee benefits		-	-
Procedural issues and pending tax litigation		2,329	3,737
Commitments and guarantees granted		50	30
Other provisions		-	-
Tax liabilities	**20**	**6,398**	**8,737**
Current tax liabilities		5,791	8,023
Deferred tax liabilities		607	714
Share capital repayable on demand		**-**	**-**
Other liabilities	**15**	**7,392**	**10,678**
Of which: welfare fund (savings banks and credit cooperatives only)		-	-
TOTAL LIABILITIES		**2,292,903**	**2,071,456**

Net equity	Note	2022	2021
Own funds	**18**	**140,537**	**133,620**
Capital		18,312	18,312
Paid-in capital		18,312	18,312
Uncalled capital requested		-	-
Pro memoria: capital not requested		-	-
Share premium		8,496	8,496
Other reserves		102,830	94,147
Accumulated reserves or losses from investments in joint ventures and associates		-	-
Other		102,830	94,147
(-) Treasury shares		(486)	(486)
Profit attributable to owners of the parent company		21,540	25,337
(-) Interim dividends	2,10 and 18,g	(10,155)	(12,186)
Other accumulated comprehensive income		**(24,056)**	**(4,415)**
Items not to be reclassified to profit or loss		(651)	(341)
Changes in the fair value of equity instruments measured at fair value through other comprehensive income	10	(651)	(341)
Other valuation adjustments		-	-
Items that may be reclassified to profit or loss		(23,405)	(4,074)
Currency conversion		(2,688)	(3,059)
Changes in fair value of debt instruments measured at fair value with changes in other comprehensive income	10	(20,717)	(1,015)
Minority interests [non-controlling shares]	**18,e**	**957**	**789**
Other accumulated comprehensive income		(426)	(352)
Other elements		1,383	1,141
TOTAL EQUITY		**117,438**	**129,994**
TOTAL NET EQUITY AND LIABILITIES		**2,410,341**	**2,201,450**
PRO-MEMORIA	**19**		
Guarantees granted		2,337	2,346
Contingent commitments granted		48,096	33,677
Other commitments given		7,675	9,154
		58,108	**45,177**

01.2

Consolidated income statements

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

Consolidated Income Statements for financial years ended on December 31, 2022 and 2021

Thousands of euro

	Note	2022	2021
Interest income	22 a)	12,989	4,839
(Interest expenses)	22 a)	(3,895)	(4,624)
A) INTEREST MARGIN		**9,094**	**215**
Dividend income		17	5
Results of entities accounted for using the equity method		811	2,276
Commission income	22 b)	170,684	180,630
(Commission expenses)	22 b)	(82,919)	(89,213)
Gains or (-) losses on cancellation of financial assets and liabilities not measured at fair value through profit or loss, net	22 a)	816	2,776
Gains or (-) losses on financial assets and liabilities held for trading, net	22 a)	2,233	8,365
Currency differences (gain or (-) loss), net	22 g)	9,395	14,313
Other operating income	22 c)	279	532
(Other operating expenses)	22 c)	(2,985)	(3,750)
B) GROSS MARGIN		**107,425**	**116,149**
(Administration expenses)		(69,762)	(68,558)
(Staff expenses)	22 d)	(43,727)	(45,952)
(Other administrative expenses)	22 e)	(26,035)	(22,606)
(Amortisation)	13 and 14	(10,038)	(9,450)
(Provisions or (-) reversal of provisions)	17	1,349	(3,574)
(Impairment or reversal of impairment and gains or losses due to modifications in cash flows of financial assets not measured at fair value through profit or loss or net gains due to modifications)	22 f)	408	(2,063)
(Financial assets at fair value through other comprehensive income)		(119)	77
(Financial assets at amortised cost)		527	(2,140)
C) OPERATING RESULT	11	**29,382**	**32,504**
Gains or (-) losses on cancellation of non-financial assets and participations, net		-	2
Of which: investments in subsidiaries, joint ventures and associates		-	-
D) PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS		**29,382**	**32,506**
(Expenses or (-) income tax revenue from continued operations)	20	(7,600)	(7,159)
E) PROFIT OR (-) LOSS AFTER TAX FROM CONTINUED OPERATIONS		**21,782**	**25,347**
Profit or (-) loss after tax from discontinued operations		-	-
F) PROFIT OR LOSS FOR THE FINANCIAL YEAR		**21,782**	**25,347**
Attributable to minority interests (non-controlling shares)	18.e	242	10
Attributable to the owners of the parent company		21,540	25,337
EARNINGS PER SHARE (in euro)			
Basic	18.c	0,53	0,62
Diluted	18.c	0,53	0,62

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 2022 and 2021

Thousands of euro

	2022	2021
Result for the year	**21,782**	**25,347**
Other global result	**(19,715)**	**(3,905)**
Items not to be reclassified to profit or loss	**(310)**	**42**
Changes in fair value of equity instruments measured at fair value with changes in comprehensive income	(464)	87
Other valuation adjustments	-	-
Income tax on items that will not be reclassified	154	(45)
Items that may be reclassified to profit or loss	**(19,405)**	**(3,947)**
Currency conversion	297	(1,113)
Gains or (-) losses due to currency exchange accounted for in net equity	297	(1,113)
Financial assets designated at fair value through other comprehensive income	(28,146)	(4,049)
Gains or (-) losses in value accounted for in net equity	(27,446)	(1,196)
Transferred to profit and loss	(700)	(2,853)
Income tax on items that may be reclassified to profit or loss	8,444	1,215
Total global result for the year	**2,067**	**21,442**
Attributable to minority interests (non-controlling shares)	168	(117)
Attributable to the owners of the parent company	1,899	21,559

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 2022

Thousands of Euros

	Capital	Share premium	Equity instruments issued other than capital	Other equity instruments	Retained gains	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
Opening balance on 12/31/2021	**18,312**	**8,496**	**0**	**0**	**0**	**0**	**94,147**	**(486)**	**25,337**	**(12,186)**	**(4,415)**	**(352)**	**1,141**	**129,994**
Effects of error correction	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effects of changes in accounting policies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Opening balance	**18,312**	**8,496**	**0**	**0**	**0**	**0**	**94,147**	**(486)**	**25,337**	**(12,186)**	**(4,415)**	**(352)**	**1,141**	**129,994**
Overall profit or losses for the financial year	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**21,540**	**0**	**(19,641)**	**(74)**	**242**	**2,067**
Other changes in equity	**0**	**0**	**0**	**0**	**0**	**0**	**8,683**	**0**	**(25,337)**	**2,031**	**0**	**0**	**0**	**(14,623)**
Dividends (or remuneration to shareholders) (Note 18.g)	0	0	0	0	0	0	(4,468)	0	0	(10,155)	0	0	0	(14,623)
Purchase of treasury shares (Note 18.f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale or cancellation of treasury shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers between equity components	0	0	0	0	0	0	13,151	0	(25,337)	12,186	0	0	0	0
Other increases or (-) decreases in equity (Note 18.l)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CLOSING BALANCE AT 31/12/2022	**18,312**	**8,496**	**0**	**0**	**0**	**0**	**102,830**	**(486)**	**21,540**	**(10,155)**	**(24,056)**	**(426)**	**1,383**	**117,438**

01.4

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

Thousands of Euros

	Capital	Share premium	Equity instruments issued other than capital	Other equity instruments	Retained gains	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
Opening balance on 31/12/2020	**18,312**	**8,496**	**0**	**0**	**0**	**0**	**76,943**	**(486)**	**18,137**	**0**	**(637)**	**(225)**	**1,131**	**121,671**
Effects of error correction	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effects of changes in accounting policies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Opening balance	**18,312**	**8,496**	**0**	**0**	**0**	**0**	**76,943**	**(486)**	**18,137**	**0**	**(637)**	**(225)**	**1,131**	**121,671**
Overall profit or losses for the financial year	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**25,337**	**0**	**(3,778)**	**(127)**	**10**	**21,442**
Other changes in equity	**0**	**0**	**0**	**0**	**0**	**0**	**17,204**	**0**	**(18,137)**	**(12,186)**	**0**	**0**	**0**	**(13,119)**
Dividends (or remuneration to shareholders) (Note 18.g)	0	0	0	0	0	0	(933)	0	0	(12,186)	0	0	0	(13,119)
Purchase of treasury shares (Note 18.f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale or cancellation of treasury shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers between equity components	0	0	0	0	0	0	18,137	0	(18,137)	0	0	0	0	0
Other increases or (-) decreases in equity (Note 18.l)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CLOSING BALANCE AT 12/31/2021	**18,312**	**8,496**	**0**	**0**	**0**	**0**	**94,147**	**(486)**	**25,337**	**(12,186)**	**(4,415)**	**(352)**	**1,141**	**129,994**

01.5

Consolidated cash flow statement

of Renta 4 Banco, S.A., And subsidiaries
Consolidated cash flow statement for the years ended 31 December 2022 and 2021

Thousands of Euros

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		**(396,203)**	**476,583**
Result for the year		**21,782**	**25,347**
Adjustments to obtain cash flows from operating activities		**15,833**	**26,471**
Accumulated	13 and 14	10,038	9,450
Other adjustments		5,795	17,021
Net increase/decrease in operating assets		**(647,297)**	**27,079**
Financial assets held for trading		9,294	(10,880)
Financial assets at fair value with changes in other global result		(468,426)	191,962
Financial assets at amortised cost		(188,274)	(153,286)
Other operating assets		109	(717)
Net increase/decrease in operating liabilities		**219,636**	**403,860**
Financial liabilities held for trading		148	(481)
Financial liabilities designated at fair value with changes in result		223,627	403,284
Financial liabilities at amortised cost		-	-
Other operating liabilities		(4,139)	1,057
Income tax collections/payments		**(6,157)**	**(6,174)**
CASH FLOWS FROM INVESTING ACTIVITIES		**(8,439)**	**(7,566)**
Payments		**(8,439)**	**(7,568)**
Tangible assets	13	(4,946)	(4,535)
Intangible assets	14	(3,493)	(3,033)
Investments in joint ventures and associates		-	-
Collections		-	**2**
Tangible assets		-	2
CASH FLOWS FROM FINANCING ACTIVITIES		**(18,501)**	**(17,738)**
Payments		**(18,518)**	**(17,743)**
Dividends	2.10 and 18.g	(14,623)	(13,119)
Acquisition of own equity instruments		-	-
Other payments related to financing activitie		(3,895)	(4,624)
Collections		**17**	**5**
Disposal of own equity instruments		-	-
Other collections related to financing activities		17	5
EFFECT OF EXCHANGE RATE VARIATIONS		**297**	**(1,113)**
NET INCREASE/DECREASE IN CASH OR EQUIVALENTS		**(422,846)**	**450,166**
Cash or equivalents at beginning of year	8	**1,194,340**	**744,174**
Cash or equivalents at end of year	8	**771,494**	**1,194,340**
PRO MEMORIA COMPONENTS OF CASH AND EQUIVALENTS AT END OF YEAR	8	**771,494**	**1,194,340**
Cash		42	95
Cash equivalent balances at central banks		610,028	840,811
Other financial assets		161,424	353,434
Less: Bank overdrafts repayable on demand		-	-

02

Consolidated Report 2022

02.1

General Information

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

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

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

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

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

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

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

The Parent Company has its registered office in Madrid, Paseo de la Habana 74. By agreement of the Administrative Body, it may be transferred within the same municipal area where it is established. Likewise, offices, agencies or delegations may be created, removed or transferred as required by the development of the company's business, both in Spain and abroad. The Parent Company's balance sheet, income statement, statement of recognised income and expenses, statement of total changes in equity and statement of cash flows as at 31 December 2022 and 2021 are included in Annex IV.

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

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

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

(a) **Minimum Reserve Ratio -** Maintenance of a minimum percentage of reserve holdings with a national central bank of a country participating in the single currency (euro) to cover the minimum reserve ratio. At 31 December 2022 and 2021 Renta 4 Banco, S.A. complied with the minimum requirements.

b) **Own Resources -** Maintenance of a minimum level of own resources. In short, the regulations stipulate the obligation to maintain sufficient own funds to cover the requirements of the risks incurred. At 31 December 2022 and 2021 the Group and the Parent Company complied with the minimum requirements in this respect (see note 18.i).

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

It has been adopted in accordance with the following calendar:

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

The liquidity ratio at 31 December 2022 and 2021 of the Parent Company at individual and Group level is above 100%, which is required as of 1 January 2018.

d) **Contribución anual al Fondo de Garantía de Depósitos (en adelante "FGD").** Representa una garantía adicional a la aportada por los recursos propios del Banco a los acreedores del mismo, cuya finalidad consiste en garantizar hasta 100.000 euros los depósitos de los clientes de acuerdo con lo dispuesto por la normativa en vigor.

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

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

The total annual contribution of all member institutions to the DGF's deposit guarantee fund has been set at 1.75 per thousand of the calculation base, 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 2021, the contribution being calculated on the basis of the amount of the guaranteed deposits and their risk profile.

On the other hand, the annual contribution of member institutions to the DGF's securities guarantee compartment has been set at 2 per thousand of the calculation basis, made up of 5% of the amount of guaranteed securities, as indicated in section 2.b) of the aforementioned article 3 of Royal Decree 2606/1996, existing at 31 December 2022.

At the date of preparation of these consolidated financial statements, the Management Committee of the DGF had communicated the annual contribution to be made by the Bank to the Deposit Guarantee Compartment for an amount of €1.243 million (€1.162 million at 31 December 2021). The portion corresponding to the Securities Guarantee Compartment has been provisioned for €650,000 (€554,000 provisioned at 31 December 2021), recorded under "Other operating expenses" in the accompanying consolidated income statement. (See Note 22.c).

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

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

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

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

During the year, the Group made a contribution to the SRF in the amount of €512,000 together with the associated fees of €1,000 (€546,000 and €29,000 respectively as at 31 December 2021). These amounts have been recorded under "Other operating expenses" in the accompanying consolidated profit and loss statement. (See Note 22.c).

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

Corporate transactions

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

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

02.2

Basis of presentation

2.1 Basis of presentation of the Consolidated Annual Accounts

The consolidated annual accounts (hereinafter "Annual Accounts") of the Group for the financial year 2022 have been prepared by the Directors of the Parent Company, at the meeting of its Board of Directors held on 21 February 2023. These consolidated financial statements are expected to be approved by the General Meeting of Shareholders without any changes. The consolidated annual accounts for 2021 of Renta 4, Banco S.A. and subsidiaries were prepared by its Directors on 22 February 2022 and approved by the General Shareholders' Meeting on 30 March 2022.

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

In this regard, the Group's consolidated annual accounts for 2022 are presented in accordance with the International Financial Reporting Standards adopted by the European Union and taking into consideration the provisions of Bank of Spain Circular 4/2017 and its subsequent amendments, which constitute the development and adaptation to the Spanish credit institution sector of the International Financial Reporting Standards adopted by the European Union and the other provisions of the regulatory framework for financial reporting that are applicable and with the format and marking requirements established in the European Commission's Delegated Regulation EU 2019/815. There are no mandatory accounting principles or measurement bases with a material effect on these consolidated financial statements that are no longer applied in the preparation of these consolidated financial statements.

The Group's consolidated financial statements for 2022 have been prepared taking into account all the mandatory accounting policies and rules and measurement bases that have a material effect on them, so that they fairly present the consolidated equity and consolidated financial position of the Group as at 31 December 2022 and the consolidated results of its operations and consolidated cash flows for the year ended on that date.

Note 4 summarises the significant accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2022. Note 2.9 below provides a summary of the main accounting regulatory changes in 2022.

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

2.2 Comparison of information

In accordance with commercial legislation, the directors of the Parent Company present, for comparative purposes, in addition to the figures for 2022, for each item in the consolidated balance sheet, the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated statement of changes in equity, the consolidated cash flow statement and the consolidated notes to the consolidated financial statements, the figures corresponding to the previous year.

The consolidated annual accounts for the year ended 31 December 2022 have been prepared considering the adaptation of the content of the public financial information to the preparation criteria, terminology, definitions and formats of the statements known as FINREP which are established on a mandatory basis for the consolidated financial information prepared applying the International Financial Reporting Standards adopted by the European Union, in Commission Implementing Regulation (EU) No 680/214 of 16 April, in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council.

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

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

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

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

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

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

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

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

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

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

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

Macroeconomic situation: End of the COVID.19 pandemic / Effects of the war in Ukraine on the Company's activities

There has been a return to "normality" in relation to the effects of the COVID-19 pandemic declared by the World Health Organisation on 11 March 2020.

In addition, during 2022, due to the war in Ukraine and the restrictive measures imposed by the EU against Russia, in particular individual sanctions, economic sanctions and diplomatic measures, the Entity has reinforced its control policy by strengthening the financial sanctions protocols implemented by the Entity in order to prohibit the provision of funds or economic resources, directly or indirectly, to or for the benefit of natural or legal persons, entities or bodies included on the list. In addition to the application of trade restrictions affecting certain products, companies, economic sectors or geographical areas. On the other hand, transactions are prohibited with certain state entities (Russia, its government and its Central Bank) and with legal entities subject to public control or with more than 50% public ownership. Measures are put in place to limit access to financial and capital markets and services for certain Russian banks and companies, transactions with the Central Bank of Russia or Belarus are prohibited and payments to various Russian and Belarusian banks are excluded.

2.4 Shares in the capital of credit institutions

As at 31 December 2022 and 2021, the Group did not hold any equity interests in other domestic or foreign credit institutions.

2.5 Consolidation methods

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

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

To be considered dependent, the following must be true:

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

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

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

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

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

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

2.6 Minority interests

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

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

2.7 Valuation homogenisation

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

2.8 Elimination of internal operations

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

2.9 Regulatory developments

The accounting principles and policies and measurement methods applied in the preparation of the accompanying consolidated financial statements do not differ significantly from those described in Note 2 to the Consolidated Financial Statements for 2022.

In the financial year 2022 the following standards have come into force and have been adopted by the European Union, which have been applied by the Group for the first time:

Limited Scope Amendments to IAS 16, IAS 37 and IFRS 3 and Annual Improvements to IFRS 2018-20

These are, on the one hand, amendments in relation to revenue earned before an asset is brought into use in accordance with IAS 16 "Property, plant and equipment", the costs of fulfilling an onerous contract in accordance with IAS 37 "Provisions" and references to the IFRS Conceptual Framework in IFRS 3 "Business combinations". In addition, annual improvements to IFRS 2018-20 have resulted in minor amendments to IFRS 1 "First-time Adoption of IFRS", IFRS 9 "Financial Instruments", IFRS 16 "Leases" and IAS 41 "Agriculture". The entry into force of these amendments has not had a significant impact on the group.

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

On 31 December 2022, the most significant standards and interpretations that have been issued by the IASB but not applied in the preparation of these consolidated financial statements, either because their effective date is subsequent to the date of these consolidated financial statements or because they have not yet been adopted by the European Union, are as follows:

The group has assessed the impacts of these standards and has decided not to exercise early application, where possible. Furthermore, unless otherwise stated below, management believes that their adoption will not have a material impact on the Group.

a) Approved for EU application

IFRS 17 "Insurance contracts"

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

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

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

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

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

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

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

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

The entry into force of these amendments has not had a significant impact on the group.

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

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

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

The entry into force of these amendments has not had a significant impact on the group.

Amendments to IAS 8 "Definition of Accounting Estimates"

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

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

These amendments introduce an exception to the initial recognition exemption in IAS 12 for situations where a single transaction gives rise to deductible and taxable temporary differences of the same amount. These amendments shall affect transactions that occurred on or after the beginning of the earliest period for which comparative information is presented. Early implementation of these amendments is permitted.

Not approved for EU application

Amendments to IAS 1 "Presentation of Financial Statements"

Classification of liabilities as current or non-current

These amendments are intended to clarify how to classify an entity's debts and other liabilities between current and non-current, in particular liabilities without a specified maturity date and those that could be converted into equity. Early implementation of these amendments is permitted.

Non-current liabilities with agreed terms

These amendments are intended to clarify how covenants affect a loan's classification as a current or non-current liability depending on whether those covenants have to be met before or after the date of the financial statements. These amendments change the "Classification of liabilities as current or non-current" and defer their effective date to 1 January 2024. Early implementation of these amendments is permitted.

Amendments to IFRS 16 "Lease liabilities on sale and leaseback transactions"

These amendments are intended to specify the requirements that a seller-lessee should use to quantify the lease liability arising on a sale and leaseback transaction so that the seller-lessee does not recognise any gain or loss related to the right of use it retains.

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

2.10 Distribution of profits

The distribution of profit for 2022 and 2021 is made in accordance with the proposed distribution of profit included in the annual accounts of the respective Group companies prepared in accordance with generally accepted accounting principles in the countries in which they are located.

The proposed distribution of the Parent Company's profit for 2022 (determined in accordance with accounting principles and criteria generally accepted in Spain), formulated by the Directors and pending approval by the General Shareholders' Meeting, is as follows, as well as the distribution of the Parent Company's profit approved for 2021:

Thousands of euro

	2022	2021
Reserves	10,039	5,827
Interim dividend (Note 18.g)	10,155	12,186
To complementary interim dividends (Note 18.g)	2,031	4,468
Total distributed	**22,225**	**22,481**

02.3

Group Companies and Associates

The subsidiaries and associates of Renta 4 Banco, S.A. on 31 December 2022 and 2021 are listed in Annex I. Information on the accounting of associates in the consolidation process is provided in Note 12.

The individual financial statements of the companies comprising the Group used in the consolidation process for 2022 and 2021 were those as on 31 December 2022 and 2021, respectively.

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

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

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

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

During the financial year 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 €1.2 million, represented by 120,000 shares with a nominal value of €10 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 capital of €3,000, represented by 3,000 shares with a nominal value of €1 each, fully subscribed and paid up by Renta 4 Banco, S.A.

· On 16 December 2021, Sociedad Operadora de la Plataforma IW S.L. was incorporated with a capital of €3,000, represented by 3,000 shares with a nominal value of €1 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.

Details of the subsidiaries and associates of Renta 4 Banco, S.A. on 31 December 2022 and 2021 are shown in Annex I to these consolidated financial statements.

02.4

Accounting Principles and Assessment Criteria Applied

The following accounting principles and policies and measurement bases have been applied in the preparation of the Group's consolidated financial statements for the financial year 2022:

a) Going concern principle

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

b) Accrual principle

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

c) Clearing of balances

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

d) Foreign currency transactions

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

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

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

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

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

Las diferencias de cambio surgidas por la conversión de saldos en moneda extranjera se registran en la cuenta de pérdidas y ganancias consolidada.

At year-end 2022, the total amount of assets and liabilities denominated in foreign currencies amounted to €112.882 million and €136.948 million, respectively. At year-end 2021, the total amount of assets and liabilities denominated in foreign currencies amounted to €122.994 million and €104.473 million, respectively.

e) Revenue recognition

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

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

· Their amount can be reliably estimated.

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

· The information is verifiable.

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

Interest, dividends and similar income and expense

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

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

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

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

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

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

Commissions, fees and similar items

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

The most significant of these are:

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

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

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

Non-financial income and expenses

They are recognised on an accruals basis.

Collections and payments deferred over time

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

f) Recognition, measurement and classification of financial instruments

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

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

f.1 Financial assets

Classification of financial assets

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

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

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

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

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

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

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

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

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

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

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

Valuation of financial assets

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

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

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

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

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

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

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

"Financial assets at fair value through other comprehensive income"

· **Debt financial instruments:**

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

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

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

· **Equity financial instruments:**

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

"Financial assets at amortised cost"

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

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

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

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

f.2) Financial liabilities

Classification of financial liabilities

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

· Financial liabilities at amortised cost.

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

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

Valuation of financial liabilities

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

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

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

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

"Financial liabilities at amortised cost"

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

f.3) Gains and losses on financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

g) Reclassifications between portfolios

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

During the financial year 2021, the Group did not make any reclassifications between portfolios.

h) Impairment of financial assets

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

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

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

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

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

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

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

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

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

Definition of impaired financial assets

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

IFRS 9 differentiates between the following expected loss concepts:

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

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

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

The Group considers the following definitions:

1. Non-compliance:

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

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

· a default of more than 90 days; or

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

The 90-day default is a presumption that can be rebutted in cases where the entity believes, based on reasonable and documented information, that a longer period is appropriate. As at 31 December 2022 and 2021, the Group has not used terms longer than 90 days for any of the significant portfolios.

This definition is consistently applied throughout the Group.

2. Impaired financial assets:

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

· significant financial difficulties of the issuer or the borrower.

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

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

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

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

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

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

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

3. Significant increase in credit risk:

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

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

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

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

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

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

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

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

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

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

Methodology for calculating expected losses

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

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

The Group estimates expected losses both individually and collectively.

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

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

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

Marginal losses are derived from the following parameters:

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

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

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

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

Use of present, past and future information

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

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

Hedge accounting

The Group currently has no hedge accounting.

i) Goodwill and other intangible assets intangibles

Goodwill

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

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

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

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

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

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

Other intangible assets

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

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

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

The "Customer relationships" acquired from the acquisition in December 2006 of Gesdinco Gestión, S.G.I.I.C., S.A. and Padinco Patrimonios, S.A. were amortised on a straight-line basis over a period of eight years (useful life), which is the period of time that management estimated that these relationships would be maintained based on the information available. As at 31 December 2014, these "Customer relationships" were fully amortised. The "Customer relationships" from the acquisition in 2012 of Renta 4 Chile Corredores de Bolsa, S.A. were amortised on a straight-line basis over a period of 7 years (useful life), which is the length of time that management estimated these relationships would be maintained, based on available historical information. As at 31 December 2019, these customer relationships were fully amortised. In addition, "Customer relationships" from the acquisition in 2020 of the brokerage, fund marketing and custody business of BNP Paribas Sucursal en España, S.A. (see Note 1) are amortised on a straight-line basis over a period of 14 years (useful life), which is the length of time that management has calculated that these relationships will be maintained based on available information.

j) Tangible assets

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

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

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

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

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

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

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

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

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

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

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

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

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

l) Treasury shares and convertible shares

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

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

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

m) Provisions

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

At 31 December 2022 and 2021, the provisions reflected in the consolidated balance sheet mainly cover certain risks arising from the development of its activity and risks from claims by third parties of the Parent Company and other subsidiaries.

Contingent liabilities recorded in a business combination

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

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

n) Income tax

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

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

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

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

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

o) Commissions

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

p) Staff costs

Short-term remuneration

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

Other staff remuneration

At 31 December 2022, the Bank has not granted loans to its employees for the acquisition of shares of Renta 4 Banco, S.A. At 31 December 2021, the Bank had granted loans to several of its employees for the acquisition of shares of Renta 4 Banco, S.A. amounting to €4,000 with guarantees amounting to €82,000, having financed this acquisition with loans at zero interest rate and maturity in 15 years.

At 31 December 2022 and 2021, the Group has granted personal loans to several of its employees to cover their personal and/or family needs as set out in the applicable Collective Bargaining Agreements amounting to €739,000 unsecured (€604,000 in 2021), in compliance with the conditions established therein, having granted such financing at zero interest rate.

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

The amount recognised in the consolidated income statement for zero interest loans amounted to €7,000 of expense for 2022 (€4,000 of income for 2021) (see note 22.d).

Pension commitments

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

The Group's commitments are as follows:

Renta 4, Sociedad de Valores, S.A.

In accordance with the collective bargaining agreement in force at Renta 4, S.A., Sociedad de Valores, in the case of employees from the former stockbrokers' offices, there is an obligation to pay a long-service bonus on reaching 25, 35 or 45 years of service. The Group has not made any provision for this item as it considers that the amount accrued at 31 December 2022 and 2021 is not significant.

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

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

Renta 4 Banco, S.A., Renta 4 Corporate, S.A., Renta 4 Gestora, S.G.I.I.C., S.A. y Renta 4 Pensiones, S.G.F.P., S.A.

Since 2007, the Group has been covering for the employees of these companies the contingencies of retirement, incapacity for work, death, severe dependency or severe dependency by setting up two defined contribution plans to which it contributes €600 per employee per year.

Defined contribution plans

These plans are measured at the present value of the contributions to be made, unless they are payable earlier than twelve months after the date of the consolidated financial statements when the related employee services were received, in which case the amount is not discounted. The contribution accrued during the year in this connection is recorded under "Staff costs" in the consolidated income statement. The amount corresponding to the contributions recognised as an expense in the consolidated income statement amounted to €385,000 and €374,000 for the years 2022 and 2021 (Note 22.d).

Defined benefit plan

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

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

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

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

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

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

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

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

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

The Group has not incurred any costs in relation to its defined benefit obligations in 2022 and 2021 (Note 22.d).

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

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

The valuation of the above commitments according to the above assumptions is:

Thousands of euro

	2022	2021
Unearned pension risks	-	-
Accrued	-	-
Not accrued	-	-
Commitments to be covered	-	-
Fair value of plan assets (plan position account)	-	-
Assets (Liabilities) to be recognised in the balance sheet	-	-

The movement in the present value of the accrued benefit obligation defined is as follows:

Thousands of euro

	2022	2021
Value of unearned pension risks accrued at beginning of year	-	20
Cost of services for the current period	-	-
Staff reduction effect	-	-
Attributed income	-	-
Other increases or decreases	-	(20)
Value of unearned pension risks accrued at the end of the financial year	-	-

The changes in the fair value of the Plan assets, instrumented through the corresponding insurance policy, were as follows:

Thousands of euro

	2022	2021
Fair value of plan assets at beginning of year (P.M. insurance)	-	20
Surrender Value of the insurance policy	-	-
Insurance premiums for the financial year	-	-
Performance of the insurance policy	-	-
Other increases or (-) decreases	-	(20)
Fair value of plan assets at the end of the year	-	-

Severance payments

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

q) Off-balance sheet customer funds

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

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

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

r) Consolidated cash flow statement

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

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

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

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

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

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

s) Related party transactions

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

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

t) Statement of changes in net equity

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

Consolidated statement of recognised income and expenditure

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

Therefore, this statement presents:

· The result of the period.

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

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

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

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

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

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

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

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

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

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

Consolidated statement of changes in total net equity

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

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

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

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

u) Financial guarantees

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

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

v) Leases

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

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

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

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

· Accumulated depreciation and accumulated impairment; and

· Any revaluation of the related lease liability.

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

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

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

02.5

Risk Management of Financial Instruments

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

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

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

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

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

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

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

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

a) Credit risk

a.1 Credit risk management and measurement

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

The Group takes on credit risk exposure when counterparties fail to meet their commitments. In this respect, it distinguishes between two types of counterparties: customers in general and financial institutions and public administrations.

The current customer credit risk control system is based on the development of new systems for the evaluation and classification of individual and group debtors, from which provisions are determined to cover possible losses.

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

a.2 Total credit risk exposure

The following table shows the total credit risk exposure at year-end 2022 and 2021, using the criteria established for the calculation of the basis of the impairment provision:

Thousands of euro

	2022	2021
Cash balances at central banks and other demand deposits	771,361	1,194,465
Financial assets designated at fair value through other comprehensive income	828,427	387,877
Central banks	-	-
Loans and advances - Credit institutions	49,125	49,390
Loans and advances - Clients	253,070	264,359
Contingent risks	2,337	2,346
Guarantees granted: Contingent commitments granted	48,096	42,831
Loans and receivables– Debt securities	356,988	158,286
Total Risk and maximum exposure	**2,309,404**	**2,099,554**
Normal risk	2,298,081	2,087,142
Doubtful risk	11,323	12,412
Total Risk and maximum exposure	**2,309,404**	**2,099,554**

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

At 31 December 2022 and 2021, the maximum level of credit risk exposure, without taking into account collateral and other credit enhancements, does not differ from the carrying amount shown in these financial statements.

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

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

As at 31 December 2022 and 2021 there are no individual exposures in breach of the limits set by the Bank of Spain.

The distribution of the total country credit risk exposure by country as at 31 December 2022 and 2021 is shown below.

Thousands of euro

Financial year 2022

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

Thousands of euro

Financial year 2021

Country	Cash balances at central banks and other demand deposits	Deposits with credit institutions	Customer credit	Debt securities	Contingent risks and	Credit investments -VRD	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
Bermudas	-	-	-	-	-	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**

a.3 Credit quality

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

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

Thousands of euro

2022	Balances at Central Banks	Available balances with credit institutions	Deposits with credit institutions	Debt securities
From AAA to A-	609,988	84,638	38,810	253,158
From BBB+ to B-	-	69,435	2,839	916,032
From CCC+ to C	-	-	-	-
Unqualified	-	7,300	7,476	16,225
Total	**609,988**	**161,373**	**49,125**	**1,185,415**
2021				
From AAA to A-	840,913	178,886	42,409	-
From BBB+ to B-	-	94,997	2,696	501,973
From CCC+ to C	-	-	-	-
Unqualified	-	79,574	4,285	44,190
Total	**840,913**	**353,457**	**49,390**	**546,163**

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

As at 31 December 2022 and 2021, the Group had no lending operations for the financing of construction and property development activities. As at 31 December 2022 and 2021, the Group had no loans granted for house purchases. As at 31 December 2022 and 2021, the Group had no foreclosed assets from financing to construction and property development companies.

a.5 Loan and credit refinancing and restructuring policy

The Group uses the following definitions:

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

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

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

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

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

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

On 31 December 2022 the Bank has six refinancing operations (four operations at 31 December 2021), refinanced or restructured for an amount of €8.105 million (€7.571 million at 31 December 2021) covered by securities collateral for an amount of €8.748 million (€7.719 million at 31 December 2021). These operations will mature in 2023.

b) Liquidity risk

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

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

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

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

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

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

At 31 December 2022 and 2021 the group was in compliance with the liquidity ratio.

The main components of the NSFR ratio and the LCR ratio as at 31 December 2022 and 2021 are shown below:

Thousands of euro

Financial year 2022

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

LCR Ratio	2022
Liquidity cushion	1,093,072
Net liquidity outflow	338,630
Liquidity Coverage Ratio (%)	322.79%

Thousands of euro

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 from 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 for intra-group or intra-IPS assets if preferential treatment applies	-	-	-
Stable funding required from contributions to the default fund of a CFC	34,473	29,302	-
Stable financing required from other assets (0100)	3,561	1,781	-
Stable financing of off-balance sheet items required	-	-	-
STABLE FINANCING AVAILABLE	2,156,828	-	1,488,478
Available stable financing of 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 customers	8,811	-	4,405
Stable financing available from operational deposits	212,888		106,445
Available stable financing and committed lines within a group or SIP	-		-
Stable financing available from financial clients and banks	439,676	-	-
Available stable financing provided when counterparty cannot be determined	-	-	-
Stable financing available from interdependent liabilities	-		-
Available stable financing from other liabilities	54,352	-	32,943
NSFR Ratio	**-**		**265.39 %**

LCR Ratio	2021
Liquidity cushion	1,045,062
Net liquidity outflow	208,780
Liquidity Coverage Ratio (%)	500.56 %

The breakdown of financial instruments by residual maturity at 31 December 2022 and 2021 is shown below. The maturity dates considered for the construction of the attached table are the maturity dates according to the contractual terms of the instruments:

Thousands of euro

Ejercicio 2022

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

Thousands of euro

Ejercicio 2021

	1 day	Over 1 day up to 30 days	Over 30 days up to 6 months	Over 6 months up to 12 months	Over 12 months - up to 2 years	Over 2 years and up to 5 years	Over than 5 years
Liabilities arising from securities issues (if not treated as retail deposits)	-	-	-	-	-	-	-
Liabilities arising from collateralised lending and secured capital market related operations	-	-	-	-	-	-	-
Unrecognised liabilities arising from deposits received, except deposits received as collateral	1,974,476	38,820	-	3,356	2,130	5,997	18,241
Currency swaps at maturity	-	-	-	-	-	-	-
Amount payable for derivatives other than those reported	-	-	-	-	-	-	-
Other outflows	-	14,835	7,983	1,810	-	41	-
Total outflow	**1,974,476**	**53,655**	**7,983**	**5,166**	**2,130**	**6,038**	**18,241**
Amounts due arising from collateralised lending and secured capital market related operations	-	2,443	2,837	5,179	31,525	44,582	26
Amounts due and not allocated resulting from loans and advances granted	1,342,434	45,147	1,932	3,234	140	9,116	7,592
Currency swaps at maturity	-	-	-	-	-	-	-
Amount receivable for derivatives other than those allocated	-	-	-	-	-	-	-
Notes in own portfolio at maturity		-	-	-	-	-	-
Other entries	-	2,222	-	1,339	-	-	-
Total entries	**1,342,434**	**49,812**	**4,769**	**9,752**	**31,665**	**53,698**	**7,618**
Withdrawable reserves in central banks		(824,334)	-	-	-	-	-
Level 1 negotiable assets		-	-	(16,470)	(40,235)	(3,077)	(151,190)
Level 2A negotiable assets		-	(2,174)	(4,888)	(2,238)	(216)	(1,850)
Other negotiable assets		-	-	-	-	-	-

c) Market risk

Renta 4 Group's trading portfolio focuses on investments in shares listed on the domestic market and residually on international markets, as well as positions in futures and/or options on the main stock market indices, which are listed on widely diversified, regulated markets, with sufficient liquidity guarantee for closing positions. However, the Group periodically measures the risk of these positions using the VaR (Value at risk) methodology, which expresses the maximum expected loss for a specific time horizon determined on the basis of the historical performance of a security or portfolio. The VaR of these portfolios (at 1 day and for a confidence level of 98.75%) as at 31 December 2022 and 2021 is as follows:

Thousands of euro

	2022	2021
Trading portfolio (Maximum loss)	1,975	1,195
Portfolio financial assets designated at fair value through other comprehensive income and held-to-maturity portfolio (Maximum loss)	7,148	1,615
VaR (as % of portfolio)	0.72%	0.44%

c.1) Foreign exchange risk

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

c.2) Interest rate risk

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

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

d) Other risks

As a result of the investments held by the Group in foreign countries, as at 31 December 2022 and 2021 there are no restrictions on its ability to access or utilise the assets and settle the liabilities.

02.6

Fair Value of Financial Instruments

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

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

Details of financial assets and liabilities recorded at fair value at 31 December 2022 and 2021 are presented below by class of financial assets and liabilities and at the following levels:

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

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

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

Financial assets

			Fair Value Hierarchy		
31/12/2022	**Total Balance**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Financial assets held for trading	56,665	56,665	54,225	2,440	-
Debt securities	2,316	2,316	-	2,316	-
Other Equity Instruments	54,225	54,225	54,225	-	-
Derived from negotiation	124	124	-	124	-
Financial assets at fair value with changes in other comprehensive income	830,553	830,553	742,702	87,851	-
Debt securities	828,289	828,289	741,515	86,774	-
Equity instruments	2,264	2,264	1,187	1,077	-
Equity instruments at cost	-	-	-	-	-
31/12/2021					
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	-	-
Derived from negotiation	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	-
Equity instruments	514	514	292	222	-
Equity instruments at cost	-	-	-	-	-

At 31 December 2022 and 2021 the breakdown of the balance of this heading is as follows:

Financial liabilities

			Fair Value Hierarchy		
31/12/2022	**Total Balance**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities held for trading	189	189	-	189	-
Derived from negotiation	189	189	-	189	-
31/12/2021					
Financial liabilities held for trading	41	41	-	41	-
Derived from negotiation	41	41	-	41	-

The principal valuation methods, assumptions and inputs used in estimating the fair value of financial instruments classified in Levels 1, 2 and 3 (there are no financial instruments classified) by type of financial instrument at 31 December 2022 and 2021 are as follows:

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

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

· Equity instruments: For the determination of the fair value of all the Group's investments in quoted equity instruments, quoted prices on official markets have been used and these have therefore been classified in Level 1 of the above tables. If there are no daily contributions, they are classified as Level 2.

During the financial years 2022 and 2021 there have been no transfers between levels, nor have there been any significant changes in the valuation of unquoted equity instruments included in the portfolio of financial assets at fair value through other comprehensive income.

The amounts recognised in the profit and loss accounts in 2022 and 2021 for changes in the fair value of the Bank's financial instruments, corresponding to unrealised gains and losses, distinguishing between those financial instruments whose fair value is determined by reference to published market prices in active markets (Level 1), is estimated using a valuation technique whose inputs are obtained from observable market data (Level 2) and the remainder (Level 3), together with the cumulative changes in value at 31 December 2022 and 2021 that have not materialised, are not significant for the purposes of these consolidated financial statements.

02.7

Segment Reporting

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

The business lines described below have been established based on the Group's organisational structure in place at year-end 2022 and 2021, taking into account the nature of the services offered and the customer segments at which they are targeted. The Group has the following main lines of business, which form the basis of the Group's segment reporting:

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

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

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

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

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

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

Segment reporting as at 31 December 2022 and 2021 is presented below:

Thousands of euro

	31/12/2022					31/12/2021				
CONSOLIDATED PROFIT AND LOSS ACCOUNT	**Brokerage**	**Asset management**	**Corporate services**	**Adjustments**	**Total**	**Brokerage**	**Asset management**	**Corporate services**	**Adjustments**	**Total**
Interest income										
Internal	-	-	-	-	-	-	-	-	-	-
External	12,989	-	-	-	12,989	4,839	-	-	-	4,839
Interest expenses										
Internal	-	-	-	-	-	-	-	-	-	-
External	(3,895)	-	-	-	(3,895)	(4,624)	-	-	-	(4,624)
Return on equity instruments (dividends)	-	-	17	-	17	-	-	5	-	5
Result of entities accounted for using the equity method	264	547	-	-	811	534	1,742	-	-	2,276
Commission income										
Internal	11,881	-	-	(11,881)	-	11,472	-	-	(11,472)	-
External	66,897	84,937	18,850	-	170,684	77,278	85,922	17,430	-	180,630
Commission expenses										
Internal	-	(11,881)	-	11,881	-	-	(11,472)	-	11,472	-
External	(25,464)	(56,065)	(1,390)	-	(82,919)	(31,595)	(55,593)	(2,025)	-	(89,213)
Results from financial operations - Net	975	-	2,074	-	3,049	8,969	-	2,172	-	11,141
Currency differences (gain or (-) loss, net)	8,807	-	588	-	9,395	14,313	-	-	-	14,313
Other operating income	112	-	167	-	279	367	-	165	-	532
Other operating expenses	(2,823)	(136)	(26)	-	(2,985)	(3,664)	(70)	(16)	-	(3,750)
GROSS MARGIN	**69,743**	**17,402**	**20,280**	**-**	**107,425**	**77,889**	**20,529**	**17,731**	**-**	**116,149**
Staff expenses	(28,423)	(6,559)	(8,745)	-	(43,727)	(28,027)	(8,730)	(9,195)	-	(45,952)
Other administrative expenses	(16,923)	(3,905)	(5,207)	-	(26,035)	(13,790)	(4,295)	(4,521)	-	(22,606)
Accumulated	(6,525)	(1,506)	(2,007)	-	(10,038)	(9,137)	(256)	(57)	-	(9,450)
Allocation to provisions	1,349	-	-	-	1,349	(3,574)	-	-	-	(3,574)
Impairment losses on financial assets	408	-	-	-	408	(2,063)	-	-	-	(2,063)
(+/-) Gains/(Losses) on disposal of non-financial assets and holdings	-	-	-	-	-	**-**	**-**	**-**	**-**	**-**
Impairment losses on other assets										
Gains or (-= losses on cancellation of non-financial assets and holdings, net	-	-	-	-	-	**2**	**-**	**-**	**-**	**2**
CONSOLIDATED PROFIT BEFORE TAX	**19,629**	**5,432**	**4,321**	**-**	**29,382**	**21,300**	**7,248**	**3,958**	**-**	**32,506**
BALANCE										
Total assets	2,429,733	40,722	21,190	(81,304)	2,410,341	2,204,413	42,452	27,896	(73,311)	2,201,450
Total liabilities	2,311,070	15,753	435	(34,355)	2,292,903	2,078,431	17,822	6,823	(31,620)	2,071,456
Other information	-	-	-	-	-	-	-	-	-	-
Acquisitions of tangible assets	4,946	-	-	-	4,946	4,535	-	-	-	4,535

The "adjustments" column in the table above reflects the elimination of trading transactions between the brokerage and management segments. These transactions, which are eliminated in the consolidation process, are shown in the table above to correctly reflect the activity of each segment. The adjustments to total assets and liabilities presented by segment correspond to the eliminations of reciprocal items and equity between the various Group companies generated in the consolidation process.

02.8

Cash, Cash Balances at Central Banks and other Demand Deposits

The breakdown of "Cash, cash balances at central banks and other demand deposits" in the accompanying consolidated balance sheets at 31 December 2022 and 2021 is as follows:

Thousands of euro

	2022	2021
Cash	42	95
Cash balances at central banks	610,028	840,811
Other demand deposits	161,424	353,434
Total	**771,494**	**1,194,340**

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

As at 31 December 2022 and 2021, the item "Other demand deposits" mainly includes balances in demand current accounts, which earn the market interest rate for this type of accounts in the amount of €161.424 million (€353.434 million in 2021).

At 31 December 2022, cash balances at central banks include the overnight deposit with the Bank of Spain amounting to €589,599, as well as the amount required to comply with the minimum reserve ratio, as stipulated in the legal regulations in force.

02.9

Financial Assets and Liabilities Held for Trading

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

Thousands of euro

	Asset		Liability	
	2022	2021	2022	2021
Derivatives	124	6	189	41
Equity instruments	54,225	58,999	-	-
Debt securities	2,316	6,954	-	-
Total	**56,665**	**65,959**	**189**	**41**

At 31 December 2022 and 2021 there were no assets in this portfolio subject to any kind of commitment or guarantee.

There were no transfers or reclassifications of financial instruments included in this portfolio during the financial years 2022 and 2021.

a) Derivatives

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

Set out below for the years ended 31 December 2022 and 2021 are the notional and fair values of financial derivatives recorded as "Trading derivatives" classified by market type, product type, counterparty, remaining term and risk type:

Thousands of euro

	Notional		Fair value			
	Memorandum accounts		Asset		Liability	
	2022	2021	2022	2021	2022	2021
By market type						
Organised markets	17,105	20,111	-	-	-	-
Unorganised markets	4,957	3,402	124	6	189	41
	22,062	**23,513**	**124**	**6**	**189**	**41**
By product type						
Options						
Purchased	-	-	-	-	-	-
Sold	-	-	-	-	-	-
Future	17,105	20,111	-	-	-	-
Other						
Purchased	4,000	2,500	124	6	-	-
Sold	957	902	-	-	189	41
	22,062	**23,513**	**124**	**6**	**189**	**41**
Counterparty						
Credit institutions	4,000	2,500	124			
Other financial institutions	-	-	-	-	-	-
Non-resident credit institutions	18,062	21,013	-	6	189	41
Other sectors	-	-	-	-	-	-
	22,062	**23,513**	**124**	**6**	**189**	**41**
Remaining term						
Up to 1 year	21,105	22,611	124	6	-	-
From 1 to 5 years	957	902	-	-	189	41
	22,062	**23,513**	**124**	**6**	**189**	**41**
Type of risk covered						
Foreign exchange risk	21,562	23,013	124	6	189	41
Interest rate risk	500	500	-	-	-	-
Share price risk	-	-	-	-	-	-
Other risks	-	-	-	-	-	-
	22,062	**23,513**	**124**	**6**	**189**	**41**

b) Equity instruments

At 31 December 2022 and 2021, the breakdown of the balance of this item, by sector of activity of the issuer, is as follows:

Thousands of euro

	2022	2021
Credit institutions	-	-
Financial companies	54,225	58,999
Other sectors	-	-
Total	**54,225**	**58,999**

The "Other equity instruments" section is broken down as follows, depending on whether or not the securities comprising them are listed and the percentage they represent of the total:

	Thousands of euro		% of total	
	2022	2021	2022	2021
Listed	54,225	58,999	100	100
Not listed	-	-	-	-
	54,225	**58,999**	**100**	**100**

At 31 December 2022 and 2021 the breakdown of the balance of this heading is as follows:

Thousands of euro

	2022	2021
Holdings in I.I.C.s, F.C.R. and S.C.R.	54,198	58,972
Shares and other equity	27	27
	54,225	**58,999**

The detail of "Holdings in I.I.C.s, F.C.R., and S.C.R." at 31 December 2022 and 2021 is as follows:

Thousands of euro

	31.12.2022	31.12.2021
Renta 4 SICAV Valor Relativo I EUR A	7,337	15,759
Renta 4 Renta Fija, FI Clase R	9,543	10,245
Renta 4 Renta Fija 6 Meses, FI	9,839	9,886
Ged VI España F.C.R.	6,667	4,024
Valor Absoluto Fund X	5,164	-
Kobus Renewable Energy II F.C.R.	-	3,557
Renta 4 Megatendencias Tecnología Clase R, F.I.	2,073	3,284
Renta 4 Megatendencias Consumo Clase I, F.I.	1,097	1,485
Renta 4 Megatendencias Medio Ambiente Clase I, F.I.	1,283	1,484
Renta 4 Bewater I F.C.R.	1,558	1,249
Kobus Renewable Energy III F.C.R.-B1	1,107	1,160
Ged V España F.C.R.	830	1,272
MC Win Food Ecosystem Fund	804	-
Others (*)	6,896	5,567
Total	**54,198**	**58,972**

(*) Units in IICs that individually amount to less than €600,000 at 31 December 2022 and 2021

Details of "Shares and other holdings" at 31 December 2022 and 2021 are as follows:

Thousands of euro

	31.12.2022	31.12.2021
Listed		
CGE, CGET, Fiduciaria de Occidente	27	27
Unlisted		
Other shares	27	27

c) Debt securities

At 31 December 2022 and 2021 the Group has debt securities classified as financial assets held for trading as follows:

Thousands of euro

	2022	2021
Spanish public administrations	-	-
Other resident sectors	1,194	5,431
Other non-resident sectors	-	1,004
Non-resident credit institutions	1,122	519
	2,316	**6,954**

d) Other information

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

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

02.10

Financial Assets at fair Value Through other Comprehensive Income

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

Thousands of euro

	2022	2021
Equity instruments	2,264	514
Debt securities	828,289	387,855
Total	**830,553**	**388,369**

There were no transfers or reclassifications of financial instruments included in this portfolio during the financial years 2022 and 2021.

The movement in this item in the consolidated balance sheet during the financial years 2022 and 2021 is as follows:

Thousands of euro

	2022	2021
Opening balance	388,369	580,321
Added	949,098	635,593
Removed	(472,311)	(813,917)
Accrual of accrued interest	1,668	1,119
Voucher collection	(7,545)	(10,862)
Value adjustment	(28,610)	(3,962)
Impairment of assets	-	-
Generic provision/recovery	(116)	77
Closing balance	**830,553**	**388,369**

a) Equity instruments

At 31 December 2022 and 2021 the breakdown of the balance of this heading is as follows:

Thousands of euro

	2022	2021
Holdings in IICs	-	-
Shares and other equity	2,264	514

Details of "Shares and other holdings" at 31 December 2022 and 2021 are as follows:

Thousands of euro

	31.12.2022	31.12.2021
Listed		
Valore metals Corp (Formerly: Kivallic Energy)	136	274
VIR Biotechnology Inc.	12	18
Grupo San José S.A.	130	-
Atrys Health S.A.	363	-
Making Science Group S.A.	546	
Unlisted		
Other shares	1,077	222
	2,264	**514**

The detail of "Accumulated other comprehensive income - Items not to be reclassified to profit or loss - Changes in fair value of equity instruments measured at fair value through other comprehensive income" in equity (Note 18.j) at 31 December 2022 and 2021, as a result of changes in the fair value of the assets in this portfolio, is as follows:

Thousands of euro

	2022	2021
Equity instruments		
Other resident sectors	(554)	(346)
Other non-resident sectors	(97)	5
Total (Note 18)	**(651)**	**(341)**

b) Debt securities

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

Thousands of euro

	2022	2021
Spanish public administrations	179,554	59,782
Resident credit institutions	13,628	-
Non-resident credit institutions	60,455	-
Non-resident public administrations	561,961	323,661
Non-resident non-financial corporations	12,731	2,185
Resident non-financial corporations	98	2,249
Value adjustment	(138)	(22)
Total	**828,289**	**387,855**

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

The return on the securities comprising the financial asset portfolio at fair value through other comprehensive income as at 31 December 2022 was 3.04% (2.2% as at 31 December 2021).

The fair value of the debt instruments at 31 December 2022 and 2021 has been determined mainly on the basis of the quotation in official markets (Central de Anotaciones de Banco de España), and on the basis of prices supplied by different information service providers that construct their prices on the basis of prices communicated by contributors (Bloomberg).

The detail of "Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Financial assets at fair value through other comprehensive income" in equity (Note 18.j) at 31 December 2022 and 2021, as a result of changes in the fair value of the assets in this portfolio, is as follows:

Thousands of euro

	2022	2021
Debt securities		
Spanish public administrations	(985)	204
Non-resident public administrations	(19,635)	(1,230)
Credit institutions	(3)	-
Non-resident credit institutions	(66)	-
Other resident sectors	-	11
Other non-resident sectors	(28)	-
Total (Note 18)	**(20,717)**	**(1,015)**

At 31 December 2022 and 2021, the Bank holds debt securities belonging to the portfolios of financial assets at fair value through other comprehensive income and the portfolio of financial assets at amortised cost, lent under securities lending contracts, to other financial institutions, amounting to €151.581 million (€101.930 million at 31 December 2021).

At 31 December 2022 and 2021, the Bank has pledged debt securities to BME Clearing as collateral for daily trading in domestic derivatives and domestic equities. The nominal value of these assets as at 31 December 2022 amounts to €235 million (€115.121 million) recorded at a value of €229.911 million (€117.943 million as at 31 December 2021). Pledged debt securities are classified in the financial asset portfolio at fair value through other comprehensive income and in the portfolio at amortised cost (note 11).

In addition, as at 31 December 2022, the Bank has signed a Securities Pledge Credit Agreement with Bank of Spain. The nominal value of the pledged securities amounts to €150 million (31 December 2021: €99.3 million). Registered for a value of €144.01 million and €102.304 million at 31 December 2022 and 2021, respectively. The available amount of this guarantee at 31 December 2022 and 2021 was €133.027 million and €96.523 million, respectively. Pledged debt securities are classified in the financial asset portfolio at fair value through other comprehensive income and in the portfolio at amortised cost (note 11).

At 31 December 2022, the value of debt securities belonging to the financial asset portfolios at fair value through other comprehensive income and the financial asset portfolio at amortised cost quoted (note 11) pledged in favour of JP Morgan as collateral for daily international derivatives trading had a nominal value of €50,000, recorded at a value of €48,867 (€50,000 thousand nominal value and €54,528 thousand respectively at 31 December 2021).

02.11

Financial Assets at Amortised Cost

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

Thousands of euro

	2022	2021
Debt securities	356,977	158,305
Loans and advances:		
Central banks	-	-
Credit institutions	49,135	49,393
Clientèle	249,678	259,294
Total	**655,790**	**466,992**

Details of debt securities at 31 December 2022 and 2021 are as follows:

Financial year 2022:

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

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

Financial year 2021:

Titles	Maturity	Thousands of euro
Italian Government bond IT0005419848 (*)	1 February 2026	102,185
Italian Government Bond IT0005370306	15 July 2026	55,250
Bond IRIS FINANCIAL SERVICES LIMITED	1 October 2024	870
Total		**158, 305**

(*) Includes accrued interest of €27,000
(**) Includes €8,000 of generic provision

At 31 December 2022 and 2021, the Bank held debt securities lent under securities lending agreements to other financial institutions amounting to €151.581 million and €101.930 million, respectively (see note 10.b).

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

a) Credit institutions

The detail of this heading is as follows:

Thousands of euro

	2022	2021
Deposits or term accounts	8,382	2,902
Other accounts (*)	40,743	46,488
Doubtful assets	-	-
Value adjustment		
Value corrections due to impairment of assets	-	-
Accrued interest	10	3
Total	**49,135**	**49,393**

(*) At 31 December 2022 and 2021, "Other accounts" includes €36.596 and €41.555 million corresponding to financial guarantees deposited with financial intermediaries for international derivative transactions.

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

Details of term deposits or accounts at 31 December 2022 and 2021 are as follows:

31/12/2022

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

31/12/2021

Entity	Type	Date of Maturity	Thousands of euro
Bice Bank	3.24 %	5/01/2022	119
Security Bank	3.72 %	3/01/2022	231
Bice Bank	4.44 %	21/01/2022	123
IPF Bankinter	0.00 %	2/11/2022	1,322
IPF Ruralvía	0.00 %	12/11/2022	100
Fixed term deposit - Banco de Bogotá N.Y.	0.55 %	9/05/2022	225
Fixed term deposit -- Banco de Bogotá N.Y.	0.55 %	16/02/2022	665
BGT Pactual	3.78 %	31/01/2022	120
			2,902

The accrued interest at 31 December 2022 and 2021 on term deposits or accounts amounting to €10,000 and €3,000, respectively, are included under "Valuation adjustments".

b) Clientèle

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

Thousands of euro

	2022	2021
By type and status of credit:		
Secured debtors	103,313	86,592
Other secured debtors	16,852	8,664
Other term debtors	24,464	19,885
Demand and sundry debtors	7,443	4,531
Doubtful assets	11,323	12,412
Other financial assets	89,675	132,275
Value adjustment	(3,392)	(5,065)
	249,678	**259,294**
By sector:		
Public Administrations	205	105
Other financial corporations	99,351	128,308
Other non-financial corporations and sole proprietors	111,576	90,218
Rest of Households	38,546	40,663
	249,678	**259,294**
By interest rate mode:		
Variable	249,678	259,294
Fixed	-	-
	249,678	**259,294**

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

In the financial years 2022 and 2021, the Group has entered into pledge agreements on securities deposited from customers as collateral for receivables.

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

The Group maintains under "Other financial assets" the amount required for guarantees from each of the brokers in the derivatives markets in which it operates on behalf of customers and which the Parent Company in turn requires from its customers (see Note 16.d). These guarantees relate to both national organised markets (MEFF, Eurostoxx) and international derivatives and CFD markets.

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

Thousands of euro

	Debt		Value Guarantees		Limit		Available	
	2022	2021	2022	2021	2022	2021	2022	2021
Secured debtors	103,313	86,592	228,257	208,076	146,268	118,845	42,955	32,253
Other debtors with secured debt	16,852	8,664	20,162	9,270	16,852	8,664	-	-
Doubtful with collateral	8,048	7,020	8,888	7,855	8,136	7,734	88	714
Doubtful without collateral	3,275	5,392	-	-	-	-	-	-
Other term debtors	24,464	19,885	-	121	29,517	19,885	5,053	710
	155,952	**127,553**	**257,307**	**225,322**	**200,773**	**155,128**	**48,096**	**33,677**

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

Thousands of euro

	2021	2020
Value adjustment:		
Value corrections due to impairment of assets	(4,497)	(5,667)
Accrued interest	1,105	602
	(3,392)	**(5,065)**

c) Impairment losses

The detail and movement of impairment losses recognised at year-end 2022 and 2021 for the assets in the Loans and advances (Due from credit institutions and customers) portfolio is as follows:

Thousands of euro

	Doubtful (Stage – 3)	Special surveillance (Stage – 2)	Normal (Stage – 1)	Total
Balance as at 1 January 2022	**5,378**	**20**	**269**	**5,667**
Additions				
Provisions allocated to income (Note 22.f)	2,804	154	517	3,475
Recoveries				
Recoveries allocated to income	(3,408)	(156)	(438)	(4,002)
Write-offs of bad debts	-	-	-	-
Uses				
Transfer to write-offs	-	-	-	-
Others	(643)	-	-	(643)
Balance as at 31 December 2022	**4,131**	**18**	**348**	**4,497**
Of which: Credit institutions	-	-	-	-
Of which: Clientèle	4,131	18	348	4,497
Balance as at 1 January 2021	**3,353**	**-**	**182**	**3,535**
Additions				
Provisions allocated to income (Note 22.f)	4,432	683	390	5,505
Recoveries				
Recoveries allocated to income	(2,407)	(663)	(303)	(3,373)
Recoveries of bad assets	**-**	**-**	**-**	**-**
Uses				
Transfer to write-offs	**-**	**-**	**-**	**-**
Others	**-**	**-**	**-**	**-**
Balance as at 31 December 2021	**5,378**	**20**	**269**	**5,667**
Of which: Credit institutions	**-**	**-**	**-**	**-**
Of which: Clientèle	**5,378**	**20**	**269**	**5,667**

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

02.12

Investments in Joint Ventures and Associates

The movements in this item in the accompanying consolidated balance sheet in 2022 and 2021 were as follows:

Thousands of euro

	2022	2021
Opening balance	**2,104**	**362**
Added	-	-
Removed (dividends distributed)	(2,073)	-
Individual results for the financial year	547	1,742
Impairment	-	-
Closing balance	**578**	**2,104**

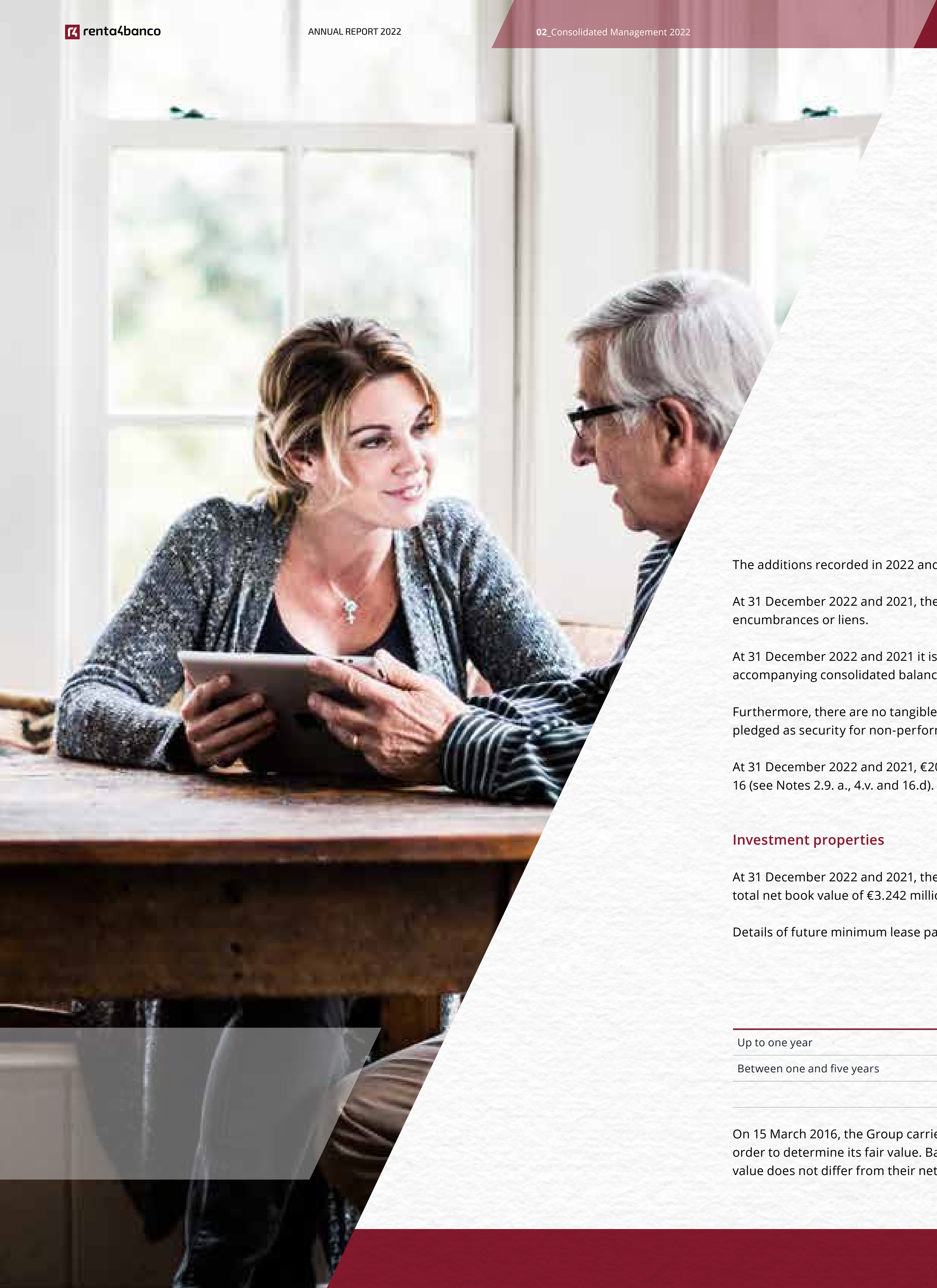
02.13

Tangible Assets

Details of material assets for own use and movements during 2022 and 2021 under this heading are as follows:

Thousands of euro

	Computer equipment	Furniture, fittings and other	Buildings	Investment properties	Right of use	Total
Cost value						
Balance as at 31 December 2021	3,120	38,842	24,012	5,837	26,026	97,837
Added	209	4,737	-	-	5,142	10,088
Removed	-	-	-	-	(1,469)	(1,469)
Transfers	-	-	-	-	-	-
Balance as at 31 December 2022	3,329	43,579	24,012	5,837	29,699	106,456
Accumulated amortisation						
Balance as at 31 December 2021	(2,308)	(19,418)	(7,571)	(2,490)	(6,990)	(38,777)
Added	(434)	(3,890)	(425)	(105)	(2,756)	(7,610)
Removed	-	-	-	-	1,053	1,053
Transfers	(6)	(17)	-	-	(10)	(33)
Balance as at 31 December 2021	(2,748)	(23,325)	(7,996)	(2,595)	(8,703)	(45,367)
Net value as at 31 December 2022	581	20,254	16,016	3,242	20,996	61,089
Cost value						
Balance as at 31 December 2020	3,680	42,261	24,012	5,837	25,057	100,847
Added	262	4,273	-	-	1,582	6,117
Removed	(822)	(7,692)	-	-	(613)	(9,127)
Transfers	-	-	-	-	-	-
Balance as at 31 December 2021	3,120	38,842	24,012	5,837	26,026	97,837
Accumulated amortisation						
Balance as at 31 December 2020	(2,636)	(23,447)	(7,146)	(2,382)	(4,837)	(40,448)
Added	(506)	(3,692)	(425)	(108)	(2,641)	(7,372)
Removed	822	7,692	-	-	488	9,002
Transfers	12	29	-	-	-	41
Balance as at 31 December 2020	(2,308)	(19,418)	(7,571)	(2,490)	(6,990)	(38,777)
Net value as at 31 December 2021	812	19,424	16,441	3,347	19,036	59,060



The additions recorded in 2022 and 2021 under "Furniture, fittings and other" relate to improvements that the Group has carried out at various branches.

At 31 December 2022 and 2021, the Group had no firm commitments to purchase or sell fixed assets for a significant amount, nor are its assets subject to significant encumbrances or liens.

At 31 December 2022 and 2021 it is estimated that the fair value of the tangible assets owned by the Group does not differ significantly from that recorded in the accompanying consolidated balance sheet.

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

At 31 December 2022 and 2021, €20.996 and €19.036 million are recognised as operating leases for offices under "Right of use" as a result of the entry into force of IFRS 16 (see Notes 2.9. a., 4.v. and 16.d).

Investment properties

At 31 December 2022 and 2021, the building located in Madrid at Paseo de la Habana, no. 63 and the building located in Mallorca at Paseo de Mallorca, no. 32, with a total net book value of €3.242 million and €3.347 million, respectively, are recorded as investment property.

Details of future minimum lease payments under non-cancellable operating leases at 31 December 2022 and 2021 are as follows:

Thousands of euro

	2022	2021
Up to one year	12	140
Between one and five years	50	10
	62	**150**

On 15 March 2016, the Group carried out an independent appraisal of its most significant investment property, the building located at Paseo de la Habana no. 63, in order to determine its fair value. Based on the results of this valuation, carried out using the income restatement method and the market comparison method, their fair value does not differ from their net book value as at 31 December 2022 and 2021.

02.14

Intangible Assets

a) Goodwill

Details of and movements in this item in the accompanying consolidated balance sheets in 2022 and 2021 are as follows:

Thousands of euro

	Cost	Value corrections due to impairment	Total
Balances as at 31.12.20	17,772	(2,481)	15,291
Movements	-	-	-
Balances as at 31.12.21	17,772	(2,481)	15,291
Movements	-	-	-
Balances as at 31.12.22	17,772	(2,481)	15,291

At 31 December 2022 and 2021, goodwill totals €15.291 million, corresponding to the companies grouped in the Management Cash Generating Unit (CGU) (amounting to €5.476 million) and the Intermediation CGU (amounting to €9.815 million). The brokerage CGU groups together the companies Renta 4 Banco, S.A. (generated in the acquisition of Banco Alicantino de Comercio S.A.), Renta 4, S.A., Sociedad de Valores, Renta 4 Burgos S.A., Renta 4 Aragón S.A., Renta 4 Huesca S.A. and Padinco Patrimonios S.G.C., S.A.; likewise, the "Gestión" CGU groups together Renta 4 Gestora S.G.I.I.C., S.A. (generated on the acquisition of Gesdinco Gestión, S.G.I.I.C.), Renta 4 Pensiones, E.G.F.P., S.A. and Renta 4 Luxembourg, S.A.

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

The Group has performed an impairment test on the goodwill at 31 December 2022 and 2021 of the "Trading" CGU and the "Management" CGU, based on the assumptions set out below.

The impairment test performed by the Parent Company has been verified by an independent expert who, on 14 February 2022, issued a report on the impairment test and the correct valuation of the goodwill at 31 December 2022 and therefore no impairment has been recognised in 2022 and 2021.

Accordingly, and based on the estimates and projections available to the Bank's directors, no impairment losses have been incurred during 2022 that would have required the recording of additional impairment losses.

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

Thousands of euro

Intermediation CGU	2022	2021
Projected period	5 years	5 years
Discount rate (projected period)	11.05%	10.11%
Perpetual growth rate	2.66%	2.5%
CGU Management	**2022**	**2021**
Projected period	5 years	5 years
Discount rate (projected period)	10.64%	10.11%
Perpetual growth rate	2.52%	2.5%

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

a.1 Projected period

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

a.2 Discount rate

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

This model uses as a basis the risk-free rate (Rf), which has been calculated by considering, on the one hand, the average yield of the last three months of 2022 on the Spanish 10-year government bond for the Intermediation and Management CGU, incorporating in its calculation the effect on the return on 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 previous table, is 11.05% and 10.64% for the Intermediation and Management CGUs respectively (2021: 10.11% for both CGUs).

a.3 Perpetual growth rate

For the calculation of the perpetual growth rate, the estimate of long-term inflation from public sources has been used, as well as the potential growth of the asset management and brokerage industry on such inflation. The growth rate used was 2.66% and 2.52% in the Cash Generating Unit of Intermediation and Management respectively (2021: 2.5% for both CGUs).

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

Sensitivity to changes in assumptions

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

a.4 Intermediation and Management CGUs

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

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

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

b) Other intangible assets

This section of the consolidated balance sheets includes the software acquired from third parties, the customer portfolio generated in the acquisition of Gesdinco S.A., S.G.I.I.C. and Padinco Patrimonios, S.G.C., S.A., the customer portfolio generated in the acquisition of Renta 4 Chile Corredores Bolsa, S.A. and the customer portfolio generated in the acquisition of BNP Paribas, S.A.'s branch of activity, the customer portfolio generated in the acquisition of Renta 4 Chile Corredores de Bolsa, S.A. and the customer portfolio generated in the acquisition of the branch of activity of BNP Paribas, Sucursal en España, S.A . which have had the following movements in financial years 2022 and 2021:

Thousands of euro

	Cost	Accumulated amortisation	Net value
Balance as at 31 December 2020	**9,518**	**(4,699)**	**4,819**
Added and allocations	3,033	(2,078)	955
Removed	(659)	659	-
Balance as at 31 December 2021	**11,892**	**(6,118)**	**5,774**
Added and allocations	3,493	(2,428)	1,065
Removed	-	(8)	(8)
Balance as at 31 December 2022	**15,385**	**(8,554)**	**6,831**

At 31 December 2022 and 2021 "Other intangible assets" includes the fully amortised customer portfolio of Gesdinco and Padinco (€815,000 cost and €815,000 accumulated amortisation). At 31 December 2022 and 2021 it also includes the fully amortised customer portfolio in Chile (€646,000 of cost and €646,000 of accumulated amortisation). In addition, at 31 December 2022, this heading includes customer portfolios and software from the acquisition of the BNP Paribas Sucursal en España, S.A. branch of activity (see Note 4.j)) with a cost of €2.007 million and €1.661 million pending amortisation at 31 December 2022 (€2.007 million cost and €1.804 million pending amortisation at 31 December 2021). Additions in the year mainly relate to IT applications.

Finally, this heading includes software applications with a net value of €5.170 and €3.970 million at 31 December 2022 and 2021, respectively.

02.15

Other Assets and other Liabilities

The composition of the balance of these asset and liability items on the consolidated balance sheet as at 31 December 2022 and 2021 is as follows:

Thousands of euro

	2022	2021
Asset:		
Unearned expenses paid	1,651	2,141
Others	288	88
	1,939	**2,229**
Liability:		
Accruals	2,207	2,463
Others	5,185	8,215
	7,392	**10,678**

As at 31 December 2022 and 2021, the balance of other unpaid accrued expenses mainly corresponds to the outstanding variable employee remuneration as well as fees payable to CNMV, ECB and Guarantee Fund amounting to €2.206 million (€2.463 million as at 31 December 2021).

02.16

Financial Liabilities at Amortised Cost

Details of these liabilities in the consolidated balance sheets at 31 December 2022 and 2021 are as follows:

Thousands of euro

	2022	2021
Central bank deposits	-	-
Credit institution deposits	13,805	13,757
Customer deposits	2,044,185	1,796,651
Other financial liabilities	218,555	237,825
	2,276,545	**2,048,233**

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

a) Dentral bank deposits

As at 31 December 2022 and 2021, 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 €152.913 million as at 31 December 2022 (31 December 2021: €102.304 million).

b) Deposits from credit institutions

The detail of this liability item in the consolidated balance sheets at 31 December 2022 and 2021 according to the nature of the instrument is as follows:

Thousands of euro

	2022	2021
Other accounts	13,805	13,757

c) Customer deposits

The composition of this item in the consolidated balance sheets, by counterparty and type of financial instrument at 31 December 2022 and 2021, is as follows:

Thousands of euro

	2022	2021
Demand deposits		
Current accounts	2,028,147	1,796,651
Other demand accounts	-	-
Term deposits	10,015	-
Temporary transfer of assets	6,004	-
Value adjustment	19	-
	2,044,185	**1,796,651**

d) Other financial liabilities

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

Details of other financial liabilities grouped by type of financial instrument at 31 December 2022 and 2021 are as follows:

Thousands of euro

	2022	2021
Obligations to be paid	2,464	2,442
Bonds received	4	58
Clearing houses	4,250	2,082
Collection accounts		
Social Security Administration	750	689
Financial guarantees	160,600	177,467
Other concepts	28,688	35,421
Leases (Note 13)	21,799	19,666
Total	**218,555**	**237,825**

As financial guarantees, the Bank includes the financial guarantees required from customers for trading in MEFF, international derivatives and CFDs (contracts settled by differences). The heading "Other items" mainly includes balances for unsettled transactions with financial intermediaries that are settled in the first days of the following month, including customer transactions with Allfunds amounting to €8.981 million (31 December 2021: €5.099 million).

02.17

Provisions

Details of this item in the consolidated balance sheets at 31 December 2022 and 2021 are as follows:

Thousands of euro

	2022	2021
Procedural issues and pending tax litigation	2,329	3,737
Commitments and guarantees granted	50	30
	2,379	**3,767**

The movement in these headings in 2022 and 2021 is as follows:

Thousands of euro

	Other provisions
Balance as at 31 December 2020	**313**
Provisions reflected in profit and loss	3,588
Recoveries of provisions credited to profit and loss	(14)
Provisions applied to their intended purpose	(120)
Balance as at 31 December 2021	**3,767**
Provisions reflected in profit and loss	645
Recoveries of provisions credited to profit and loss	(1,994)
Provisions applied to their intended purpose	(39)
Others	-
Balance as at 31 December 2022	**2,379**

At 31 December 2022 and 2021, the provisions reflected in the consolidated balance sheet amounting to €2.379 million and €3.767 million, respectively, relate to both the Parent Company and other subsidiaries and basically cover certain risks arising from their business activities and risks due to third-party claims.

02.18

Net Equity

Details of the Group's equity at 31 December 2022 and 2021 are as follows:

Thousands of euro

	2022	2021
Own funds		
Assessed capital	18,312	18,312
Share premium	8,496	8,496
Other reserves	102,830	94,147
Less: Own shares	(486)	(486)
Result for the year	21,540	25,337
Less: interim dividends	(10,155)	(12,186)
	140,537	**133,620**
Other accumulated comprehensive income		
Currency conversion	(2,688)	(3,059)
Financial assets designated at fair value through other comprehensive income		
Changes in the fair value of equity instruments measured at fair value through other comprehensive income (Note 10.a)	(651)	(341)
Changes in fair value of debt instruments measured at fair value through other comprehensive income (Note 10.a)	(20,717)	(1,015)
	(24,056)	**(4,415)**
Minority interests (non-controlling shares)		
Other accumulated comprehensive income	(426)	(352)
Other elements	1,383	1,141
	957	789
Total Net Equity	**117,438**	**129,994**

The movement in net equity is reflected in the Consolidated Statements of Changes in Equity as at 31 December 2022 and 2021.

a) Assessed capital

The share capital of the Parent Company at 31 December 2022 and 2021 amounts to €18,311,841.35 and is divided into 40,693,203 registered shares numbered 1 to 40,693,203, each with a nominal value of €0.45, of the same class and series. All shares are fully subscribed and paid up.

The Parent Company's shares have been listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges since 14 November 2007 and have been assigned the ISIN code ES0173358039 by the National Codification Agency. The share price at 31 December 2022 is €9.56 (31 December 2021: €10.1) (see note 18.c).

The composition of the Bank's shareholding structure as at 31 December 2022 and 2021 is as follows:

	31/12/2022		31/12/2021	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Juan Carlos Ureta Domingo (*)	3,107,250	7.64%	12,143,786	29.84%
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. (formerly AR Santamaría)	10,737,668	26.39%	1,694,041	4.16%
Management Portfolio 2020 (****)	346,000	0.85%	346,000	0.85%
Juan Carlos Ureta Estades	35,204	0.09%	33,163	0.08%
Matilde Ureta Estades	30,457	0.07%	30,457	0.07%
Inés Asunción Ureta Estades	27,941	0.07%	27,941	0.07%
Mutualidad General de la Abogacía	2,800,650	6.88%	2,800,650	6.88%
Oscar Balcells Curt (**)	2,349,543	5.77%	2,349,543	5.77%
The Bank of New York Mellon S.A. N.V.	535,732	1.32%	553,852	1.36%
Santiago González Enciso (***)	1,646,852	4.05%	1,644,158	4.04%
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	263,032	0.65%	313,032	0.77%
Contratas y Servicios Extremeños S.A.	2,061,120	5.07%	2,051,110	5.04%
Santander Small Caps España, F.I. (*****)	1,184,288	2.91%	1,234,147	3.03%
Other (including treasury shares)	10,614,211	26.07%	10,518,068	25.87%
Total	**40,693,203**	**100 %**	**40,693,203**	**100 %**

(*) In the case of the shares of Mr Juan Carlos Ureta Domingo, his descendants have not been taken into account
(**) In the shares of Mr. Oscar Balcells Curt, 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, his descendants have not been taken into account.
(****) Mr Juan Carlos Ureta Domingo holds a 21% stake in this company, equivalent to 72,660 shares (equivalent to 86,500 shares at 31 December 2021)
(*****) Voting rights are exercised by Santander Asset Management S.A., S.G.I.I.C

At 31 December 2022, the Group's main shareholder, in addition to the direct shareholding reflected in the table above, holds 32.11% indirectly (9.92% at 31 December 2021), representing 39.74% of the Parent's share capital (39.76% at 31 December 2021).

b) Share premium

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

c) Other reserves

The detail of this item as at 31 December 2022 and 2021 is as follows:

Thousands of euro

	2022	2021
Legal reserve of the Parent Company	3,662	3,662
Reserves in entities accounted for using the equity method	1,804	62
Reserves in Group companies	97,364	90,423
	102,830	**94,147**

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

Thousands of euro

Company	2022	2021
Renta 4 Banco, S.A.	90,617	85,556
Renta 4, Sociedad de Valores, S.A.	875	1,009
Renta 4 Burgos, S.A.	(2,476)	(2,475)
Renta 4 Aragón, S.A.	(1,050)	(1,049)
Renta 4 Vizcaya, S.A.	(363)	(363)
Renta 4 Gestora, S.G.I.I.C., S.A.	9,681	8,343
Renta 4 Huesca, S.A.	(374)	(374)
Carterix, S.A.	(139)	(139)
Renta 4 Pensiones, S.G.F.P., S.A.	4,847	4,842
Renta 4 Investment Solution (formerly Renta 4 Equities)	(61)	46
Rest	(4,193)	(4,973)
	97,364	**90,423**

d) Legal reserve

Companies are obliged to set aside 10% of the profits of each financial year to a reserve fund until it reaches at least 20% of the share capital. This reserve, to the extent that it does not exceed 20% of the share capital, is not distributable to shareholders and may only be used to cover, if no other reserves are available, the debit balance of the profit and loss account. Under certain conditions it may also be used to increase the share capital. As of 31 December 2022 and 2021 the legal reserve of the Parent Company reaches this percentage of 20%.

e) Voluntary reserves

The Parent Company's voluntary reserves are freely available at 31 December 2022 and 2021, as there are no negative results from previous years pending compensation and subject to equity requirements (Note 18.i).

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

f) Own shares

The movement in this heading during the financial years 2022 and 2021 was as follows:

	2022	2021
Opening balance	(486)	(486)
Purchase	-	-
Sales	-	-
Closing balance	**(486)**	**(486)**

During the financial years 2022 and 2021, no own equity instruments have been purchased or sold.

This heading includes the following actions as at 31 December 2022 and 2021:

Nº de acciones

	2022	2021
Rest	72,590	72,590

g) Interim dividend

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

The following is the accounting statement prepared by the Parent Company's directors based on its individual results, which showed the existence of sufficient liquidity for the distribution of an interim dividend of €2.031 million gross against profits for the year 2022:

Thousands of euro

Forecast distributable profit for the year of the Parent Company	
Results net of tax as at 31 December 2021	22,225
Interim dividend distribution for the year 2021	10,155
Limit to be distributed (*)	12,070
Cash flow forecast for the period from the date of the agreement and one year forward	
Cash balances at the date of the agreement	738,907
Projected cash balances one year from the date of the agreement	812,798

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

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

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

Thousands of euro

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

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

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

On 22 February 2022, the Board of Directors, which prepares the Bank's accounts, resolved to distribute a final interim dividend out of the profit for 2021, equivalent to €0.11 per share (Note 4).

The following is the accounting statement prepared by the Parent Company's Directors based on its individual results, which showed the existence of sufficient liquidity for the distribution of a final interim dividend on account of the profits for the financial year 2021 for a gross amount of €4.468 million.

Thousands of euro

Forecast distributable profit for the year of the Parent Company	
Results net of tax as at 31 December 2021	22,481
Interim dividend distribution for the year 2021	12,186
Limit to be distributed (*)	10,295
Cash flow forecast for the period from the date of the agreement and one year forward	
Cash balances at the date of the agreement	1,148,295
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 Capital Companies Act.

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

The Board of Directors, at its meeting held on 30 November 2021, resolved to distribute an interim dividend out of the profit for 2021 of €0.30 per share, for a gross amount of €12.186 million.

Below is the accounting statement prepared by the Parent Company's directors based on its individual results, which showed the existence of sufficient liquidity for the distribution of an interim dividend out of the profits for 2021 for a gross amount of €12.186 million (Note 4).

Thousands of euro

Forecast distributable profit for the year of the Parent Company	
Results net of tax as at 31 October 2021	14,797
Interim dividend distribution for the year 2021	-
Limit to be distributed (*)	14,797
Cash flow forecast for the period from the date of the agreement and one year forward	
Cash balances 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 Capital Companies Act.

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

h) Earnings per share

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

Basic and diluted earnings per share are presented below:

	2022	2021
Net profit attributable to shareholders of the Parent Company (thousands of euro)	21,540	25,337
Financial costs of the convertible bond issue (thousands of euro)	-	-
Net profit attributable to shareholders of the Parent Company, eliminating financial expenses of the convertible bond issue (thousands of euro)	21,540	25,337
Weighted average number of ordinary shares excluding treasury shares for the calculation of basic earnings	40,620,613	40,620,613
Weighted average number of ordinary shares excluding treasury shares for the calculation of diluted earnings per share	40,620,613	40,620,613
Basic earnings per share (euro)	0.53	0.62
Diluted earnings per share (euro)	0.53	0.62

i) Minimum own resources

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

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

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

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

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

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

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

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

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

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

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

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

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

In this regard, in application of article 68.2.a) of Law 10/2014, the Bank of Spain required a total capital ratio of no less than 12.13% at the consolidated and individual level during the financial year 2022. A requirement has been received from the Bank of Spain which establishes a total minimum capital ratio at consolidated and individual level of 12.13% for the year 2023.

At 31 December 2022, the Renta 4 Group complies with the aforementioned ratio of 14.48%. As at 31 December 2021 the balance amounted to 14.79%.

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

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

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

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

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

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

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

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

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

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

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

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

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

In relation to minimum capital requirements, the Bank applies:

· The standardised approach is applied to credit risk requirements.

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

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

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

Set out below is a breakdown of the Group's eligible own funds at 31 December 2022 and 2021, indicating each of their components and deductions, and broken down, as required by the new regulations, into Tier 1 and Tier 2 capital:

Thousands of euro

	2022	2021
Total Computable Own Resources	88,508	89,180
Tier 1 Capital	**88,508**	**89,180**
Equity instruments disbursed	18,312	18,312
Share premium	8,496	8,496
Additional valuation adjustments (-)	(888)	(456)
Own equity instruments on ordinary level 1 (-)		
Direct holdings	(486)	486)
Indirect holdings		
Accumulated earnings from prior years	102,830	94,147
Eligible results	7,323	-
Other reserves	(24,056)	(4,415)
Minority interests recognised in the capital on ordinary level 1	-	-
Transitional adjustments due to additional minority interest	-	-
Goodwill (-)	(15,423)	(15,423)
Other intangible assets (-)	(6,831)	(5,774)
Additional deductions from Level 1 capital 1- Art 3 CRR	(769)	(5,221)
Tier 2 Capital	-	-
General credit risk adjustments under the standardised approach	-	-
Additional deductions from Level 2 capital	-	-
Ratio of capital on Level 1	14.48%	14.79%
Ordinary Level 1 capital surplus (+) / deficit (-) over Pillar 1	60.998	62.045
Surplus (+) / deficit (-) of capital on ordinary level 1 over Pillar 1 and Pillar 2 and requirement for combined fund	39,494	41,432
Total capital ratio	14.48%	14.79%
Total capital surplus (+) / deficit (-) over Pillar 1	39,602	40,940
Surplus (+) / deficit (-) of total capital over Pillar 1 and Pillar 2 and requirement for combined fund	9,154	16,027

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

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

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

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

l) Minority interests (non-controlling interests)

The detail and movement during 2022 and 2021 of this item in the accompanying consolidated balance sheets and of the profit for the year attributable to minority interests are shown in the table below:

Thousands of euro

Financial year 2022	% Share as at 31.12.22	Balance as at 31.12.21	Attributable profit for the year	Others	Balance as 31.12.22
Carterix, S.A. (formerly Renta 4 Morocco, S.A.)	0.08%	1	-	-	1
Renta 4 Inversiones de Valladolid, S.A.	1.00%	3	-	-	3
Renta 4 Lérida, S.A.	18.34%	15	-	-	15
Renta 4 Inversiones Inmobiliarias (formerly Renta 4 On Line, S.A.)	1.00%	1	-	-	1
Rentsegur Correduría de Seguros, S.A.	27.51%	21	-	-	21
Renta 4 Equities, S.A.	0.11%	1	-	-	1
Renta 4 Global Fiduciaria, S.A.	30.57%	747	242	(74)	915
		789	**242**	**(74)**	**957**

Financial year 2021	% Share as at 31.12.21	Balance as at 31.12.20	Attributable profit for the year	Others	Balance as 31.12.21
Carterix. S.A. (formerly Renta 4 Morocco. S.A.)	0.08%	1	-	-	1
Renta 4 Inversiones de Valladolid. S.A.	1.00%	3	-	-	3
Renta 4 Lérida. S.A.	18.34%	17	(2)	-	15
Renta 4 Inversiones Inmobiliarias (formerly 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**

02.19

Contingent Risks and Liabilities

a) Contingent liabilities

The detail of contingent risks, understood as those operations in which the Companies guarantee obligations of a third party, arising as a result of financial guarantees granted or other types of contracts, at year-end 2022 and 2021 is shown in the following table:

Thousands of euro

	2022	2021
Financial and other guarantees	2,337	2,346
	2,337	**2,346**

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

b) Contingent commitments

Details of contingent commitments, understood as irrevocable commitments that may result in the recognition of financial assets, at 31 December 2022 and 2021 are as follows:

Thousands of euro

	2022	2021
Credit commitments	48,096	33,677
Other commitments given	7,675	9,154
	55,771	**42,831**

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

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

The average interest rate offered for these commitments is 12-month Euribor plus 1.06% at 31 December 2022 (12-month Euribor plus 1.07% at 31 December 2021).

c) Ongoing legal proceedings and/or claims

At 31 December 2022 and 2021, various legal proceedings and claims were pending against the Group arising from the ordinary course of its business. The Group's legal advisors and directors consider that the outcome of these proceedings and claims will not have a material effect on the consolidated financial statements for the current year (see note 17).

02.20

Fiscal Situation

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

The detail of the income tax expense and the reconciliation between the tax expense and the product of the accounting profit before tax multiplied by the tax rate applicable to each company for 2022 and 2021 is as follows:

Thousands of euro

	2022	2021
Consolidated profit before tax	29,382	32,506
Quota	8,309	9,104
Adjustments to prior years' expenditure	8	(97)
Deductions	(82)	(474)
Offsetting tax losses	(246)	(327)
Effect of non-deductible/attributable items	(389)	(1,047)
Income tax expense	7,600	7,159
Adjustments to prior years' expenditure	(8)	97
Effect of deferred taxes	(609)	(90)
Other adjustments	133	77
Current tax rate	7,116	7,243
Withholdings and payments on account	(6,157)	(6,174)
Tax to be paid/(refunded)	959	1,069

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

At 31 December 2022, the companies comprising the Group have the last four financial years open for inspection for all applicable taxes. The directors of the Parent Company do not expect that, in the event of inspection, any material additional liabilities would arise.

Additionally, taxes with (charge)/credit to equity have been recorded corresponding to the valuation of the portfolio of financial assets designated at fair value through other comprehensive income amounting to €8.598 million and €1.17 million in 2022 and 2021, respectively.

Based on the income tax returns filed and estimates made for the year 2021, the Group has the following tax loss carryforwards to offset against possible future taxable profits, for which the corresponding deferred tax assets have not been recognised:

Thousands of euro

Year of origin	2022 (*)	2021 (*)
1999	1	5
2000	34	34
2001	8	18
2002	-	1
2004	-	371
2005	-	27
2011	-	1
2012	131	131
2013	85	89
2014	19	118
2015	244	458
2016	282	476
2017	335	926
2018	1,293	1,436
2019	1,013	1,004
2020	555	563
2021	311	-
2022	747	-
	5,058	5,658

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

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

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

Details of current tax assets and liabilities are as follows:

Thousands of euro

	2022	2021
Current tax assets		
Current tax assets - Other	-	81
	-	**81**
Current tax liabilities		
Current tax liabilities for corporate income taxes		
State Treasury, creditor for corporate income taxes	959	1,069
Current tax liabilities (other balances with Public Administrations)	-	-
Others		
Withholdings from shareholders on returns from I.I.C. holdings	1,357	1,784
Personal income tax (I.R.P.F.)	1,116	1,031
Others	799	775
State Treasury VAT creditor	507	625
Income tax withholdings for rentals	23	20
Income tax withholdings on capital income	1,030	2,719
	5,791	**8,023**

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

Thousands of euro

Deferred tax assets	Temporary differences	Tax effect
2022		
Financial assets at fair value with changes in other global result	30,100	9,030
Impairment of financial assets at fair value through other comprehensive income	637	191
Amortisation expense	428	128
Others	3,048	762
	34,213	**10,111**
2021		
Financial assets at fair value with changes in other global result	1,790	432
Impairment of financial assets at fair value through other comprehensive income	637	191
Amortisation expense	637	191
Others	1,639	437
	4,703	**1,251**

The temporary difference generated by "amortisation expenses" is reversing.

Thousands of euro

Pasivos por impuestos diferidos	Temporary differences	Tax effect
2022		
Tax valuation of assets held under finance leases	2,119	607
Financial assets designated at fair value through other comprehensive income	-	-
	2,119	**607**
2021		
Tax valuation of assets held under finance leases	2,484	714
Financial assets designated at fair value through other comprehensive income	-	-
	2,484	**714**

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

Thousands of euro

	2022		2021	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Opening balance	**1,251**	**714**	**994**	**1,559**
Added	8,923	-	432	-
Removed	(63)	(107)	(175)	(845)
Others	-	-	-	-
Closing balance	**10,111**	**607**	**1,251**	**714**

02.21

Related Parties

In 2022 and 2021 the Group considers Group and Associated companies, key management personnel consisting of the members of the Board of Directors of the Parent Company and members of Senior Management, consisting of a Chief Executive Officer, and significant Shareholders of the Parent Company to be related parties.

Balances and transactions with related parties

The balances as at 31 December 2022 and 2021 and the transactions carried out in 2022 and 2021 by the Group are as follows:

Thousands of euro

	Financial year 2022				
	Significant Shareholders (*)	Administrators and Executives	Related Persons, Entities or Group Companies	Other Related Parties (**)	Total
Expenditure and Income					
Expenses					
Financial expenses	-	-	-	8	8
Services received	17	-	-	-	17
Other expenditure	-	-	-	26	26
Total	**17**	**-**	**-**	**34**	**51**
Income					
Financial income	141	-	-	-	141
Services provided	636	49	264	382	1,331
Partner entities (Kobus *)	-	-	547	-	547
Total	**777**	**49**	**811**	**382**	**2,019**

(*) Includes an amount of €547,000 incorporated due to the application of the equity method (30%)

Thousands of euro

	Financial year 2022				
	Significant Shareholders (*)	Administrators and Executives	Related Persons, Entities or Group Companies	Other Related Parties (**)	Total
Expenditure and Income					
Assets					
Loans and advances to customers	8,545	479	-	-	9,024
Other debtors	-	-	-	4	4
Other financial assets	-	-	-	-	-
Total	**8,545**	**479**	**-**	**4**	**9,028**
Liabilities					
Financial liabilities at amortised cost	8,842	429	-	1,396	10,667
Other financial liabilities	-	-	-	-	-
Total	**8,842**	**429**	**-**	**1,396**	**10,667**

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

Thousands of euro

	Financial year 2022				
	Significant Shareholders (*)	Administrators and Executives	Related Persons, Entities or Group Companies	Other Related Parties (***)	Total
Other transactions					
Financing agreements: loans and equity contributions (lender) (**)	8,545	479	-	-	9,024
Amortisation or cancellation of loans and credits	1,200	-	-	-	1,200
Other asset transactions	-	-	-	4	4
Other liability transactions	8,842	429	-	1,396	10,667
Dividends distributed	8,387	1,709	-	157	10,253
Guarantees received	7,321	1,546	-	-	8,867
Commitments acquired	8,980	900	-	-	9,880

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

All related party transactions have been conducted under market conditions.

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

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

Thousands of euro

	Financial year 2021				
	Significant Shareholders (*)	Administrators and Executives	Related Persons, Entities or Group Companies	Other Related Parties (**)	Total
Expenditure and Income					
Expenses					
Financial expenses	-	-	-	8	8
Services received	23	-	-	-	23
Other expenditure	-	-	-	25	25
Total	**23**	**-**	**-**	**33**	**56**
Income					
Financial income	89	9	-	-	98
Services provided	688	89	1.247	372	2.396
Partner entities (Kobus *)	-	-	2.276	-	2.276
Total	**777**	**98**	**3.523**	**372**	**4.770**

(*) Includes an amount of €534,000 incorporated due to the application of the equity method (30%)

	Significant Shareholders (*)	Administrators and Executives	Related Persons, Entities or Group Companies	Other Related Parties (**)	Total
Assets					
Loans and advances to customers	9,981	485	-	4	10,470
Other debtors	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	**9,981**	**485**	-	**4**	**10,470**
Liabilities			-		
Financial liabilities at amortised cost	7,335	1,126	-	128	8,589
Total	**7,335**	**1,126**	**-**	**128**	**8,589**

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

Thousands of euro

	Financial year 2021				
	Significant Shareholders (*)	Administrators and Executives	Related Persons, Entities or Group Companies	Other Related Parties (**)	Total
Other transactions					
Financing agreements: loans and equity 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
Commitments acquired	10,331	712	-	-	11,043

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

All related party transactions have been conducted under market conditions.

Of the outstanding balances with significant shareholders, administrators and executives for transactions carried out during the financial year 2021, the following information is detailed below:

Position	Type of operation	Limit	Balance	Guarantee	Maturity
Significant shareholder	Securities loan	320	292	882	23/09/2023
Significant shareholder	Securities loan	320	292	882	23/09/2023
Significant shareholder	Securities loan	320	292	882	23/09/2023
Significant shareholder	Securities loan	320	292	882	01/10/2023
Significant shareholder	Securities loan	320	292	882	01/10/2023
Significant shareholder	Securities loan	810	755	2,085	12/01/2022
Significant shareholder	Securities loan	170	162	451	23/12/2023
Significant shareholder	Securities loan	170	130	422	23/12/2023
Significant shareholder	Securities loan	170	163	396	23/12/2023
Significant shareholder	Securities loan	7,300	7,300	-	27/12/2030
Significant shareholder	Securities loan	100	-	396	22/04/2024
Administrators and executives	Securities loan	700	473	1,298	29/06/2024
Administrators and executives	Others	12	12	-	01/06/2024
Significant shareholder	Others	11	11	-	01/01/2028
Total		**11,043**	**10,466**	**9,458**	

In addition, at 31 December 2022, related party securities amounting to €321.315 million (31 December 2021: €479.496 million) are deposited with the Group.

Information concerning the Administrators

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

Thousands of euro

Directors	Board of Directors	Board Committees	Other remuneration	Total
Financial year 2022				
Aznar Cornejo Gema	90	-	-	90
Chacon Lopez Eduardo	75	-	-	75
Sevilla Alvarez Jose	68	-	-	68
Fundacion Obra Social Abogacia Española (*)	18	-	-	18
Garcia Ceballos-Zuñiga Pilar	88	-	-	88
Ureta Estades Juan Carlos	60	-	-	60
Juste Bellosillo Ines	90	-	-	90
Navarro Martinez Pedro Angel	90	-	-	90
Rubio Laporta Jose Ramon	97	-	-	97
Velazquez Medina Maria Pino	75	-	-	75
Navas Lanchas Rafael (**)	60	-	-	60
Total	**811**	**-**	**-**	**811**

(*) On 22 February 2022, the Fundación Obra Social de la Abogacía Española, presented its resignation as Proprietary Director.
(**) On 22 February 2022, Rafael Navas Lanchas was approved as a member of the Board.

Directors	Board of Directors	Board Committees	Other remuneration	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**

(*) On 30 November, due to the death of a member of the Board of Directors, the following left the Board of Directors.
(**) On 30 November, admitted to the Board of Directors
(***) On 25 May, left the Board of Directors
(****) On 28 September, admitted to the Board of Directors

Remuneration of key management personnel

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

The remuneration earned by staff is as follows:

Thousands of euro

Item	Administrators	Senior Management
Financial year 2022		
Wages and salaries and monetary remuneration	2.469	201
Total	**2.469**	**201**
Financial year 2021		
Wages and salaries and monetary remuneration	1.887	195
Total	**1.887**	**195**

In addition, the Group has taken out an insurance policy to cover the liability of the members of the Board of Directors and senior management for possible claims in the performance of their duties. The premium paid by the Group in 2022 was €192,000 (€187,000 in 2021).

In addition, the Group has taken out an insurance policy in 2022 to cover contingencies in the event of death, permanent disability and absolute disability for senior management. The premium paid by the Group in 2022 amounted to €1,000 (€1,000 in 2021).

Other information on Administrators

At the end of the 2022 and 2021 financial years, the Administrators of the Parent Company, in accordance with the information required by article 229 of Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Capital Companies Act, have not notified the other members of the Board of Directors of the Parent Company of any situation of direct or indirect conflict that they or their related parties may have with the interests of the Parent Company.

02.22

Income and Expenditure

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

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

Thousands of euro

	2022	2021
Interest income		
Deposits with central banks	2,025	-
Deposits with credit institutions	1,798	313
Customer credit	5,179	3,389
Debt securities	3,987	1,137
	12,989	4,839
Interest expenses		
Central bank deposits	(1,675)	(2,377)
Deposits with credit institutions	(1,116)	(1,400)
Customer deposits	(567)	(259)
Others	(537)	(588)
	(3,895)	(4,624)
Gains / (Losses) on financial assets and liabilities		
Gains or (-) losses on cancellation of financial assets and liabilities not measured at fair value through profit or loss, net	816	2,776
Gains or (-) losses on financial assets and liabilities held for trading, net	2,233	8,365
	3,049	**11,141**

b) Commissions

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

The breakdown of fee and commission income and expenses for the financial years 2022 and 2021 is as follows:

Thousands of euro

	2022	2021
Commission income		
For collection and payment services	87	65
For securities service	63,314	71,407
For marketing of non-banking financial products (Note 23.a)	16,144	17,752
Management of IICs and pension funds (Note 23.a)	82,007	82,280
Other commissions	6,202	5,484
Wealth management and advisory fees (Note 23.a)	2,930	3,642
	170,684	180,630
Commission expenses		
Commissions granted to other institutions and correspondents	(16,255)	(18,546)
Commissions paid on securities transactions	(66,664)	(70,667)
	(82,919)	**(89,213)**

c) Other operating income and expenses

Details of “Other operating income” in the consolidated profit and loss accounts for 2022 and 2021 are as follows:

Thousands of euro

	2022	2021
Leases	166	165
Other products	113	367
	279	**532**

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

Details of “Other operating expenses” in the consolidated income statements for 2022 and 2021 are as follows:

Thousands of euro

	2022	2021
Contribution to the Investment Guarantee Fund	40	40
Contribution to the Deposit Guarantee Fund	1,893	1,716
Contribution to the NRF	512	575
Other charges	540	1,419
	2,985	**3,750**

"Other charges" mainly include fees paid to the Comisión Nacional del Mercado de Valores (C.N.M.V.) and the FROB.

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

The amount with which the companies have contributed to the aforementioned fund in the year 2022 amounts to €20,000 and €20,000 respectively (€20,000 and €20,000 in the year 2021).

d) Staff costs

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

Thousands of euro

	2022	2021
Salaries and bonuses for active staff	34,077	37,688
Social Security contributions	7,258	6,642
Provisions to defined benefit plans	-	-
Provisions to defined contribution plans	385	373
Severance payments	432	100
Other staff expenses	90	74
Training costs	331	315
Remuneration based on equity instruments of the Parent Company	1,154	760
	43,727	**45,952**

At 31 December 2022 and 2021, "Wages and salaries" includes, among others, income corresponding to the financial effect of loans granted to staff (see Note 4).

The number of the Group's employees at 31 December 2022 and 2021, distributed by gender and professional category, is as follows:

	Number of employees				
	Average			At year-end	
	Men	Women	With a disability equal to or greater than 33%	Men	Women
Financial year 2022					
Address	11	2	-	11	2
Technicians	379	163	4	386	157
Administrative	24	54	1	23	54
	414	**219**	**5**	**420**	**213**
Financial year 2021					
Address	11	2	-	11	2
Technicians	342	150	2	360	157
Administrative	31	57	1	24	54
	384	**209**	**3**	**395**	**213**

As at 31 December 2022, the Board of Directors of Renta 4 Banco, S.A., which is responsible for the preparation of these financial statements, is composed of 10 men and 4 women (the Board of Directors was composed of 7 men, 4 women and 1 legal entity as at 31 December 2021).

e) Other administrative expenses

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

Thousands of euro

	2022	2021
Property, plant and equipment	2,473	1,912
IT	7,061	5,501
Communications	6,082	5,909
Advertising and publicity	2,482	2,231
Technical reports	1,886	1,998
Court and legal fees	615	594
Insurance premiums and self-insurance	829	384
Staff representation and travel expenses	1,186	840
Association fees	317	282
Contributions and taxes		
On real estate	109	112
Others	1,149	859
Provisions to foundations	199	173
Other expenditure	1,647	1,811
	26,035	**22,606**

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

The breakdown of the balance of this item in the accompanying consolidated income statements for 2022 and 2021 is as follows:

Thousands of euro

	2022	2021
Financial assets designated at fair value through other comprehensive income		
Generic Impairment Provision	(119)	77
Financial assets at amortised cost		
Provisions (Note 11.c)	(3,475)	(5,513)
Of which: allocations for debt securities	-	8
Recoveries (Note 11.c)	4,002	3,373
	527	**(2,140)**
	408	**(2,063)**

g) Currency differences (net)

The breakdown of this item in the accompanying consolidated income statement for the years ended 31 December 2022 and 2021 is as follows:

Item	2022	2021
Commercial operations	9,395	14,313

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

02.23

Other Information

a) Fiduciary business and investment services

The detail of the Renta 4 Banco Group's off-balance sheet customer funds at 31 December 2022 and 2021 (eliminating duplications) is as follows:

Thousands of euro

	2022	2021
Funds, investment companies and pension funds	7,302,366	8,225,495
Discretionary portfolios and fiduciary business	967,738	951,356
Resources managed by the Group	8,270,104	9,176,851
Investment Funds and Companies	2,617,188	3,047,279
Resources traded but not managed by the Group	2,617,188	3,047,279
Total	**10,887,292**	**12,224,130**

The commissions income generated from the above activities during the financial years 2022 and 2021 was as follows:

Thousands of euro

	2022	2021
Wealth management and advisory fees (Note 22.b)	2,930	3,642
Non-banking financial product marketing fees (Note 22.b)	16,144	17,752
Management fee for IICs and pension funds (Note 22.b)	82,007	82,280
	101,081	**103,674**

In addition, the Group provides securities administration and custody services to its customers. The commitments made by the Group at 31 December 2022 and 2021 in relation to this service are as follows:

Thousands of euro

	2022	2021
Securities owned by third parties (at fair value)		
Equity instruments	16,698,290	16,929,784
Debt instruments	2,474,919	2,470,665
	19,173,209	**19,400,449**
Securities owned by third parties (at nominal value)		
Derivatives	1,404,016	2,012,589
	1,404,016	**2,012,589**

b) Offices

The list of Renta 4 Banco, S.A. offices at 31 December 2022 and 2021 is detailed in Annex II.

c) Agency contracts

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

d) External audit

The audit firm KPMG Auditores S.L. of the Group's annual accounts has invoiced fees during the year ended 31 December 2022 and 2021, as follows:

Thousands of euro

	2022	2021
For audit services	147	128
Agreed upon Procedures Report - FUR	9	8
Client Asset Protection Report	29	26
Supplementary report to the audit of the accounts	2	-
	187	**162**

The amounts included in the above table include fees for services performed for the audit during the financial year 2022, regardless of the time of invoicing.

In addition, other entities affiliated with the KPMG Group have invoiced the Group during the years ended 31 December 2022 and 2021, fees and expenses for professional services, as follows:

Thousands of euro

	2022	2021
For audit services	92	67
For other verification services	-	-
For tax consultancy services	9	9
For other audit-related services	4	-
For other services	53	23
	158	**99**

e) Abandoned balances and deposits

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

f) Customer service

During the 2022 financial year, the Renta 4 Group received a total of 65 claims, complaints, incidents and/or queries or requests from customers, 57 of which were submitted to the Renta 4 Customer Service Department and 8 claims and/or queries to the Participant Ombudsman, the latter being on matters relating to pension plans, a matter within its remit. Of the total number of claims, complaints, incidents and/or queries or requests received, in three (3) cases they were not admitted for processing because they did not meet the necessary requirements to be processed and the rest of the claims, complaints, incidents and/or queries or requests 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 that had arisen.

In relation to complaints and/or queries submitted to the Ombudsman during 2022, it received a total of eight (8) complaints and/or queries, of which seven (7) were treated as complaints and one (1) as a query. The Ombudsman has issued two (2) resolutions favourable to customers, five (5) resolutions unfavourable to customers and one (1) informative resolution. In none of these cases has had a financial impact on the Entity.

In 2022, Renta 4's Customer Care Service received a total of 57 claims, complaints, incidents and/or queries or requests, of which three (3) were not admitted for processing because they were not considered customers of the Entity.

Of the 54 files admitted, six (6) were complaints, seven (7) incidents and three (3) queries or requests for information, which were duly answered after requesting various information from the corresponding departments. And, in 2022, thirty-eight (38) of the thirty-nine (39) complaints received were accepted for processing, one more than the 38 received in 2021.

As for the type of resolutions of the complaints issued by Renta 4's Customer Care Service during 2022, there were nineteen (19) unfavourable resolutions for the Customer, 50% of the total, a similar figure to that of 2021 (23) and 2019 (15). In terms of favourable resolutions for the customer, in 2022 there were three (3) complaints, 8% of the total, one less than the favourable resolutions that were issued in 2021.

On the other hand, complaints resolved by means of a settlement proposal by the Customer Service Department in 2022 amounted to thirteen (13), 34% of the total, higher than the six settlements reached in 2021, which accounted for 16% of the total. The amount paid out in such agreements and favourable resolutions in the financial year 2022 amounted to €1,086.96, which is lower than the €6,235.89 in 2021.

Finally, it should be noted that at the end of the 2022 financial year, two (2) complaints were being processed and studied, of which one (1) has been resolved unfavourably for the customer and the other (1) has been resolved favourably for the customer.

Attached in Annex VI is the Renta 4 Group's Customer Service Report for the 2022 financial year.

g) Environmental impact

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

In addition, in 2022 and 2021, the Group entities did not hold any greenhouse gas emission allowances.

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

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

	2022	2021
(Days)		
Average supplier payment period	12.18	12.19
Ratio of paid transactions	11.52	11.72
Ratio of transactions outstanding	1.95	1.16

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

The data as at 31 December 2022 and 2021 is as follows:

· Total amount of payments made 2022 = €60,456 (€54,207 as at 31 December 2021)

· Total amount of payments made less than 60 days = €60,287 (€54,207 at 31 December 2021)

· Number of invoices paid in 2022 = 19,893 invoices (16,775 invoices as at 31 December 2021)

· Number of invoices paid in less than 60 days = 19,890 invoices (16,775 invoices by 31 December 2021)

· Total amount of outstanding payments = €2,447 (€2,401 as at 31 December 2021)

· Ratio total payments/ payments less than 60 days = 99.78% (100% at 31 December 2021)

· Ratio invoices paid/ invoices paid within 60 days = 99.98% (100% by 31 December 2021)

i) Most relevant contracts between Group companies

On 1 January 2022, Renta 4 Banco, S.A. signed a contract for the provision of accounting, IT, administrative and tax services with several of its subsidiaries. The contract has a duration of 1 year and can be extended.

On 1 January 2022, Renta 4 Banco, S.A. signed a lease agreement with several of its subsidiaries for the lease of the building located at Paseo de la Habana 74, Madrid (see Note 13). The space will be used for investment and financial intermediation services in general in each of its subsidiaries. The contract has a duration of 1 year and can be extended.

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

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

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

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

j) Annual Banking Report

In compliance with the provisions of article 87.1 of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, Annex VI details the information required by the aforementioned regulation.

k) Other public information required by the Bank of Spain

In compliance with the reporting obligations to the Bank of Spain, the Group reports the following as at 31 December 2022:

· It has not carried out any financing operations for construction, property development and house purchases.

·It has no assets foreclosed or received in payment of debts by the group of credit institutions.

·In relation to the presentation of the information on the distribution of customer loans by activity, see Note 11.c.

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Subsequent Events

Up to the date of preparation of the consolidated annual accounts by the Board of Directors of the Group, no significant event has occurred that should be included in the accompanying consolidated annual accounts in order for them to give a true and fair view of the Group's consolidated net worth, financial position, results of operations and cash flows.

Annex I

Renta 4 Banco, S.A. and subsidiaries
Details of holdings in companies
of the Group and associates at 31 December 2022

Group Companies			% Ownership			Thousands of euro						
Companies	**Address**	**Activity**	**Direct**	**Indirect**	**Total**	**Capital**	**Share premium**	**Reserves**	**Value adjustment**	**Profit/ (loss)**	**Dividend**
Carterix, S.A.	Madrid	Provision of financial services	5	94.92	99.92	782	-	(433)	-	(19)	-
Renta 4 Aragón, S.A.	Madrid	Provision of financial services	99.96	-	99.96	62	-	8	-	-	-
Sociedad de Estudios e Inversiones, S.A.	Madrid	Provision of financial services	-	100	100	60	-	(22)	-	(24)	-
Renta 4 Burgos, S.A.	Madrid	Provision of financial services	99.97	-	99.97	34	-	10	-	-	-
Renta 4 Gestora, S.G.I.I.C., S.A.	Madrid	Management of Collective Investment Institutions	99.99	-	99.99	2,374	-	12,208	-	5,931	(5,408)
Renta 4 Huesca, S.A.	Madrid	Provision of financial services	99.94	-	99.94	3	-	8	-	-	-
Renta 4 Inversiones de Valladolid, S.A.	Madrid	Provision of financial services	85	14	99	60	-	253	-	(75)	-
Renta 4 Lérida, S.A.	Madrid	Provision of financial services	81.66	-	81.66	90	-	(12)	-	(3)	-
Renta 4 Inversiones Inmobiliarias S.A.	Madrid	Provision of financial services	99	-	99	60	-	(8)	-	-	-
Renta 4 Pensiones, E.G.F.P., S.A.	Madrid	Management of pension funds	99.99	-	99.99	3,889	290	4,892	-	1,641	(1,627)
Renta 4, S.A., Sociedad de Valores	Madrid	Stock Brokerage	100	-	100	3,149	24	6,348		(390)	-
Renta 4 Investment Solutions, S.A. (*)	Madrid	Provision of financial services	-	99.9	99.9	15	-	146	-	(12)	-
Renta 4 Corporate, S.A.	Madrid	Financial advice and consultancy	100	-	100	92	-	440	-	102	-
Renta 4 Vizcaya, S.A.	Madrid	Provision of financial services	-	99.99	99.99	391	-	(365)	-	(25)	-
Rentsegur, Correduría de Seguros, S.A.	Madrid	Insurance brokerage and provision of financial services	-	72.5	72.5	75	-	(50)	-	(7)	-
Padinco Patrimonios, S.A.	Madrid	Provision of financial services	100	-	100	105	-	91	-	(1)	-
Corporación Financiera Renta 4, SCR	Madrid	Venture Capital Company	100	-	100	3,200	-	5	(214)	9	-
Renta 4 Digital Assets, S.L.		Other technical services NCOP	100	-	100	3	-	-	-	(1)	-
Sociedad Operadores de la Plataforma IW, S.L.		Electronic exploitation to third parties	0.03	99.97	100	3	-	-	-	(1)	-
Renta 4 Chile SPA	Chile	Provision of financial services	100	-	100	9,640	-	(224)	(74)	-	-
Inversiones Renta 4 Chile, S.L.	Chile	Provision of financial services	0.01	99.99	100	6,625	-	(218)	57	-	-
Renta 4 Chile Corredores de Bolsa, S.A.	Chile	Provision of financial services	-	100	100	7,969	-	1,069	(1,261)	1,883	-
Renta 4 Colombia SAS	Bogotá	Provision of financial services	100	-	100	587	-	(350)	(115)	(8)	-
Renta 4 Agente de Bolsa S.A.	Lima	Provision of financial services	99.99	-	99.99	4,550	-	(1,932)	(343)	244	-
Renta 4 Luxemburgo, S.A.	Luxemburg	Management of Collective Investment Institutions	100	-	100	700	-	277	-	(198)	-
Renta 4 Global Fiduciaria, S.A.	Bogotá	Provision of fiduciary services	69.43	-	69.43	6,707	-	(3,113)	(1,395)	794	-
Associated companies											
Kobus Partners Management S.G.E.I.C. S.A	Madrid	E.I.C. Management	-	30	30	223	236	972	-	56	-

This Annex forms an integral part of Note 10 to the accompanying annual accounts and should be read in conjunction with it.
(*) Formerly Renta 4 Equities, S.A.

Annex I

Renta 4 Banco, S.A. and subsidiaries
Details of holdings in companies
of the Group and associates at 31 December 2021

Group Companies			% Ownership			Thousands of euro					
Companies	**Address**	**Activity**	**Direct**	**Indirect**	**Total**	**Capital**	**Share premium**	**Reserves**	**Value adjustment**	**Profit/ (loss)**	**Dividend**
Carterix, S.A.	Madrid	Provision of financial services	5	94.92	99.92	782	-	(432)	-	(1)	-
Renta 4 Aragón, S.A.	Madrid	Provision of financial services	99.96	-	99.96	62	-	8	-	-	-
Sociedad de Estudios e Inversiones, S.A.	Madrid	Provision of financial services	-	100	100	60	-	(22)	-	-	-
Renta 4 Burgos, S.A.	Madrid	Provision of financial services	99.97	-	99.97	34	-	10	-	-	-
Renta 4 Gestora, S.G.I.I.C., S.A.	Madrid	Management of Collective Investment Institutions	99.99	-	99.99	2,374	-	10,869	-	4,775	(3,436)
Renta 4 Huesca, S.A.	Madrid	Provision of financial services	99.94	-	99.94	3	-	(2)	-	-	-
Renta 4 Inversiones de Valladolid, S.A.	Madrid	Provision of financial services	85	14	99	60	-	255	-	(2)	-
Renta 4 Lérida, S.A.	Madrid	Provision of financial services	81.66	-	81.66	90	-	(9)	-	(3)	-
Renta 4 Inversiones Inmobiliarias S.A.	Madrid	Provision of financial services	99	-	99	60	-	(8)	-	-	-
Renta 4 Pensiones, E.G.F.P., S.A.	Madrid	Management of pension funds	99.99	-	99.99	3,889	290	4,888	-	1,880	(1,876)
Renta 4, S.A., Sociedad de Valores	Madrid	Stock Brokerage	100	-	100	3,149	24	6,547		(199)	-
Renta 4 Investment Solutions, S.A. (*)	Madrid	Provision of financial services	-	99.9	99.9	15	-	253	-	(107)	-
Renta 4 Corporate, S.A.	Madrid	Financial advice and consultancy	100	-	100	92	-	278	-	162	(1,800)
Renta 4 Vizcaya, S.A.	Madrid	Provision of financial services	-	99.99	99.99	391	-	(365)	-	(4)	-
Rentsegur, Correduría de Seguros, S.A.	Madrid	Insurance brokerage and provision of financial services	-	72.5	72.5	75	-	(46)	-	5	-
Padinco Patrimonios, S.A.	Madrid	Provision of financial services	100	-	100	105	-	91	-	-	-
Corporación Financiera Renta 4, SCR	Madrid	Venture Capital Company	100	-	100	1,200	-	-	-	-	-
Renta 4 Digital Assets, S.L.		Other technical services NCOP	100	-	100	3	-	-	-	-	-
Sociedad Operadores de la Plataforma IW, S.L.		Electronic exploitation to third parties	0.03	99.97	100	3	-	-	-	-	-
Renta 4 Chile SPA	Chile	Provision of financial services	100	-	100	9,640	-	(224)	(79)	-	-
Inversiones Renta 4 Chile, S.L.	Chile	Provision of financial services	0.01	99.99	100	6,625	-	(218)	57	-	-
Renta 4 Chile Corredores de Bolsa, S.A.	Chile	Provision of financial services	-	100	100	7,969	-	(1,009)	(1,718)	2,078	-
Renta 4 Colombia SAS	Bogotá	Provision of financial services	100	-	100	587	-	(341)	(102)	(9)	-
Renta 4 Agente de Bolsa S.A.	Lima	Provision of financial services	99.99	-	99.99	4,550	-	(2,208)	(577)	276	-
Renta 4 Luxemburgo, S.A.	Luxemburg	Management of Collective Investment Institutions	100	-	100	700	-	238	-	39	-
Renta 4 Global Fiduciaria, S.A.	Bogotá	Provision of fiduciary services	69.43	-	69.43	6,707	-	(3,160)	(1,006)	47	-
Associated companies											
Kobus Partners Management S.G.E.I.C. S.A	Madrid	E.I.C. Management	-	30	30	223	236	310	-	5,805	-

This Annex forms an integral part of Note 10 to the accompanying annual accounts and should be read in conjunction with it.
(*) Formerly Renta 4 Equities, S.A.

Annex II

Renta 4 Banco, S.A. and subsidiaries
List of offices and agents 31 December 2022 and 2021
Financial year 2022

Office	Postal Address
Renta 4 A Coruña	Calle Juan Florez, Núm 60, Bajo 015004, Coruña (A), Spain
Renta 4 Albacete	Calle Tesifonte Gallego, Núm 25, Bajo 02002, Albacete, Spain
Renta 4 Alicante	Avenida Oscar Esplá, Núm 29, Bj 3007, Alicante/Alacant, Spain
Renta 4 Almería	Avenida Federico Garcia Lorca, Núm 100, 04004, Almeria, Spain
Renta 4 Ávila	Avenida De Portugal, Núm 39, 5001, Avila, Spain
Renta 4 Badajoz	Ronda del Pilar 1, bajo izq, 06002 Badajoz
Renta 4 Barcelona	Calle Gran Via De Les Corts Catalanes, Núm 655, Local 08010, Barcelona, Spain
Renta 4 Barcelona- Diagonal	Avenida Diagonal, Núm 459, 08036, Barcelona, Spain
Renta 4 Bilbao	Calle Elcano, Núm 14, 48008, Bilbao, Spain
Renta 4 Burgos	Calle Vitoria, N°28, bajo, 09004, Burgos, Spain
Renta 4 Cáceres	Avenida Virgen De Guadalupe, Núm 7, Bj 10001, Caceres, Spain
Renta 4 Cádiz	Calle Juan Ramón Jiménez, 1 Esquina Avenida Andalucia, 11007, Cádiz, Spain
Renta 4 Castellón	Calle Carrer Gasset, Núm 9, 12001, Castellon De La Plana, Spain
Renta 4 Ciudad Real	Calle Calatrava, Núm 5, Bj 13004, Ciudad Real, Spain
Renta 4 Córdoba	Ronda de los Tejares, nº 9, 14001, Córdoba
Renta 4 Cuenca	Calle Diego Jiménez, N°2, Cp 16.004, Cuenca, Spain
Renta 4 Cullera	Paseo Passtge De Lúllal, Núm 2-Bj, Edificio Manantial 46400, Cullera, Spain
Renta 4 Fuenlabrada	Calle Leganés nº 33; 28945, Fuenlabrada
Renta 4 Elche	Calle Corredora, Núm 34, 03203, Elche/Elx, Spain
Renta 4 Gijón	Calle Jovellanos, Núm 2, Esquina C/Cabrales 33202, Gijon, Spain
Renta 4 Girona	Calle Gran Via Jaume I, Núm 29-35, 17001, Girona, Spain
Renta 4 Gran Canaria	Calle Venegas, nº 2; 35003, Gran Canaria
Renta 4 Granada	Calle Acera Del Darro, Núm 35, 18005, Granada, Spain
Renta 4 Guadalajara	Calle Padre Félix Flores, Núm 4, 19001, Guadalajara, Spain
Renta 4 Guipúzcoa	Calle Urbieta, Núm 2, Bajo, 20006, San Sebastian/Donostia, Spain
Renta 4 Huelva	Avenida De La Ría, Núm 4, Entreplanta 21001, Huelva, Spain
Renta 4 Huesca	Calle Cavia, Núm 8, Bajo 22005, Huesca, Spain
Renta 4 Jaén	Avenida De Madrid, Núm 15, Bajo 23003, Jaen, Spain
Renta 4 Lanzarote	Calle Esperanza, Núm 1, 35500, Arrecife, Spain

Office	Postal Address
Renta 4 León	Calle Ordoño II, Núm 35, 24001, Leon, Spain
Renta 4 Lleida	Avenida Alcalde Rovira Roure, nº 19, 25006, Lleida
Renta 4 Logroño	Avenida de Portugal, 2; 26001, Logroño
Renta 4 Lugo	Avenida de A Coruña, nº 62, CP 27003, Lugo
Renta 4 Madrid	Paseo De La Habana, Núm 74, 28036, Madrid, Spain
Renta 4 Madrid - Almagro	Calle Almagro, Núm 11, 28010, Madrid, Spain
Renta 4 Madrid - P. de Vergara	Calle Principe De Vergara, Núm 12, 28001, Madrid, Spain
Renta 4 Madrid - Recoletos	Paseo De Recoletos, Núm 21, 28004, Madrid, Spain
Renta 4 Madrid - Serrano	Calle Serrano, Núm 63, Bajo, 28006, Madrid, Spain
Renta 4 Málaga	Calle Alameda De Colon, Núm 9, 29001, Málaga, Spain
Renta 4 Mallorca	Calle Avinguda Comte De Sallent, Núm 2, 07003, Palma De Mallorca, Spain
Renta 4 Murcia	Avenida General Primo De Rivera, Núm 23, 30008, Murcia, Spain
Renta 4 Ourense	Calle Curros Enriquez, Núm 27, Baixo 32003, Ourense, Spain
Renta 4 Oviedo	Calle del General Yagüe. 1 (Conde Toreno); 33004 Oviedo
Renta 4 Palencia	Plaza Isabel La Catolica, Núm 1, 34005, Palencia, Spain
Renta 4 Pamplona	Avenida Baja Navarra, Núm 9 Bis, 31002, Pamplona/Iruna, Spain
Renta 4 Sabadell	Carrer Tres Creus, nº 87; 08202, Sabadell
Renta 4 Salamanca	Avenida Mirat, Núm 11, 37002, Salamanca, Spain
Renta 4 Santander	Calle Isabel II, 20, 39002 Santander (Cantabria)
Renta 4 Segovia	Paseo Ezequiel Gonzalez, Núm 34, 40002, Segovia, Spain
Renta 4 Sevilla	Avenida De La Buharia, Núm 11, 41018, Sevilla, Spain
Renta 4 Soria	Avenida Navarra, Núm 5, 42003, Soria, Spain
Renta 4 Tarragona	Rambla Nova, Núm 115, Bajo 43001, Tarragona, Spain
Renta 4 Tenerife	Calle El Pilar, Núm 54, 38002, Santa Cruz De Tenerife, Spain
Renta 4 Terrassa	Calle Arquimedes, Núm 156, 08224, Terrassa, Spain
Renta 4 Teruel	Avenida Sagunto, Núm 42, Bajo 44002, Teruel, Spain
Renta 4 Toledo	Avda De La Reconquista N° 3 Planta Baja, 45004 Toledo, Spain
Renta 4 Valencia	Plaza de San Agustín N°3, 46002, Valencia, Spain
Renta 4 Valladolid	Calle Miguel Íscar, nº 3; 47001, Valladolid
Renta 4 Vigo	Calle Garcia Barbon, Núm 18, 36201, Vigo, Spain
Renta 4 Vitoria	Avenida Gasteiz, Núm 23, 01008, Vitoria-Gasteiz, Spain
Renta 4 Zamora	Avenida Alfonso IX, Núm 1, 49013, Zamora, Spain
Renta 4 Zaragoza	Calle Leon XIII, Núm 5, 50008, Zaragoza, Spain
International Offices	
Colombia	Carrera 9 Número 78-15, Bogotá
Chile	Avenida Alonso de Córdova N° 5752 Local A, Comuna de las Condes, Región Metropolitana
Peru	Av. Víctor Andrés Belaunde 147, Centro empresarial Camino Real, Torre Real 1, Ofi. 202 San Isidro, lima (Perú)
Luxemburg	Grand Rue 70; L-1660 Luxembourg

This Annex forms an integral part of Note 23 to the accompanying annual accounts and should be read in conjunction with it

Annex II

Renta 4 Banco, S.A. and subsidiaries
List of offices and agents 31 December 2022 and 2021
Financial year 2021

Office	Postal Address
Renta 4 A Coruña	Calle Juan Florez, Núm 60, Bajo 015004, Coruña (A), Spain
Renta 4 Albacete	Calle Tesifonte Gallego, Núm 25, Bajo 02002, Albacete, Spain
Renta 4 Alicante	Avenida Oscar Esplá, Núm 29, Bj 3007, Alicante/Alacant, Spain
Renta 4 Almería	Avenida Federico Garcia Lorca, Núm 100, 04004, Almeria, Spain
Renta 4 Ávila	Avenida De Portugal, Núm 39, 5001, Avila, Spain
Renta 4 Badajoz	Ronda del Pilar 1, bajo izq, 06002 Badajoz
Renta 4 Barcelona	Calle Gran Via De Les Corts Catalanes, Núm 655, Local 08010, Barcelona, Spain
Renta 4 Barcelona- Diagonal	Avenida Diagonal, Núm 459, 08036, Barcelona, Spain
Renta 4 Bilbao	Calle Elcano, Núm 14, 48008, Bilbao, Spain
Renta 4 Burgos	Calle Vitoria, Nº28, bajo, 09004, Burgos, Spain
Renta 4 Cáceres	Avenida Virgen De Guadalupe, Núm 7, Bj 10001, Caceres, Spain
Renta 4 Cádiz	Calle Juan Ramón Jiménez, 1 Esquina Avenida Andalucia, 11007, Cádiz, Spain
Renta 4 Castellón	Calle Carrer Gasset, Núm 9, 12001, Castellon De La Plana, Spain
Renta 4 Ciudad Real	Calle Calatrava, Núm 5, Bj 13004, Ciudad Real, Spain
Renta 4 Córdoba	Ronda de los Tejares, nº 9, 14001, Córdoba
Renta 4 Cuenca	Calle Diego Jiménez, Nº2, Cp 16.004, Cuenca, Spain
Renta 4 Cullera	Paseo Passtge De Lúllal, Núm 2-Bj, Edificio Manantial 46400, Cullera, Spain
Renta 4 Fuenlabrada	Calle Leganés nº 33; 28945, Fuenlabrada
Renta 4 Elche	Calle Corredora, Núm 34, 03203, Elche/Elx, Spain
Renta 4 Gijón	Calle Jovellanos, Núm 2, Esquina C/Cabrales 33202, Gijon, Spain
Renta 4 Girona	Calle Gran Via Jaume I, Núm 29-35, 17001, Girona, Spain
Renta 4 Gran Canaria	Calle Venegas, nº 2; 35003, Gran Canaria
Renta 4 Granada	Calle Acera Del Darro, Núm 35, 18005, Granada, Spain
Renta 4 Guadalajara	Calle Padre Félix Flores, Núm 4, 19001, Guadalajara, Spain
Renta 4 Guipúzcoa	Calle Urbieta, Núm 2, Bajo, 20006, San Sebastian/Donostia, Spain
Renta 4 Huelva	Avenida De La Ría, Núm 4, Entreplanta 21001, Huelva, Spain
Renta 4 Huesca	Calle Cavia, Núm 8, Bajo 22005, Huesca, Spain
Renta 4 Jaén	Avenida De Madrid, Núm 15, Bajo 23003, Jaen, Spain
Renta 4 Lanzarote	Calle Esperanza, Núm 1, 35500, Arrecife, Spain

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Renta 4 Logroño	Avenida de Portugal, 2; 26001, Logroño
Renta 4 Lugo	Avenida de A Coruña, nº 62, CP 27003, Lugo
Renta 4 Madrid	Paseo De La Habana, Núm 74, 28036, Madrid, Spain
Renta 4 Madrid - Almagro	Calle Almagro, Núm 11, 28010, Madrid, Spain
Renta 4 Madrid - P. de Vergara	Calle Principe De Vergara, Núm 12, 28001, Madrid, Spain
Renta 4 Madrid - Recoletos	Paseo De Recoletos, Núm 21, 28004, Madrid, Spain
Renta 4 Madrid - Serrano	Calle Serrano, Núm 63, Bajo, 28006, Madrid, Spain
Renta 4 Málaga	Calle Alameda De Colon, Núm 9, 29001, Málaga, Spain
Renta 4 Mallorca	Calle Avinguda Comte De Sallent, Núm 2, 07003, Palma De Mallorca, Spain
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Renta 4 Oviedo	Calle del General Yagüe. 1 (Conde Toreno); 33004 Oviedo
Renta 4 Palencia	Plaza Isabel La Catolica, Núm 1, 34005, Palencia, Spain
Renta 4 Pamplona	Avenida Baja Navarra, Núm 9 Bis, 31002, Pamplona/Iruna, Spain
Renta 4 Sabadell	Carrer Tres Creus, nº 87; 08202, Sabadell
Renta 4 Salamanca	Avenida Mirat, Núm 11, 37002, Salamanca, Spain
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Renta 4 Sevilla	Avenida De La Buharia, Núm 11, 41018, Sevilla, Spain
Renta 4 Soria	Avenida Navarra, Núm 5, 42003, Soria, Spain
Renta 4 Tarragona	Rambla Nova, Núm 115, Bajo 43001, Tarragona, Spain
Renta 4 Tenerife	Calle El Pilar, Núm 54, 38002, Santa Cruz De Tenerife, Spain
Renta 4 Terrassa	Calle Arquimedes, Núm 156, 08224, Terrassa, Spain
Renta 4 Teruel	Avenida Sagunto, Núm 42, Bajo 44002, Teruel, Spain
Renta 4 Toledo	Avda De La Reconquista Nº 3 Planta Baja, 45004 Toledo, Spain
Renta 4 Valencia	Plaza de San Agustín Nº3, 46002, Valencia, Spain
Renta 4 Valladolid	Calle Miguel Íscar, nº 3; 47001, Valladolid
Renta 4 Vigo	Calle Garcia Barbon, Núm 18, 36201, Vigo, Spain
Renta 4 Vitoria	Avenida Gasteiz, Núm 23, 01008, Vitoria-Gasteiz, Spain
Renta 4 Zamora	Avenida Alfonso IX, Núm 1, 49013, Zamora, Spain
Renta 4 Zaragoza	Calle Leon XIII, Núm 5, 50008, Zaragoza, Spain
International Offices	
Colombia	Carrera 9 Número 78-15, Bogotá
Chile	Avenida Alonso de Córdova Nº 5752 Local A, Comuna de las Condes, Región Metropolitana
Peru	Av. Víctor Andrés Belaunde 147, Centro empresarial Camino Real, Torre Real 1, Ofi. 202 San Isidro, lima (Perú)
Luxemburg	Grand Rue 70; L-1660 Luxembourg

This Annex forms an integral part of Note 23 to the accompanying annual accounts and should be read in conjunction with it

Annex III

List of Agents 31/12/2022

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

This Annex forms an integral part of Note 23 to the accompanying annual accounts and should be read in conjunction with it.

List of Agents 31/12/2021

Nombre Representante
SENTIDO COMUN GESTION, S.L.
SOFABOYCO, S.L.

This Annex forms an integral part of Note 23 to the accompanying annual accounts and should be read in conjunction with it.

Annex IV

Renta 4 Banco, S.A.
Balance sheets as on 31 December 2022 and 2021

Thousands of euro

ASSET	Notes	2022	2021
Cash, cash balances at central banks and other demand deposits	**6**	**738,907**	**1,148,295**
Financial assets held for trading	**7**	**53,462**	**64,316**
Derivatives		-	-
Equity instruments		52,268	57,881
Debt securities		1,194	6,435
Financial assets designated at fair value through other comprehensive income	**8**	**829,670**	**388,168**
Equity instruments		1,381	313
Debt securities		828,289	387,855
Pro memoria: lent or pledged as collateral with right of sale or pledge		272,650	274,775
Financial assets at amortised cost	**9**	**611,762**	**435,229**
Debt securities		356,042	157,435
Loans and advances		255,720	277,794
Central banks		-	-
Credit institutions		43,049	48,794
Clientèle		212,671	229,000
Pro memoria: lent or pledged as collateral with right of sale or pledge		301,719	101,930
Investments in subsidiaries, joint ventures and associates	**10**	**43,685**	**39,374**
Group entities		43,685	39,374
Multigroup entities		-	-
Associated entities		-	-
Tangible assets	**11**	**56,281**	**54,184**
Tangible fixed assets		56,026	53,920
Own use		56,026	53,920
Investment properties		255	264
Of which: leased under operating leases		255	264
Pro memoria: acquired under finance lease		19,875	17,936
Intangible assets	**12**	**8,198**	**7,753**
Goodwill		1,905	2,541
Other intangible assets		6,293	5,212
Tax assets	**18**	**10,196**	**1,524**
Current tax assets		-	-
Deferred tax assets		10,196	1,524
Other assets	**13**	**1,665**	**2,009**
Other assets		1,665	2,009
Non-current assets and disposable groups of items that have been classified as held for sale		**-**	**-**
TOTAL ASSETS		**2,353,826**	**2,140,852**

Thousands of euro

LIABILITIES	Notes	2022	2021
Financial liabilities held for trading	**7**	**-**	**-**
Derivatives		-	-
Financial liabilities at amortised cost	**14**	**2,246,455**	**2,014,857**
Deposits		2,045,044	1,788,407
Central banks		-	-
Credit institutions		10,521	10,379
Clientèle		2,034,523	1,778,028
Debt securities issued		-	-
Other financial liabilities		201,411	226,450
Derivatives - hedge accounting		**-**	**-**
Provisions	**15**	**2,335**	**3,773**
Pensions and other post-employment defined benefit obligations		-	-
Other long-term employee benefits		-	-
Procedural issues and pending tax litigation		2,279	3,737
Commitments and guarantees granted		56	36
Other provisions		-	-
Tax liabilities	**18**	**4,507**	**6,680**
Current tax liabilities		4,044	6,122
Deferred tax liabilities		463	558
Share capital repayable on demand		**-**	**-**
Other liabilities	**13**	**6,169**	**8,989**
Liabilities in groups of items that have been classified as held for sale		**-**	**-**
TOTAL LIABILITIES		**2,259,466**	**2,034,299**

Thousands of euro

NET EQUITY	Notes	2022	2021
Own funds	**16**	**115,150**	**107,548**
Capital		18,312	18,312
Paid-in capital		18,312	18,312
Share premium		8,496	8,496
Other reserves		76,758	70,931
Accumulated reserves or losses from investments in joint ventures and associates		-	-
Other		76,758	70,931
(-) Treasury shares		(486)	(486)
Result for the year		22,225	22,481
(-) Interim dividends		(10,155)	(12,186)
Other accumulated comprehensive income		**(20,790)**	**(995)**
Items not reclassified to profit or loss		(73)	20
Changes in the fair value of equity instruments measured at fair value through other comprehensive income	8	(73)	20
Items that may be reclassified to profit or loss		(20,717)	(1,015)
Changes in fair value of debt instruments measured at fair value with changes in other comprehensive income	8	(20,717	(1,015)
TOTAL NET EQUITY		**94,360**	**106,553**
TOTAL NET EQUITY AND LIABILITIES		**2,353,826**	**2,140,852**
PRO MEMORIA: OFF-BALANCE SHEET EXPOSURES	**17**		
Guarantees granted		7,984	8,530
Contingent commitments granted		48,096	33,677
Other commitments given		5,396	8,629

Renta 4 Banco, S.A.

Profit and Loss Accounts for the years ended 31 December 2022 and 2021

Miles de euros

	Notes	2022	2021
Interest income	20.a	12,441	4,813
(Interest expenses)	20.a	(3,485)	(4,411)
(Expenses for share capital repayable on demand)		-	-
A) INTEREST MARGIN		**8,956**	**402**
Dividend income		7,043	7,112
Commission income	20.b	91,676	101,855
(Commission expenses)	20.b	(29,308)	(35,633)
Gains or (-) losses on cancellation of financial assets and liabilities not measured at fair value through profit or loss, net	20.a	816	2,776
Gains or (-) losses on financial assets and liabilities held for trading, net	20.a	1,104	7,059
Currency differences (gain or (-) loss), net	20.g	7,576	12,813
Gains or (-) losses on cancellation of non-financial assets		-	2
Other operating income	20.c	355	575
(Other operating expenses)	20.c	(2,727)	(3,534)
B) GROSS MARGIN		**85,491**	**93,427**
(Administration expenses)		(52,306)	(53,045)
(Staff expenses)	20.d	(31,903)	(34,992)
(Other administrative expenses)	20.e	(20,403)	(18,053)
(Amortisation)	11 y 12	(9,984)	(9,330)
Provisions or (-) reversal of provisions)	15	1,399	(3,575)
(Impairment or (-) reversal of impairment of financial assets not measured at fair value through profit or loss)		596	(1,971)
(Financial assets at fair value through other comprehensive income)	20.f	(116)	77
(Financial assets at amortised cost)	20.f	**712**	**(2,048)**
C) OPERATING RESULT		**25,196**	**25,506**
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures or associates)	10 y 20.f	**2,301**	**1,325**
D) PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS		**27,497**	**26,831**
(Expenses or (-) income tax revenue from continued operations)	18	**(5,272)**	**(4,350)**
E) PROFIT OR (-) LOSS AFTER TAX FROM CONTINUED OPERATIONS		**22,225**	**22,481**
Profit or (-) loss after tax from discontinued operations			
F) PROFIT OR LOSS FOR THE FINANCIAL YEAR		**22,225**	**22,481**

Renta 4 Banco, S.A.

Statement of recognised income and expense for the years ended 31 December 2021 and 2021

	2022	2021
Result for the year	**22,225**	**22,481**
Other global result	**(19,795)**	**(2,101)**
Items not to be reclassified to profit or loss	**(93)**	**733**
Changes in fair value of equity instruments measured at fair value with changes in comprehensive income	(133)	776
Other valuation adjustments		
Income tax on items that will not be reclassified	40	(43)
Items that may be reclassified to profit or loss	**(19,702)**	**(2,834)**
Financial assets designated at fair value through other comprehensive income	(28,146)	(4,049)
Gains or (-) losses in value accounted for in net equity	(27,446)	(1,196)
Transferred to profit and loss	(700)	(2,853)
Other reclassifications	-	-
Income tax on items that may be reclassified to profit or loss	8,444	1,215
Total global result for the year	**2,430**	**20,380**

Renta 4 Banco, S.A.
Statement of changes in net equity

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

Thousands of euro

Sources of changes in net equity	Capital	Share premium	Issued equity instruments other than capital	Other net equity items	Accumulated earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Result for the year	(-) Interim dividends	Other accumulated comprehensive income	Total
Opening balance 2022	18,312	8,496	-	-	-	-	70,931	(486)	22,481	(12,186)	(995)	106,553
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance 2022	18,312	8,496	-	-	-	-	70,931	(486)	22,481	(12,186)	(995)	106,553
Total global result for the year	-	-	-	-	-	-	-	-	22,225	-	(19,795)	2,430
Other changes in net equity	-	-	-	-	-	-	5,827	-	(22,481)	2,031	-	(14,623)
Dividends (or shareholder remuneration) (Note 16.g)	-	-	-	-	-	-	(4,468)	-	-	(10,155)	-	(14,623)
Purchase of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of own shares	-	-	-	-	-	-	-	-		-	-	-
Transfers between components of net equity	-	-	-	-	-	-	10,295	-	(22,481)	12,186	-	-
Closing balance 2022	18,312	8,496	-	-	-	-	76,758	(486)	22,225	(10,155)	(20,790)	94,360

Estado total de cambios en el patrimonio neto correspondiente al ejercicio anual terminado el 31 de diciembre de 2021

Thousands of euro

Sources of changes in net equity	Capital	Share premium	Issued equity instruments other than capital	Other net equity items	Accumulated earnings	Revaluation reserves	Other reserves	(-) Treasury shares	Result for the year	(-) Interim dividends	Other accumulated comprehensive income	Total
Opening balance 2021	18,312	8,496	-	-	-	-	57,198	(486)	15,013	-	1,453	99,986
Effects of error correction	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance 2021	18,312	8,496	-	-	-	-	57,198	(486)	15,013	-	1,453	99,986
Total global result for the year	-	-	-	-	-	-	-	-	22,481	-	(2,101)	20,380
Other changes in net equity	-	-	-	-	-	-	13,733	-	(15,013)	(12,186)	(347)	(13,813)
Dividends (or shareholder remuneration) (Note 16.g)	-	-	-	-	-	-	(933)	-	-	(12,186)	-	(13,119)
Purchase of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of own shares	-	-	-	-	-	-	-	-		-	-	-
Transfers between components of net equity	-	-	-	-	-	-	14,666	-	(15,013)	-	(347)	(694)
Closing balance 2021	18,312	8,496	-	-	-	-	70,931	(486)	22,481	(12,186)	(995)	106,553

Renta 4 Banco, S.A.
Cash flow statements
for the financial years ended 31 December 2022 and 2021

Thousands of euro

ACTIVO	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		**(388,256)**	**470,156**
Result for the year		**22,225**	**22,481**
Adjustments to arrive at cash flows from operating activities		**2,345**	**15,556**
Accumulated	11 and 12	9,984	9,330
Other adjustments		**(7,639)**	**6,226**
Net increase/decrease in operating assets		**(640,708)**	**39,549**
Trading portfolio		10,854	(10,230)
Other financial assets at fair value through profit or loss		-	-
Financial assets at fair value through other comprehensive income		**(467,413)**	**192,358**
Financial assets at amortised cost		(175,821)	(141,566)
Other operating assets		(8,328)	(1,013)
Net increase/decrease in operating liabilities		**232,165**	**396,916**
Trading portfolio		-	(457)
Financial liabilities at amortised cost		227,166	395,925
Other operating liabilities		**4,999**	**1,448**
Income tax collections/payments		**(4,283)**	**(4,346)**
CASH FLOWS FROM INVESTING ACTIVITIES		**(10,104)**	**(8,234)**
Payments		**(10,104)**	**(8,236)**
Tangible assets	11	(4,780)	(4,186)
Intangible assets	12	(3,314)	(2,847)
Shares	10	(2,010)	(1,203)
Collections		-	2
Other charges related to investing activities		-	2
CASH FLOWS FROM FINANCING ACTIVITIES		**(11,028)**	**(10,418)**
Payments		**(18,071)**	**(17,530)**
Dividends	4 and 16.g	(14,623)	(13,119)
Other payments related to financing activities		**(3,448)**	**(4,411)**

Thousands of euro

ACTIVO	Notes	2022	2021
Collections		**7,043**	**7,112**
Disposal of own equity instruments		-	-
Other collections related to financing activities		7,043	7,112
EFFECT OF EXCHANGE RATE VARIATIONS		**-**	**-**
NET INCREASE/DECREASE IN CASH OR EQUIVALENTS		**(409,388)**	**451,504**
Cash or equivalents at beginning of year	6	**1,148,295**	**696,791**
Cash or equivalents at end of year	6	**738,907**	**1,148,295**
PRO MEMORIA			
COMPONENTS OF CASH AND EQUIVALENTS AT END OF YEAR	6	**738,907**	**1,148,295**
Cash		**42**	**45**
Cash equivalent balances at central banks		**610,028**	**840,811**
Other financial assets		**128,837**	**307,439**
Less: bank overdrafts repayable on demand		**-**	**-**

Annex V

Renta 4 Banco, S.A.
Customer Service Report
Financial year 2022

Object of the Report

The purpose of this report is to describe the activity carried out in 2022 by the Customer Care Service of Renta 4 Banco, S.A. and the Renta 4 Group entities adhered to it, as has been done annually since its creation in 2004, thus complying with article 20 of the *Renta 4 Group's Customer Protection Regulations* and with the provisions *of Order ECO 734/2004, of 11 March, on Customer Care Departments and Services and the Customer Ombudsman of Financial Institutions.*

In this respect, as established in article 6 of the aforementioned Regulations, the main function of the Customer Care Service is to deal with and resolve complaints and claims submitted to the institutions subject to the regulations, either directly or through a representative, by Spanish or foreign individuals or legal entities, who are users of the financial services provided by the aforementioned entities, provided that such complaints and claims refer to their legally recognised interests and rights, whether they derive from contracts, transparency and customer protection regulations, or from good financial practices and customs, in particular the principle of equity.

Outcome of claims during financial year 2022

During 2022, a total of 65 claims, complaints, incidents and/or queries or requests were received from customers, 57 of which were submitted to Renta 4's Customer Service Department and 8 to the Ombudsman for Participants, as the latter dealt with matters relating to pension plans, a matter within its remit. Of the total number of claims, complaints, incidents and/or queries or requests submitted, 3 of them were not admitted for processing, rejecting the opening of the corresponding file, because they did not meet the necessary requirements to be processed.

In all the complaints admitted for processing, both the Participant Ombudsman and Renta 4's Customer Service Department studied and analysed in detail each of the complaints and issues raised, reviewing the procedures established by Renta 4 and finally issuing the corresponding resolution, or urging the parties to reach an agreement on the disputes raised.

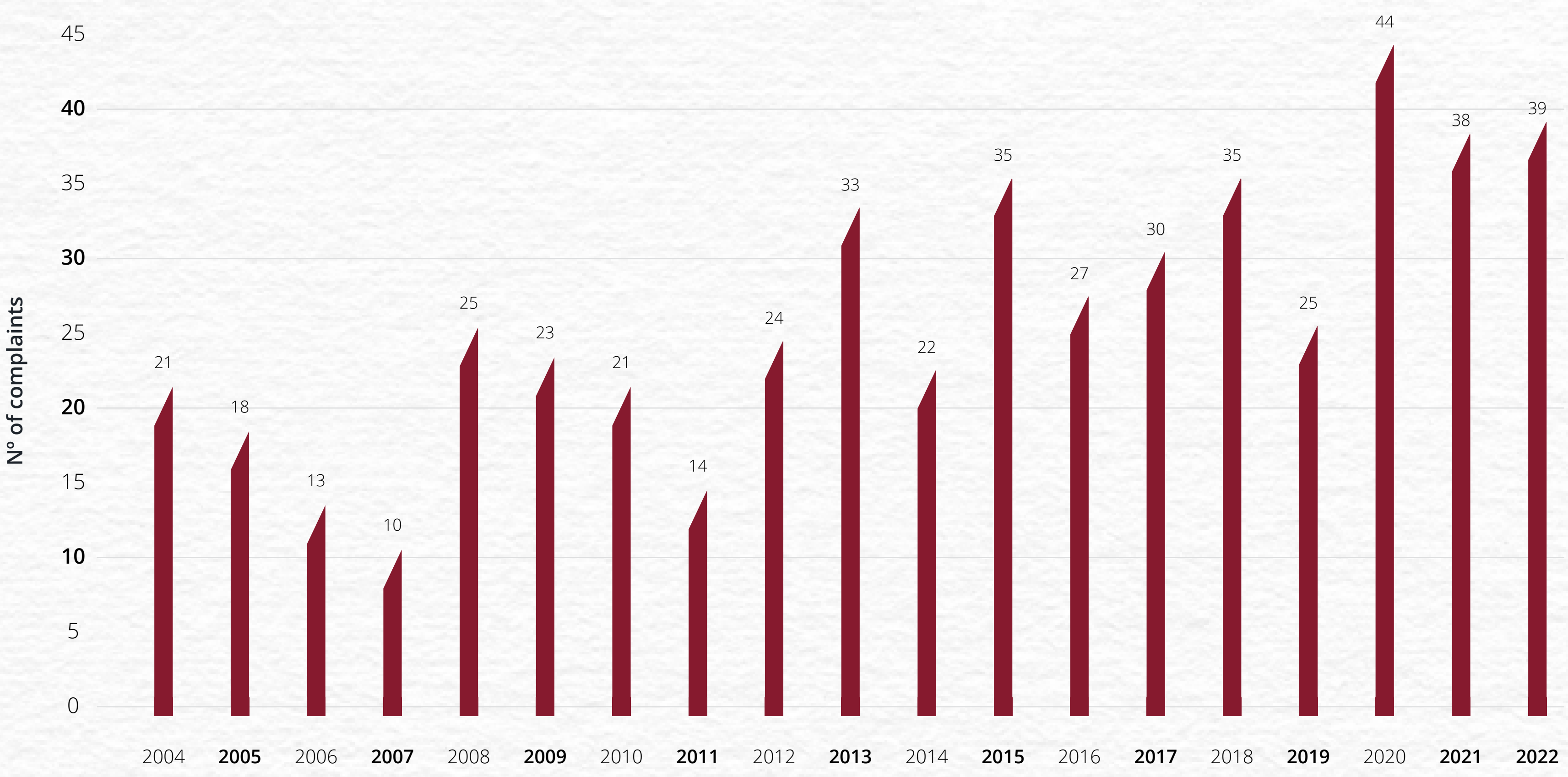
In relation to complaints and/or queries submitted to the Participant Ombudsman during 2022, a total of 8 files were received, one (1) of which was treated as a query file and seven (7) as a complaint file. In the eight (8) complaints and/or queries admitted for processing regarding pension plans, the Ombudsman issued five (5) resolutions unfavourable to customers, two (2) resolutions favourable to customers, and in one (1) case issued an informative resolution. In this regard, it should be noted that most of the complaints were resolved swiftly and none implied any financial impact to the Entity.

On the other hand, during 2022, the number of claims, complaints, incidents and/or queries or requests submitted to the Renta 4 Customer Service Department totalled 57 claims, complaints, incidents and/or queries or requests, of which three (3) were not admitted for processing because they were not considered customers of the Entity. Of the 54 files admitted, six (6) were complaints, thirty-eight (38) were claims, seven (7) incidents 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 complaints, it should be noted that in the financial year 2022 the number of complaints admitted for processing was thirty-eight (38), but the number of complaints filed was thirty-nine (39), one more than the 38 received in the year 2021. In none of the years was the number of complaints processed a significant figure in absolute terms; 39 in 2022, 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.

Although the total number of complaints filed in 2022 has continued to increase compared to the rest of the years, this is still not a very significant and not very high figure that has remained stable over the eighteen years that Renta 4's Customer Service has been operating, as shown in the following graph **Graph 1**.

Graph 1.- Total Complaints 2004-2022



On the other hand, the number of claims, complaints, incidents and/or queries or requests received during the financial year 2022 by the Customer Care Service and the Participant Ombudsman, a total of 65, is not very significant in relation to the total number of clients with assets that Renta 4 had at 31 December 2022, a total of 118,239 customers, as has been the case in all previous years, as in 2021, when a total of 51 claims, complaints, incidents and/or queries or requests were admitted for processing, compared to 114,181 customers at the end of 2021. In the same way, if we compare the number of claims filed during 2022 with respect to the assets managed by Renta 4 at the end of 2022, €25.987 billion assets under management by Renta 4 at the end of 2022, €25.987 billion €25.987 billion or with the number of commercial offices that Renta 4 has throughout Spain, 63 offices.

In summary, the number of complaints received by Renta 4's Customer Service and Ombudsman during 2022 continues to be insignificant and insignificant when compared to the number of clients or the assets managed by Renta 4.

Complaints classified by Type of Resolution

In relation to the type of resolution issued by the Customer Care Service during 2022, as shown in **Table 1,** of the 39 complaints received, one (1) was not admitted for processing. On the other hand, of the 38 complaints admitted for processing, nineteen (19) resolutions were unfavourable to the customer, 50% of the complaints admitted and 49% of the total, being a similar figure to that of the financial year 2021 (23) and 2019 (15).

On the other hand, three (3) complaints were resolved in favour of the customer, 8% of the total, one less than in 2021. On the other hand, in thirteen (13) complaints the Customer Care Service has urged the parties to reach an agreement, 34% of the total, higher than the six (6) agreements reached in 2021, which accounted for 16% of the total. On the other hand, in one (1) of the cases the customers withdrew the complaint, following explanations and clarifications provided by the Service. Finally, it should be noted that, at 31 December 2022, two (2) complaints were being processed and studied, of which one (1) has been resolved unfavourably for the customer and one (1) has been resolved favourably for the customer.

In cases in which Renta 4 and the customers reached an agreement in 2022, the amount paid amounted to €1,030.49, while the amount corresponding to the favourable resolutions issued was €56.47. In total, the amount disbursed by the entity for claims submitted in 2022 amounted to €1,086.96, which is less than the €6,235.89 disbursed in 2021, and much less than the amounts paid in previous years; in 2020 it amounted to €343,806.43, in 2019 it amounted to €8,454.71, in 2018 it amounted to €24,832.61. However, it is not significant compared to the Entity's financial figures.

In this regard, it should be noted that Renta 4's Customer Care Service, in addition to carrying out the main function of resolving claims, complaints, incidents and/or queries or requests, plays an intermediary role between the Customer and the Entity and, after analysing the reason for the claims, complaints, incidents and/or queries or requests, reviews the procedures and, in those cases in which it is feasible, it is the Service 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 affected by claims, complaints, incidents and/or queries or requests submitted and admitted for processing, i.e., the maximum cost that Renta 4 would have had to pay if all resolutions were favourable to customers, estimating an overall amount for 2022 of €47,047.46.

Complaints classified by content

In relation to the content of the complaints reflected in Table 2, and following the same classification used in previous years' reports, the figures are as follows:

TABLE 1. Evolution of Complaints submitted to the CCS - Classification by Content

	2022		2021		2020		2019		2018		2017		2016		2015		2014		2013	
Clasificación por Contenido	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%
Comisiones - Tarifas	16	41 %	8	21 %	3	7 %	6	24 %	3	9 %	6	20 %	9	33 %	13	37 %	11	50 %	18	55 %
Operaciones de valores, ejecución de órdenes	3	8 %	13	34 %	17	39 %	6	24 %	20	57 %	15	50 %	8	30 %	3	9 %	5	23 %	13	39 %
Fondos de Inversión/Planes de Pensiones	10	26 %	6	16 %	15	34 %	7	28 %	4	11 %	3	10 %	1	4 %	9	26 %	5	23 %	0	0 %
Otros	10	26 %	11	29 %	9	20 %	6	24 %	8	23 %	6	20 %	9	33 %	10	29 %	1	5 %	2	6 %
TOTAL	**39**	**100%**	**38**	**100%**	**44**	**100%**	**25**	**100%**	**35**	**100%**	**30**	**100%**	**27**	**100%**	**35**	**100%**	**22**	**100%**	**33**	**100%**

TABLE 2. Evolution of Complaints submitted to the CCS - Classification by type of resolution

	2022		2021		2020		2019		2018		2017		2016		2015		2014		2013	
Clasificación por Tipo de Resolución	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%
Desfavorable para el cliente	19	49 %	23	61 %	15	34 %	16	64 %	24	69 %	21	70 %	24	89 %	18	51 %	12	55 %	24	73 %
Favorable para el cliente	3	8 %	4	11 %	5	11 %	1	4 %	1	3 %						0 %	2	9 %	0	0 %
Propuesta de Avenimiento del SAC (Acuerdo)	13	34 %	6	16 %	15	34 %	8	32 %	9	26 %	8	27 %	3	11 %	14	40 %	6	27 %	7	21 %
Desestimiento Cliente	1	3 %	3	8 %	1	2 %									1	3 %		0 %	2	6 %
No admitido a tramite/suspension	1	2 %	0	0 %	1	2 %			1	3 %	1	3 %			2	6 %	2	9 %		
Pendientes de Resolucion a 31.12.2022	2	5 %	2	5 %	7	16 %														

In 2022, the heading with the highest number of complaints was *Commissions and Fees,* with sixteen (16) complaints, 41% of the total, ten (10) complaints in the chapter referring to to *Investment Funds-Pension Plans* and another ten (10) in the chapter referring to Others, 26% of the total for each chapter, and three (3) complaints in the chapter *Securities transactions and execution of orders,* 8% of the total.

The *Securities Transactions and Order Execution* section includes complaints relating to discrepancies in trading and order execution, and the procedure for marketing and advising customers on the various financial products. In 2022, a total of three (3) complaints were received, or 8% of the total, which is much lower than in 2021 when thirteen (13) complaints were received out of a total of 38, or 34% of the total.

The complaints included in *Investment Funds-Pension Plans* are those where the content refers to the commercialisation and operation of the subscription, refund and transfer of investments funds and pension plans. A total of ten (10) complaints were received in 2022, 26% of the total, which is higher than the number of complaints processed in 2021.

On the other hand, thesection on *Fees and Commissions* includes complaints relating to the fees and expenses associated with the different investment products and services. In 2022, the number of complaints on this matter totalled sixteen (16), 41% of the total, which is higher than in previous years when fewer complaints were received under the heading of *Commissions,* such as in 2021 with eight (8) (21%), in 2020 with three (3) complaints (7%) and six (6) (24%) in 2019.

Finally, the complaints classified under *Other* include all those complaints that could not be included in any of the other chapters, the content of these complaints being therefore very heterogeneous. In 2022 there were a total of ten (10) complaints, 26% of the total, a similar figure to 2021 and 2020, with eleven (11) and nine (9) complaints respectively.

On the other hand, in recent years the National Securities Market Commission (CNMV) and the Bank of Spain have been requesting a greater amount and variety of information from the Customer Care Services of the institutions regarding complaints and with a greater degree of detail, establishing different classifications on the reasons, causes and types of products, among others. This information enables regulators to prepare annual reports with aggregated information for all institutions.

For this reason, as in previous years, this Annual Report includes information on the complaints filed from 2015 to 2022, using the classification and reporting criteria required by the National Securities Market Commission and the Bank of Spain, as shown in **Tables 3 and 4** of this report.

TABLE 3. Evolution of Complaints submitted to the CCS - CNMV Classification

Tipo de Producto	Causa Reclamación	2022	2021	2020	2019	2018	2017	2016	2015
Acciones y derechos	Comercialización	2		1		1	3	3	3
	Gestión y ejecución de ordenes	1	3	4	3	1	5	4	
	Comisiones	11	1	2				1	1
	Otros								1
Instrumentos Deuda e hibridos	Comisiones								2
	Otros								1
IIC	Comercialización	1	3	1	4	1			1
	Gestión y ejecución de ordenes	11	10	13	3	3	4		6
	Otros	1					1		2
Derivados	Comercialización		3	4	1	1	1	3	2
	Gestión y ejecución de ordenes	2	3	11	3	16	8	4	1
	Comisiones	1	1	1			1		
	Otros								1
Contratos gestión Carteras	Otros								1
Otros	Comercialización	2	8	2	1				
	Comisiones	4	6		6	3	5	7	9
	Gestión y ejecución de ordenes			3		3			
	Otros	3		2	4	6	2	2	4
TOTAL		**39**	**38**	**44**	**25**	**35**	**30**	**24**	**35**

TABLE 4. Evolution of Complaints submitted to the CCS - BoS classification

	Materia Banco España	2022	2021	2020	2019	2018	2017	2016	2015
Otros Servicios de Inversion	Comisiones y gastos	17	11	3	6	3	8	10	13
	Discrepancia en apuntes	3	5	20	6	10	11	8	2
	Ex Ante		2	3	2	1	2	2	2
	Ex Post			1		2	1	2	
	Varios	7	7	3	3	14	3	4	9
Relacion con IIC	Relacion con IIC	2		12			5	1	9
	Discrepancia en apuntes	5	7		3	2			
	Ex-ante			1	2	2			
	Ex Post			1	2				
	Varios	5	6			1			
Cuentas corrientes	Varios				1				
TOTAL		**39**	**38**	**44**	**25**	**35**	**30**	**27**	**35**

CONCLUSIONS

In summary, the Renta 4 Customer Service Department considers that the number of claims, complaints, incidents and/or queries or requests received during 2022, a total of 57 from the Renta 4 Customer Service Department and 8 received by the Ombudsman, despite having increased slightly with respect to previous years, continues to be an insignificant figure, both in absolute and relative terms, when compared with the total number of the Entity's customers, with the assets managed by Renta 4 or with respect to the amounts claimed in the same.

On the other hand, the evolution of the number of complaints since the start of its activity in 2004 and up to 2022 continues to be of little relevance and remains stable with respect to the growth of the Entity and its business magnitudes.

In addition, it should be noted that the Customer Care Service, as it has been doing since the beginning of its activity, in each of the claims, complaints, incidents and/or queries or requests received, has gathered all the information it has considered appropriate from the different areas of the Entity, in order to know all the aspects relating to the claims, to be able to issue an appropriate resolution or urge the parties to reach an agreement. In this process, this Service, together with other areas of Renta 4, has promoted and carried out modifications both in procedures and in the information available through the different channels it has, all with the aim of rectifying any specific incidents that may arise, as well as to improve operations and the information available.

The aim is to reduce incidents, improve the quality of financial services and increase transparency for customers by offering better and more complete information on products, risks, operations and other characteristics.

In this way, the Customer Service Department, in addition to the functions assigned to it, aims to be an instrument 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

Renta 4 Banco, S.A.
Annual Banking Report
Financial year 2022

On 27 June 2014, Law 10/2014 of 26 June 2014 on the regulation, supervision and solvency of credit institutions was published in the Official State Gazette, transposing article 89 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 relating to the taking up of the business of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC (CRD IV) and repealing Directives 2006/48/EC and 2006/49/EC.

In compliance with the provisions of article 87.1 and the Twelfth Transitional Provision of Law 10/2014, of 26 June, credit institutions shall be obliged to publish, specifying by country where they are established, the following information on a consolidated basis for the last financial year for which the accounts have been closed:

a) Dame, nature and geographical location of the activity.

b) Turnover and number of full-time employees.

c) Gross profit before tax and tax on profit or loss.

d) Subsidies and public aid received.

By virtue of the above, the information requested is detailed below:

a) Name, nature and geographical location of the activity.

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

The corporate purpose of Renta 4 Banco, S.A. consists of the activities of credit institutions in general, including the provision of investment services, as well as the acquisition, holding, enjoyment, administration and disposal of all kinds of transferable securities, and in particular those determined in article 175 of the Code of Commerce and other legislation in force relating to the activity of such institutions.

The activity or activities that constitute the corporate purpose may also be carried on by the Parent Company, wholly or partially, indirectly, through the ownership of shares or equity interests in companies with an identical or similar purpose. In addition to the operations it carries out directly, the Bank is the head of a group of subsidiaries, which are engaged in various activities and which, together with the Bank, make up the Renta 4 Group. As a result, the Parent Company is obliged to prepare, in addition to its own individual financial statements, consolidated financial statements for the Group. The Parent Company has its registered office in Madrid, Paseo de la Habana 74.

The Group is mainly active in Spain. The activities, name, nature and geographical location of the subsidiaries are set out in Annex I to these notes to the consolidated financial statements.

b) Turnover and number of full-time employees.

This section shows information on turnover and the number of full-time employees by country at year-end 2022 and 2021, on a consolidated basis.

Turnover has been taken to be the amount of commissions received, as shown in the Group's consolidated profit and loss account, at the end of the financial years 2022 and 2021:

	Thousands of euro Turnover		Number of employees (full time)	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Spain	162,174	172,142	553	534
Chile	4,403	4,464	33	30
Colombia	2,641	1,590	23	20
Peru	621	785	21	21
Luxemburg	845	1,649	3	3
TOTAL	**170,684**	**180,630**	**633**	**608**

c) Gross profit before tax and tax on profit or loss

This heading shows the information corresponding to the consolidated profit before tax and consolidated income tax as reported in the Group's consolidated income statement at year-end 2022 and 2021:

(thousands of euro)

	Profit before tax		Income tax	
	31/12/2022	31/12/221	31/12/2022	31/12/2021
Spain	26,223	29,349	(7,153)	(6,433)
Chile	2,309	2,711	(426)	(633)
Colombia	786	38	-	-
Peru	280	349	(39)	(73)
Luxemburg	(216)	59	18	(20)
TOTAL	**29,382**	**32,506**	**(7,600)**	**(7,159)**

d) Public subsidies or grants received

No public subsidies or grants have been received during the financial years 2022 and 2021.

e) Return on assets

The return on assets calculated as net income divided by the total balance sheet is 0.92% (2021: 1.15%).

03

Consolidated Management Report 2022

03.1

Economic environment and financial markets

2022 closes with negative returns in global equities and fixed income, halting the progress seen in risk assets since spring 2020. The situation is exceptional, with three major shocks: 1) inflation; 2) rising and volatile interest rates, with a change in the monetary regime; and 3) slowing economic growth. The main reason for the negative performance is much more persistent and long-lasting inflation than expected, which has forced central banks to “do whatever it takes” to combat it, prioritising price control over growth.

The temporary has not been so temporary, and the bill for aggressive monetary and fiscal policy in previous years has come in the form of historic inflation, reaching levels not seen in the last 40 years. The Russia-Ukraine war led to higher energy prices and the disruption of commodity supply chains, intensifying the delicate global inflationary outlook. In China, the strict COVID policy has been maintained until the end of the fourth quarter, also putting pressure on global supply chains. As a result, central banks have moved to a single mandate to fight inflation. In the case of the Federal Reserve, raising its target rate in 7 consecutive meetings (from 0-0.25%, to 4.25-4.50%), representing 15-year highs, and the largest annual hike in history (at the end of 2021, consensus expectations were for very moderate hikes, in the case of the Fed, 3 hikes and target rate at <1%).

The monetary policy reset has led to a repricing of risk. 2022 has been one of the most risk-correlated years in history, with almost all asset classes in the red. Diversification across assets has not worked, and has been particularly painful for traditional 60/40 portfolios. It is the fifth time in the last 100 years that equities and US Treasuries have ended with losses. 2022 ended up being the worst year for fixed income so far this century, and one has to go all the way back to 1992-94 to see price falls as significant as this year. Over the year, the combined loss in value for stocks and bonds has exceeded 30 trillion (US) dollars.

Within equities, there has been little room to hide (energy and commodities have been the only sectors with positive returns). The rebound in interest rates and negative macro has caused an adjustment in valuations and multiples (in 2022, indices falling double digits vs. earnings growth) ending the bull market of the last few years.

In Europe, indices have fallen by 12% on average in 2022 (Eurostoxx 50 -11.7% and Stoxx 600 -12.9%). The British FTSE 100 (+0.9%, after a year of great turbulence in the British economy) or the Portuguese PSI 20 (+2.8%) stood out in positive territory, compared with falls of 5.6% in the IBEX 35, 9.8% in the CAC 40, 12.3% in the German DAX or 16.7% in the Swiss selective SMI. The improved behaviour of the Spanish variable income compared to the European average can be explained by the heavy weight of the bank (in a context of progressive monetary normalisation, without exposure to Russia), and exposure to South America (benefiting from the recovery of commodities).

In other stock markets, the Nikkei fell by 9.4% and the Shanghai Shenzhen CSI300 by 21.6%. In positive, some South American indices, with increases of +22% in Chile or +4.7% in Bovespa.

In the United States, the S&P and Nasdaq fell by 19.4% and 33.0% respectively, their worst year since 2008. It has been the second time in history that the S&P has obtained worse results than the main global indices of variable income ex US during a negative year for the global variable income. The main cause of the poorer performance was the technological/growth values. Consequently, the weight of the FAANG in the S&P 500 has fallen to 12% from 17% at the end of 2021.

From a sectoral point of view, dispersion is very high. In Europe, the sectors with the best performance are energy (+24%), basic resources (+4.3%) and insurance (-1%). In negative, real estate (-40%) retail (-32.6%) and technology (-28.4%). In the United States, sectoral dispersion is also considerable,with the best performance in gas and oil (+58%) and utilities (-1.3%). The worst performers were consumer discretionary (-38%), technology and real estate (-28%). Particularly striking has been the correction in the more “expensive” part of the market (still loss-making or underperforming technologies), as expectations of rate hikes have increased and their future cash flows lose some of their present value. The Nasdaq index of technology companies was the second worst global index of the year (second only to the Russian RTS), and closed the four quarters of 2022 in negative territory, something that had only happened in 2001, while the Dow and the S&P were able to close the fourth quarter in positive territory.

Regarding Fixed Income, the financial year 2022 has been characterised by a radical change in interest rates, with central banks applying heavy increases to their reference interest rates in order to fight this persistent inflation. Although this variable seems to be showing signs of starting to moderate, it is still too early to say for sure. The message from the central banks continues to be very restrictive, with the latest statements from these institutions declaring that there are still new increases to come. The aim is to bring rates into sufficiently restrictive territory, where they will remain for some time, to ensure that inflation moderates back towards the 2% target (despite the damage to economic growth that this may entail).

Specifically, the European Central Bank (ECB) started to increase its interest rates in July, increasing a total of 250 basic points (bp) since then, reaching a deposit rate of 2.0% at the end of the year. Moreover, the ECB is expected to continue to raise rates sharply in the first half of the year, possibly to 3.50%. For its part, the Federal Reserve (Fed), which began to increase its interest rates with an initial increase of 25 bp in March, ended the year with an accumulated increase of 425 bp, reaching 4.25-4.50%. As an illustration of the radical change in the interest rate scenario in 2022, it is worth noting that, with respect to the dot plot, where the Fed’s members set out their rate expectations, published in December 2021, the Fed had already eaten up in the first half of 2022 the rate hikes it had then planned for the whole of 2022 and 2023. The latest dot plot still contemplates additional increases in 2023, to 5.1%, and does not consider decreases until 2024, when the average expectation indicates a level of 4.1%. Finally, the Bank of England has raised its benchmark interest rate by a total of 340 bp since it began its monetary normalisation process in December 2021 to 3.50%.

Following the action of the central banks, the profitability of the German government’s 1 year bond has moved from -0.8% at the end of the financial year 2021 to +2.4% at the end of 2022, while the 10 year bond has increased from 0.18% to 2.5%. Similarly, the yield on the US 1-year bond has risen from 0.4% to 4.7% and that on the 10-year bond from 1.5% to 3.9%. As a result, yield curves are already very flat and in some sections inverted.

Moreover, in this context of **ECB** withdrawal, risk premiums on peripheral European government bonds (relative to German bonds) have increased significantly, naturally amplifying the movement of German debt, but at times also reflecting investors’ doubts as to whether the ECB will be able to keep these spreads more or less contained despite having stopped buying bonds in the market (except to reinvest maturities). In fact, the ECB had to announce a new anti-fragmentation tool in order to prevent peripheral risk premia from rising out of control in the face of the sharp increase in peripheral risk premia at the end of the first half of the year. Nevertheless, the risk premium on Spanish debt has risen in 2022 from 70 to 108 points and that on Italian debt from 132 to 211 points.

Finally, in **corporate bonds,** credit spreads (credit risk premium over government bonds) have also widened significantly. This is to be expected, as in the case of peripheral debt, given the rise in the “risk-free rate”, but also reflects a scenario of uncertainty, in which recession is already in the base scenario of most analysts, the only doubt being whether it will be mild and short or deeper. Adding the rise in “risk-free” rates and the widening of spreads, credit indices recorded their worst performance on record in 2022, closing the year close to the worst levels recorded in October. However, after these developments, fixed income indices now offer attractive returns that we have not seen for more than a decade (except in a few isolated cases in the first months of the Covid-19 pandemic). The yield to maturity of the Bloomberg Pan-European Aggregate Corporate index, for example, is 4.5%.

Commodities and precious metals have been mixed in 2022. Brent ended the year at USD 85.9/barrel, 9% above the level of a year earlier, but having experienced a lot of volatility (it reached above USD 120/b by mid-year). In positive terms, nickel (+44%) or wheat (+2%) stand out. Gold was stable at 1,800 USD/oz, while aluminium (15.2%) and copper (-14.8%) were negative.

In currencies, the euro and the pound depreciated against the dollar, by 6% (to 1.07 EUR/USD) and 11% (to 1.21 GBP/USD) respectively. Monetary tightening and an elevated risk environment supported the dollar, which traded as low as 0.96 EUR/USD in September. Latin American currencies have appreciated against the euro, by 12% in the case of the Brazilian real and 13% in the case of the Mexican peso.

03.2

Evolution of the sector

The year 2022 has brought to a close an era of globalisation, no inflation, stable growth, abundant liquidity and near-zero rates. It is the end of an era of monetary policy, with a new normal (neither zero rates nor a liquidity free bar), which will lead to higher rates for longer, and most likely lower growth for longer, in a more fragmented, polarised, volatile and uncertain scenario.

The factors that have had an impact in 2022 will mature during 2023: inflation, interest rate volatility resulting from the new monetary regime, slower economic growth. Inflation should moderate as interest rates peak and economic activity is expected to bottom out, probably in the form of a recession. The intensity and timing of these events has important implications for asset allocation, in particular when, where and how to add risk as the cycle bottoms out. What seems clear is that, as a result of a particularly difficult year 2022 for financial markets, investors today face a better entry point than a year ago, both in bonds and equities. Despite the uncertainty, we start 2023 with a constructive position, especially in many parts of credit (with lower risk and volatility).

Fortunately, history tells us that patient investors have experienced many more rises than falls following periods such as the one we are currently experiencing.

Inflation. After being persistently high in 2022, it is expected to moderate in 2023, albeit at a slow pace, as loosening supply chains, lower crude oil prices, lower energy costs, lower consumer incomes and falling house prices serve to cool the global economy and dampen demand. Signs of moderation are more visible in the United States, while in Europe price control seems to be more complicated by the energy shock. The focus is on second-round effects, which prevent a proper anchoring of medium-term inflation expectations. Against this background, prices are not expected to converge towards the 2% central bank target until beyond 2024, especially in Europe, without ruling out an upward revision of the inflation target (to 3%). A faster moderation of inflation than the consensus estimate would be very positive for markets.

As far as **monetary policy** is concerned, we are facing a new normal, with an end to zero (or negative) interest rates. Unlike in 2000, and unlike in 2008, we are facing a structural change in the monetary regime. Between 2000 and 2002 the Fed (under Greenspan) lowered interest rates from 6.55% to 1% and between 2007 and 2009 (under Bernanke), it lowered interest rates from 5.25% to 0%. In 2022 the exact opposite has happened, the Fed (with Jerome Powell) has raised interest rates from 0% to 4.25%. The Euribor has risen from negative to over 3%. In the last decade and a half we have experienced quantitative easing (QE) and now we are starting to experience quantitative tightening (QT).

We will have high rates for longer, and an end to the liquidity free-for-all. Rates will continue to rise into restrictive territory (US 5%, Europe 3%?), with central banks sacrificing growth and employment in exchange for controlling prices, and will only return to neutral territory (3% and 2% respectively) when inflation can be considered under control (2024?). The overriding priority will be price control, at the cost of inflicting further damage on growth. While the reduction of central banks' balance sheets will be gradual, it seems clear that there will no longer be an "open bar". We expect debt purchases only in very specific situations, to safeguard financial stability.

Economic growth will remain the focus of market attention. Tighter financial conditions, geopolitical uncertainty, still high inflation, and loss of consumer purchasing power will weigh on investment and consumption, holding back global growth in 2023. There will also be less support from fiscal policies, in a context of high debt and rising financial costs. As a result, growth in 2023 is expected to be very weak, below 1% in almost all developed economies, and with technical recession in some cases, the intensity and duration of which will depend on the evolution of inflation and monetary policy. As economies begin to slow and financial fragilities emerge, the possibility of a shift towards looser monetary conditions by central banks will gain momentum.

We therefore expect **a low intensity recession,** taking into account the lower leverage of companies (with an average debt duration above the historical average), and healthier bank balance sheets than in previous recessionary periods. With unemployment at low levels, consumers are also better able to cope with this scenario. There are "shock absorbers", such as government measures to support energy bills or the accumulation of savings in household balance sheets (albeit decreasing, and clearly insufficient for the poorest income groups).

Overall, all of the above suggests that, while risks remain, a less negative scenario is not out of the question, with inflation less "entrenched", and an economic recession perhaps less severe than many expect. This is potentially more likely in the US, which is self-sufficient in energy, benefits substantially from the fact that almost all major commodities are priced in US dollars and has positive immigration. In Europe, including the UK, the picture is somewhat worse, given its energy dependence. In China, the potential reopening (relaxation of the Covid zero policy?) and the evolution of the real estate sector will be key issues.

Geopolitical risks and possible "black swans". Geopolitical risks remain: a further escalation of the Russia-Ukraine conflict, the possibility of a further reduction of Russian gas supplies to Europe or China's stance on Taiwan. These are possible "black swans" of a binary nature and impossible to predict with certainty. Any of these scenarios would be very negative for global financial markets. On the other hand, the events of the past year will only serve to reinforce certain trends that were already evident before the current crisis. National security, energy, food, cyber security, which are now much higher on the agendas of governments and businesses than in the past decade. What happened with Russia has shown that energy dependence on an erratic partner can be disastrous.

Equities. One of the interesting features of the current market cycle is that, while equity prices have plummeted over the last year (mainly as a result of the interest rate hike), **earnings have remained remarkably strong,** growing in double digits in 2022 in Europe, and single digits in the US. The reason is pricing, the pass-through of higher production costs into higher selling prices. On both sides of the Atlantic, companies have raised prices without much impact on volumes. Looking ahead to 2023, it is foreseeable that the cyclical deterioration and the consequent slowdown in demand should put downward pressure on margins, leading to lower EPS growth.

The fall in stock markets with earnings growth has led to a **significant correction in multiples,** with the 12-month P/E of the Stoxx 600 at 12x (15% discount to its long-term average of 14x, and 20-25% to the 5-year average of 15.5x), and in the case of the S&P 500 at a P/E 23e of 17x (in line with its historical average, and at a 10% discount to the 5-year average of 18.9x). In the United States, valuations are not as demanding if we look at metrics such as FCF yield, with a greater weight in the indices of companies with lighter business models and greater capacity to convert to free cash. Valuations in any case yield numbers that historically have resulted in high returns when we extend the time horizon to more than 3 years.

Profit expectations differ by region and sector. In Europe, the Consensus (Bloomberg) points to 3% earnings growth in the Stoxx 600 (0% in the Eurostoxx 50). By contrast, in the United States, growth amounted to 7% for the S&P 500 and 12% for the Nasdaq 100. **These estimates** are likely to **be adjusted downwards,** taking into account the expected macroeconomic deterioration in the coming months, a revision that could bottom out in the second or third quarter of 2023. It is worth remembering, however, that stock markets typically discount a trough in earnings six to nine months before the actual trough. Finding the floor may be counter-intuitive, but in our view, the current bear market should be nearing its end, albeit within a period of still high volatility.

Europe, US, China, emerging markets? From a **geographical** point of view, on the basis of multiples and valuations, Europe and Asia look relatively more attractive than the United States. The Stoxx Europe 600 trades at 12x P/E' 23e, levels that we consider very attractive, and which are below the long-term average (20 years at 14x).

Assuming no earnings growth, and a P/E ratio of 23e at 13.5-14x, we would have a potential of close to 15%. The market is discounting a year without earnings growth, which implies margin contraction (as we expect the inflationary effect to lead to sales growth). The ability of European companies to manage costs and prices will be key to surprise the market again with higher earnings growth than estimated for 2023. In the US, however, dollar strength has drained growth in 2022 and we expect it to partially reverse in 2023, creating some resilience in corporate earnings. Business margins are stronger than in Europe because they do not have the energy supply problem of the Old Continent. This, together with increased cash conversion by US companies, and share buybacks, can have a positive impact on the performance of US indices, as has historically been the case.

China continues to be of interest to us. Fiscal policy support, coupled with macro recovery (after recent tightening), and reasonable valuations, could support the good performance of companies in the region. **Latin America** remains attractive thanks to its natural resources as a necessary supplier in the energy transition, digitalisation, etc. Its exposure to global growth, and its greater sensitivity to trade with China, would provide the continent with a positive optionality should we see a faster than anticipated economic recovery. The region could continue to show some value as a refuge or hedge against further conflict or escalation.

Value vs. growth. The outperformance of value versus growth in 2022 has reopened the debate. Rising rates have reversed some of the conditions that drove one of the longest periods of outperformance of "growth" over "value" in history. The better performance of "growth" and technology has been reversed, towards more physical and traditional industries. We believe, however, that there should not be a binary or exclusionary approach. On the one hand, we continue to see many more traditional market segments that are undervalued, generate good returns and are at historically low valuation levels: commodities, energy or some industrial niches are good examples. At the same time, we see other "megatrends" continuing to gain importance, such as energy efficiency, electrification, de-globalisation. Clearly, we believe that innovation and technology will increase efficiency and productivity. Migration to the cloud, robotics, artificial intelligence, quantum computing, agricultural technology and software are sectors that will continue to grow above the average of the global economy.

On the other hand, **stability and visibility** in results is one of the characteristics of quality investment, and in this environment, such companies should better mitigate current risks. Given the risks to returns, stock selection becomes even more important (over and above the growth vs. value debate). In this context, we believe there will be a **search for quality in equities,** and it is therefore a particularly good time to hold quality compounders, companies that can grow earnings steadily through the cycles, thanks to their good positioning in more resilient sectors, their recurring revenues and pricing power, with greater consistency of earnings in difficult times. It is essential to adopt a bottom-up approach to analysis, looking for high quality companies that have the potential to generate solid revenues and performance over economic cycles. We believe that, in the current environment, active management is crucial to generate profitable growth in portfolios, and especially useful in helping investors maintain a quality bias when navigating potentially volatile market terrain ahead.

In currencies, USD strength was a fairly consensus view until 2022, but now that the Fed is slowing and the ECB/BOE are behind the curve, the risks of leaving currency exposure unhedged for those who may be negatively affected by USD weakness seem to be increasing. Despite a continued strong dollar in the short term, we expect a gradual appreciation of the Euro to 1 10 USD/EUR in the medium term, when the Fed's monetary policy is seen to change course and risk aversion is consistently reduced.

With regard to fixed income, following the acceleration of central banks' move towards tight monetary policies and the consequent rise in government bond yields so far this year, we believe that this market already presents investment opportunities at yields that are attractive if taken with a medium-term perspective, as uncertainty about the rate scenario remains high.

For the time being, with central banks prioritising inflation control over economic growth, until inflation shows clear signs of starting to decelerate we will continue to see volatility in government debt. The balance that central banks have to strike between curbing inflation and trying to mitigate the damage to economic growth is a difficult one, given the normal time lag with which rate hikes affect the economy, even more so in a scenario where rate hikes have been as vertical as they are now.

Therefore, **we expect a very volatile market** depending on the macroeconomic data to be released. We believe that when the employment data starts to show a deterioration we can start to see stabilisation in interest rates and it will be time to increase duration. In this market segment, moreover, we consider the bonds of supranational organisations to be particularly attractive, offering yields in some cases higher than those of the Spanish government with better credit quality.

On the investment grade **corporate debt** side, although no longer supported by central banks, the adjustment in yields on these bonds means that they are now trading at attractive levels. Therefore, we believe that the current levels are an opportunity to improve the credit quality of the portfolio. Likewise, at least for the first half of the year, we see the financial sector (in senior debt), favoured by the new interest rate scenario, as more attractive than the corporate sector, where supply problems and energy costs could weigh on results. In terms of maturities, we continue to see shorter maturities as more attractive, pending the increase in duration as mentioned above.

On the **high yield** side, we are very cautious given the scenario of macro uncertainty we are facing, and we expect default levels to increase. We favour entering this category through subordination, i.e. high yield subordinated debt of investment grade issuers, despite the extension risk. It is worth mentioning that in the case of hybrids there has been a strong selling movement in the market and that in some cases they are trading at very attractive levels. However, as long as uncertainty remains we see it appropriate to wait before taking positions in this market segment, and we see it more attractive to take advantage of the current yield environment to improve the credit quality of the portfolio

03.3

Evolution of the entity

Renta 4 Banco reported a Net Profit in 2022 of €21.8 million, compared to €25.3 million in the previous year, a decrease of 14.1%.

The CET1 Fully Loaded capital ratio is around 14.48%, which is well above the regulatory requirement.

Return on Equity (ROE) is 17.0%, a return on invested capital that is well above the industry average.

During the financial year 2022, the net intake of new customer assets in the company's own network amounted to a record €1.808 million and the number of customers increased to 118,542. This performance is particularly remarkable considering the difficult environment of the past year, in which both equity and bond markets experienced significant declines.

Total customer assets, despite the valuation effect of the negative market developments, continued to grow. The volume of customer assets in the proprietary network increased 7.8% in the last twelve months to €16.299 million. Total customer assets, including third-party networks, amounted to €27.905 million, 0.1% more than a year ago.

Despite this good tone of commercial activity and growth in terms of fund gathering, net fees and commissions declined 9.5% year-on-year, due to the fall in brokerage volumes in all markets and the notable decline in corporate operations. In any case, the decline in net fee income was partially offset by the improvement in net interest income due to higher interest rates.

Net trading income (NTI) and dividends remained positive, but fell significantly as a result of the effect on the trading book of the poor performance of the bond and equity markets.

The Latin American subsidiaries continued to increase their activity, maintaining the trend of recent quarters of growing positive results, with a combined contribution of 12.4% of consolidated results

OPERATING DATA FOR THE YEAR

The total volume of assets under administration and management in 2022 was €27.905 million, €20 million more than a year ago, representing an increase of 0.1%, of which €16.299 million corresponded to the assets of customers in the proprietary network, up €1.175 million in the last twelve months (+7.8%). This increase in the volume of own customer assets is particularly noteworthy in view of the negative impact on valuation of the evolution of the various markets.

Customer assets under management (mutual funds, SICAVs and pension funds) amounted to €12.010 million, down €1.482 million from €1.482 million in 2021, 11.0% less, due to the decline in the valuation of the assets in the portfolios.

Assets under management in mutual funds amounted to €3.379 million, in SICAVs €754 million and in pension funds €4.902 million, with respective declines of 10.6%, 28.9% and 6.5% in the last twelve months.

The volume marketed in other fund managers' funds was €2.975 million, a fall of 12.7% in the last twelve months.

The decline in management products due to the market valuation effect was fully offset by the increase in assets in equities, fixed income, private equity and others, which enabled us to maintain a positive balance in the net valuation of customer assets.

The satisfactory pace of growth in the number of customers was maintained for another year, and our market share increased steadily over a period of time. The total number of own network accounts is 118,542 compared to 114,181 in the previous year. Net new assets raised by the proprietary network were particularly satisfactory at €1.808 million in the year.

PROFIT AND MAIN INCOME AND EXPENSE ITEMS

The Net Profit Attributable to the Group amounted to €21.8 million, a decrease of 14.1% compared to €25.3 million in 2021.

Gross fee and commission income (fee and commission income, income from equity method companies and other operating income) decreased by 6.4% in 2022 compared to the same period of the previous year to €171.8 million. The decline in fees is due to low trading volumes in the markets and the effect on the valuation of assets under management due to the fall in the markets. There has also been a delay in some corporate transactions, due to the prevailing uncertainty.

Gross trading fees declined 14.9% to €67.7 million.

Management fees amounted to €84.9 million, 1.1% lower than in the first nine months of 2008.

Commissions in the Corporate Services area grew by 6.5% year-on-year to €19.1 million.

Net commissions (gross commissions - commissions earned) plus exchange rate differences decreased by 9.5% to €98.3 million, compared to €108.5 million in 2021.

The rise in interest rates due to the change in monetary policy conditions resulted in a net interest margin of €9.1 million, compared to a margin of €0.2 million in the previous year.

The result from financial operations was €3 million compared to €11.1 million in 2021. The decrease in this item is due to the mark-to-market loss on the trading portfolio held on the balance sheet.

The Gross Margin obtained in 2022 was €107.4 million, 7.5% lower than in the same period of the previous year.

On the cost side, operating expenses (general expenses, personnel expenses, depreciation, amortisation and other operating expenses) amounted to €82.8 million, a slight increase of 1.3%.

Personnel expenses decreased by 4.8% to €43.7 million and general administrative expenses were €26 million, compared to €22.6 million in the same period of the previous year, an increase of 15.2%.

The recovery of impairment charges amounted to €1.3 million, reversing part of the impairment charges made in the previous year.

The operating result amounted to €29.4 million, compared to €32.5 million the previous year, a comparative decrease of 9.6%.

03.4

Foreseeable developments in the company

We are positive about the performance in 2022, especially the increase in customer assets in the proprietary network due to the strong growth in assets during the year. This strong inflow of new customers and new assets validates the soundness of the strategic positioning and business model, as the only Spanish listed bank specialising in wealth management, capital markets and corporate operations.

We expect continued strong growth in client assets and new account openings, and positive developments in both traditional and newer areas of activity, such as alternative assets, including private equity, and corporate transactions. All this against a backdrop of markets that we expect to normalise gradually over the course of the year as investors adapt to the change in the monetary regime.

We therefore have a positive outlook for 2023, based on the customer assets with which we started the year, commercial action and new lines of business. We expect that this will enable us, for another year, to maintain a sustained pace of new clients and high growth in assets under management and administration, as well as solvency and liquidity ratios that comfortably exceed regulatory requirements.

We also maintain a favourable outlook for the subsidiaries in Luxembourg, Chile, Peru and Colombia.

In the new environment of greater complexity and uncertainty, we believe that Renta 4's strategic positioning as a bank specializing in close and quality advice to a very wide and diversified range of clients is even more valuable.

03.5

Risk management and risk policy

Information on the entity's risk management policies is fully disclosed in Note 5 of the financial statements for 2022

03.6

Acquisition of treasury shares

The information on treasury shares is extensively disclosed in Note 18.f of the annual accounts for the year 2022.

03.7

Environmental impact

Given the activity in which the Entity engages, it has no environmental liabilities, active expenses, provisions and contingencies that could be material with respect to its equity, financial position and results.

For this reason, no specific disclosures on environmental issues are included in these notes to the financial statements.

In addition, during 2022 and 2021, the Entity did not hold any greenhouse gas emission allowances.

03.8

Research and development

In 2022, R&D efforts have been channelled into digital development.

03.9

Events occurring after the end of the financial year

Post-closing events are detailed in Note 24 of the annual accounts for the financial year 2022

03.10

Human resources information

Information on issues relating to the entity's personnel is disclosed in Notes 3.p) and 22.d) of the annual accounts for the financial year 2022.

03.11

Statement of Non-Financial Information

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

04

Annual Corporate Governance Report

Annual Corporate Governance Report for Listed Companies

End date of the reference year:
31/12/2022

Identifying data of the issuer
CIF: A-82473018
Company name:
RENTA 4 BANCO, S.A.
Registered office
PS. DE LA HABANA N.74 (MADRID)

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the share capital and voting rights attributed, including, if applicable, those corresponding to shares with loyalty voting rights, as of the closing date of the fiscal year:

Indicate whether the Company's articles of association contain a provision for double loyalty voting:

Yes **No** ✓

Date of last change	Share capital (€)	Number of shares	Number of voting rights
27/09/2011	18,311,941.35	40,693,203	40,693,203

Indicate whether different types of shares exist with different associated rights:

Yes **No** ✓

A.2. List the direct and indirect owners of significant shares as of the closing date of the financial year, including the directors who have a significant stake:

Name or company name of the shareholder	% of voting rights attached to the shares		% of voting rights through financial instruments		Total % of voting rights
	Direct	Indirect	Direct	Indirect	
Ms. Maria Beatriz Lopez Perera	0.00	5.07	0.00	0.00	5.07
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	7.64	31.93	0.00	0.00	39.56

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
Indumenta Pueri S.L.	Global Portfolio Investments Sl	5.59	0.00	5.59
Ms. María Beatriz López Perera	Contratas y Servicios Extremeños, S.A.	5.07	0.00	5.07
Mr. Óscar Balcells Curt	98 Futur 2000, S.L.	0.57	0.00	0.57
Mr. Óscar Balcells Curt	Mobel Linea S.L.	2.31	0.00	2.31
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.	24.39	0.00	24.39
Mr. Juan Carlos Ureta Domingo	Surikomi S.A	3.11	0.00	3.11
Mr. Juan Carlos Ureta Domingo	Doña Matilde Estades Seco	2.40	0.00	2.40

Indicate the most significant movements in the shareholder structure during the year:

Most significant movements

(i) t is clarified that during the 2022 financial year Mr Juan Carlos Ureta transferred a significant part from his direct shareholding to his indirect shareholding, but without a significant alteration in his overall position.

(ii) Ms Matilde Ureta Estades, Mr Juan Carlos Ureta Estades and Ms Inés Asunción Ureta Estades exercise their voting rights directly, although there is a family agreement to exercise them in jointly with their father, Mr Juan Carlos Ureta Estades.

(iii) It is clarified that Mr. Juan Carlos Ureta owns 21% of the shares of the Managers Portfolio 2020, all of the voting rights of this company are held by Mr. Juan Luis López.

(iv) During the period, Santander Asset Management, S.A., SGIIC, through Santander Small Caps, FI, reduced its position to 2.91% of the share capital. Previously it held 3%.

A.3. List, regardless of the percentage, the stake at year-end of the members of the Board of Directors who are the owners voting rights attributed to shares of the Company or through financial instruments, excluding the Board Members identified in section A.2 above:

Name or company name of the director	% voting rights attached to the shares (including loyalty voting)		% of voting rights through financial instruments		Total % of voting rights	Of the total % of voting rights attached to the shares, indicate, if applicable, the % of additional votes attached to the shares that correspond to actions with loyalty voting rights	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr. Pedro Angel Navarro Martinez	0.43	0.10	0.00	0.00	0.53	0.00	0.00
Mr. Santiago Gonzalez Enciso	1.41	2.64	0.00	0.00	4.05	0.00	0.00
Mr. Eduardo Chacón López	0.04	0.00	0.00	0.00	0.04	0.00	0.00
Ms. Ines Juste Bellosillo	0.04	0.00	0.00	0.00	0.04	0.00	0.00
Ms. Gemma Aznar Cornejo	0.02	0.00	0.00	0.00	0.02	0.00	0.00
Ms. María del Pino Velázquez Medina	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Ms. Pilar García Ceballos-Zúñiga	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Mr. José Ramón Rubio Laporta	1.01	0.00	0.00	0.00	1.01	0.00	0.00
Mr. Juan Luis López García	0.33	0.91	0.00	0.00	1.24	0.00	0.00
Mr. Jesús Sánchez- Quiñones González	0.53	0.00	0.00	0.00	0.53	0.00	0.00
Mr. José Sevilla Álvarez	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Mr. Juan Carlos Ureta Estades	0.09	0.00	0.00	0.00	0.09	0.00	0.00
Mr. Rafael Navas Lanchas	0.01	0.00	0.00	0.00	0.01	0.00	0.00
TOTAL % OF VOTING RIGHTS OWNED BY MEMBERS OF THE BOARD OF DIRECTORS						**46.14**	

In the total voting rights held by the Board of Directors, the shareholding of Mr Juan Carlos Ureta Domingo is added, although it does not appear in A.3 as it is already reported in A.2.

Details of the indirect stake:

Name or company name of the director	Name or company name of the direct holder	% voting rights attached to the shares (including loyalty voting)	% of voting rights through financial instruments	Total % of voting rights	Of the total % of voting rights attributed to the shares, indicate, if applicable, the % of the additional votes attached which correspond to the shares with loyalty voting rights
Mr. Pedro Ángel Navarro Martínez	Kursaal 2000, S.L.	0.10	0.00	0.10	0.00
Mr. Santiago González Enciso	Doña Matilde Fernández de Miguel	0.89	0.00	0.89	0.00
Mr. Santiago González Enciso	Ige-6, S.L.	0.64	0.00	0.64	0.00
Mr. Santiago González Enciso	Fundacion Gonzalez Enciso	1.11	0.00	1.11	0.00
Mr. Juan Luis López García	Cartera de Directivos 2020, S.A.	0.85	0.00	0.00	0.00
Mr. Juan Luis López García	Cartera de Directivos 2011, S.A.	0.06	0.00	0.06	0.00

Detail the total percentage of voting rights represented on the Board:

% OF TOTAL VOTING RIGHTS REPRESENTED ON THE BOARD OF DIRECTORS	11.95

The voting rights represented on the Board of Directors include the position of the shareholders MUTUALIDAD GENERAL DE LA ABOGACIA and CONTRATAS Y SERVICIOS EXTREMEÑOS, S.A., represented by Mr Rafael Navas Lanchas and Mr Eduardo López Chacón, respectively.

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 Chacón López	Contratas y Servicios Extremeños, S.A.	Contratas y Servicios Extremeños, S.A.	Chairman - CEO
Mr. Rafael Navas Lanchas	Mutualidad General de la Abogacía	Mutualidad General de la Abogacía	Representative of the Significant Shareholder on Renta 4 Board of Directors
Mr. Juan Carlos Ureta Estades	Sociedad Vasco Madrileña de Inversiones, S.L.	Sociedad Vasco Madrileña de Inversiones, S.L.	Representative of the Significant 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 shares indirect(*)	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:

Cn 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	28%

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 Electronic voting	voting Others	Total
27/04/2018	42.81	28.12	0.00	0.00	70.93
Of which Floating Capital	1.58	9.89	0.00	0.00	11.47
29/04/2019	48.13	19.61	0.00	0.00	67.74
Of which Floating Capital	1.72	6.40	0.00	0.00	8.12
27/04/2020	33.06	7.83	0.00	31.13	72.02
Of which Floating Capital	0.04	2.64	0.00	12.89	15.57
26/10/2020	33.48	16.78	0.00	24.59	74.85
Of which Floating Capital	0.04	7.79	0.00	12.04	19.87
26/03/2021	0.00	1.46	0.00	66.56	68.02
Of which Floating Capital	0.00	0.00	0.00	6.03	6.03
30/03/2022	40.13	27.90	0.06	1.91	70.00
Of which Floating Capital	0.47	1.85	0.03	1.91	4.26

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

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:**

Maximum number of directors	15
Minimum number of directors	5
Number of directors stipulated by the General Meeting	14

C.1.2 **Fill in the following table with the Board members' particulars:**

Name or company name of the director	Representative	Category of the director	Position on the Board	Date of first appointment	Date of last appointment	Appointment procedure
Mr. José Ramón Rubio Laporta		Independent	Independent Lead Director	28/04/2015	29/04/2019	Resolution of the General Meeting of Shareholders
Ms. María Del Pino Velázquez Medina		Independent	Director	28/10/2021	30/03/2022	Resolution of the General Meeting of Shareholders
Ms. Inés Juste Bellosillo		Independent	Director	28/04/2017	26/03/2021	Resolution of the General Meeting of Shareholders
Ms. Pilar García Ceballos- Zuñiga		Independent	Director	30/11/2021	30/03/2022	Resolution of the General Meeting of Shareholders
Mr. Juan Carlos Ureta Domingo		Executive	Chairman	20/08/1999	26/03/2021	Resolution of the General Meeting of Shareholders
Mr. Eduardo Chacón López		Proprietary	Director	28/04/2017	26/03/2021	Resolution of the General Meeting of Shareholders
Mr. Pedro Ángel Navarro Martínez		Other External	Vice-president	20/08/2000	26/03/2021	Resolution of the General Meeting of Shareholders
Ms. Gemma Aznar Cornejo		Independent	Director	29/04/2019	29/04/2019	Resolution of the General Meeting of Shareholders
Mr. Juan Luis López García		Executive	CEO	27/09/2011	26/03/2021	Resolution of the General Meeting of Shareholders
Mr. Jesús Sánchez- Quiñones González		Executive	Director	26/05/2000	26/03/2021	Resolution of the General Meeting of Shareholders
Mr. Santiago González Enciso		Executive	Director	20/08/1999	26/03/2021	Resolution of the General Meeting of Shareholders
Mr. Rafael Navas Lanchas		Proprietary	Director	30/03/2022	30/03/2022	Resolution of the General Meeting of Shareholders
Mr. José Sevilla Álvarez		Independent	Director	30/03/2022	30/03/2022	Resolution of the General Meeting of Shareholders
Mr. Juan Carlos Ureta Estades		Proprietary	Director	30/03/2022	30/03/2022	Resolution of the General Meeting of Shareholders
Total number of directors						**14**

Indicate any resignations from the Board of Directors during the reporting period, whether due to resignation or by resolution of the General Shareholders' Meeting:

Name or company name of the director	Category of the director when they left	Date of last appointment	Date of departure	Special committees the director was a member of	Indicate whether the director left before the end of their office
Mr. Pedro Ferreras Díez	Other External	28/04/2017	19/11/2021	No	YES
Ms. Sarah Marie Harmon	Independent	20/04/2020	25/05/2021	Member of the Audit and Control Committee and the Appointments and Remuneration Committee.	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 López García	CEO	Mr. López García holds a degree in Economics and Business Administration from the Complutense University of Madrid. From 1980 to 1986, he worked as a financial analyst at BANIF. After this period, he moved to Banco Hispano Urquijo in London (Risk Department) for 10 months. In 1987 he joined Urquijo Gestión de Patrimonios as a portfolio manager and manager of Collective Investment Institutions. Subsequently (1988 -1991) he worked as a portfolio manager at GESBANZANO, SGIIC (Banco Zaragozano Group), and subsequently developed his activity as an independent professional advising institutions, especially in the non-for-profit sector (1991-1997). In 1997 he joined Renta 4 where he was appointed as General Manager in March 2004. From 2006 until 2007 he was Chairman of Renta 4 Pensiones EGFP S.A. Until March 2011 he was Chairman and CEO of Renta 4 Gestora, SGIIC, S.A. and General Manager of Renta 4 Servicios de Inversión, S.A. where he has taken on different functions. 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 Sánchez- Quiñones González	General Manager	Mr Sánchez-Quiñones has a degree in Business Management and Administration by ICADE and a Master's degree in Tax and Economic Studies by CECO. He was in charge of the management (and attendance) of all courses and seminars organised by Aula Financiera & Fiscal from 1991 to 2004. Since 2012, Mr. Sánchez-Quiñones has been General Manager at Renta 4 Banco, being the head of the areas of Business, Markets, Asset Management, Online Intermediation, Corporate Finance, Research, Marketing and Private Banking. From 2006 to 2012, he held the position of General Manager at Renta 4 S.V., being the head of the areas of Business, Markets, Asset Management, Online Intermediation, Corporate Finance, Research, Marketing and Private Equity Management. Since 2000, he has been Director at Renta 4 Servicios de Inversión (Holding), where he had a significant degree of involvement in the company's IPO (2007). In 1991 he founded (and was the Administrator of) Aula Financiera & Fiscal, S.L. a company specialising in training professionals from the Private Banking and Equity Management sector in tax and financial matters, most of them inspectors from the General Tax Department. Between 2004-2006 he was Chairman of Renta 4 S.G.I.I.C., S.A. and General Manager at Renta 4 S.V. In 1996 (until 2000) he was Assistant Manager of the Chairman of Renta 4 S.V. and had previously worked as Manager of the analysis department, Operator of the derivatives desk 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 González Enciso	Regional Director	After training as a lawyer, his career has been linked to the business world, taking on management roles and being part of governing bodies in different companies, mainly within the financial and real-estate market. In this field, he joined Manglo, S.A. as Sales Manager in 1982 where he supervised the Finances and HR Department. Mr González was then appointed Director from 1985 until 1996. He was also Sole Administrator at Miralpáramo, S.L. He joined Renta 4 in 1991 as Regional Manager 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		**28.57**

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of the director	Name or company name of the significant shareholder they represent or who has proposed their appointment	Profile
Mr. Eduardo Chacón López	Contratas y Servicios Extremeños, S.A.	Mr Chacón has a degree in Business and Economics Sciences by the University of Extremadura (1995) having studied the first two years at the University of Valladolid and has a degree in Business Senior Management by the San Telmo Business School, Seville (1997). He also attended a course on Senior Management, PAD (2008) by the Extremadura Business School of which he is founder and owner. Since 1995 he has been CEO of a group of family businesses from Extremadura that specialise in managing different services: street cleaning, maintenance, upkeep and cleaning of property, car parks and signposting, with a workforce of about eight hundred people, of which an approximate ten percent is disabled. He has been a member of the Business Advisory Board of Extremadura Mutua Fremap since 1997, and is also Director of Sociedad Cacereña de Parking, S.L. He was a member of the Governing Body of Caja Rural of Almendralejo, a credit cooperative society, from December 2013 to April 2017. He has also taken other courses on different subjects including Environment, Urban Waste Management and Treatment, trained to transport goods by road and other courses on Family business management, Leadership skills and Technical analysis of financial markets. He regularly attends high-level training courses and is especially interested in matters related to business strategy, team management, family businesses and the parallelism between the management of the sports world and the business world.
Mr. Rafael Navas Lanchas	Mutualidad General de la Abogacía	Mr Navas Lanchas (natural person representing the Foundation) has a degree in Economic Sciences (1986) and Insurance Actuary (1986) by the Complutense University. He has also taken several courses on the Liquidation of Insurance Companies in UNESPA (July 1991); insurance and reinsurance in general and other specific courses on life insurance and pension funds; and Internal Control and solvency II of insurance companies. Basic skills in office software, Internet, email and actuary calculation software (ACTUS). Since 2013, he has been the General Manager of Mutualidad General de la Abogacía, having acted as Assistant General Manager the previous year. From 2006 to 2012 Mr Navas was Deputy General Manager of Mutualidad General de la Abogacía (since 2008 Deputy General Manager of the Financial Area of Mutualidad General de la Abogacía in charge of the departments of Financial Investments, Real-estate investments, Accountancy and Actuary Department; and from 2006 to 2008, Deputy General Manager coordinating all the departments in Mutualidad). He was also the Head of the Technical Actuary Department of Mutualidad General de la Abogacía (1991-2006). Previously Mr Navas had worked at Ernst Young as an auditor (insurance and finance sector, 1990-1991) and at Espacontrol Deloitte where he also worked as an auditor (1987-1990).
Mr. Juan Carlos Ureta Estades	Proa Capital de Inversiones Sgeic, S.A.	Mr. Ureta Estades holds a Double Degree in Business Administration and Management and Law (ICADE 3), from the Universidad Pontificia de Comillas, having completed a course in Corporate Finance (AF Finance 250) at the London School of Economics during the double degree, and obtained a diploma in Communication Skills and Foreign Language Studies. He is also certified by the CFA (Chartered Financial Analyst) Institute and the EFPA (European Financial Planning Association) as a European Investment Assistant. Between July 2018 and October 2020, Mr. Ureta Estades worked at JP Morgan as an analyst, being rated at the investment bank in the highest group of EMEA (Europe Middles East and Africa) analysts, mainly focused on advising on mergers and acquisitions (M&A). Since November 2020, Mr. Ureta Estades has worked at ProA Capital de Inversiones SGEIC, S.A., as an associate in the Investment team. Previously, in June and July 2016, he worked as an intern at ING Wholesale Banking, an investment bank, in Madrid. During the summer of 2015, he worked at W4I Investment Funds in London, and at a Renta4 group company: Renta 4 Gestora, SGIIC, S.A. (June 2015):
Total number of proprietary directors		**3**
% out of the total of the board		**21.43**

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of the director	Profile
Mr. José Ramón Rubio Laporta	Mr Rubio has held different positions of responsibility during his professional career. In particular, he started his career working at the headquarters of Marks & Spencer in London. Then between 1975 and 1982 he was General Secretary and Secretary to the Board of Directors as well as Manager of the Legal Consultancy department for a group of family-run companies in the building, property development, housing, mining and electrical supply sector. In 1982 he founded the law firm 'Mateu de Ros, Ramón y Cajal & Rubio', today known as 'Ramón y Cajal Abogados', where he remained until 1994 where he mainly developed international business, participating in various transactions of Spanish companies public offering in London, introducing foreign investors to Spanish listed companies, organising presentations of the Spanish Chamber of Commerce in London, and advising different listed companies, among others, 'BNP Securities', 'Ask Securities' and 'Map Securities', all 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 CEO of the 'Previasa' insurance group. From 1998 to 2014 he was Executive Vice Chairman and CEO 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. He is currently Vice President of Philyra, S.A.
Ms. María del Pino Velázquez Medina	She holds a degree in Mathematics with a major in Statistics at the Complutense University of Madrid. 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.
Ms. Inés Juste Bellosillo	She finished her degree in Business Sciences by the Autónoma University of Madrid in 1997 and her MBA by the Instituto de Empresa in 1998. In 1999 she became exports manager in charge of the European market and of opening new markets, meeting new trade partners and attending international fairs for Perfumería GAL, S.A. From 1999 until 2001 she was external consultant at DPB Consultores and was the Financial Head of the NGO-German Agro Action (Luanda, Angola) from 2003 to 2004. In 2011 (to date) she was appointed Chairwoman of the JUSTE Group which is a Spanish industrial group with family capital and over 90 years' experience in research, development, manufacturing and selling pharmaceutical and chemical-pharmaceutical products.
Ms. Pilar García Ceballos-Zúñiga	Holds a bachelor's degree from CEU San Pablo University in Madrid and an MBA from the Open University, UK. An executive expert with a long professional career in the technology field working in multinational environments with a special dedication to technological innovation and organisational efficiency. She has worked at IBM Corporation for more than 25 years, for 12 of which he has had senior responsibilities in Europe and globally, with Executive Vice-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 Chairwoman of the Board of Trustees of the "Fundación Caja de Extremadura" (Liberbank), an independent director of Amadeus and a member of its audit committee.

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of the director	Profile
Ms. Gemma Aznar Cornejo	Ms. Aznar Cornejo holds a degree in Economics and Business Administration from the Abad Oliba University of Barcelona (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).
Mr. José Sevilla Álvarez	Mr. Sevilla holds a degree in Economics and Business Administration from CUNEF. He worked at Bankia from 2014 to 2021, until the merger of Bankia with Caixabank, being CEO of Bankia and Director of BFA Tenedora de Acciones SAU. In 2012, he joined Bankia as Executive Director and General Manager, being responsible for the areas of Intervention, Risks, Finance and Internal Audit. He was Chairman of the Delegate Risk Committee of the Board of Directors until 2021. Mr Sevilla was with BBVA from 1997 to 2009, becoming a Director of BBVA Bancomer (Mexico) and a member of the Management Committee. In addition, he held the positions of Director of Risks at BBVA from 2006 to 2009 and Director of the Chairman's Area and member of the Management Committee from 2003 to 2006. He also held the positions of Business Development Director (2001 to 2003), Director of Strategy and Finance for the Americas Area of the Group (1998 to 2001) and also worked in the Business Development Unit from 1997 to 1998. He was also Senior Equity Analyst of European banks at Merrill Lynch (1995 to 1997), Analyst of Spanish banks and head of the Equity Research Department at FG Inversiones Bursátiles (1985 to 1989) and Junior Auditor at Arthur Andersen (1988 and 1989).
Total number of independent directors	**6**
% out of the total of the board	**42.86**

List any independent directors who receive from the company or group any amount or payment other than standard director remuneration or who maintain or have maintained during the period in question a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior officer of an entity which maintains or has maintained this relationship.

If applicable, include a statement from the board detailing the reasons why it believes this director may carry out duties as an independent director.

Name or company name of the director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS

Identify the other external directors and explain why these directors may not be considered proprietary or independent directors, and what their connection is with the Company, its managers or its shareholders:

Name or company name of the director	Reason	Company, director or shareholders to which this person is linked	Profile
Mr. Pedro Ángel Navarro Martínez	Has exceeded the 12-year limit to hold the position of independent Director.	Renta 4 Banco S.A.	Mr Navarro is an industrial engineer by the Polytechnic University of Barcelona. He also has an MBA by ESADE and a Master's degree in Finances by the Texas Tech University (USA). He began his career by working for two years and a half at Texas Instruments Inc. in Dallas (USA) and Nice (France). Mr Navarro then worked for a year at Honeywell Bull Spain. In 1972 he joined Accenture (formerly Arthur Andersen) where he remained until 2001. In Accenture he held the positions of Office Managing Partner in the office in Barcelona, then Chairman for Spain, CEO for Southern Europe and CEO of the Financial Entities sector for Europe, Latin America and Africa. He was a member of the World Board for ten years, from 1990 until 2000. Mr. Navarro is currently 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			**7.14**

Indicate any changes in the status of each director that may have occurred during the year:

Name or company name of the director	Date of change	Prior category	Current category
No data			

C.1.4 Complete the following table with the information on the number of female directors over the past 4 years and their category:

	Number of female board members				% of total directors of each category			
	Financial year 2022	Financial year 2021	Financial year 2020	Financial year 2019	Financial year 2022	Financial year 2021	Financial year 2020	Financial year 2019
Executive					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	4	4	3	3	100.00	80.00	75.00	75.00
Other External Female Directors					0.00	0.00	0.00	0.00
Total	4	4	3	3	28.57	33.33	25.00	25.00

C.1.5 Indicate whether the company has diversity policies in place for its Board of Directors with regards to age, gender, disability, education or work experience, among other matters. Small and medium businesses, as described by the Auditing Law, should at least report about the policy they have established to ensure gender diversity.

Yes No **Partial policies** ✓

If this is the case, describe the diversity policies, their targets, measures and the way they have been implemented and their outcome in the fiscal year. Also indicate the specific measures taken by the Board of Directors and the Appointments and Remuneration Committee to ensure a balanced and diverse ratio of directors.

Should the company not have a diversity policy in place, explain the reasons for it.

Description of policies, targets, measures and way they have been implemented, as well as their outcome.

n accordance with the provisions of Article 33.2 of the Articles of Association, Article 9 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".

During the 2022 financial year, the ARC, in application of the diversity policies, at the proposal of the ARC and following a report from the latter and the Board, agreed to ratify the appointments, by co-optation, of Ms Pilar García Ceballos-Zúñiga and Ms María del Pino Velázquez Medina as independent directors of the Company, as agreed at the meetings of the Board of Directors held on 30 November and 28 October 2021, respectively.

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 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 2022 financial year, carried out the evaluation procedure for the ratification of the appointments by co-optation of Ms Pilar García Ceballos-Zúñiga and Ms María del Pino Velázquez Medina as independent directors in order to maintain diversity on the Board of Directors, concluding, in the ratification by co-optation of said appointments of the directors mentioned above in 2022.

When, despite the measures adopted, there are few or no female directors or leadership positions, explain the reasons:

Explanation of the reasons

he ARC, in order to continue applying the good corporate governance practices followed by the Company and, in particular, those relating to gender diversity on the Board of Directors, focused, throughout the 2022 financial year, on the application of these policies through the study and evaluation of various candidates in order to increase the percentage of female representation on the Board, and submitting the ratification to the General Meeting of Shareholders (which approved it) of the appointments by co-optation of Ms Pilar García Ceballos-Zúñiga and 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.

he 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 particularly focused on the application of these policies, in 2022 proposing the ratification of 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 General Shareholders' Meeting, which approved it in March.

C.1.8 Explain, if applicable, the reasons why proprietary directors have been appointed at the request of shareholders whose shareholding is less than 3% of the capital:

Name or company name of the significant	Justification
No data	

Provide details of any rejections of formal requests for board representation from shareholders whose shareholding is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If so, explain why these requests have not been granted:

Yes **No** ✓

C.1.9 Indicate, if any, the powers and authorities delegated by the Board of Directors, including those related to the possibility of issuing or repurchasing shares, to Board Members or Board Committees:

Name or company name of the director or committee	Brief description
Juan Luis López Garcia	All the powers granted to the Board of Directors, except those that cannot be delegated by Law or the Company Bylaws.

C.1.10 Identify any Board members working as directors, representatives of managing directors or executives at other companies that are part of the listed company's group:

Name or company name of the director	Group company name	Position	Has executive duties?
Mr. Juan Carlos Ureta Domingo	Renta 4 Sociedad Agente De Bolsa S.A.	Chairman of the Board	No
Mr. Juan Carlos Ureta Domingo	Renta 4 Corredores De Bolsa S.A.	Board Member	No
Mr. Juan Carlos Ureta Domingo	Renta 4 Global Fiduciaria, S.A.	Member of the Governing Board	No
Mr. Juan Carlos Ureta Domingo	Corporación Financiera Renta 4 Scr S.A.	Chairman	Yes
Mr. Juan Carlos Ureta Domingo	Renta 4 Corporate, S.A.	Director	No
Mr. Juan Carlos Ureta Domingo	Renta 4 Digital Assets, S.L.	Chairman	Yes
Mr. Juan Carlos Ureta Domingo	Sociedad Operadora de la Plataforma IW S.L.	Chairman	Yes
Mr. Juan Luis López García	Renta 4 Global Fiduciaria, S.A.	Member of the Governing Board	No
Mr. Juan Luis López García	Corporación Financiera Renta 4 SCR	Director	No
Mr. Juan Luis López García	Renta 4 Lerida	Sole Administrator	Yes
Mr. Juan Luis López García	Renta 4 Digital Assets, S.L.	Member	No
Mr. Juan Luis López García	Sociedad Operadora de la Plataforma IW S.L.	Member	No
Mr. Jesús Sánchez- Quiñones González	Renta 4 Corporate, S.A.	Chairman - CEO	Yes
Mr. Jesús Sánchez- Quiñones González	Renta 4 S.V., S.A.	Director	No
Mr. Jesús Sánchez- Quiñones González	Kobus Partners Management Sgeic, S.A.	Director	No
Mr. Santiago González Enciso	Renta 4 S.V., S.A.	Director	No

C.1.11 List any director or administrator positions held by directors or representatives of directors who are members of the board of directors of the company in other entities, whether or not they are listed companies:

Identification of the director or representative	Company name of listed or non-listed entity	Position
Mr. Juan Carlos Ureta Domingo	Saint Croix Holding Immobilier Socimi SA.	Director
Mr. Juan Carlos Ureta Domingo	Grupo Ecoener, S.A.	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
No data	

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)	2,469
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)	**201**

C.1.15 Indicate whether any amendments have been made to the Board regulations during the fiscal year:

Yes **No** ✓

Description of changes

he purpose of the amendments made to certain articles of the Board of Directors' Regulations, as well as the inclusion of a new article, was to adapt them to the amendments introduced by Law 5/2021, of 12 April, amending the established text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies, and (ii) the inclusion in the text of technical and drafting improvements.

C.1.16 Indicate the procedures for the selection, appointment, re-election and removal of directors. Give details of the competent bodies, the formalities to be fulfilled and the criteria to be used in each of the procedures.

The appointment of the Directors corresponds to the Meeting, without prejudice to the right of proportional representation that corresponds to the shareholders in the terms stipulated in the Spanish Corporate Law. In this sense, if vacancies arise during the period for which the Directors were appointed, the Board may, by means of co-option, appoint the persons who are to occupy them until the first Meeting is held, unless the Meeting has already been called, in which case the Board may appoint a Director until the next Meeting after the one called is held.

The proposals to appoint, ratify or re-elect Directors should refer to people who are known for their integrity, solvency, technical skills and experience and will be approved by the Board upon the proposal made by the ARC for Independent Directors or upon the proposal of the Board, based on the ARC's report, for all other Directors.In any case, the proposal or the report made by the ARC should assign the new Director to one of the director classes foreseen in the Company's Board Regulations. Proposals must be accompanied by a supporting report from the Board that assesses the competence, experience and merits of the proposed candidates, which will be attached to the minutes of the General Meeting or the Board meeting. When the Board diverges from the ARC's proposals, it must provide its reasons for the decision and these must be included in the minutes.

The directors shall meet the legal requirements established for directors and shall be subject to their duties as such.

From the moment the call is announced and until the General Meeting takes place, the Company the following minimum details on the individuals proposed to be appointed, ratified or re-elected as members of the Board should remain published on the Company's website: identity, curriculum vitae, and director class they belong to, as well as the proposal and reports mentioned above.

Persons who hold representation or management positions or functions in other credit entities or a significant stake in their share capital may not be appointed as directors unless expressly authorised by the Board.

Once a year, the Board will assess (i) its performance and the quality of its work, (ii) the Chairman's, the Coordinating 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

he 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.

hroughout the 2022 financial year and the previous 2021 financial year, the Company has been assisted by the external expert Mr Salvador Montejo Velilla, in the evaluation process of the Board of Directors and its Committees, without him maintaining any other business relationship, directly or indirectly, with the Company.

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, in all cases, the Board and the Appointments and Remuneration Committee of any criminal proceedings in which they are under investigation, as well as the progress of such proceedings.

In the event that the Board of Directors has been informed, or has otherwise become aware, of any of the situations referred to in the preceding paragraph, the Board shall examine the case as soon as possible and, in view of the specific circumstances, shall decide, following a report from the Appointments and Remuneration Committee, whether or not to adopt any measure. A reasoned account of such circumstances shall be included in the Annual Corporate Governance Report, unless there are special circumstances that justify not to, which must be recorded in the minutes.

g) When the Director has received a serious caution from the Audit and Control Committee.

h) At the end of, for whichever reasonable grounds, the contractual or organic relationship with the Company's shareholders that had given rise to the Director's appointment'.

C.1.20 Are qualified majorities other than those prescribed by law required for any type of decision?

Yes **No ✓**

If applicable, describe the differences.

C.1.21 State whether there are any specific requirements, apart from those relating to the directors, to be appointed Chairman of the Board of Directors:

Yes **No ✓**

C.1.22 Indicate whether the 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	12
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	4

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	12
% of attendance in person out of the total votes during the fiscal year	100.00
Number of meetings where all the directors attended in person or by proxy with precise instructions	11
% of votes cast with attendance in person, or by proxy with precise instructions, out of the total votes during the fiscal year	91.67

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.

he 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 Ramón y Cajal Agüeras	

C.1.30 Indicate the specific methods established by the company to protect the independence of the external auditors, as well as the methods, if any, employed to protect the independence of the financial analysis, of investment banks and of credit rating agencies, including how the legal provisions have been effectively implemented.

In accordance with Article 31.3.b) of the Board Regulations, the Audit and Control Committee is the body in charge of ensuring the External Auditors' independence by establishing, inter alia, the duty, as regards the external auditor, to:

(i) Present before the Board of Directors, to then be put forward to the General Meeting of Shareholders, the proposals to select, appoint, re-elect or replace the external auditor, as well as the terms of his/her contract, the scope of the auditor's professional office and the revocation or renewal of his/her appointment;

(ii) Regularly gather information from the external auditor about the audit plan and protect their independence -ensuring that the compensation given to the external auditor for their work does not compromise the quality of their work or their independence- and about matters that may threaten their independence and the results of the audit, to be examined by the Committee, and any other information related to the accounts audit. It should also receive information and exchange communications with the external auditor as outlined by legislation on accounts audits and the auditing regulations, and it should check that the senior management takes into account the auditor's recommendations;

(iii) Once a year, the Committee must receive from the external auditors the declaration of their independence in relation to the Company or companies directly or indirectly related to it, and information concerning additional services of any kind that have been provided and the fees received by the external auditor or by persons or companies related to it, in accordance with the provisions of the audit legislation and, for such purposes, ensure that the Company reports any changes of auditor to the CNMV alongside a statement on the possible existence of disagreements with the outgoing auditor and, if any, with the contents. Should the external auditor resign, the Committee will examine the circumstances surrounding this decision;

(iv) Every year issue, prior to the issue of the auditors' report, a report expressing an opinion on the independence of the auditors. Such report should always include the assessment of the provision of the additional services referred to above, considered separately or jointly, other than the legal audit and connected to the independence system or with the audit regulations, ensuring that the Company and the external auditor observe the current regulations on providing non-audit services, the limits on the auditor's business concentration and, in general all other rules on auditor independence;

(v) Encourage the Company's auditor to take on the auditing of the companies that, if any, make up the group; and

(vi) Ensure that the external auditor annually holds a meeting with the full Board of Directors to report on the work done and the evolution of the Company´s accounting and risk situation.

In practice, in 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)	40	66	106
Amount of non-audit work/Amount of audit work (as a %)	35.70	52.00	44.35

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	6	6
Number of years audited by the current audit firm/number of years the company or its group has been audited (as a %)	17.16	17.16

C.1.35 Indicate whether there is a procedure for the directors to be able to receive the necessary information to prepare for meetings of the management bodies sufficiently in advance, and if so, give details:

Yes ✓ No

Details of the procedure:

The Directors' right to information regarding the meetings of the Board of Directors is provided for in Article 22 of the Board Regulations. Directors have the duty to request and the right to obtain from the Company any information they need to fulfil their Board responsibilities. Consequently, directors may obtain information on any aspect of the Company and its subsidiaries and may examine their books, records, documents and any other records of corporate operations and inspect all their facilities. They may also communicate with the Company's senior officers. Likewise, Directors are entitled to receive regular information on the movements in the shareholding and on the opinions that significant shareholders, investors and rating agencies have of the Company and its group.

So as to not disturb the Company's ordinary management, all rights to information will be exercised through the Chairman of the Board of Directors who will address the Directors' requests and will provide them with the information directly or with suitable contacts at the relevant company level.

The Chairman, in collaboration with the Secretary, will ensure that the Directors have all the information required sufficiently in advance to deliberate and adopt resolutions for the matters on the agenda.

Based on Article 37 of the Company 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 the rules

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.

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, 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. [...]

g) When the Director has received a serious caution from the Audit and Control Committee.

h) At the end of, for whichever reasonable grounds, the contractual or organic relationship with the Company's shareholders that had given rise to the Director's appointment'.

Likewise, article 21 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), Director - General Manager (Mr Jesús Sánchez-Quiñones Gonzalez), Director - Regional Manager (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) Member of the Management Committee, Chairman of Renta 4 SV SA (Mr. Jose Ignacio García-Junceda Fernández)	The Chairman, the CEO, the Director - General Manager and the Director - Regional Manager have, in the event of unfair dismissal, the right to receive compensation equal to the legal provided compensation for unfair dismissal in accordance with the ordinary employment regime. In addition, the members of the Management Committee, Chairman of Renta 4 Gestora SGIIC, S.A. and Renta 4 Pensiones EGFP, S.A., and Chairman of Renta 4 SV SA are entitled, in the event of unfair dismissal, to receive compensation equivalent to the statutory compensation provided for unfair dismissal under the ordinary employment regime.

Indicate whether, beyond the assumptions foreseen by the regulations, these agreements must be reported to and/or authorised by the governing bodies of the company or its group. If this is the case, specify the procedures, assumptions foreseen and nature of the bodies in charge of their approval or their communication:

	Board of Directors	General Meeting
Body which authorises the clauses	✓	

	Yes	No
Is the General Meeting informed of the clauses?		✓

C.2. Board Committees

C.2.1 Give details of all board committees, their members and the proportion of executive, proprietary, independent and other external directors that form them:

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
Mr. José Ramón Rubio Laporta	Member	Independent
Mr. Pedro Ángel Navarro Martínez	Member	Other External
Ms. Gemma Aznar Cornejo	Chairman	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	66.67
% of other external directors	33.33

Explain the functions, including any added functions that are not legally foreseen, if any, conferred to this Committee and describe the procedures and rules of its organisation and operation. For each of these functions, indicate the more relevant actions during the fiscal year and how it effectively carried out each of the functions conferred to it by Law or Bylaws or other corporate agreements.

A. Composition. It is made up of at least 3 members who should all be non-executive Directors -at least a third of them should be independent Directors- who will leave their position once they stop being Directors or when agreed by the Board of Directors. The Board of Directors will appoint its Chairman from among its members, always an independent Director, and its Secretary.

B. Competences. The Committee's functions are set forth in Article 32 of the Regulations of the Board of Directors.

C. Workings. The Committee will meet as frequently as necessary to carry out its functions. It should also meet when called by its Chairman, the Chairman of the Board of Directors and at least once every quarter. The Appointments and Remuneration Committee will be validly called to order when the majority of its members is present. The Committee will have access to all the information and documentation required to perform its duties. The conclusions drawn in each meeting will be registered in the minutes ledger that will be signed by the Chairman and the Secretary.

In the financial year 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.
- Proposed to the Board the re-election of Ms Inés Juste Bellosillo.
- Proposed to the Board the appointments by co-optation of Ms. Pilar Garcia-Ceballos Zúñiga and Ms María del Pino Vázquez Medina.

Furthermore, and related to the health crisis situation originating and derived from Covid-19, the ARC was informed of the measures adopted and the resources provided to employees by the Company for their safety at work.

AUDIT AND CONTROL COMMITTEE

Name	Position	Category
Doña Inés Juste Bellosillo	Member	Independent
Don José Sevilla Álvarez	Chairman	Independent
Doña Pilar García Ceballos-Zúñiga	Member	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	100.00
% of other external directors	0.00

Explain the functions, including any added functions that are not legally foreseen, if any, conferred to this Committee and describe the procedures and rules of its organisation and operation. For each of these functions, indicate the more relevant actions during the fiscal year and how it effectively carried out each of the functions conferred to it by Law or 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	Ms. Inés Juste Bellosillo / Mr. José Sevilla Álvarez / Ms. Pilar García Ceballos-Zúñiga
Date the Chairman was appointed as such	26/07/2022

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 2022		Financial year 2021		Financial year 2020		Financial year 2019	
	Number	%	Number	%	Number	%	Number	%
Appointments and Remuneration Committee	1	33.33	2	66.67	2	66.67	2	66.67
Audit and Control Committee	2	66.67	1	33.33	1	33.33	0	0.00

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 CEO 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 to comply with Article 28 of the Board Regulations, which includes Recommendation 36 of the Code of Good Governance of Listed Companies after its review of June 2020 approved by the Board of the National Securities Market Commission (CNMV), assesses once a year (i) its own performance and the quality of its work, (ii) the performance of the roles of Board Chairman and CEO of the company based on the ARC's report, (iii) the performance and composition of its Committees, based on their reports, (iii) the functioning and composition of it Committees, based on the report submitted by these, and (iv) the diversity in the composition and competencies of the Board of Directors and the performance and contribution of each Board Member, paying special attention to the heads of the different committees of the Board based on the report submitted by the ARC.

In this respect, each Board Committee has prepared a report on its own performance to help the Board assess their performance during the year. Both reports are available, together with all the documentation related to the General Meeting, on the Company's corporate website. These reports also include the main activities of each of the Committees.

D. RELATED-PARTY TRANSACTIONS AND INTRACOMPANY TRANSACTIONS

D.1. Explain, if applicable, the procedure and competent bodies for the approval of related-party and intra-group transactions, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected directors or shareholders and detailing the internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

ursuant 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, subject to a favourable report from the Audit and Control Committee, of related-party transactions under the terms established in the Law and these Regulations.

[...]

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'.

This is without prejudice to the fact that, in accordance with the provisions of the Regulations of the Board of Directors and in compliance with the obligations required by the Capital Companies Act in this regard, directors may participate in the deliberation and voting on resolutions or decisions in which they or a related person has a direct or indirect conflict of interest.

D.2. List individually any transactions that are significant due to their amount or relevant due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the company's board of directors, indicating the competent body for their approval and whether any shareholder or director affected abstained. In the case of board competence, indicate whether the proposed resolution has been approved by the board without a majority of the independent directors voting against it:

Name or company name of the shareholder or of any of their subsidiary companies	% of ownership	Name or company name of the company or the subsidiary company	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
No data						

Name or company name of the shareholder or of any of their subsidiary companies	Type of relationship	Type of transaction and other information necessary for its evaluation
No data		

D.3. List individually the transactions that are significant due to their amount or relevant due to their subject matter, carried out by the company or its subsidiaries with the company's directors or managers, including any transactions carried out with entities that the director or administrator controls or jointly controls, and indicating the competent body for their approval and whether any shareholder or director affected abstained. In the case of board competence, indicate whether the proposed resolution has been approved by the board without a majority of the independent directors voting against it:

Name or company name of the directors or managers or of their controlled or jointly controlled entities	Name or company name of the company or the subsidiary company	Link	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
Ms. Gemma Aznar Cornejo	Renta 4 Banco	Contractual/ Corporate	20	See Breakdown In Section H		No
Mr. Juan Luis López García	Renta 4 Banco	Contractual/ Corporate	94	See Breakdown In Section H		No
Mr. Pedro Ángel Navarro Martínez	Renta 4 Banco	Contractual/ Corporate	81	See Breakdown In Section H		No
Mr. Juan Carlos Ureta Domingo	Renta 4 Banco	Contractual/ Corporate	1,162	See Breakdown In Section H		No
Mr. José Ramón Rubio Laporta	Renta 4 Banco	Contractual/ Corporate	403	See Breakdown In Section H		No
Mr. Santiago González Enciso	Renta 4 Banco	Contractual/ Corporate	2,352	See Breakdown In Section H		No
Mr. Juan Carlos Ureta Estades	Renta 4 Banco	Contractual/ Corporate	754	See Breakdown In Section H		No
Mr. José Ignacio García- Junceda Fernández	Renta 4 Banco	Contractual/ Corporate	66	See Breakdown In Section H		No
Mr. Eduardo Chacón López	Renta 4 Banco	Contractual/ Corporate	25	See Breakdown In Section H		No
Ms. Pilar García Ceballos- Zúñiga	Renta 4 Banco	Contractual/ Corporate	32	See Breakdown In Section H		No
Ms. Inés Juste Bellosillo	Renta 4 Banco	Contractual/ Corporate	16	See Breakdown In Section H		No
Mr. Jesús Sánchez- Quiñones González	Renta 4 Banco	Contractual/ Corporate	106	See Breakdown In Section H		No
Ms. María del Pino Velázquez Medina	Renta 4 Banco	Corporate	1	Board of Directors - Shareholders 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
Ms. Gemma Aznar Cornejo	See Breakdown in Section H
Mr. Juan Luis López García	See Breakdown in Section H
Mr. Pedro Ángel Navarro Martínez	See Breakdown in Section H
Mr. Juan Carlos Ureta Domingo	See Breakdown in Section H
Mr. José Ramón Rubio Laporta	See Breakdown in Section H
Mr. Santiago González Enciso	See Breakdown in Section H
Mr. Juan Carlos Ureta Estades	See Breakdown in Section H
Mr. José Ignacio García- Junceda Fernández	See Breakdown in Section H
Mr. Eduardo Chacón López	See Breakdown in Section H
Ms. Pilar García Ceballos- Zúñiga	See Breakdown in Section H
Ms. Inés Juste Bellosillo	See Breakdown in Section H
Mr. Jesús Sánchez- Quiñones González	See Breakdown in Section H
Ms. María del Pino	Dividends Distributed

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
Velázquez Medina	

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	547
Kobus Partners Management S.G.E.I.C. S.A.	Services Provided	264

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 Fernandez de Miguel	Obligations undertaken	100
Matilde Fernandez de Miguel	Guarantees received	177
Matilde Fernandez de Miguel	Dividends distributed	130
Matilde Fernandez de Miguel	Current accounts	11
Santiago Gonzalez- Enciso Fernandez	Obligations undertaken	320
Santiago Gonzalez- Enciso Fernandez	Guarantees received	897
Santiago Gonzalez- Enciso Fernandez	Dividends distributed	29
Santiago Gonzalez- Enciso Fernandez	Financing agreements: loans	269
María González- Enciso Fernández	Interest income	3
María Gonzalez- Enciso Fernandez	Obligations undertaken	320
María Gonzalez- Enciso Fernandez	Guarantees received	826
María Gonzalez- Enciso Fernandez	Dividends distributed	29
María Gonzalez- Enciso Fernandez	Financing agreements: loans	269
Cristina Gonzalez- Enciso Fernandez	Obligations undertaken	320
Cristina Gonzalez- Enciso Fernandez	Guarantees received	885
Cristina Gonzalez- Enciso Fernandez	Dividends distributed	29
Cristina Gonzalez- Enciso Fernandez	Financing agreements: loans	269
Cristina Gonzalez- Enciso Fernandez	Current accounts	1
Ignacio González- Enciso Fernández	Interest income	3
Ignacio Gonzalez- Enciso Fernandez	Obligations undertaken	350
Ignacio Gonzalez- Enciso Fernandez	Guarantees received	881
Ignacio Gonzalez- Enciso Fernandez	Dividends distributed	29
Ignacio Gonzalez- Enciso Fernandez	Financing agreements: loans	279
Matilde González-Enciso Fernández	Interest income	3
Matilde Gonzalez- Enciso Fernandez	Obligations undertaken	320
Matilde Gonzalez- Enciso Fernandez	Guarantees received	830
Matilde Gonzalez- Enciso Fernandez	Dividends distributed	29
Matilde Gonzalez- Enciso Fernandez	Financing agreements: loans	286
Ines Asuncion Ureta Estades	Obligations undertaken	170
Ines Asuncion Ureta Estades	Guarantees received	433
Matilde Estades Seco	Dividends distributed	356
Ines Asuncion Ureta Estades	Dividends distributed	10
Ines Asuncion Ureta Estades	Financing agreements: loans	159
Matilde Estades Seco	Current accounts	11

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
Matilde Ureta Estades	Interest income	2
Matilde Ureta Estades	Obligations undertaken	170
Matilde Ureta Estades	Guarantees received	368
Matilde Ureta Estades	Dividends distributed	11
Matilde Ureta Estades	Financing agreements: loans	155
Matilde Ureta Estades	Current accounts	97
Oscar Balcells Curt	Dividends distributed	30
Oscar Balcells Curt	Current accounts	38
Cartera de Directivos 2020 S.A.	Dividends distributed	125
Contratas Y Servicios Extremeños S.A.	Services provided	7
Contratas Y Servicios Extremeños S.A.	Dividends distributed	741
Contratas Y Servicios Extremeños S.A.	Current accounts	279
Surikomi S.A.	Services provided	24
Surikomi S.A.	Dividends distributed	456
Cartera de Directivos 2011 S.A.	Services provided	2
Cartera de Directivos 2011 S.A.	Dividends distributed	9
Cartera de Directivos 2011 S.A.	Current accounts	10
Cartera de Directivos 2011 S.A.	Other liability transactions: guarantees	6
Invercysex S.L.	Lease of business premises	26
Invercysex, S.L.	Interests paid	8
Invercysex, S.L.	Other bonds	4
Invercysex, S.L.	Current accounts	19
Mobel Linea S.L.	Interest income	116
Mobel Linea S.L.	Obligations undertaken	6,100
Mobel Linea S.L.	Dividends distributed	339
Mobel Linea S.L.	Financing agreements: loans	6,100
Mobel Linea S.L.	Current accounts	1,750
98 Futur 2000, S.L.	Interest income	14
98 Futur 2000, S.L.	Services provided	1
98 Futur 2000, S.L.	Obligations undertaken	810
98 Futur 2000, S.L.	Guarantees received	2,024
98 Futur 2000, S.L.	Dividends distributed	83
98 Futur 2000, S.L.	Financing agreements: loans	759
98 Futur 2000, S.L.	Current accounts	29

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
98 Futur 2000, S.L.	Other liability transactions: guarantees	318
Kursaal 2000 S.L.	Services provided	25
Kursaal 2000 S.L.	Dividends distributed	14
Kursaal 2000 S.L.	Current accounts	827
Kursaal 2000 S.L.	Other liability transactions: guarantees	18
Lora de Inversiones S.L.	Services provided	318
Lora de Inversiones S.L.	Dividends distributed	394
Lora de Inversiones S.L.	Current accounts	3,646
Avilugam S.L.	Services provided	340
Avilugam S.L.	Dividends distributed	9
Uslrm Parent Company Sl	Services provided	3
Uslrm Parent Company Sl	Current accounts	498
Sociedad Vasco Madrileña de Inversiones	Services provided	259
Sociedad Vasco Madrileña de Inversiones, S.L.	Dividends distributed	3,865
Indumenta Pueri S.L.	Services provided	12
Indumenta Pueri S.L.	Current accounts	4
Global Portfolio Investments S.L.	Services provided	27
Global Portfolio Investments S.L.	Dividends distributed	819
Global Portfolio Investments S.L.	Current accounts	622
Muebles Y Asientos de Oficina S.L.	Current accounts	14
Mutualidad	Dividends distributed	1,008
Mutualidad	Current accounts	2,040
Mutualidad	Services received	17

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 related persons of the natural person director: a) spouse or persons in a similar affective relationship) their ascendants, descendants and siblings or of the spouse (or person in a similar affective relationship); c) the spouses of ascendants, descendants and siblings; d) companies or entities in which the director holds, directly or indirectly, including through an intermediary, a shareholding that gives him/her a significant influence or in which or in their parent company he/she holds a position on the governing body or in senior management. For these purposes, any holding equal to or exceeding 10 % of the share capital or of the voting rights or by virtue of which a representation on the governing body of the Company may have been obtained, de jure or de facto, is presumed to confer significant influence.

Situations of conflict of interest will be governed by the following rules: a) Disclosure: the Director must inform all other Directors and, if appropriate, the Board, through the Chairman or the Secretary, of any conflict of interest pertaining to the Director or his/her related persons; b) Abstention: the Director may not carry out any professional or commercial transactions with the Company unless he/she first reports the conflict of interest situation, and the Board or, as the case may be, the Meeting approves 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. Therefore, there is 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 could gain a benefit, provided that there is also a potential correlative damage to the client, or when the client could gain a profit or avoid a loss and there is the chance that another client will suffer a loss as a result.

To identify these situations, it shall be determined whether the Company, a reporting party to the ICC ('Reporting Party to ICC') or another person directly or indirectly related to such person through a position of control, falls into any of the following situations: a) The Company or the relevant person may gain a financial benefit or avoid a financial loss at the client's expense; b) Has an interest in the outcome of the service provided or the transaction executed at the client's expense, other than the client's own interest; c) Has financial or other incentives to favour the interests of third-party clients, to the detriment of the interests of the client in question; d) The professional activity is identical to the client's; e) Receives, or is due to receive, an incentive from a third party based on the service provided to the client, in cash, goods or services, other than the usual fee or compensation for the service in question.

The Company may determine other conflicts of interest in which the Persons subject to ICR may be involved on account of family, financial, professional or other links. All employees and Subject Persons shall inform the Company, through the ICC Monitoring Body, of any personal or family, economic or any other type of the ICR Monitoring Body, of any personal or family situation, economic or otherwise, that may constitute a conflict between such person and those of a client of the Company or of the Company itself.

There will be a conflict of interest when the Person subject to ICR, or a person or entity who is a relative or is closely related to such person, falls into one of the following cases: a) Is a member of the Board of Directors or senior management of a company whose business purpose is the same as the Company's; b) Significant stake in companies whose business purpose is the same as the Company's; c) Significant stake or another type of personal interest in a client of the Company.

Persons subject to ICR will refrain from taking part in preparations and in the decision or vote, and will inform the people who will be taking the relevant decision. Furthermore, they will inform portfolio management clients of any conflicts that may arise in the course of their activity. When in doubt on the existence of a conflict of interests, Persons subject to ICR are required to inform about this to the Body in charge of ensuring compliance with the ICR, as well as the specific circumstances of the operation to allow the Body to determine the appropriate steps.

The resolution of conflicts shall always be carried out under the following principles: 1. The legitimate interests of clients shall in all cases be the priority to consider, without prejudice to the due respect for the integrity of the market. 2. Efforts shall be made to minimise conflicts between clients and between the Company and its clients. 3. The interests of the Company shall not take precedence over those of the clients in transactions with identical characteristics. 4. No client should be privileged when there is a conflict between several clients. 5. They will not multiply transactions unnecessarily and without benefit to the client.

D.7. Indicate whether the company is controlled by another entity within the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or engages in activities related to those of any of them.

Yes **No** ✓

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Describe the scope of the financial and non-financial Risk Management and Control System in place at the company, including tax risks:

he different risks involved in the operations conducted by the Renta 4 Group are managed under the principle of prudence to preserve its solvency level, profitability, efficiency and appropriate liquidity. Renta 4 Group has an ongoing management and control system for the risks taken in its business, expanding to all the companies in the Group, as well as all the areas or business units, with special focus on those that are more sensitive to the risks inherent in the business.

E.2. Identify the bodies responsible for preparing and implementing the financial and non-financial Risk Management and Control System, including tax risks:

BOARD OF DIRECTORS

Description of its functions:

- Approval of the risk control and management policy [financial and non-financial], including tax risks, identifying the main risks faced by the Company and implementing, supervising and monitoring the internal information and control systems.

AUDIT AND CONTROL COMMITTEE

Description of its functions:

- Lupervise 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 breach in the various 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, should they materialize, 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 controls are set depending on the conditions of the different assets and the relevance of the risk attached to each market. Within this type of risk, the 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:** To mitigate this 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, mainly arising from brokerage operations for clients, checking that the control system works as expected. In addition, a governance model has been defined and implemented that covers the main areas of technological risk management, and includes a control framework to monitor them for internal and external management and reporting.

4. **Liquidity risk:** In order to control this risk and to comply with all the requirements established in the legislation regarding legal ratios and payment commitments with third parties, the residual maturities of assets and liabilities are reviewed. The monitoring and control of the liquidity risk is undertaken by the Cash and Banks 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 and liquid assets that could be available in the event of any stress that could materialize.

5. **Regulatory risk:** There is a Regulatory Compliance Unit responsible for adapting procedures to regulatory requirements, as well as monitoring and control.

6. **Reputational risk:** A series of regulatory compliance policies have been established, through which the most significant aspects are directly monitored: By way of example, they are: Anti-Money Laundering. • Code of conduct in the securities market (Internal Code of Conduct). • 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. **Tax risk:** The impact of this risk is mitigated by independent expert actions within the framework of the financial audit, fiscal opinions requested within the framework of relevant transactions and, ultimately, by interaction with the Tax Administration.

8. **Technological risk:** a technological risk management model has been defined based on 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 risks:** A global approach has been adopted for 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, 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 and non-financial information and the internal risk management and control systems related to the Company's significant risks for them to be identified, managed and reported appropriately, setting the risk level tolerated by the Company, the measures needed to minimise the impact of the risks identified, and determine the control and information systems to be used to control and manage them, ensure the independence and efficiency of the internal auditing unit, propose the selection, appointment, re-election and removal of the head of the internal audit service, and the budget of such service, receive regular information on its activities and check that the senior management takes into account the conclusions and recommendations in the reports.

3. Check the Company's accounts, ensure compliance with the legal requirements and the right use of the standard accounting principles, and inform about the proposals to change the accounting principles and criteria suggested by the management.

4. Previously review and report to the Board of Directors about: (i) financial information that, being listed, the Company is to disclose on a regular basis, making sure that the interim statements are prepared following the same accounting criteria as the yearly statements and, for such purposes, consider if it is convenient to request a limited review from the Company's external auditor; (ii) the issue or purchase of shares in entities with a special purpose or based in countries or jurisdictions that are considered tax havens, as well as any other transaction or operation of a similar nature that, due to its complexity, could hinder the transparency of the group to which the Company belongs; (iii) and of linked operations.

5. Receive from employees, confidentially but not anonymously, written communications on possible irregularities with a potential relevance, especially financial or accounting ones, that they may detect in the Company or its group companies.

6. Ensure compliance with the internal codes of conduct and the rules of corporate governance as well as the regulations on markets in the industry.

7. Supervise the development of the functions assigned to the area in charge of preventing money laundering and know the reports and proposals presented in this regard. Members of the Audit and Control Committee are appointed taking into account their knowledge and experience in accountancy, auditors and risk management. All its members will be external Directors and are duly kept abreast of any regulatory changes that may take place in those areas. From among its members, the Board of Directors appoints a Chairman who will be an independent Director and will remain in office for no longer than four years without prejudice to his/her continuity or re-election as a member of the Committee.

INTERNAL AUDIT.

The Group has an Internal Audit area that is subject to the control and supervision of the Audit and Control Committee. Below are some of the functions undertaken by the Internal Audit area:

1. Supervise compliance and the effectiveness of the internal control systems and procedures, as well as supporting the organisation in improving such systems and procedures as well as the control activities.

2. Ensure that all financial and management information is sufficient, accurate and reliable.

3. Examine the established systems to ensure compliance with the internal rules and external regulations in force, assessing their suitability and effectiveness. So as to meet its goals, this area combines in-person audits with remote audits. MANAGEMENT COMMITTEE.

The functions of the Management Committee are to manage, control and monitor the Bank and the Group; to monitor, control and evaluate the business units; to establish the commercial strategy and monitor its activity; to implement the targets and the common commercial policy; to evaluate investments, transactions in the securities markets and finance structure; to analyse prices and propose intra-group rates and prices; to evaluate the Group's technological needs and make proposals for improving the system; to coordinate the Bank with the different areas of the Group; and, lastly, to implement policies for managing subsidiaries and to monitor results.

REGULATORY COMPLIANCE UNIT.

The Renta 4 Group has an independent unit in charge of the regulatory compliance that, through the right policies and procedures, detects and handles the risk of non-compliance with the organisation's duties, whether internal or external, in this respect. Furthermore, the unit reports and advises the management and employees about, and monitors compliance with, the internal rules across the organisation. The risk of non-compliance with the regulations could have an impact on the financial information.

Furthermore, the Renta 4 Group provides its clients with a Customer Service to learn, study and solve any complaints and claims they may have regarding the operations, agreements and financial services and, generally, their experience with the different entities making up the Renta 4 Group. This Customer Service is an extra control tool to detect any possible errors in the financial information after analysing the claims received.

ADMINISTRATION AND ACCOUNTANCY AREA.

The Administration and Accountancy Area of Renta 4 Banco is the area in charge of preparing and directly controlling the financial information, reporting directly to the senior management and the Board of Directors.

This area is in charge of the following tasks for the financial reporting:

1. Accountancy: in charge of the Bank's accountancy and ensuring compliance with the procedures set to control the quality and reliability of the information produced by the different areas in the Group.

2. Consolidation: in charge of the consolidation process and following up the information on subsidiaries and affiliates.

F.1.2 If any, especially in connection with the financial reporting process, the following elements:

· Departments and/or mechanisms tasked with: (i) devising and reviewing the organisational structure; (ii) clearly defining the boundaries of responsibility and authority, with proper distribution of tasks and functions; and (iii) ensuring that sufficient procedures are in place to spread awareness of this across the company:

The devising and reviewing of the organisational structure as well as the drawing up of responsibilities and authority is undertaken by the Board of Directors by means of the CEO and the Appointments and Remuneration Committee (body made up of external members of the Board of Directors) with the support of the Management Committee.

The CEO and the Appointments and Remuneration Committee determine the assignment of tasks and functions, ensuring a suitable distribution of functions and a series of coordination systems between the different departments to ensure the efficiency of the transactions. •

· Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record-keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action:

The Renta 4 Group has an Internal Code of Conduct adopted by the Board of Directors. This applies to all employees, proxies, executives, directors and representatives of the Group and it sets forth the principles and values that should govern the Group's actions. This Internal Code of Conduct sets a framework for action in the event of breach by the people subject to the Code.

Renta 4 Banco delivers this Internal Code of Conduct to all people affected by it, who in turn acknowledge its receipt and personally accept that they know, understand and accept the ICC as well as all the commitments contained therein.

The Regulatory Compliance unit is the body in charge of ensuring the appropriate distribution of this Code and its compliance. It will report to the Audit and Control Committee any non-compliances or bad practices detected and will propose the relevant disciplinary actions that should be then ratified by the appropriate governing body.

· Whistleblower channel, to inform the audit committee of irregularities of a financial and accounting nature, in addition to possible code of conduct infringements and irregular activities in the organisation, informing, where appropriate, whether it is confidential in nature and whether it allows anonymous communications, respecting the rights of the whistleblower and the reported party.

Any financial or accounting irregularities are reported to the Audit Committee through the Internal Auditor who attends all the Committee meetings and informs the Committee Chairman of such irregularities for them to be studied and remedied.

Furthermore, the Group has a whistleblowing channel where customers, employees and suppliers can inform of any alleged irregular conduct, non-compliance or illegal act committed in the course of the operations run by the companies making up the Renta 4 Group that could entail a criminal offence. This whistleblowing channel is confidential.

The Compliance Unit (made up of the Internal Audit Director, the Risk Management Director and the Regulatory Compliance Director) is the body that reports to the Audit and Control Committee and receives and analyses all the complaints. It has independent power to investigate and solve each case. The Compliance Unit reports its activity in handling the claims to the Board's Audit and Control Committee.

· Training programmes and regular refresher courses for personnel involved in the preparation and review of financial information and the assessment of ICFR, covering at least accounting standards, auditing, internal control and risk management:

The Group develops training schemes for the entire staff, including employees who are directly involved in the financial reporting.

These schemes include permanent updates on regulatory changes in the operations conducted by the different companies in the Group, including the knowledge of the International Rules on Financial information and the applicable regulations enforced by the Bank of Spain, CNMV and the General Directorate of Insurance.

F.2. Assessment of risks related to financial information.

Report, at least, on:

F.2.1 CThe main characteristics of the process for identification of risks, including the risk of error or fraud, as follows:

· Whether the process exists and is documented:

The Management of Renta 4 Bank is in charge of keeping an adequate internal control on the financial reporting. This internal control on the financial information is overseen by the Chairman of the Board and of the Audit and Control Committee so as to provide a reasonable level of assurance regarding the reliability of the financial information and the preparation of the disclosed consolidated financial statements of the Group that are reported under the rules in force at the time.

The main risks in the financial reporting process are:

- Errors from misapplying the accounting principles.

- Fraudulent financial information.

- Deficiencies in breaking down the information.

In order to minimise these risks in the financial reporting, the Renta 4 Group has automated practically all the accounting of the operations with clients. With regard to the processes with a manual element in financial reporting, we have identified the risks and controls or the minimising factors related to them so as to assess, supervise and conclude, for each of these and for the financial information as a whole, that they are reasonably free of material errors.

In addition to this, we run a series of conciliations to guarantee that the accounting information matches the information provided by third parties.

The Audit and Control Committee supervises the process followed to identify the risks pertaining the financial information as part of its duties to supervise and control the financial information.

· Whether the process covers all financial reporting objectives (existence and occurrence, completeness, measurement, presentation, disclosure and comparability, and rights and obligations), whether it is updated and how often:

This process covers all financial information and especially focuses on identifying risks of material error based on the complexity of the transactions, the quantitative and qualitative relevance, the complexity of the calculations and the application of judgements and estimates. This process is updated depending on the change in the level of exposure to the risks inherent in the operations run by the Renta 4 Group.

· The existence of a process to identify the scope of the consolidated group, considering aspects such as the possibility of complex corporate structures or special-purpose vehicles:

The scope of consolidation of the Renta 4 Group is determined by the Administration and Accounting Area in line with the criteria foreseen by the relevant regulations.

The scope of consolidation is also supervised by the internal audit unit and by the external auditors.

· Whether the process takes into account other types of risks (operational, technology, financial, legal, tax, reputational, environmental risk etc.), which may affect the financial statements:

The process takes into account the main risks affecting the Renta 4 Group, including operational, technological, financial, legal, reputational and other risks.

· Which of the entity's governing bodies supervises the process:

This internal control on the financial information is overseen by the Chairman of the Board and of the Audit and Control Committee so as to provide a reasonable level of assurance regarding the reliability of the financial information and the preparation of the disclosed consolidated financial statements of the Group that are reported under the rules in force at the time.

F.3. Control activities.

Specify, indicating any salient features, if it has at least:

F.3.1 Procedures to review and authorise the financial reporting and description of the ICFR to be disclosed in the securities markets, indicating the people in charge and the documents describing the work flows and controls (including those related to fraud risk) of the different types of transactions that may have a material impact on the financial statements, including the procedure for the year-end closing and the special reviewing of the relevant judgements, estimates, assessments and forecasts

There are a series of checks in place for the transactions that could have a material impact on the financial statements.

These checks are fundamentally based on the following aspects:

- Confirmation of transactions: checks to ensure the completeness and accuracy of the transactions recorded.

- Checks based on the conciliation of relevant transactions, positions and parameters.

- Assessment: running checks on the assessment methods, hypothesis and inputs used to estimate the fair value of the financial instruments.

- Taxes: internal checks to ensure that the tax calculations are appropriate and the balances are duly posted in the financial statements with the help of the Group's external tax consultancy firm.

- Adjustments based on estimates: checks to ensure that the techniques used to prepare the estimates are based on previously disclosed and authorised judgements.

- Checks on the consolidation and other processes in the year-end closing: The checks on the consolidation include, among other measures, verifying the accounting entries posted to eliminate inter and intra-group operations and the review of the adjustments made after the year-end closing.

- Filing and breaking down the financial statements: final review of the financial statements by the Group's senior management, especially by the financial area with prior checks run by the Administration and Accounting area and the Audits Unit.

F.3.2 Internal control policies and procedures for IT systems (including access security, control of changes, system operation, continuity and separation of duties) giving support to key Company processes involved in the preparation and publication of financial information.

The Renta 4 Group keeps different levels of access security on the IT systems that support the preparation and disclosure of the financial information to guarantee the right segregation of the functions within the accounting process, and to avoid intrusions in this regard.

The IT systems are exposed to the business continuity risk that arises from possible contingencies due to failed communications, power cuts, faulty hardware or software and other unexpected events or disasters.

The Renta 4 Group has a business continuity plan in accordance with the applicable regulations and it translates into different plans to tackle the aforementioned risks.

F.3.3 Internal control policies and procedures designed to supervise the management of third-party subcontracted activities, in addition to any evaluation, calculation or appraisal tasks entrusted to independent experts that may have a material impact on the financial statements.

The Renta 4 Group does not outsource any relevant activities that would have a material impact on the Group's financial statements. However, it maintains an outsourcing policy that establishes the processes of approval and review of compliance by third parties.

F.4. Information and reporting.

Specify, indicating any salient features, if it has at least:

F.4.1 A specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and resolving queries or settling disputes over their interpretation, which is in regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the Company's operating units.

The Administration and Accounting Area is responsible for the appropriate application of the accounting rules in financial reporting. Along with preparing the accounting records, their functions are:

- Defining the Group's accounting policies and procedures.

- Analysing any given operations and/or transactions to be posted accordingly.

- Assessing the potential impacts of plans to change regulations.

- Solve any in-house doubts.

The Administration and Accounting Area is in contact with the external auditors for any doubts about the posting of operations and/or transactions.

F.4.2 Mechanisms to capture and prepare the financial information with consistent formats, to be implemented and used by all units in the Company or group, which support the main financial statements and the notes, in addition to any information provided on the ICFR.

The main computer systems used for the financial reporting by the Renta 4 Group are centralised and linked.

There are procedures and checks in place to ensure the adequate development and maintenance of such systems and their correct operation, continuity and security.

When consolidating and preparing the financial information the company uses the financial statements reported by the Group's subsidiaries as input with the predefined formats as well as any other financial information required for the accounting reconciliation and to meet the information requirements.

F.5. Supervision of system operation.

Provide information, stating the main features, on at least:

F.5.1 ICFR supervisory activities conducted by the audit committee and whether the entity has an internal audit department whose competences include supporting the committee in its oversight of the internal control system, including ICFR. Likewise, specify the scope of the ICFR assessment conducted during the year and the procedure followed by the person in charge of the assessment to report the findings, whether the entity has an action plan detailing the corrective measures, and whether their impact on the financial information has been taken into account.

The Audit and Control Committee oversees that the financial reporting runs smoothly by directly supervising the internal audit unit and the work performed by the external auditors.

In parallel, the Audit and Control Committee may ask for help from the employees in the different areas in the Group to gather information on the existence of weaknesses that may have a significant impact on the financial information.

The Group's senior management, based on the information received from the audit areas, both internal and external, and the information on inspection procedures followed by regulatory bodies, will assess the effectiveness of the ICFR.

F.5.2 Whether the company has a discussion procedure whereby the accounts auditor (in accordance with what is set forth in the NTAs), the internal audit staff and other experts are able to inform senior management and the audit committee or company directors of any significant weaknesses in internal control identified during the processes of review of annual financial statements or any others entrusted to them. State also whether the entity has an action plan to correct or mitigate the weaknesses found.

The Internal Audit unit informs the senior management and the Audit and Control Committee of any relevant weaknesses in the internal control identified during the year's reviews.

Furthermore, the Group's accounts auditor is in direct contact with the Group's senior management and holds regular meetings with them to obtain the information needed for his/her work and to report any weaknesses in the control detected in the course of his/her duties. Regarding the weaknesses, the external auditors provide the senior management with yearly and half-yearly reports detailing the weaknesses in the internal control found in the course of his/her duties. The accounts auditor will also inform the Audit and Control Committee of the findings of his/her review of the Group's financial statements including any aspects that he/she may deem relevant.

The Internal Audit area regularly follows up the action plans resulting from the external auditor's recommendations and informs the Audit and Control Committee of their progress at least once a year depending on the relevance of the situation.

F.6. Other significant information.

No additional issues to be disclosed have been identified.

F.7. External auditor's report.

Report:

F.7.1 If the ICFR information supplied to the market has been reviewed by the external auditor, the corresponding report should be attached. If this is not the case, it should explain why.

The Renta 4 Group deemed that a report from the external auditor on the ICFR would be redundant, mainly because the external auditors conduct, on a half-yearly basis, an audit on the consolidated financial statements or a limited review of the summarised interim consolidated financial statements within the framework of the auditing regulations, and discusses with the Audit and Control Committee any relevant aspects or incidents.

G. EXTENT TO WHICH THE CORPORATE GOVERNANCE RECOMMENDATIONS ARE FOLLOWED

Please indicate the extent to which the company has followed the recommendations of the Code of Good Governance of Listed Companies.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations are not acceptable.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by acquiring shares on the market.

Complies ✓ Explain

2. That, when the listed company is controlled, within the meaning of Article 42 of the Commercial Code, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it should publicly disclose precisely the following:

a) The respective areas of activity and any business relationships between, on the one hand, the listed company or its subsidiaries and, on the other hand, the parent company or its subsidiaries.

b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies Partially complies Explain **Non applicable ✓**

3. During the ordinary general meeting, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report, and in particular:

a) Of the changes that have occurred since the last ordinary general meeting.

b) Of the specific reasons why the company is not following certain recommendations of the Code of Corporate Governance and, if any, the alternative rules applied to this matter.

Complies ✓ Partially complies Explain

4. The company will define and promote a policy of communication and contact with shareholders and institutional investors within the framework of their participation at the company, as well as with the proxy 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. There 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 ✓ Explain Non applicable

31. The agenda of the sessions clearly indicates the points on which the Board of Directors will adopt a decision or agreement so that directors can study or seek, in advance, the information required for its adoption.

When exceptionally, for reasons of urgency, the Chairman wishes to submit for the approval of the Board of Directors any decisions or agreements not included in the agenda, this will require the express prior consent of the majority of the directors present, which will be duly recorded in the minutes.

Complies ✓ Partially complies Explain

32. Directors should be regularly informed of the movements in shareholdings and of the opinions that significant shareholders, investors and rating agencies have of the Company and its group.

Complies ✓ Partially complies Explain

33. The chairman, as the person responsible for the proper functioning of the board of directors, in addition to exercising the functions assigned to him by law and the 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 Explain **Non applicable** ✓

49. The Appointments Committee should consult with the company's Chairman of the Board of Directors and chief executive, especially on matters relating to executive directors.

Any Director may request that the Appointments Committee take into consideration potential candidates to fill director vacancies if he/she feels that they are suitable.

Complies ✓ Partially complies Explain

50. The duties of the remuneration committee must be exercised with independence and include, in addition to those indicated by law, the following:

a) Propose to the Board of Directors the standard conditions for senior officers' employment contracts.

b) Check compliance with the remuneration policy set by the company.

c) Periodically review the remuneration policy applied to directors and senior officers, as well as the remuneration systems that include shares and how they are implemented, in addition to guaranteeing that their individual remuneration is proportional to that which is paid to other directors and senior officers of the Company.

d) Ensure that any conflicts of interest do not interfere with the independence of the external advice given to the committee.

e) Verify the information on directors' and senior officers' remuneration found in various corporate documents, including the annual report on directors' remuneration.

Complies ✓ Partially complies Explain

51. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies ✓ Partially complies Explain

52. The rules regarding the composition and proceedings of the supervisory and control committees should be listed in the Board Regulations and be consistent with those applicable to the legally mandatory committees under the foregoing recommendations, including the following:

a) They should be composed exclusively of non-executive directors, with a majority of independent directors.

b) The chairmen should be independent directors.

c) The board of directors should appoint the members of these committees, taking into account the knowledge, skills and experience of the directors and the responsibilities of each committee; deliberate on its proposals and reports; and, at the first plenary session of the board after their meetings, receive an account of their activity and a report on the work carried out.

d) The committees should seek external advice when they deem it necessary to perform their duties.

e) Minutes of meetings should be taken, and copies sent to all directors.

Complies ✓ Partially complies Explain Non applicable

53. The supervision of compliance with the company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct, should be assigned to one or more committees of the board of directors, which may be the audit committee, the appointments committee, a committee specialising in sustainability or corporate social responsibility or any other specialised committee that the board of directors, in exercise of its powers of self-organisation, has decided to create. This committee should only be made up of non-executive directors, the majority of whom should be independent, and should be specifically assigned the minimum functions indicated in the following recommendation.

Complies ✓ Partially complies Explain

54. The minimum functions referred to in the above recommendation are as follows:

a) Supervision of compliance with corporate governance rules and the company's internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.

b) The supervision of the application of the general policy relating to the communication of economic-financial, non-financial and corporate information as well as communication with shareholders and investors, proxy 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. Qhat once the shares, options or financial instruments corresponding to the remuneration systems have been attributed, executive directors may not transfer ownership or exercise them until at least three years have elapsed.

An exception is made in the case where the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice their annual fixed remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable opinion of the Appointments and Remuneration Committee, in order to deal with extraordinary situations that so require.

Complies ✓ Partially complies Explain Non applicable

63. Contractual agreements include a clause that allows the Company to claim reimbursement of variable components of remuneration when payment has not been adjusted to the return conditions or when they have been paid based on data that are subsequently credited with inaccuracy.

Complies Partially complies **Explain** ✓ Non applicable

No mechanisms are foreseen in this respect other than those included in the applicable mercantile regulations, although the content of this recommendation is included in the directors' remuneration policy.

64. Payments for contract resolution or termination do not exceed the established amount equivalent to two years of total annual remuneration and they are not paid until the Company has been able to verify that the director has met the criteria or requirements previously established to qualify for it.

For the purposes of this recommendation, termination or contractual termination payments shall include any payments whose accrual or payment obligation arises as a result of or in connection with the termination of the contractual relationship between the director and the company, including amounts not previously vested in long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Complies **Partially complies** ✓ Explain Non applicable

Severance payments for contract termination will be an amount equal to the accrued and vested part of the annual variable remuneration, as appropriate, and regarding the deferred part, the total amount of the deferred payment, and in the event of a resignation, the accrued and vested part of the annual variable remuneration, as appropriate, in accordance with the regulations, until the date of contract termination.

H. OTHER INFORMATION OF INTEREST

1. If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this report and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or group, explain briefly.

2. Any other information, clarification or observation related to the above sections of this report may be included in this section insofar as they are relevant and not repetitive.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different to that required by this report.

3. Also state whether the company voluntarily subscribes to other international, sectorial or other ethical principles or standard practices. If applicable identify the code and date of adoption. In particular, it will be specified whether the Company has adhered to the Code of Good Tax Practice of 20 June 2010:

C.1.12. The Company's Board Regulations do not specify a maximum number of boards on which the Company's directors may sit but such limit is set forth in the regulations applied to the Company as a credit entity. For this reason, the principle given by the recommendation is met. In other words, the directors should devote sufficient time to efficiently perform their duties and to know the Company's business and the governance rules that govern it and they meet its purpose despite not fully observing the recommendation and all the directors are aware of the limits set in the regulations in this regard.

D. 3: Detalle Partes Vinculadas (desglose):

Name or company name Name of the company Link Nature of the operation Amount Body approving the operation

MS GEMMA AZNAR CORNEJO INCOME 4 CONTRACTUAL BANK PROVISION OF SERVICES 4 USUAL LINE OF BUSINESS OF THE COMPANY
MS GEMMA AZNAR CORNEJO INCOME 4 CORPORATE BANK DIVIDENDS DISTRIBUTED 3 BOARD OF DIRECTORS -GENERAL MEETING

MS GEMMA AZNAR CORNEJO INCOME 4 CONTRACTUAL BANK CURRENT ACCOUNTS 13 USUAL LINE OF BUSINESS OF THE COMPANY
MR JUAN LUIS LOPEZ GARCIA INCOME 4 CONTRACTUAL BANK PROVISION OF SERVICES 2 USUAL LINE OF BUSINESS OF THE COMPANY

MR JUAN LUIS LOPEZ GARCIA RENTA 4 BANCO SOCIETARIA DIVIDENDS DISTRIBUTED 49 BOARD OF DIRECTORS -GENERAL MEETING

MR JUAN LUIS LOPEZ GARCIA RENTA 4 BANCO CONTRACTUAL CURRENT ACCOUNTS 30 O TRÁFICO HABITUAL DE LA ENTIDAD
MR JUAN LUIS LOPEZ GARCIA RENTA 4 BANCO CONTRACTUAL OTHER OPS. 13 GUARANTEES USUAL LINE OF BUSINESS OF THE COMPANY

MR PEDRO ANGEL NAVARRO MARTINEZ RENT 4 CONTRACTUAL BANK RENDERING OF SERVICES 1 USUAL LINE OF BUSINESS OF THE COMPANY

MR PEDRO ANGEL NAVARRO MARTINEZ RENTA 4 BANCO SOCIETARIA DIVIDENDS DISTRIBUTED 63 BOARD OF DIRECTORS - GENERAL SHAREHOLDERS' MEETING

MR PEDRO ANGEL NAVARRO MARTINEZ INCOME 4 CONTRACTUAL BANK CURRENT ACCOUNTS 17 USUAL LINE OF BUSINESS OF THE COMPANY

MR JOSE RAMON RUBIO LAPORTA RENTA 4 CONTRACTUAL BANK RENDERING OF SERVICES 14 USUAL LINE OF BUSINESS OF THE COMPANY

MR JOSE RAMON RUBIO LAPORTA RENTA 4 BANCO SOCIETARIA DIVIDENDS DISTRIBUTED 148 BOARD OF DIRECTORS - GENERAL SHAREHOLDERS' MEETING

MR JOSE RAMON RUBIO LAPORTA RENTA 4 BANCO CONTRACTUAL CURRENT ACCOUNTS 241 USUAL LINE OF BUSINESS OF THE COMPANY

MR JUAN CARLOS URETA DOMINGO INCOME 4 CONTRACTUAL BANK PROVISION OF SERVICES 28 USUAL LINE OF BUSINESS OF THE COMPANY

MR JUAN CARLOS URETA DOMINGO RENTA 4 BANCO SOCIETARIA DIVIDENDS DISTRIBUTED 1,119 BOARD OF DIRECTORS -GENERAL SHAREHOLDERS' MEETING

MR JUAN CARLOS URETA DOMINGO RENTA 4 CONTRACTUAL BANK CURRENT ACCOUNTS 15 USUAL LINE OF BUSINESS OF THE COMPANY

MR SANTIAGO JOSE GONZALEZ ENCISO RENTA 4 CONTRACTUAL BANK COMMITMENTS ACQUIRED 700 USUAL LINE OF BUSINESS OF THE COMPANY

MR SANTIAGO JOSE GONZALEZ ENCISO RENTA 4 BANCO SOCIETARIA DIVIDENDS DISTRIBUTED 206 BOARD OF DIRECTORS - GENERAL SHAREHOLDERS' MEETING

MR SANTIAGO JOSE GONZALEZ ENCISO RENTA 4 BANCO CONTRACTUAL GUARANTEES GRANTED 1,158 USUAL LINE OF BUSINESS OF THE COMPANY

MR SANTIAGO JOSE GONZALEZ ENCISO RENTA 4 BANCO CONTRACTUAL AC. DE FINANC. 288 LOANS USUAL LINE OF BUSINESS OF THE COMPANY

MR JUAN CARLOS URETA ESTADES RENTA 4 CONTRACTUAL BANK COMMITMENTS ACQUIRED 170 USUAL LINE OF BUSINESS OF THE COMPANY

MR JUAN CARLOS URETA ESTADES RENTA 4 BANCO CONTRACTUAL GUARANTEES GRANTED 388 USUAL LINE OF BUSINESS OF THE COMPANY

MR JUAN CARLOS URETA ESTADES RENTA 4 BANCO SOCIETARIA DIVIDENDS DISTRIBUTED 12 BOARD OF DIRECTORS -GENERAL MEETING

MR JUAN CARLOS URETA ESTADES RENTA 4 BANCO CONTRACTUAL AC. DE FINANC. 161 LOANS USUAL LINE OF BUSINESS OF THE COMPANY

MR JUAN CARLOS URETA ESTADES RENTA 4 BANCO CONTRACTUAL OTHER OPS. 23 GUARANTEES USUAL LINE OF BUSINESS OF THE COMPANY

MR JOSÉ IGNACIO GARCÍA-JUNCEDA FERNÁNDEZ RENTA 4 CONTRACTUAL BANK COMMITMENTS ACQUIRED 30 USUAL LINE OF BUSINESS OF THE COMPANY

MR JOSÉ IGNACIO GARCÍA-JUNCEDA FERNÁNDEZ INCOME 4 CORPORATE BANK DIVIDENDS DISTRIBUTED 6 BOARD OF DIRECTORS -GENERAL MEETING

MR JOSÉ IGNACIO GARCÍA-JUNCEDA FERNÁNDEZ RENTA 4 BANCO CONTRACTUAL AC. DE FINANC. 30 LOANS USUAL LINE OF BUSINESS OF THE COMPANY

MR EDUARDO CHACON LOPEZ INCOME 4 CORPORATE BANK DIVIDENDS DISTRIBUTED 5 BOARD OF DIRECTORS -GENERAL MEETING
MR EDUARDO CHACON LOPEZ INCOME 4 CONTRACT BANK CURRENT ACCOUNTS 20 USUAL LINE OF BUSINESS OF THE COMPANY

MS PILAR GARCÍA GARCÍA CEBALLOS-ZUÑIGA RENTA 4 BANCO SOCIETARIA DIVIDENDS DISTRIBUTED 1 BOARD OF DIRECTORS -GENERAL MEETING

MS PILAR GARCÍA CEBALLOS-ZUÑIGA RENTA 4 CONTRACTUAL BANK CURRENT ACCOUNTS 31 USUAL LINE OF BUSINESS OF THE COMPANY

MS INES JUSTE BELLOSILLO INCOME 4 CORPORATE BANK DIVIDENDS DISTRIBUTED 5 BOARD OF DIRECTORS -GENERAL MEETING
MS INES JUSTE BELLOSILLO INCOME 4 CONTRACTUAL BANK CURRENT ACCOUNTS 11 USUAL LINE OF BUSINESS OF THE COMPANY

MR JESÚS SANCHEZ-QUIÑONES GONZALEZ RENTA 4 BANCO SOCIETARIA DIVIDENDS DISTRIBUTED 91 BOARD OF DIRECTORS - GENERAL SHAREHOLDERS' MEETING

MR JESÚS SANCHEZ-QUIÑONES GONZALEZ INCOME 4 CONTRACTUAL BANK CURRENT ACCOUNTS 15 USUAL LINE OF BUSINESS OF THE COMPANY

MS MARÍA DEL PINO VELÁZQUEZ MEDINA RENTA 4 BANCO SOCIETARIA DIVIDENDS DISTRIBUTED 1 BOARD OF DIRECTORS - GENERAL SHAREHOLDERS MEETING

This annual corporate governance report was approved by the Company's Board of Directors at its meeting held:

21/02/2023

List whether any directors voted against or abstained from voting on the approval of this Report.

Yes **No ✓**

05

Statement of non-financial information 2022

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 subsidiaries, hereinafter Renta 4, issues this Statement of Non-financial Information for the financial year 2022 as an annex to the Consolidated Management Report presented with the consolidated annual accounts.

This report is public and can be consulted on the corporate website ***https://www.renta4banco.com/es***

Renta 4 has analysed the requirements of Law 11/2018, taking into account the opinion of its main stakeholders. To this end, the Group has identified the following stakeholders: customers, professionals, shareholders, the environment and suppliers.

The Renta 4 Group's business model, based on proximity and relationship with society, 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, responding to them in a timely manner.

The Board of Directors of Renta 4 Banco, S.A. is ultimately responsible for all aspects arising from the management and control of the risks inherent to the activity carried out by 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. It is also a tool that uses metrics to monitor each of the risks, establishing different policies for appropriate risk management.

Therefore, the Risk Appetite Framework includes a commitment to economic and social sustainability, especially emphasising compliance with policies for the prevention of Anti-Money Laundering and Countering Financing of Terrorism, ESG, regulatory compliance, the code of conduct in stock markets (Internal Code of Conduct) and the handling of clients' complaints.

As shown in Annex I, *"Table of contents required by Law 11/2018, of 28 December"*, the NFIR has been prepared following the Global Reporting Initiative (GRI) Standards selected, for those requirements considered material for the business.

The scope of the information reported covers Renta 4 Banco, S.A. (the Parent) and its subsidiaries for the year 2022, both nationally and internationally.

05.2

General Information

Renta 4 is composed of a number of companies dedicated to the provision of investment and asset management services, and Renta 4 Banco S.A. is the parent company. The most representative companies in terms of income and services offered within the Group are the following:

- **Renta 4 Banco S.A.**
- **Renta 4 Gestora SGIIC S.A.**
- **Renta 4 Pensiones SGFP S.A.**
- **Renta 4 S.V. S.A.**
- **Renta 4 Corporate S.A.**

Renta 4 operates mainly in the national territory, although a non-significant part of its activity is carried out in Chile, Colombia, Peru, and Luxembourg with similar clients and products offered in all the countries.

The Group's main business lines are as follows:

- Financial intermediation
- Portfolio management
- Management and marketing of investment funds and other collective investment institutions
- Management of pension funds
- Consultancy 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 company has a network of 66 branches, of which 62 are located in the main capitals of the Spanish provinces, and the remaining 4 in each country described above, with an average total workforce of 633 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 offer its clients the possibility to operate in national and international markets.

In addition, it has numerous customer support services, including a telephone customer service with extended customer service hours, permanent access to market news, access to analyst databases on companies from all major stock exchanges, alert services, access to technical commentary and charting 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. Furthermore, a representative office and a company dedicated to the trust business are established in Colombia. The international business of Renta 4 is completed by the CII management company in Luxembourg.

History of the Group

Renta 4 started in 1986 as an investment services company. In the beginning, it was dedicated to the purchase and sale of public debt. In 1989, the company became a Securities and Stock Exchange entity, registered under number 1 with the Comisión Nacional del Mercado de Valores (National Securities Market Commission), extending the range of investments from public debt to stock market brokerage. 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, having started 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 status from Banco Alicantino de Comercio, S.A. and establishing the company Renta 4 Banco, S.A. As a result, Renta 4 Sociedad de Valores, S.A. was partially spun off in favour of Renta 4 Banco, S.A.

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 2015 it incorporated a CII management company in Luxembourg and in early 2020 Renta 4 Gestora signed up to the United Nations Sustainable Investment Programme, the so-called Principles for Responsible Investment (PRI), whereby it undertakes to incorporate environmental, social and good corporate governance (ESG) factors in its 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.

In the current context of the financial markets and the uncertainty facing the sector, it connects with the Bank's mission as a Bank and as an investment company, which is to encourage investment to improve people's lives. We are moving towards a world of investors in which investment can and must play an essential role in moving towards a more sustainable and efficient world, and contribute to the progress of society. The Group 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 **To be a specialised bank** (in savings, investment, wealth and corporate services): because to be able to offer quality and excellence of service in a scalable way, it is necessary to focus the activity. To be the best in an activity and, based on this, to be "A SPECIALISED INVESTMENT BANK"

2 **A bank devoted to its 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 BIG CLIENT".*

This business model with its brand allows Renta 4 to occupy a differential space on the map of banking or private banking entities.

Renta 4 is a "marketplace" for investments, but with a full banking license, that is its differential value. It differs from the large universal banks in that it specialises in wealth management and capital markets. It differs from smaller, boutique investment houses in that it offers the client a much more comprehensive range of solutions to clients' financial needs. This makes it possible to target a very broad segment of savers, from high net worth individuals to more modest investors or millennials. In short, it is a Bank with all the advantages of being a Bank, but operating as a specialised investment firm. This is why Renta 4 is a marketplace that aggregates investment solutions for a wide range of 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, we are investor managers.* The interests of their clients are paramount. Investors want to trust that there will always be someone to turn to if they have a problem, trust that what they are investing in is right for them, trust that the person advising them knows what they are talking about, trust the quality and reputation of the products and services offered by Renta 4, trust that they are charged fairly, trust that they are being offered what is right for them and not for the Group (we are not product placement agents). This *TRUST* is transmitted through:

1 **Caring:** The best way to transmit trust is through closeness, personal treatment, empathy, clear and transparent communication: *knowing your customers WELL.*

2 **Experience:** The experience that comes from being specialised and having spent more than 35 years dedicating ourselves exclusively to this on a day-to-day basis.

3 **Quality of service:** Because when it comes to money, every client wants to see that things are done well, with professionalism and experience, but also with caring and humanity. You have to be it and look like it.

And finally, these values must be surrounded by other aspects that in the current context are complementary, but fundamental for adapting to today's society: its habits and expectations.

1 **Technology:** A high-quality service requires a high level of efficiency, which can only be achieved through technology to obtain a profitable and viable model. Furthermore, 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 flow of the relationship. From the first communications to answer inquiries and provide information to in-person commercial processes at the offices.

4 **Sustainability:** Beyond the idea of sustainable investment, banking institutions play an important role in society and, as such, we must play a significant and committed role in improving the sustainability of the planet.

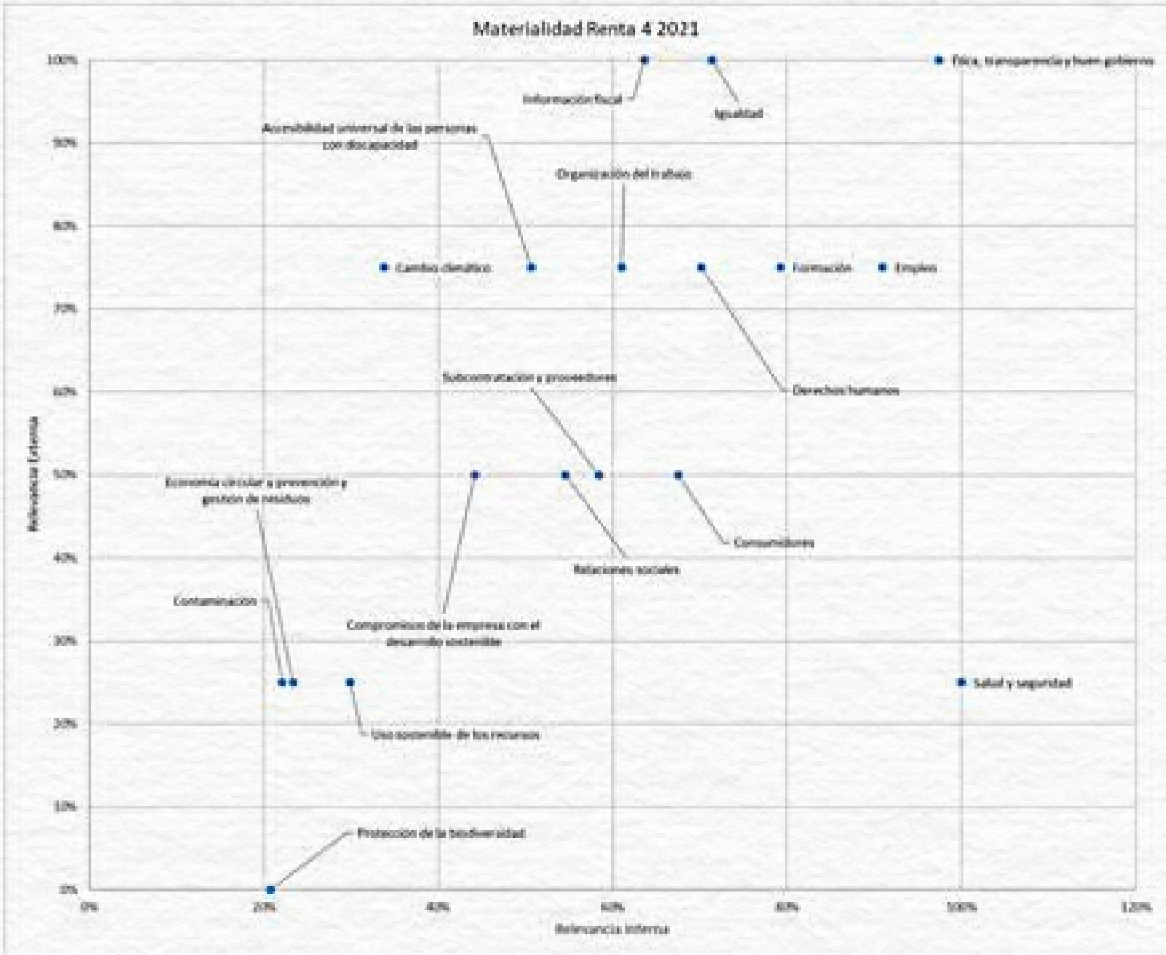
05.3

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 area of Corporate Social Responsibility.

This analysis has been carried out from both the internal and external points of view. For the internal analysis, Renta 4 conducted interviews with the heads of the most relevant areas, and for the external analysis, the most relevant stakeholders for the bank were considered.

The findings of this analysis are reflected in the following chart on Materiality:



05.4

Environmental Protection

Renta 4 continues to implement and improve the characteristics of the environmental policy it has sought to implement over the years.

It should be noted that pollution is not a material impact from Renta 4's activity. Rather, gas emissions, light and noise pollution should be considered. Likewise, that is why it is not necessary to make provisions or guarantees on environmental risks, nor would it be necessary to take any action to avoid food waste.

This document presents information relating to Renta 4 at national and international level, including its head office, national branches and branches in Latin America.

Continuing with the environmental commitment made by Renta 4 in 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**

1. Reduction of energy consumption

In 2021, the total electricity consumption of the entire office network including the Paseo de la Habana headquarters at national level was 1,820,347.50 kWh. Internationally, consumption was 22,182.88 kWh [1]

In 2022, the total electricity consumption of the entire network, including the headquarters, was 1,739,511.31 kWh. Internationally, consumption was 60,341.26 kWh[1].

NATIONAL	2021		2022	2022 vs. 2021
KWH SUBSIDIARIES	1,173,679.74	KWH SUBSIDIARIES	1,123,625.59	-4.26%
CENTRAL KWH	646,667.71	CENTRAL KWH	615,885.73	-4.76%
TOTAL KWH	1,820,347.45	TOTAL KWH	1,739,511.31	-4.44%

Looking exclusively at energy consumption, it is worth noting that, in terms of internal consumption, energy consumption in all branches and the head office have been reduced by 80,836.14kWh, a saving of 4.44% compared to last year, even though the area in m^2 of branches nationwide has increased, normal post-pandemic activity has resumed and the number of staff has increased by 6.7% to 633 employees. In this respect, it should be noted that part of the reduction has been favoured by the teleworking policies that have been adopted in the company, in addition to the actions to optimise energy efficiency.

This energy efficiency can also be seen at Renta4's headquarters in Paseo de la Habana, which usually accounts for a large part of the national consumption, we note that, while in 2021 consumption stood at 646,668 kW, in 2022 this consumption has been reduced to 615,885.7kw, representing a decrease of 4.76%.

Continuing with the energy saving strategy applied in previous years both at the headquarters and in the new branches, existing lighting has been replaced with more energy efficient LED lighting, blinds have been installed and facility design has been modified to improve natural lighting and thermal comfort in the following branches:

- Renta4 Cullera Office. Passatge de l'Ullel, 2-Bj, Ed. Manantial, 46400, Cullera, Valencia
- Renta4 Burgos Office. Calle Vitoria, 28, Bajo, 09004 Burgos
- Renta4 Almería Office. Rambla Federico García Lorca, esq. Poeta Paco Aquino, 04005 Almeria
- Renta4 Valencia Office. C/ Pintor Sorolla, 18-20, 46002 Valencia

In order to reduce energy consumption, in 2022, the existing conventional air-conditioning system was replaced by a variable volume flow control system in the same four offices. In this way, the performance of the systems has been significantly optimised with consequent energy consumption that are believed to be between 25% and 30% lower than the previous centralised ON/OFF systems.

2. Water use efficiency

In its strategy for the intelligent management of natural resources, Renta 4 continues to implement the improvements established previously, in order to implement a strategy and concrete objectives in this aspect of care and commitment to the environment.

In relation to this commitment, the water consumption of its network of offices has been monitored, obtaining the following data:

DETAIL WATER CONSUMPTION (m^3)

	2019(*)	2020(**)(***)	2021(**)	2022(**)
Water Consumption National Branches Network	1,666	1,601	1,437	1,585
Water Consumption International Network	Sin datos	228	133	312
Water Consumption Renta4 HQ	1,399	1,500	1,749	2,418
Water Consumption Renta4 HQ + National Network	3,065	3,101	3,186	4,003
Water Consumption Renta4 HQ + National &International Network	3,065	3,329	3,319	4,315

(*) Only 23 branches, no international accounted for
(**) No data for Seville, Guadalajara, Segovia, Cuenca, Serrano, Almagro, Recoletos, Tarragona, Fuenlabrado, Peru, Lleida, Gran Canaria, Logroño,Malaga, Soria, Chile and Luxembourg
(***) Lockdown

For the time being, each of the years analysed have factors that differentiate them from the rest (2019 was the first year where this analysis was carried out and the data was not fully complete, 2020 was marked by confinement being imposed due to the COVID19 pandemic and 2021 had a high rate of teleworking). In 2022 a high level of data collection is maintained, but there are still a significant amount that could not be included (because the consumption of these is indirectly paid for within the respective communities in which the offices in question are located).

The strategy for responsible water consumption is yet to be determined. In the meantime, improvements are being implemented progressively in all office facilities to improve efficiency in the use of this resource (timed taps and dual-flush toilets). In 2022, these improvements have been applied to the following offices:

- Renta4 Cullera Office
  Passatge de l'Ullel, 2-Bj, Ed. Manantial, 46400, Cullera, Valencia
- Renta4 Burgos Office
  Calle Vitoria, 28, Bajo, 09004 Burgos
- Renta4 Almería Office
  Rambla Federico García Lorca, esq. Poeta Paco Aquino, 04005 Almería
- Renta4 Valencia Office
  Plaza de San Agustín, 2, 46 Valencia

[1] Data from the Renta4 Chile office could not be included

3. Digital office - Reducing paper, toner, and storage space use

One of the most important measures implemented in Renta4 and which has 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 regard to ink toner consumption, the three years for which data are available are disparate and do not reflect a standardised situation with regard to confinement and the pandemic. 2021 is still considered as a year with widespread teleworking, while in 2022 teleworking was reduced, which is why toner consumption increased in 2022.

The following table has been compiled on the basis of these data:

DETAIL TONER CONSUMPTION (unit)

	2019	2020*	2021	2022
TONER NATIONAL BRANCHES NETWORK	No data available	257	223	264
TONER INTERNATIONAL NETWORK	No data available	9	26	17
TONER CONSUMPTION RENTA4 HQ	No data available	51	44	49
TONER CONSUMPTION RENTA4 HQ + NATIONAL NETWORK	No data available	308	267	313
TONER CONSUMPTION RENTA4 HQ + NATIONAL &INTERNATIONAL NETWORK	No data available	317	293	330

(*) Lockdown for COVID-19

To understand the use of this consumable, it is important to relate it to the growth of the company, establishing an indicator based on the number of employees. Analysing this indicator we see how the value of 2022 compared to the years of confinement (2020) and teleworking (2021), fell by 11% or grew by 5.5% respectively, while the number of staff grew by 17% compared to 2020 and 6.7% compared to 2021.

TONER - Total Renta 4	2020	2021	2022	2022 vs. 2020	2022 vs. 2021
Units toner	317	293	330	4.1%	12.6%
Average total no. Employees	541	593	633	17.0%	6.7%
Units toner / employee	0.59	0.49	0.52	-11.0%	5.5%

TONER – Central Services	2020	2021	2022	2022 vs. 2020	2022 vs. 2021
Units toner	51	44	49	-3.9%	11.4%
Average total no. Employees	262	299	321	22.5%	7.4%
Units toner / employee	0.19	0.15	0.15	-21.6%	3.7%

These improvements are even more significant when we look exclusively at the headquarters. These data show that the measures taken in this regard are having a positive and consistent effect. The continuity and improvement of these will be analysed.

With respect to paper consumption, the following table has been prepared:

Detail paper consumption

	2020(*)(**)		2021(***)		2022(***)	
	No. A4 SHEETS	Kg PAPER (5g / unit)	No. A4 SHEETS	Kg PAPER (5g / unit)	No. A4 SHEETS	Kg PAPER (5g / unit)
CONSUMPTION NATIONAL BRANCHES NETWORK	869,677	4,348	1,187,134	5,936	1,110,231	5,551
CONSUMPTION INTERNATIONAL NETWORK	No data available		5,520	28	21,510	108
CONSUMPTION RENTA4 HQ + HAVANA	636,111	3,181	707,993	3,540	781,492	3,907
CONSUMPTION RENTA4 HQ + NATIONAL NETWORK	1,505,788	7,529	1,895,127	9,476	1,891,723	9,459
CONSUMPTION RENTA4 HQ + NATIONAL &INTERNATIONAL NETWORK	1,505,788	7,529	1,900,647	9,503	1,913,233	9,566

(*) confinamiento por COVID19
(**) No se dispone de datos de Latam y Luxemburgo
(***) No se dispone de datos de Chile y Luxemburgo

There was a slight increase in consumption in 2022 compared to 2021 (+0.7%). It is worth mentioning that the information is much more detailed for the last two years. The year 2020 was marked by the strict confinement due to the pandemic, and 2021 with still very intensive teleworking activity. 2022 is the first year after the pandemic that activity can be said to be the "new normal".

Therefore, the information obtained during this year 2022 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.

Similarly, to understand the use of this consumable it is important to relate it to the growth of the company, establishing an indicator based on the number of employees. Analysing this indicator we see that the value of 2022 compared to 2021, fell by 5.7% while the average annual number of employees increased by 6.7%, indicating that the measures put in place are resulting in a much more responsible and efficient use of this consumable. Looking at headquarters alone, this indicator showed an increase of 2.8%, but staff numbers increased by 7.4%, which continues to demonstrate that responsible paper consumption is being made throughout the organisation.

PRINTING – TOTAL RENTA 4	2021	2022	2022 vs. 2021
Pages	1,900,647	1,913,233	0.7%
Average total no. Employees	593	633	6.7%
Pages / employee	3,205	3,022	-5.7%

PRINTING – CENTRAL SERVICES	2021	2022	2022 vs. 2021
Pages	707,993	781,492	10.4%
Average total no. Employees	299	321	7.4%
Pages / employee	2,368	2,435	2.8%

The data are positive and, in line with the objective of the PAPERLESS project, we will continue to take initiatives to ensure that these indicators continue to decrease.

In relation to Latin America, there are not yet sufficiently reliable data to be able to establish concrete targets for improvement and efficiency.

4. Environmental management of waste by seeking alternatives to those generated within the context of the circular economy

Renta 4 remains committed to "reducing" the amount of waste generated, "reusing" existing products as much as possible and "recycling" those that are no longer useful.

In this regard, Renta4 continues to reuse most of the existing furniture, while the furniture that is no longer useful for the required purposes is donated to non-profit associations.

During the 2022 financial year, Renta 4 has continued its commitment to secure IT waste management and destruction, following all the necessary procedures to ensure optimum security in the process. This avoids any kind of security breach with regard to the Group's information.

For this destruction, Renta 4 always relies on certified professionals in the sector to ensure the correct destruction of computer waste. In addition, the internal technical staff is always responsible for sending this waste for destruction once it has undergone a prior process of analysis, resetting and pre-destruction, thus ensuring that the waste is rendered unusable.

Finally, we continue to use certified materials that ensure that their procurement, manufacture and recycling are subject to a series of environmental requirements, seeking to reduce the carbon footprint they generate and valuing environmentally friendly and social aspects in the use of the products and services contracted.

5. Promotion of respect for the environment and a transition to a low-carbon economy

In the past 2021, the total electricity consumption of the entire office network including the Paseo de la Habana headquarters at national level was 1,820,347.50 kWh (as indicated above), of which 86.79% (1,579,891.69 kWh) came from renewable energy sources. This consumption represented an emission of 63.41tCO2[3].

NATIONAL (NETWORK + HQ)	2021	2022	%
KWH NETWORK OFFICES	1,173,679.74	1,123,625.59	-4.26%
CENTRAL HQ	646,667.71	615,885.73	-4.76%
KWH TOTAL	1,820,347.45	1,739,511.31	-4.44%
KWH NETWORK OFFICES NON-RENEWABLE	195,189.02	287,959.41	47.53%
CENTRAL HQ NON-RENEWABLE	45,266.74	50,902.40	12.45%
KWH TOTAL NON-RENEWABLE	240,455.76	338,861.81	40.92%
% NON-RENEWABLE NETWORK OFFICES	20.5%	25.6%	5.14%
% NON-RENEWABLE TOTAL	13.2%	19.5%%	6.27%
KWH NETWORK OFFICES% RENEWABLE	978,490.72	835,666.18	-14.60%
CENTRAL HQ% RENEWABLE	601,400.97	564,983.33	-6.06%
KWH TOTAL% RENEWABLE	1,579,891.69	1,400,649.51	-11.35%
TOTAL% RENEWABLE	86.79%	80.52%	-6.27%
KWH INTERNATIONAL NETWORK	22,182.88	60,341.26	172.02%
TOTAL NATIONAL CONSUMPTION + INTERNATIONAL NETWORK	1,842,530.33	1,799,852.57	-2.32%
TOTAL KWH RENEWABLE	1,579,891.69	1,400,649.51	-11.35%
TOTAL RENEWABLE	85.79%	77.82%	-7.93%

In 2022, the electricity consumption of the entire national network, including the headquarters, was 1,739,511.31 kWh, of which 80.52% (1,400,649.51 kWh) came from renewable energy sources. This consumption resulted in an emission of 68.56 tCO2[3].

Latin America, on the other hand, consumed 60,341.26 kWh in 2022, all of which was non-renewable energy. This consumption generated a total of 11.6 t CO2.

Due to the fact that at the beginning of the year certain energy distribution companies switched their generation to a combined mix with other energy sources, Renta 4 reacted immediately and the contracts were renegotiated in order to recover electricity generation from renewable energy sources as soon as possible. In order to avoid these possible changes in the electricity generation policy of the suppliers and to be able to guarantee an agile and immediate reaction in the renegotiation, the company ALPE ENERGY has been contracted.

In this regard, if the plan established at the beginning of 2023 together with the company ALPE ENERGY continues, in 2024 100% of the electricity consumed by Renta 4 Banco in Spain (headquarters and national network of branches) will be generated by renewable energy sources.

If we consider other possible sources of CO2 generation:

- 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.
- Furthermore, the company does not own vehicles. Therefore, the diesel consumption in 2022 from these sources has been zero.

In 2022, a very important step has been taken in the quest for decarbonisation. Renta 4 has established a methodology for calculating the carbon footprint in accordance with the GHG Protocol, for the calculation of scopes 1, 2 and 3 in accordance with the definition established therein. This model has been tested with the calculation of the carbon footprint for 2021 and, as MITECO data is updated, the footprint for 2022 will be recalculated. This detailed calculation of the carbon footprint will be carried out and reported in advance on an annual basis in order to establish decarbonisation as an SDG of the Group.

6. Biodiversity

Renta 4 Banco has no impact on biodiversity thanks to the nature of its business and its location in urban areas.

[2] Scope 2 emissions are accounted for as there is only electricity consumption. These have been calculated from emission factors provided by the Ministry. (Source CNMC (Comisión Nacional de los Mercados y Competencia), http://gdo.cnmc.es/CNE/resumenGdo.do?)
[3] Scope 2 emissions are accounted for as there is only electricity consumption. These have been calculated from emission factors provided by the Ministry. (Source CNMC (Comisión Nacional de los Mercados y Competencia), http://gdo.cnmc.es/CNE/resumenGdo.do?)

05.5

Social and Personnel Management

HR principles and values

As an Group specialising in investment banking, asset management and advice, capital markets brokerage and corporate advice to companies, Renta 4's values include specialisation, quality, customer focus and proximity, all in a technological and digital environment.

In line with the above, in order to comply with these values, Renta 4's HR policies seek to recruit professionals who combine the following qualities, among others:

- Highly qualified professionals in order to provide high quality services of excellence.
- Business vocation, in which knowledge of each client is the basis for providing the best advice, thus establishing a long-term relationship of trust.
- Long-term professional development, in which employees can develop a career plan within the Group.

hese HR policies are aimed at retaining and attracting talent, in order to have professionals with in-depth financial knowledge and extensive experience in the sector, considering Renta 4's human capital as a guarantee of quality in the banking services it provides to its customers and of business excellence.

All this in an environment of equal treatment and opportunities between women and men, promoting equality at all times in the selection and recruitment processes, in the development and career plans of its professionals, as well as implementing remuneration policies that ensure equity.

On the other hand, another of the principles on which Renta 4's HR policies are based is employment stability, promoting permanent contracts, with the aim of establishing long-term professional relationships in which employees can develop their professional careers at the Group.

Talent Selection

Renta 4's recruitment process is based on recruiting professionals with a high level of training and experience appropriate to each position, assessing the suitability of each candidate, their training and professional merits, thus ensuring the suitability of each candidate for the position, in order to provide specialised and quality banking services.

One of the fundamental principles of this Recruitment Policy is equality, promoting the selection of the best qualified professionals for each position, not associating the required skills with gender.

The model to be followed when defining the posts is:

- Defining the job position and professional profile in a neutral way, avoiding associating skills with gender, always identifying them as professional competences and not as innate personal skills.
- Description of the job requirements and professional profiles of the candidates associated with the posts, being as precise as possible and adjusted to the real needs of the post.
- To assess experience and other job-specific competencies.

Structure and evolution of the workforce

The Renta 4 group, as indicated above, is composed of the following companies:

- RENTA 4 BANCO, S.A. (Group parent company)
- RENTA 4 GESTORA SGIIC, S.A.
- RENTA 4 PENSIONES SGFP, S.A.
- RENTA 4 CORPORATE, S.A.
- RENTA 4 S.A. S.V.

Renta 4 maintains its presence abroad in Chile, Peru, Colombia and Luxembourg.

Employees are distributed in each of these companies as follows:

Company	No. Empoyees 31 Dec 2022	No. Empoyees 31 Dec 2021
R4SV	3	3
R4 Banco	445	423
R4 Gestora	78	76
R4 Pensiones	14	13
R4 Corporate	13	14
R4 Investment Solutions		5
Chile	33	30
Peru	21	21
Colombia	23	20
Luxembourg	3	3
TOTAL WORKFORCE	**633**	**608**

With regard to the evolution of the Renta 4 workforce, it should be noted that since its creation in 1986, the number of employees has grown steadily, with the aim of ensuring that this growth is stable, structural and in line with the growth of the Group.

Renta 4's staff is distributed, as shown in the table below, between Spain, Chile, Peru, Colombia and Luxembourg. At the national level, there are 320 employees in the Central Services and 233 employees in the 62 offices distributed throughout the country and at the international level in the three offices in Latin America and the one in Luxembourg. 87% of the workforce is located in Spain and 13% abroad.

The evolution of the workforce in recent years has been positive, increasing at a moderate pace, adapting at all times to the needs that have arisen in the different areas, new lines of business and increased activity.

Evolutión and Geographic distribution Workforce Renta 4

	2015	2016	2017	2018	2019	2020	2021	2022	% Workforce
International	31	44	42	49	57	63	74	80	13%
National	397	417	427	456	465	497	534	553	87%
Central	193	219	223	242	251	278	306	320	51%
Network	204	198	204	214	214	219	228	233	37%
TOTAL	**428**	**461**	**469**	**505**	**522**	**560**	**608**	**633**	
Variation %		**8%**	**2%**	**8%**	**3%**	**7%**	**9%**	**4%**	

In this regard, the net annual increase in the workforce in 2022 compared to 2021 was 4.11%, slowing down compared to the previous two years.

On the other hand, Renta 4 seeks employment stability, as this is one of the principles on which Renta 4's HR policies are based, as it is considered a guarantee of the quality of the banking service provided and a fundamental pillar of trust with customers.

This stability is reflected on 31 December 2022 in the fact that 99.2% of the workforce has a permanent employment relationship, thus maintaining the trend of recent years.

The type of contracts, classified by gender, age and professional categories for the financial years 2022 and 2021, is shown below:

No. Contracts End Períod 2022-2021

	2022				2021			
Type of Contract by gender	Men	Women	Total	% Total	Men	Women	Total	% Total
Indefinite Contract TC	418	199	617	97.5%	389	199	588	96.7%
Indefinite Contract TP		11	11	1.7%	1	11	12	2.0%
Temporary Contract TC		2	2	0.3%	4	2	6	1.0%
Temporary Contract TP	2	1	3	0.5%	1	1	2	0.3%
TOTAL	**420**	**213**	**633**	**100.0%**	**395**	**213**	**608**	**100.0%**

	2022				2021			
Type of Contract by Category	Management	Technical	Administrative	Total	Management	Technical	Administrative	Total
Indefinite Contract TC	13	537	67	617	13	509	66	588
Indefinite Contract TP		4	7	11	0	4	8	12
Temporary Contract TC		1	1	2	0	3	3	6
Temporary Contract TP		1	2	3	0	1	1	2
TOTAL	**13**	**543**	**77**	**633**	**13**	**517**	**78**	**608**

Type of Contract by Age range	Age Range 2022 <30	[30-40]	[40-50]	>50	TOTAL	2021 <30	[30-40]	[40-50]	>50	TOTAL
Indefinite Contract TC	104	170	210	133	617	99	162	206	121	588
Indefinite Contract TP		5	3	3	11	1	5	4	2	12
Temporary Contract TC	1		1		2	4	0	1	1	6
Temporary Contract TP				3	3	0	0	0	2	2
TOTAL	**105**	**175**	**214**	**139**	**633**	**104**	**167**	**211**	**126**	**608**

PROMEDIO Contratos 31-12-2022

Type of Contract by gender	Género Men	Women	TOTAL	% Total
Indefinite Contract TC	409.34	203.83	613.17	96.9%
Indefinite Contract TP	1.00	11.00	12.00	1.9%
Temporary Contract TC	3.58	2.50	6.08	1.0%
Temporary Contract TP	1.00	0.67	1.67	0.3%
TOTAL	**414.92**	**218.00**	**632.92**	**100.0%**

Average Type of Contract by Category	Categorías Management	Technical	Administrative	Total
Indefinite Contract TC	13.00	533.75	66.42	613.17
Indefinite Contract TP	-	4.00	8.00	12.00
Temporary Contract TC	-	3.25	2.83	6.08
Temporary Contract TP	-	1.00	0.67	1.67
TOTAL	**13.00**	**542.00**	**77.92**	**632.92**

Average Type of Contract by Age Range	Age Range <30	[30-40]	[40-50]	>50	Total
Indefinite Contract TC	99.25	171.17	208.50	134.25	613.17
Indefinite Contract TP	1.00	5.00	3.00	3.00	12.00
Temporary Contract TC	4.25	-	1.00	0.83	6.08
Temporary Contract TP	-	-	-	1.67	1.67
TOTAL	**104.50**	**176.17**	**212.50**	**139.75**	**632.92**

• Average annual contracts calculated as an average no. of contracts at the end of each of the months

Another indicator of employment stability at Renta 4 is the length of service of its workforce, with an average of 10 years of service in 2022.

Average time of service	2022 Men	2022 Women	2022 Total	2021 Men	2021 Women	2021 Total
Central	9.1	8.7	9.0	9.3	8.1	8.8
Network	12.4	16.8	13.7	12.2	16.1	13.4
International	3.1	2.8	3.0	3.1	2.4	2.9
General Average time of service	9.6	10.8	10.0	9.6	10.2	9.8

The average age of the workforce is 40 years, reflecting the fact that a high percentage of employees develop their careers at Renta 4, as shown below:

There were a total of 39 employees who left the Group in 2022 at national level, of which 12 were non-voluntary departures. A breakdown of non-voluntary departures by category, gender and age is given below:

Non-voluntary dismissals 2022-2021

Category	2022 Men	2022 Women	2022 TOTAL	2021 Men	2021 Women	2021 TOTAL	% variation
Management			0	0	0	0	0%
Technical	5	6	11	6	2	8	38%
Administrative		1	1	1	0	1	0%
TOTAL	**5**	**7**	**12**	**7**	**2**	**9**	

2022	<30		[30-40]		[40-50]		>50		TOTAL	
Category	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Management			0	0	0	0	0	0	0	0
Technical		1	1	1	2	3	2	1	5	6
Administrative			0	0	0	0	0	1	0	1
TOTAL	**0**	**1**	**1**	**1**	**2**	**3**	**2**	**2**	**5**	**7**

2021	<30		[30-40]		[40-50]		>50		TOTAL	
Category	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Management	0	0	0	0	0	0	0	0	0	0
Technical	2	0	1	1	1	0	2	1	6	2
Administrative	1	0	0	0	0	0	0	0	1	0
TOTAL	**3**	**0**	**1**	**1**	**1**	**0**	**2**	**1**	**7**	**2**

On the other hand, Renta 4 has a low level of turnover, 1.93% for the financial year 2022 similar to the financial year 2021, which was 1.03%, calculated only with non-voluntary departures, being a level of turnover considered as "healthy".

On this point, we would also like to highlight that Renta 4 did not make **any ERT**E or **ERE** during 2022.

Remuneration

Renta 4 has a Remuneration Policy that aims to attract and retain talent, incorporating highly qualified professionals, applying remuneration levels in line with the market, depending, among other things, on the different job positions, level of responsibility, experience, qualifications and performance.

This Remuneration Policy is based on equality and non-discrimination criteria, pursuing pay equity. 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.

Renta 4 at all times applies the legal regulations in effect in each of the countries in which it operates and has a presence, as well as the different collective bargaining agreements applicable at national level, highlighting that, in general terms, the salary levels of Renta 4 employees are higher than those established in these agreements or regulations.

This NFIR uses the same classification of professional categories as is used in the Annual Accounts containing the Group's financial information and in the various financial statements reported to the supervisors.

The average remuneration of employees and its evolution is shown in the following tables according to geographical distribution, age, gender and professional classification:

Average Remuneration Age Range / Area	National 2022	National 2021	Variation % Period	International 2022	International 2021	Variation % Period
<30	29,512	28,441	4%	19,774	15,040	31%
[30-40]	45,184	43,251	4%	43,189	41,118	5%
[40-50]	66,225	62,535	6%	71,288	47,379	50%
>50	90,754	85,511	6%	36,951	34,856	6%
Average Total Remuneration	**60,711**	**57,082**	**6%**	**41,707**	**33,859**	**23%**

Average Remuneration Category-Areas	2022	2021	Variación % Periodo
International	41,707	33,859	23%
Management	158,977	126,754	25%
Technical	41,362	32,998	25%
Administrative	11,698	15,309	-24%
National	60,711	57,082	6%
Management	336,051	282,394	19%
Technical	58,561	55,845	5%
Administrative	31,936	30,050	6%
General Total	**58,309**	**54,255**	**7%**

Average Remuneration Category/Areas	2022		2021		Variation % Period	
	Men	Women	Men	Women	Men	Women
International	48,266	23,281	37,908	22,926	27%	2%
Management	158,977		126,754	-	25%	
Technical	46,637	25,831	36,297	24,385	28%	6%
Administrative	14,487	7,980	17,514	9,796	-17%	-19%
National	66,514	49,799	63,447	45,835	5%	9%
Management	342,535	306,870	291,485	241,483	18%	27%
Technical	61,191	52,261	59,059	48,607	4%	8%
Administrative	29,063	33,006	27,722	30,901	5%	7%
General Total	**63,951**	**47,184**	**59,956**	**43,684**	**7%**	**8%**

With regard to the average remuneration of employees shown in the above tables, it should be noted, on the one hand, that there is a difference between the average remuneration at national and international level, due to several reasons, (i) the heterogeneity of the labour markets in which Renta 4 has a presence; Spain, Chile, Peru, Colombia and Luxembourg, which are not comparable in terms of salaries, (ii) the level of turnover in Latin America, which is much higher than in Spain, (iii) the diversity of international profiles and positions in terms of functions, experience and responsibilities and (iv) the exchange rate applied each year.

On the other hand, there is a difference in the average remuneration at national level between men and women, specifically in the professional category of the Technical group, where the largest number of employees of the Group is concentrated, 85% of the staff, the reason for this difference being the wide variety of jobs that fall into this category, with different types of functions, responsibility, experience and seniority and, therefore, a wide range of remuneration.

However, as indicated above, Renta 4 has a Remuneration Policy based on criteria of equality and non-discrimination between men and women, with which it seeks to achieve equal pay, using a *"job map"* which establishes the salary levels for each position based on responsibility, functions and experience, for each new employee who joins the Group, regardless of gender. In addition, an individual performance evaluation is carried out annually in which quantitative and/or qualitative objectives are established for each department and area, thus determining the degree of achievement of these objectives, based on individual performance and similarly irrespective of gender.

On the other hand, we highlight that at national level, as shown in the table above, wage increases in 2022 compared to 2021 have been higher for women than for men, thus reducing the difference in the average wage level.

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.

REMUNERACIÓN TOTAL (1) 2022-2021

	AVERAGE 2022			AVERAGE 2021			
International	Men	Women	Salary Gap 2022	Men	Women	Salary Gap 2021	Variation Salary Gap 2022/2021
Management	158,977	-	(2)	126,754	-	(2)	
Technical	25,975	20,615	20.6%	23,063	22,652	1.8%	1061%
Administrative	10,634	5,901	44.5%	12,971	9,796	24.5%	82%

	AVERAGE 2022			AVERAGE 2021			
Nacional	Men	Women	Salary Gap 2022	Men	Women	Salary Gap 2021	Variation Salary Gap 2022/2021
Management	314,536	306,870	2.4%	257,414	241,483	6.2%	-60.6%
Technical	50,000	48,000	4.0%	47,000	45,000	4.3%	-6.0%
Administrative	27,000	31,500	-16.7%	26,000	30,000	-15.4%	8%

(1) Total remuneration includes fixed remuneration and variable remuneration
(2) There is no salary gap as there are no women in management

The different factors that may influence the results of the pay gap at national level, as discussed above, are that within these occupational categories there are different subcategories and jobs with different functions, responsibilities, experience, seniority and therefore pay. In the 2022 financial year, it is worth noting the reduction of the salary gap compared to 2021 in the Management and Technical categories, where the largest number of employees is to be found.

At the international level, the exchange rate and the different salary levels and differences in the labour markets in each of the countries in which Renta 4 has an international presence have an additional influence, although in all of them, Renta 4 applies the regulations and salary levels in force in each of them. In this sense, in 2022 there has also been an increase in the salary gap, which has been caused by an increase in the rotation of the female workforce and, in turn, by the incorporation of female professionals with a lower level of experience, whose remuneration is therefore lower but in line with the level of experience provided. In this regard, it should be noted that at all times we strictly comply with the regulations of each of the countries in which Renta 4 is present, where we also apply an Equality Policy, in which equal pay is applied.

Also, the average remuneration in euros received in 2022 by the members of the Board of Directors of Renta 4 by gender is shown below:

Average remuneration	2022				2021				Variation average remuneration 2022/2021			
	Men	Women	Legal entity	Total	Men	Women	Legal entity	Total	Men	Women	Legal entity	Total
Executive board members	415,000	-	-	415,000	354,000	-	-	354,000	17%			17%
Non-Executive board members (1)(2)	80,000	80,000	-	80,000	60,000	60,000	71,000	61,000	33%	33%	*	31%
Average total remuneration	**214,000**	**80,000**	**-**	**176,000**	**207,000**	**60,000**	**71,000**	**145,000**	**3%**	**33%**		**21%**

(1) Annualised remuneration FY 2021 and 2022
(2) Remuneration as board member. Additionally, non-executive board members who are on board committees received additional remuneration
(3) On 31 Dec 2022, Renta 4 has no non-executive board members in the category of legal entity

It should be noted that non-executive Directors receive remuneration for their being on the Board and, in addition, those who are members and participate in the Board committees receive additional remuneration in this respect. Whereas the remuneration of executive directors is linked and associated with their executive functions at Renta 4 and not with their status as directors.

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 being a differentiating factor in the banking and financial sector.

With regard to compliance *with MiFID II* regulations on the qualification and certification of professionals who advise and inform clients, it should be noted that 93% of employees in the commercial network or who perform advisory functions at Renta 4 currently hold one of the qualifications considered valid by the CNMV to comply with these regulations. Of these, 77% hold a *European Financial Advisor* (EFA), *European Financial Planner* (EFP) and/or *European Information Planner* (EIP) qualification, are members of the European Financial Planning Association (EFPA) and are recertified through the EFPA. In addition, Renta 4 offers continuous training to employees who have obtained their training through other schools, although these are recognised as valid qualifications by the CNMV.

On the other hand, less than 7% 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 enable them to provide services to customers under the supervision of a colleague who meets the training and experience requirements, and (iii) to enable them to undertake specific training in subsequent years to obtain one of these qualifications.

In this regard, it should be noted that since 2006, many years before the *MiFID II* regulations came into effect, making it compulsory for professionals in the financial sector to have certifications approved by the regulatory bodies, Renta 4 had been training all the professionals in its commercial network who advise clients in order for them to obtain the EFA qualification, as it considered that this training in financial products, taxation, financial planning, regulations and other basic aspects of the markets was a guarantee of quality in advising clients.

During the financial year 2022, besides the training aimed at obtaining EFA or other similar qualifications valid for the CNMV, Renta 4 has offered different training opportunities for employees of the different companies of the Group, which amounted to more than 12,400 hours of training.

Furthermore, Renta 4 has a Permanent Training Plan, which includes different training designed to provide employees with the knowledge, skills, and competences across every area and department of the company, depending on the training needs of a particular moment.

Specifically, during the financial year 2022, the following training and number of hours was carried out, as well as the distribution by category:

Category	No. Hours
Technical	11,388.43
Administrative	1,019.35
TOTAL HOURS TRAINING	**12,407.78**

Denomination Training Action	No. Hours
“ Telephone Assistance” Attitudes and practices of telephone sales	60.00
Practical Accounting Course	39.00
ELASTIC STACK	126.00
BACKEND JAVA DEVELOPER TRANING	720.00
Data Training - Pentaho	58.00
Training in access for the distribution of Insurance Level 2 – Group 1	7,842.91
Online Training in Flutter	40.00
COMMERCIAL BOOST - GROUP 13	170.64
COMMERCIAL BOOST - GROUP 14	158.29
COMMERCIAL BOOST – GROUP 15	155.51
COMMERCIAL BOOST – GROUP 16	159.17
COMMERCIAL BOOST - GROUP 17	166.89
COMMERCIAL BOOST - GROUP 18	183.35
Master in Blockchain Management and Blockchain Engineering	50.00
Asset Management Postgrad Programme 1PSGP - 2022	2,086.02
PROGRAMMATIC DEVELOPMENT APEX & VISUALFORCE IN LIGHTNING EXPERIENCE	320.00
PROMETHEUS-GR AFANA	72.00
TOTAL TRAINING HORAS	**12,407.78**

Finally, it should be noted that since 2021 Renta 4 has been training its employees in ESG (*Environmental, Social and Governance*), and currently more than 95% of them have received such training.

Social Relations

Renta 4 does not have a collective bargaining agreement at the Group level; the company applies the corresponding collective bargaining agreement to each of the companies and employees at the national level, according to their sector of activity, with the following agreements being applicable:

Company	Collective Agreement
R4 SV	Securities Market Agreement
R4 Banco	Banking Agreement
R4 Gestora	Madrid Branches and Offices
R4 Pensiones	Madrid Branches and Offices
R4 Corporate	Madrid Branches and Offices
Chile	No Agreement
Peru	No Agreement
Colombia	No Agreement
Luxembourg	No Agreement

As of 31 December 2021, 87.36% of Renta 4's employees were covered by one of the aforementioned Spanish collective bargaining agreements, while the remaining 12.64% of the workforce is not covered by such agreements, as they provide their services in the 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.

With regard to social relations, Renta 4 does not have legal employee representation. However, the Group keeps all its employees duly informed about the different policies and measures that the Company applies in the different areas, using the available communication channels, including the Employees' Portal, the company's intranet and communications sent by email.

The Group has an Equality Plan, in accordance with 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 five employees with proven disabilities.

Work Organisation

Renta 4 has always aimed to improve the balance and compatibility between the personal, family and work life of all its employees, improving the working environment, increasing productivity and measures aimed at retaining talent, to which end various measures have been implemented in recent years, 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 the financial year 2022, a hybrid teleworking model has been maintained in those departments of the central services where, due to the type of work and systems used, it is feasible to combine face-to-face and telematic work, without exceeding 30% of teleworking time.
- 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 2022 and 2021 are shown below:

No. Hours Absenteeism for maternity and care of infant

	2022	2021
Type of suspension	**Total hours absenteeism (*)**	**Total hours absenteeism (*)**
Maternity	5,200.25	7,099.00
Maternity part time	232.50	
Paternity	6,324.00	2,619.50
Paternity part time	705.25	
TOTAL	**12,462.00**	**9,718.50**

*The number of absenteeism hours has been calculated taking into account the number of effective daily working hours (7.75 hours per day working hours) (full time or its part-time equivalent) for the number of working days of absence

During the financial year 2022, there were a total of seven occupational accidents, of which only three resulted in medical leave.

With regard to the diagnostic leaves such as COVID-19, there were a total of 29 in 2022, which even if considered a Temporary Incapacity due to Common Contingency in accordance with current regulations, being 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 give rise to. Highlighting the reduction in the incidence of the disease during the financial year 2022.

The following tables show the number of occupational accidents according to their classification, seriousness and frequency, as well as the number of absence hours due to these accidents, distributed by gender and including the classification COVID-19.

No. Hours Absenteeism for Accident at Work

	Total Hours absenteeism (*)	
Type of Accident at Work	**2022**	**2021**
Journey to work		353.87
Men		98.12
Women		255.75
Rest	790.50	-
Men	775.00	-
Women	15.50	-
COVID-19	864.61	2,363.78
Men	573.50	1,488.00
Women	291.11	875.78
TOTAL	**1,655.11**	**2,717.64**

*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
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)

No. Accidents at Work

	2022			2021		
Type of Accident at Work	**No. of accidents**	**Index of Gravity**	**Index of Frequency**	**No. of accidents**	**Index of Gravity**	**Index of Frequency**
Journey to work	4	0.000	0.000	4	0.000	0.000
Men	2	0.000	0.000	2	0.000	0.000
Women	2	0.000	0.000	2	0.000	0.000
Rest	3	0.100	2.788	1	0.000	0.000
Men	2	0.093	1.859	1	0.000	0.000
Women	1	0.007	0.929	0	0.000	0.000
COVID-19	0	0.110	0.000	0	0.305	0.000
Men	0	0.069	0.000	0	0.190	0.000
Women	0	0.041	0.000	0	0.114	0.000
TOTAL	**7**	**0.21**	**2.79**	**5**	**0.30**	**0.00**

Index of gravity = (Days of absence * 1,000) / (No. hours worked in the period * worker's average)
Index of frequency = No. accidents at work with absence * 1,000,000(No. hours worked in the period * worker's average)

In financial year 2022, Renta 4 continues to have no employees with any diagnosed occupational disease.

Health and Safety

For Health and Safety at Work, Renta 4 has hired an External Occupational Risk Prevention Service from the company 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 check-ups is to provide employees with information on their state of health. In addition, in recent years, the Group has incorporated additional tests into the analyses in order to detect possible pathologies and illnesses that employees may suffer from in a preventive manner.

Renta 4 has in place the corresponding Risk Prevention Plan, producing an Annual Report of activities and Emergency Plan, and it carries out training courses for employees on risks and first-aid measures, among other activities. These courses are given by an external provider through the ORP contract and such training is given with the frequency recommended by the ORP regulations and according to the needs of each area or office in each financial year, which is why they are not included in the Continuous Training Plan indicated above.

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 provision of benefits derived from them, coverage and health care, management of occupational accident reports and preventive activities, as well as the management, control, and monitoring of economic benefits and temporary disability arising from common contingencies.

In 2022, despite the reduction in incidence, Renta 4 has continued to apply some of the measures of the COVID-19 Action Plan and Prevention and Protection Measures, which it developed and implemented in 2020 as a result of the global pandemic and health crisis caused by COVID-19. This Action Plan has been updated according to the situation of COVID-19 at any given time and following the recommendations made by the Spanish government and the health and labour authorities.

Among the measures that Renta 4 has continued to apply are the following:

- Lihorough 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.
- Provision of hydroalcoholics and soap dispensers in all Renta 4's offices and facilities.
- Provision of approved face masks for employees and customers who request them.

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 basis for all the relationships that the Group's entities establish with their stakeholders (employees, customers, suppliers, public administration and official bodies and society as a whole).

Below is a summary of the main indicators reflecting this fundamental principle and the most important milestones that have been achieved during 2022.

1. Code of Conduct

There is a Code of Conduct, a top-level internal standard approved by the Board of Directors, consistent with international treaties, conventions and agreements (such as the United Nations Global Compact, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the Declaration of Fundamental Principles and Rights at Work of the International Labour 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's relationship with its clients is based on transparency of information and acting in their best interests. These guidelines of conduct include investor protection, safeguarding assets and funds, financial responsibility and personal data protection.
- Responsibility towards employees: for Renta 4, the relationship with employees is fundamental to safeguard fundamental rights. Firstly, because corporate culture is reflected in its work and the way it interacts with stakeholders, that is, by protecting the rights of third parties. Secondly, because one of the Group's maxims is to promote a work environment that fosters personal development.
- Responsibility with suppliers: in the processes of approval, selection and contracting of suppliers for the acquisition of goods and services, Renta 4 will ensure competition, avoiding any type of interference that could compromise both the impartiality and transparency of the supplier selection process, in accordance with the Outsourcing Policy. It also ensures that third parties comply with principles and values similar to those applied by Renta 4 in its activities, assessing non-financial risks in its approvals.
- Responsibility towards Public Administration and Official Bodies: Renta 4 Group is committed to collaborate and act with diligence in its relations with the competent authorities, to fiscal transparency and the prohibition of corruption and bribery. This matter is addressed in the 'Corruption and Bribery' section of this document.

Work is currently underway to extend the Code of Conduct to foreign subsidiaries so that they can adhere to it and align their internal regulations with its values and principles.

2. Investor protection

Current securities market regulations require investment firms to provide their services honestly, fairly and professionally, in the best interests of their clients. Furthermore, banking regulation is committed to the defence of the banking customer in two directions: (i) through solvency requirements for credit institutions, aimed at market stability and (ii) by promoting transparency in institution-customer relations.

These premises, as reflected in the section on the Code of Conduct, form the basis of the daily work of all the people who make up Renta 4. Respecting and safeguarding standards of conduct not only achieves positive results with customers, but also creates value for society as a whole. One of Renta 4's values, set out in the Code of Conduct, is worth mentioning: *The Group aims to promote investment to improve people's lives. To this end, it is committed to moving towards a more sustainable and efficient world that contributes to the progress of society. In the financial system, the Group seeks to participate in innovation and the positive transformation of the economy. This vision is translated into a slogan that is communicated and disseminated internally to employees and externally to society: "PROMOTING INVESTMENT FOR THE PROGRESS OF PEOPLE AND SOCIETY".*

From a practical point of view, this maxim has materialised in this exercise in the following way:

- Through the analysis of regulatory obligations for investor protection and the internal development of projects to improve policies, procedures and processes.
  - Through the incorporation of good practices in the sector.
  - With the implementation of the supervisor's and auditors' recommendations and suggestions for improvement.
  - Working on the revision of the Customer Service mail service, which is seen as fundamental in improving the quality of services.

In particular, work to implement regulation and best practices related to sustainable finance in the area of investor protection is particularly noteworthy. Thus, during the year 2022:

- The suitability assessment (a questionnaire prior to the provision of portfolio management and investment advisory services aimed at understanding investment objectives, time horizon and financial situation) has been adapted to include a block where the customer can indicate their sustainability preferences.
- The information provided to customers prior to contracting products and services has been reviewed to incorporate sustainability features where appropriate.
- Standardised information on the target market for sustainable products is being monitored in order to modify processes and provide appropriate information to customers when instrument providers start sending data to marketers.

It is also worth highlighting the work of various areas of Renta 4 Banco to incorporate the new requirements of the CNMV Guide on the assessment of suitability and good practices in the sector. The new processes have allowed for increased retail investor protection at various stages of the contracting process: (i) to determine whether or not a product is suitable according to the customer's knowledge and experience; (ii) to improve transparency of information to customers; and (iii) to adjust distribution procedures for certain products.

3. Personal data protection and information security

The protection of personal data is a fundamental right recognised in Articles 18(4) of the Constitution, 8(1) of the Charter of Fundamental Rights of the European Union and 16(1) of the Treaty on the Functioning of the Union.

The work carried out by Renta 4 to protect the personal data of data subjects is based, in accordance with current legislation, on the principle of proactive responsibility. Five objectives were set for 2022: (i) to set Group standards that extend to non-Spanish subsidiaries; (ii) ensure training for all Group employees; (iii) supervise compliance with regulations at headquarters and in the commercial network; (iv) to incorporate the recommendations of external auditors; and (v) to focus on continuous improvement.

The following tasks have been carried out in this direction:

- Review and update of the privacy policies of the Group's entities, with the aim of increasing transparency in the information provided to customers and the control of data by data subjects.
- Voluntary external audit to determine the degree of compliance and areas for improvement. The compliance result determined by the external auditors was 81%, a 13% improvement compared to the result of the 2020 audit.
- To finalise the training plan, with specific sessions for the Board of Directors, senior management, non-Spanish subsidiaries and all employees who had not received training in the previous period.
- To improve customer information and internal procedures related to the protection of personal data by foreign subsidiaries.
- To work towards ensuring stable growth in the protection of personal data at different stages of the projects. Advice to the business areas, approval of new procedures during 2022 (e.g. on data subject rights management or employee training and awareness); monitoring of processing activities; conducting audits and raising issues of major concern to the Security and Privacy Committee are some of the examples.
- To ensure compliance with privacy regulations by third parties in each contract.

In addition to the development of new policies, procedures and processes, Renta 4 strives: (i) to enrich the information to data subjects; (ii) to reinforce the legal basis on which the processing operations are based and (iii) to comply in a timely manner with the management of the rights of access, rectification, opposition, erasure ("the right to be forgotten"), restriction of processing, portability and not to be subject to automated decisions. The applications received in 2022 have been handled satisfactorily.

In the area of information security it is worth noting that: (i) security processes for remote access and teleworking, management of operational and security events and acceptable use of assets have been strengthened; (ii) work is underway to align policies and standards with the principles set out in the European Digital Operational Resilience Regulation (DORA); and (iii) the physical security of the DPC and branches has been reinforced, ensuring the security of assets.

In addition, users and permissions associated with Core Banking solutions were recertified and various audits were carried out in relation to technological risk and information security.

The Security Office's objectives for 2022 focus on initiating certification to the ISO/IEC 27001 standard, training employees in Information Security, labelling all assets based on the Group's established classification, activating the data leakage prevention solution, testing the Technology Contingency Plan (TCP) and defining a Disaster Recovery Plan (DRP).

4. Prevention of market abuse

Regulation indicates that market abuse damages the integrity of financial markets and public confidence and impedes transparency, which is essential for trading.

The way in which the work this year has contributed to the fight against market abuse practices is summarised below:

- The Internal Rules of Conduct ("IRC") have been revised and updated. These internal rules, which are no longer mandatory, are maintained and enhanced to disseminate to employees the internal procedures for (i) avoiding and managing conflicts of interest; (ii) personal transactions; or (iii) reporting indications of market manipulation and insider trading. The updated IRC has been approved by the Board of Directors of all the Spanish companies that make up Renta 4. The new version of the IRC is dated 22 March 2022.
- Various projects have been initiated to improve the systems and processes for detecting and reporting suspicious transactions to the supervisor.
- Corporate Governance: information on corporate governance issues is mainly reflected in two documents: (i) the Annual Report on Directors' Remuneration and (ii) the Annual Corporate Governance Report. Both documents are publicly available on the CNMV website (link: https://www.cnmv.es/Portal/Consultas/DatosEntidad.aspx?nif=A-82473018).

5. Prevention of criminal risks

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 infringement being a potential risk for the Renta 4 Group and its specific controls; (ii) a Protocol for action in the event of infringement; (iii) a Whistleblower Channel Procedure; (iv) the Compliance Unit Regulations; and (v) the disciplinary system.

During 2022, no complaints were received through any of the channels provided by Renta 4: (i) internal channel for employees and (ii) external channel for other stakeholders (suppliers, customers, etc.).

6. Third party risk prevention

The group has a series of risk prevention policies and, specifically, when outsourcing a service, it has drawn up the Outsourcing policy: this document defines the guidelines that must be taken into account in the decision-making, formalisation, management and control process when outsourcing to a third party the provision of the Renta 4 Group's own functions, both in normal and crisis situations.

The Group's entities, in any outsourcing process, go through the following phases: (I) Opportunity assessment; (II) Detailed analysis and approval; (III) Tendering and awarding; (V) Implementation; (V): Monitoring; (VI) Reporting; and (VII) Exit or Renewal.

The factors that Renta 4 considers when carrying out due diligence on a potential service provider relate to: the nature of the provider and its capabilities, its ethical principles, the processing of personal data that it may carry out and the security and internal control measures that it has in place.

In accordance with the above, among other aspects, the company evaluates whether the supplier: (i) complies with Renta 4's values and Code of Conduct; (ii) acts ethically and with social responsibility; (iii) respects international standards on human rights, environmental protection and appropriate working conditions, including the prohibition of child labour; (iv) has a reputation and culture compatible with Renta 4's standards; (v) has a liability prevention model and (vi) has high ethical, behavioural and Social Responsibility principles in accordance with its profession, sector and jurisdiction.

7. Awareness raising and training

During 2022, training and awareness-raising procedures on privacy and personal data protection have been approved so that all Renta 4 employees internalise key aspects on this matter and integrate them into their daily work. In particular, employees have been informed of the new procedure for early resolution of events and the corporate intranet has been enriched with security training content through policies, standards, procedures, newsletters and training videos.

Awareness-raising video shorts have also been maintained during the year 2022 on aspects related to: (i) protection of personal data; (ii) procedures included in the IRC; (iii) information security. On the latter subject, the most important ones are related to safe Internet browsing, asset management, good practices on the different types of existing attacks, proper management of corporate social networks, social engineering, fraud and the use of corporate devices.

In terms of targets for 2023 the following is highlighted:

- The adoption of an information security training and awareness plan by 2023.
- Personal data protection training for all employees.

8. Presence in the media

Throughout 2022, Renta 4 has been present more than 14,200 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:

- The year 2022 has been a positive year in terms of reputation and media presence.
- This year, Renta 4 continues to make progress towards becoming a benchmark for economic and market information.

05.7

Corruption and Bribery

Renta 4's Code of Conduct, the highest level of internal rules, establishes the following among its five general principles of conduct:

'No employee of the Group 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 on 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.

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.

Renta 4 has established the following guidelines for its dealings with the competent authorities and official bodies:

- For the exchange of information, the following premises, shall be taken into account, among others: (i) communications shall observe institutional respect and be developed under criteria of maximum collaboration and compliance with the Law; (ii) requests shall be processed with diligence; (iii) the delivery, promise or offer of any kind of payment, fee, gift or compensation to any authorities, public officials or employees or managers of companies or public bodies in Spain or any other country, whether made directly to them or indirectly through persons or companies related to them and whether it is addressed to the public official or the employee themselves or to another person indicated by them, shall be forbidden.
- Regarding tax obligations: (i) practices that imply illegally avoiding the payment of taxes to the detriment of the Treasury shall be avoided and (ii) professional activities in countries or territories classified as tax havens in accordance with the Spanish legislation, if ever developed, shall be identified and defined.

In order to implement the above, the Group has the following measures, among others, at its disposal:

- The Internal Rules of Conduct (already described in the section on Human Rights). Revised and updated throughout 2022, this internal standard is intended to serve as a guide for managing conflicts of interest, as well as establishing guidelines for employee behaviour in the securities market.
- The organisation and control model for the prevention of criminal risks: following the analysis of the offences in the Criminal Code in which a legal person may potentially incur, in the area of corruption and bribery, Renta 4 contemplated a risk in both business corruption offences (articles 286 bis and ter) and influence peddling offences (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 IRC 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 section on Human Rights, it is mentioned in this section in order to indicate that, in the process of approving third parties, aspects such as the following are taken into account: (i) whether the supplier has a criminal risk prevention model; (ii) whether it has a Corporate Responsibility Policy or (iii) whether its principles and values are in line with Renta 4's Code of Conduct.

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. Therefore, measures to combat money laundering and financing of terrorism are based on three fundamental pillars: the highest international standards, their adequacy and compliance through global policies, and the technological systems that enable such compliance.

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 Group 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 Group 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 Group.

Furthermore, in the last quarter of the year the Group is adapting to comply with the EBA/GL/2022/05 guidelines on the role and responsibilities of the AML/CFT compliance officer under Article 8 and Chapter VI of Directive (EU) 2015/849. These guidelines aim to clarify and determine the roles and responsibilities of the Entities' management bodies, their representatives and compliance officers on the prevention of money laundering and terrorist financing.

In financial year 2022, 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 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, during 2022, due to the war in Ukraine and the restrictive measures imposed by the EU against Russia, in particular individual sanctions, economic sanctions and diplomatic measures, the Group has reinforced its control policy by strengthening the financial sanctions protocols implemented by the Group in order to prohibit the making available of funds or economic resources, directly or indirectly, to or for the benefit of natural or legal persons, entities or bodies included on the list. In addition, there is the application of trade restrictions affecting certain products, companies, economic sectors or geographical areas. On the other hand, transactions are prohibited with certain state entities (Russia, its government and its Central Bank) and with those legal entities subject to public control or with more than 50% public ownership. Means are put in place to limit access to financial and capital markets and services for certain Russian banks and companies, transactions with the Central Bank of Russia or Belarus are prohibited, and payments to various Russian and Belarusian banks are excluded.

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 always accessible and updated on the intranet.

With this objective, training has also been strengthened, in which knowledge of financial sanctions has been reinforced, with a view to understanding the obligations to which the Group is subject. This training was mainly aimed at employees located in subsidiaries outside Spain, management bodies, sales network employees and internal control. These training measures have been completed by 94% of the employees called.

The main indicators of this activity in 2022 are detailed below:

Training	% of persons trained
Board of management	100%
Employees Spain	95%
Employees subsidiaries	90%

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 2022 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 Renta 4 Group's total contribution to non-profit sector associations in 2022 amounted to 182,236.40€

Renta 4 Gestora SGIIC SA and Renta 4 Pensiones SGFP SA are ordinary members of INVERCO, the Association of Collective Investment Institutions and Pension Funds, the Spanish umbrella organisation for collective investment schemes. Its members are Spanish entities that manage investment funds and pension plans, as well as foreign entities that are duly registered and controlled by the Spanish Securities Market Commission (CNMV). The instalments paid in 2022 were 14,150 euros and 25,000 euros respectively.

05.8

Society

The correct development of Renta 4's activities through its processes depends, to a large extent, on the suppliers involved. The correct management of these directly affects operations, projects and, ultimately, both the non-financial and financial impact on society. A significant percentage of Renta 4's activities are carried out by outsourcing services to suppliers, as reflected in the percentage of expenditure and investment they represent.

The main risks affecting the organisation in terms of engagement with sub-contractors and suppliers are organised in two main blocks: IT risks (related to Information Technology) and non-IT risks.

Firstly, with regard to IT risks, the following three main areas with possible risk implications are distinguished and listed together with the potential impact that could result from them:

- **Privacy:** inadequate management of personal data whose data controller is Renta 4 by its suppliers could lead to claims and even significant sanctions from the AEPD, mainly derived from the possibility of non-compliance with current data protection regulations, especially the General Data Protection Regulation (GDPR), in addition to the potential reputational impact derived from this.

- **Continuity:** risks arising from inadequate management of processes related to the Group's operational resilience and effective incident management, the impact of which may be accentuated if there is no adequate framework for action agreed with suppliers/sub-contractors.

- **IT security:** risks of security incidents or breaches arising from the implementation of an incorrect selection of security measures associated with the provision of the different services.

On the other hand, the main non-IT risks to which the organisation could be exposed are set out below:

- **Quality and compliance risks:** are those that arise in relation to the possibility that the supplier does not comply with the quality levels required by Renta 4, as well as the different SLAs established.

- **Reputational risks:** arising from the possibility of the supplier being involved in bad practices or illegal activities, as well as regulatory breaches which, due to being in the public domain, affect Renta 4's brand image.

- **Financial risks:** these are the risks that arise in the event that the relationship with the supplier generates a financial impact on the group that is not aligned with the service or product contracted, either due to incorrect compliance resulting from insolvency or due to the supplier's liquidity problems.

- **Operational risks:** resulting from the inadequacy or failure of internal processes, personnel and systems, or from external events. In particular, errors by information and pricing providers, or intrusions into technological systems that could jeopardise the security of the Group's infrastructure.

- **Sustainability or ESG risks:** include, as a non-financial risk, the losses associated with poor performance, or the lack of sufficient measures to achieve better environmental protection, social development with cohesion criteria and economic growth that generates equitable wealth under appropriate internal governance of the company.

Renta 4 believes that both sustainability risk and reputational risk would be mitigated by establishing policies and procedures with a view to Corporate Social Responsibility, with a vocation for permanence and a commitment to the highest level of business management, as well as shared value with the citizens in its sphere of action. The objective pursued with the appropriate management of these risks is to generate profit in a responsible manner, considering sustainable investment as one of the main levers for the progress of the entities and of society.

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.

It should be noted that in 2022 Renta 4 Banco has included the ESG Risk framework in its Risk Appetite Framework. In addition, the group has several policies for managing these risks and, specifically, Renta 4 Gestora SGIIC, in addition to the ESG policy, has a statement of the main adverse events. Internally, policies and procedures have continued to be developed to identify, regulate and mitigate these ESG risks, although they are not a priori material. Finally, it should be noted that Renta 4 Gestora has signed up to the UNPRI (Principles for Responsible Investment) programme as of 31 January 2020. Likewise, a methodology is being developed to calculate the Renta 4 Group's Carbon Footprint in accordance with the GHG Protocol and target levels will be established.

We are currently in the process of integrating ESG and sustainable risk criteria for services offered to the public, such as portfolio management and advisory services, in which they are asked about their preferences for sustainable investment. In this way, the client will be able to promote a sustainable investment according to his preferences, which will evolve progressively to the completion of the sector data. The integration of preferences with investments is expected to take place over the next financial year as information is received from investment fund issuers across the financial sector.

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'.

Finally, Renta 4 wants to go further in its commitment to environmental protection and, to this end, a model has been developed for 2022 to calculate the carbon footprint of scopes 1 and 2 and of the activities relevant to Renta 4 in scope 3. The calculation is based on 2021 emissions data for the entities, Renta 4 Banco and Renta 4 Gestora and their controlled operations. While we understand that in 2022 they may vary somewhat, the order of magnitude will be similar so that the conclusions are applicable to the 2023 strategy.

With the results obtained in terms of carbon emissions, a final report has been produced with the conclusions and key points, at a high level, and possible actions to be carried out to favour the reduction of the footprint. This detailed report on the calculation of the carbon footprint can be found in the sustainability report.

The result of the carbon footprint calculation for 2021 was equivalent to 827.7 t CO2. Corresponding to the sum of operational Scope 1, 2 and Scope 3 emissions. Scope 3 for financed emissions has not been included as the market does not yet have sufficiently verified and accessible information.

The methodology implemented in the calculation of Renta 4's carbon footprint is based on:

- GHG Protocol according to the ECCR standard (Corporate Accounting and Reporting Standard)
- The indications of the MITECO (Ministry for Ecological Transition and the Demographic Challenge)
- The Partnership for Carbon Accounting Financials (PCAF) guidance: The Global GHG Accounting and Reporting Standard for the Financial Industry.

In addition, during the first quarter of 2023, the calculation model developed to calculate Renta 4's carbon emissions will be used to obtain those corresponding to 2022, which will be published on the company's website in due course.

Based on these data, a decarbonisation plan is being prepared which will be presented to the ESG Committee and, if approved, will be submitted to the Board for approval.

Information on partnership or sponsorship activities

In the solidarity field, the Group's activities are mainly channelled 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 Group's employees in the project proposals and associations that can participate in the selection process. The foundation's board of trustees analyses every proposed project/association and checks whether they meet the established requirements. Then, some projects and associations are validated and all employees vote to choose the ones with the most votes.

Currently, the foundation makes annual contributions of €6,000 euros to 11 projects. These assignments are revalidated on an annual basis, although five of them already have a continuity commitment, given the trajectory shared with the projects developed in them.

In addition, Renta 4 participates directly in specific actions, ensuring that they are always within the area of solidarity action that the Group has set itself: education and culture, as vehicles for social inclusion and the development of disadvantaged groups. These actions include examples such as the patronage of the Teatro Real (€65,377.00); among others.

Specifically, in the 2022 financial year Renta 4 donated the following amounts:

Asociación Caridad	200.00
Fundación Avanza ONG	6,500.00
Fundación AMPAQ	600.00
Universidad de Valladolid	6,423.54
Fundación ECODES	60.00
Fundació privada oncolliga Girona	100.00
Fundación Amigos del Teatro Real	5,200.00
Insigne Cofradia Penitencial del Nuestro Padre Jesús Nazareno	325.00
Fundación Renta 4 Banco	106,000.00
Fundación del Teatro Real	65,377.00
Total	**190,785.54**

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 branches and at headquarters.

In 2022, 122 training and information courses on the different investment products were organised (20% more than in 2021); 3,586 people registered for the different courses (8% less than in 2021) and, in webinar format, the 37 training sessions that were scheduled (54% more) attracted 16,691 live attendees and 28,755 deferred attendees (growth of 114% and -1% compared to 2021).

WORKSHOP COURSES	2021	2022	Difference
Total courses held	102	122	20%
Total graduating	3,902	3,586	-8%
Average graduating per course	38.3	29.4	-23%

Webinars	2021	2022	Difference
Total webinars held	24	37	54%
Total direct viewings	7,814	16,691	114%
Total on demand viewings	**29,153**	**28,755**	**-1%**

One of the most attended training conferences was the 'Cycle from Saver to Investor', which offers seven conferences on the fundamentals of investment, funds, the stock exchange, pension plans, sustainable investment, megatrends and crypto-assets. In this section, multiple pieces of content are produced and disseminated throughout the year around the theme of sustainability in the form of blog posts, video shorts, conferences, webinars and courses...

In line with the commitment to nationally and internationally recognised principles, Renta 4 Gestora has adhered to the United Nations Sustainable Investment Programme, the 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.

In December 2022, Renta 4 Banco has applied to join the UNPRI programme, as has Renta 4 Gestora. In addition, it has applied for NZBA membership, thus joining organisations that confirm their commitment to reducing carbon emissions to zero. To this end, a decarbonisation plan has been established and is pending submission to and approval by the ESG committee for implementation in 2023.

Along these lines, the teleworking model, initiated in 2019 with COVID, has been consolidated in a hybrid model since 2021, combining face-to-face and telematic work to favour integration in the company and the business culture, while at the same time improving family reconciliation and, with the reduction of journeys to work centres, a reduction in CO_2 emissions from vehicles, and 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 of 62 offices in all provincial capitals generates an economic impact on employment and the outsourcing of suppliers for maintenance and several other service activities to sustain the branches that function locally.

Renta 4 is a national benchmark in investment services and capital markets. Its presence throughout Spain, in every provincial capital, is proof of its commitment to society as a whole to democratise investment, based on the belief that investment is one of the main engines for improving people's lives.

In addition, Renta 4 Banco has developed and put into production in 2022, tools that allow investors to carry out their investment activity considering sustainability factors. The purpose is to enter data and elements to filter and select the assets and agents that fit their SRI criteria.

The Corporate activity of Renta 4 includes the analysis and access to financing for small companies to support their growth and eventual IPO. This activity is combined with local offices to offer SMEs these possibilities, so we consider that it has a very positive impact on local areas.

The Group, 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 2022, as in 2021, it maintained in a more digitised version.

In addition, a large number of training activities on financial matters are carried out in order to bring these aspects of financial literacy closer to local citizens, as described above.

Outsourcing and suppliers

Renta 4 is firmly committed to carrying out supplier selection, outsourcing and sub-contracting activities following the principles of contribution to society and its sustainability. To this end, the supplier selection process takes into account the terms of financial due diligence, a number of internal policies and adaptability to future service needs.

To this end, a policy and procedure for outsourcing services and functions has been drawn up, which contemplates the set of analysis, monitoring and review activities to be carried out in order to ensure that the third parties contracted comply with the minimum conditions and requirements demanded to achieve adequate mitigation of the inherent risks associated with the function or activity to be performed by the third party.

In addition to the policy, it has developed a methodology on how to proceed with third parties in each of the phases of their life cycle (contracting, provision and end of service). Complementing the methodology, a tool has been defined for the evaluation of outsourcing, which allows an assessment to be made of the inherent risks associated with the services to be outsourced and to evaluate the suitability of the supplier from the point of view of risk minimisation, taking into account environmental, social and human rights protection criteria.

The three pillars of this policy are the following ones:

a. **Commitment to prepare** Request For Proposal (RFP)

The selection of suppliers is carried out using established procedures to mitigate the aforementioned risks and to have measures in place to control them, these procedures being dynamic, thus allowing them to be adapted to possible changes that may occur over time.

The procedures are grouped in the RFP (**Request For Proposal**) document, in which the requirements associated with the product or services are included, in order to have an objective reference as to the suitability of the suppliers assessed.

b. **Transversal impact analysis**

The selection of suppliers is always based on a transversal analysis of the various Renta 4 areas, represented in three functional verticals:

- Technology (security area)
- Business (Marketing, Digital Development, others)
- Compliance (Compliance, Risks, Continuity, Privacy, others)

These analyses are carried out by people responsible for each project or area, depending on how the activity is performed at any given time and through the corresponding meetings and reports, and they are supervised individually by the Management.

c. **Internal committees:**

1. **Security Committee**

This is the body that evaluates recently developed projects or the continuity of activities from an information security point of view 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.

2. **Suppliers Committee**

This is the body in charge of managing suppliers' IT risks, handling their approval and review, in coordination with the areas involved depending on the supplier or service.

3. **ESG Committee**

This is the body that approves the procedures related to ESG or similar matters, and that shall adopt decisions in relation to possible non-compliance by third parties.

4. **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 video shorts on security matters.
- Drawing up information video shorts on third-party risks.

Description of supplier monitoring and audit systems

Although Renta 4 does not have specific supervision systems or audits in environmental matters due to the low level of materialisation of this impact on the Group's financial activity, suppliers are periodically supervised and audited both by the various areas on a discretionary basis, and in accordance with Renta 4's transversal supervision systems. Given the growing importance of monitoring the security of suppliers, an outsourcing policy has been formalized that includes a review and approval of suppliers prior to contracting, taking into account issues such as 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. 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. Furthermore, in accordance with regulations, Renta 4 has a person responsible for the asset protection function, who is responsible for monitoring the activity of third parties.

The main supplier supervision systems identified are the project or activity committees, which involve several areas and are ultimately overseen by the General Management, and other formally established committees, including the Security Committee, the Supplier Committee and the ESG Committee.

Cybersecurity

Renta 4 Group is committed to the fight against cybercrime by ensuring proper information security management and continuous improvement of 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 Group.

Renta 4 is constantly working to raise awareness and train each and every one of its employees and customers. To this end, an annual training and awareness-raising plan has been created and is reviewed every year, geared to the level of maturity identified in the Group. In addition to the development of alternative campaigns based on the current situation, aimed at raising awareness among all our employees. In the case of our clients, Renta 4 has created educational and awareness-raising content published on the website so that all our clients can be informed of the best practices they can carry out in their accounts to avoid being victims of possible fraud and/or scams. Also, this year Renta 4 has enhanced the quality of notifications to its clients in order to keep them informed of the most relevant possible attacks in the financial sector.

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 points to highlight carried out by Renta 4 over the last year, are as follows:

- 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.
- Drawing up Renta 4's asset inventory with the participation of all areas of Renta 4.
- Classify Renta 4's assets using the five dimensions (authenticity, confidentiality, integrity, availability and auditability) and MAGERIT.
- Making improvements to the remote-work process.
- Preparing the annual training and awareness plan based on information security for the Renta 4 Group.
- Improving standards and procedures for event management and reporting.

Within all these points of improvement that have been relevant in the last year, Renta 4 works daily to maintain the security of its systems, with security systems such as: protection mechanisms against Denial of Service attacks, with different levels of Firewall that protect the Group's network, anti-malware systems, etc. In addition to the above, Renta 4 has the necessary information to prevent, protect and respond to security and operational events.

Also, Renta 4 is working on automating the information labelling system to provide a higher level of information security, aimed at preventing with better data leakage results.

For these reasons, each year Renta 4 sets a series of objectives that are aligned with the needs of the Group and the moment. The next defined goals are:

- To continue to train and raise awareness of Information Security amongst all employees.
- To implement asset tagging throughout the Group using an automated tool.
- Initiate accreditation to the best practice of 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 documentation system.
- To be in constant coordination with all the countries involved in the Group in order to achieve the correct level of Information Security.

Renta 4 is committed to work with cybersecurity in order to achieve optimum and adequate levels of protection in its systems. To this end, it strives to constantly advance and improve its level of security.

Consumers

The Renta 4 Group is an company specialised in the provision of investment services and high-quality asset management, whose principles are based on proximity to clients and specialisation, offering a wide range of products and high-quality advice for client satisfaction, one of the main purposes of Renta 4.

In accordance with Order ECO/734/2004, dated March 11, on the client departments and services of financial institutions, the Customer Service Department of Renta 4, (hereinafter, CSD) has the **main function of processing and resolving the complaints and claims submitted by clients. To this end, Renta 4** has set up different channels for the effective submission of complaints and/or claims:

- E-mail defensor@renta4.es
- Renta 4 website https://www.r4.com/ through the customer's logged-in account (with digital certificate)
- Postal address: Paseo de la Habana nº 74, 28036, Madrid
- In person at any of Renta 4's offices
- 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.

TABLE 1. Evolution of Complaints submitted to the CSD - Classification by type Resolution

Classification by type of Resolution	2022		2021		2020		2019		2018		2017		2016		2015		2014		2013	
Unfavourable to Client	19	49%	23	61%	15	34%	16	64%	24	69%	21	70%	24	89%	18	51%	12	55%	24	73%
Favourable to Client	3	8%	4	11%	5	11%	1	4%	1	3%	-	-	-	-	-	-	2	9%	-	-
Compromise agreement from CS	13	34%	6	16%	15	34%	8	32%	9	26%	8	27%	3	11%	14	40%	6	27%	7	21%
Desistance by Client	1	3%	3	8%	1	2%	-	-	-	-	-	-	-	-	1	3%	-	-	2	6%
Processing not accepted / Suspension	1	2%	-	-	1	2%	-	-	1	3%	1	3%	-	-	2	6%	2	9%	-	-
Awaiting resolution as at 31 Dec 2022	2	5%	2	5%	7	16%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**39**		**38**		**44**		**25**		**35**		**30**		**27**		**35**		**22**		**33**	

Tax information

With regard to tax information, in accordance with the provisions of Law 11/2018, section one, two V, Renta 4 Banco SA operates in Spain, Chile, Peru, Colombia and Luxembourg. Renta 4 Banco pays direct input taxes (own taxes) and collects others from third parties generated by economic activity and based on its role as a company collaborating with the tax authorities (third party taxes).

In relation to these countries, the profits obtained in each of them and the taxes on profits paid are specified in the following figures (in thousands of euros):

	Total	Luxembourg	Colombia	Chile	Peru	Spain
Result before tax	29,382	-216	786	2,309	280	26,223
Tax on benefits*	-7,600	18	0	-426	-39	-7,153
Result after tax	21,782	-198	786	1,883	241	19,070
Amount to pay for FY 2022	7,116	0	0	427	32	6,657

* or other analogous

The Bank and the rest of the Group companies are subject to other taxes, besides income tax, the most important one is the tax on deposits in credit entities, which amounts to €583,000. During 2022, Renta 4 Banco S.A. did not receive any tax subsidies or public aid in this regard.

05.9

ESG Commitment

Renta 4 considers sustainability to be one of the main values to be applied in its business strategy and has therefore established a series of governing bodies, policies and plans, which are set out below.

In this regard, at the end of 2021, the Mas Plan was approved, which aims to project Renta 4's strategy for the coming years, based on three fundamental axes:

1. Provision of new basic banking services.
2. Launch of advanced digital investment solutions.
3. Development of thematic and ESG investments.

In terms of sustainability, the third axis pays special attention to sustainable investment, emphasising the ESG approach, as part of Renta 4's broad vision and commitment to sustainability.

In order to develop the strategy and adaptation of Renta 4's governance, as well as to adapt to the requirements in this area, the ESG Committee has been set up to ensure the development and implementation of a sustainable investment policy in compliance with the regulations in force and in line with the trends in society.

This committee is made up of relevant members, including the Chairman of the Board of Directors of Renta 4 Banco, the Chairman of Renta 4 Gestora, as well as other directors and executives of the bank. As a result, the aim is to achieve alignment between Renta 4's strategy and the implementation of ESG practices and procedures. The committee meets 3-4 times a year to review the progress of the different initiatives.

In relation to policies, Renta 4 Banco has an ESG Policy, the aim of which is to provide a global framework in which the general principles and procedures for the incorporation of ESG criteria are set out in a harmonised and homogeneous manner:

- Strategy and business: Renta 4 is committed to promoting investments that minimise negative impacts, and to promoting the integration of ESG criteria in the development of its activity at corporate level.
- Products and services to be marketed: development of a catalogue of sustainable products and services to complement its current offer and to respond to current market demands within the ESG field.
- Risk management: integration of ESG risks in Renta 4's strategic or investment decision-making.
- Transparency: towards both our clients and stakeholders, communicating Renta 4's positioning and performance in the ESG area.
- Governance: Integration of ESG criteria into Renta 4's strategy, decision-making, roles and responsibilities.

In addition, Renta 4 Banco has an ESG Asset Management Policy and Renta 4 Gestora has formulated a specific ESG Policy.

In developing these policies, Renta 4 is implementing procedures for assessing the impact of climate and environmental risks in relation to the environment, strategic planning and criteria for selecting products to invest in and/or manage. In addition to financial criteria, Socially Responsible Investment (ESG) criteria are applied, which follow investment strategies based on exclusionary and valuation criteria. The majority of our portfolios pursue a sustainable investment policy. In the analysis and selection of securities, ESG characteristics are integrated into most of the potential assets for potential investment, through the various sources of information.

On 20 December 2022, ESG risk was included in the Risk Appetite Framework as a non-material risk and its ESG risk appetite was established as follows:

- Commitment to reduce Renta 4's carbon footprint generated directly and indirectly as a result of its activities. For this purpose, a model has been developed for the calculation of the operational carbon footprint considering scope 1, 2 and 3. Based on this calculation, a decarbonisation strategy is being defined and a SDG is being established for approval by the Board of Directors.
- Supporting the green transition by integrating ESG criteria into its investment decision-making processes, both on its own account and in the provision of services to third parties (portfolio management, financial advice and marketing of CIIs). These criteria are set out in Renta 4 Gestora's ESG Asset Management Procedures and ESG Procedures.
- To limit or deny financing to customers who may pose a material risk to the Group of not meeting its commitments with respect to ESG criteria.
- Adaptation and improvement of processes to meet ESG regulatory requirements (SFDR, MiFID, solvency and other banking regulations).

During the year 2022, work has been carried out on the following aspects:

- **Renta 4 Gestora Sustainability Annexes**

  The new regulation provides that fund managers of funds that either promote sustainability or target sustainable investments must prepare and file with the CNMV an annex to the prospectus ("sustainability annex") in accordance with the standardised templates in the European Regulation. The content of these annexes substantially expands the information that the funds included in their prospectuses.

  In order to comply with this requirement, Renta 4 Gestora and different areas of Renta 4 Banco have worked to comply in due time and form with the preparation, presentation to the supervisor and publication on the website, together with their respective products.

- **Suitability test for the provision of advisory and portfolio management services:**

  The new rules establish the obligation to ask customers about their sustainability preferences and to provide advisory or portfolio management services based on their answers.

  The regulations require a high level of detail in the formulation of the questions, but there is currently no standardised information that would allow the customer to be offered investment products with the specific characteristics derived from the customer's answers.

  Accordingly: (i) the required changes in customer information (suitability test, advisory proposals, specific conditions of the portfolio management service) have been implemented; (ii) processes have been established to meet the regulatory requirements which, with the information available, can be complied with; and (iii) monitoring is being carried out to prepare for implementation when regulatory information on the sustainability of products is received.

- **Adequacy of processes and information according to EU taxonomy.**

  The consistency and traceability of the databases has been improved, and the systems have been adapted to the taxonomy changes effective from 2022, by means of the SFDR implementing regulations. Renta 4 has also increased the automation of the required processes.

- **Carbon footprint calculation.**

  A methodology has been established for the calculation of the carbon footprint in accordance with the GHG Protocol, for the calculation of scopes 1, 2 and 3 in accordance with the definition established therein. The carbon footprint for 2021 has been calculated and, as MITECO data is updated, the footprint for 2022 will be recalculated. This detailed calculation of the carbon footprint will be carried out and reported in advance on an annual basis in order to establish decarbonisation as an SDG.

- **Training and Awareness Raising.**

  A series of training and awareness-raising sessions have been promoted for the board of directors as well as for the staff of the organisation.

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 Group 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 be in charge of the coordination and oversight of initiatives related to sustainable investment and the timely reporting procedure to the Board of Directors.
- **It has hired the services of an external consultant specialised 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 to the United Nations Principles for Responsible Investment (UNPRI).

Renta 4 Banco has applied to join the following initiatives. In this regard, membership of UNPRI, an association that establishes the principles of responsible investment, has also been requested; membership of the Principles for Responsible Banking (UNEP FI) has also been requested, but a reply has been received from the organisation indicating that, given the composition of the bank's balance sheet, it is not appropriate for the time being to proceed with this membership; and a request has been made to join the United Nations initiative, Net Zero Banking Alliance, a partnership whereby the Alliance's member banks undertake to set interim targets for 2030 or earlier to accelerate the shift to a net zero emissions economy by 2050.

ESG Goals

The best way to put into effect the Group's commitment to sustainable investment and ESG criteria is to establish specific goals and deadlines to achieve them.

The degree of compliance with ESG objectives will be linked to the remuneration policies 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.

- **Environmental care:** Qualitative goals are being set for carbon footprint reduction, efficient energy consumption, consideration of climate change risk in investments...
- **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.
- **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...

By 2022, a certain maturity and confidence has been achieved in several of the indicators being used in ESG. Accordingly, the first ESG committee has already presented specific targets to be set as SDGs in several of these areas which, if approved by the Board of Directors, will generate the appropriate plans for their fulfilment.

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. As was done in 2021, Renta 4's own rating will be periodically analysed by this company.

05.10

RENTA 4 2022 EU 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 Group's business model.

This information requirement is based on the EU taxonomy determined on the basis of EU Regulation 852/2020 and its implementing legislation, 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 the two environmental objectives - climate change mitigation and climate change adaptation - have been developed.

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 non-financial reporting to total assets.
- Ratio of interbank demand loans to total assets.
- Ratio of trading book exposures to total assets.
- Ratio of derivative exposures to total assets.
- 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. It should be noted that in the determination of eligibility and the rest of the data necessary for the calculation of the required ratios, internal databases have been revised, prioritised and updated, and the processes have been more automated, allowing for better control and monitoring.

Quantitative Information

In compliance with the aforementioned regulations, Renta 4 presents the following ratios for the Group's own exposures to counterparties recognised on its balance sheet in 2021 and 2022:

Ratios	Dec 22	Dec 21	Difference
Exposure eligible to effects of ESG taxonomy excluding Central Banks and Public Administration (numerator and denominator)	5,16%	4,47%	0,69%
Exposure not eligible to effects of ESG taxonomy excluding Central Banks and Public Administration (numerator and denominator	62,78%	95,53%	-32,75%
Exposure to Central Banks and Public Administration	70,84%	62,79%	8,05%
Exposure to companies not subject to EINF publication	11,74%	39,27%	-27,52%
Exposure classified in Business Portfolio (includes derivatives)	2,35%	8,05%	-5,70%
Exposure classified in derivatives *	0,01%	0,00%	0,00%
Percentage of exposure to interbank market	7,05%	49,25%	-42,20%

* The percentages of exposure classified in derivatives in December 2022 and 2021 represent respectively 0.0051% and 0.0007%of the balance

The differences between the two years are mainly due to the evolution of the balance sheet, where the exposure to central banks and public administrations has increased and the exposure to the interbank market has been reduced. In addition, it is necessary to underline that there has been an improvement in the automation of processes and in the consistency and traceability of the databases, which have made it possible to obtain results with a higher level of confidence. Finally, the existing difference is also partly explained by the methodology applied in the calculation of the ratios, as better data processing and a better understanding of the regulations has led to results that are more representative of reality.

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 counterparty Balance Sheet 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 all of Renta 4, which is the prudential group able to be consolidated formed by Renta 4 Banco and all its subsidiaries in accordance with current accounting and prudential regulations.

In addition to the quantitative information presented, we include information that completes and provides a better understanding of the assessment of Renta 4's ESG exposure to counterparties and issuers.

- Renta 4'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 5.16% 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 73% of on-balance sheet exposures are excluded for the purposes of the eligible exposure ratio calculations (central banks, government and trading book).

- 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 information with respect to the ESG Taxonomy of the following portfolios are monitored through the Clarity AI application:

- 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	Page or section of the report where the response is given	Reporting criteria: Selected GRIs (latest version unless otherwise stated)
A brief description of the business model including context, organisation, and structure	5 - 9	GRI 2-6 (2021)
Markets in which it operates	5 - 9	GRI 2-1 (2021) GRI 2-6 (2021)
Organisational purposes and strategies	5 – 9	GRI 2-1 (2021) GRI 2-22 (2021)
Main factors and trends that may affect its future development	5 – 9	GRI 3-3 (2021) GRI 2-22 (2021)
Reporting framework used	3 – 4	GRI 1 (2021)
Principle of materiality	3 – 4	GRI 3-1 (2021) GRI 3-2 (2021)
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities	11 - 18	GRI 3-3 (2021)
Detailed information on current and foreseeable effects of the company's activities on the environment and, when relevant, on health and safety	11-18	GRI 3-3 (2021)
Environmental assessment or certification procedures	11 - 18	GRI 3-3 (2021)
Resources for environmental risk prevention	11 - 18	GRI 3-3 (2021)
Application of the precautionary principle	11 - 18	GRI 2-23 (2021)
Number of provisions and guarantees for environmental risk coverage	11 - 18	GRI 3-3 (2021)
Measures to prevent, reduce, or remedy emissions that seriously affect the environment, taking into account any activity-specific form of air pollution, including noise and light pollution	11 - 18	GRI 3-3 (2021) GRI 305-7
Measures for prevention, recycling, reuse, other forms of recovery and waste disposal	11 - 18	GRI 306-1 GRI 306-2 GRI 306-3 a 306-5
Actions to prevent food waste	11 - 18	GRI 3-3 (2021) GRI 306-4
Water consumption and water supply according to local constraints	11 - 18	GRI 303-1 a 303-3 GRI 303-5

Information required by Law 11/2018	Page or section of the report where the response is given	Reporting criteria: Selected GRIs (latest version unless otherwise stated)
Consumption of raw materials and measures taken to improve the efficiency of their use	11 - 18	GRI 301-1 GRI 301-2 GRI 301-3
Direct and indirect energy consumption	11 - 18	GRI 302-1 GRI 302-3
Measures taken to improve energy efficiency	11 - 18	GRI 3-3 (2021) GRI 201-2
Use of renewable energies	11 - 18	GRI 302-1
Emissions of greenhouse gases generated as a result of the company's activities, including the use of goods and services it produces	11 - 18	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4
Measures taken to adapt to the consequences of climate change	11 - 18	GRI 3-3 (2021) GRI 201-2
Voluntary medium and long-term reduction targets set to reduce greenhouse gas emissions and means implemented to achieve them	11 - 18	GRI 3-3 (2021) GRI 305-5
Measures taken to preserve or restore biodiversity	11 - 18	GRI 3-3 (2021) GRI 304-3
Impacts caused by activities or operations in protected areas	11 - 18	GRI 3-3 (2021) GRI 304-1 GRI 304-2
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities	19 - 35	GRI 3-3 (2021)
Total number and distribution of employees by country, gender, age and job classification	19 - 35	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	19 - 35	GRI 2-7 (2021)
Number of dismissals by gender, age and job classification	19 – 35	GRI 3-3 (2021) GRI 401-1
Average remuneration and its evolution broken down by gender, age and job classification or equal value	19 – 35	GRI 3-3 (2021)
Salary gap, remuneration for equal or average jobs in society	19 – 35	GRI 3-3 (2021) GRI 405-2
Average remuneration of directors and managers, including variable remuneration, allowances, compensations, payment to long-term savings schemes, and any other payment broken down by gender	19 – 35	GRI 3-3 (2021)
Implementation of right to disconnect policies	19 – 35	GRI 3-3 (2021)
Number of employees with disabilities	19 – 35	GRI 3-3 (2021) GRI 405-1
Working time organisation	19 – 35	GRI 3-3 (2021)
Number of absence hours	19 – 35	GRI 3-3 (2021) GRI 403-9
Measures to facilitate the enjoyment of work and life balance and to promote the shared responsibility of both parents	19 – 35	GRI 3-3 (2021) GRI 403-3
Health and safety conditions at work	19 – 35	GRI 3-3 (2021) GRI 403-1 a 403-8
Occupational accidents, particularly their frequency and severity, as well as occupational diseases; broken down by gender	19 – 35	GRI 403-9 GRI 403-10

Information required by Law 11/2018	Page or section of the report where the response is given	Reporting criteria: Selected GRIs (latest version unless otherwise stated)
Organisation of social dialogue including procedures for information provision, consulting, and negotiation	19 – 35	GRI 3-3 (2021)
Mechanisms and procedures that the company has in place to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	19 – 35	GRI 3-3 (2021)
Percentage of employees covered by collective bargaining agreements by country	19 – 35	GRI 2-30 (2021)
Balance of collective agreements, particularly in the field of health and safety at work	19 – 35	GRI 3-3 (2021) GRI 403-4
Policies implemented in the field of training	19 – 35	GRI 404-2
Total number of training hours by professional category	19 – 35	GRI 3-3 (2021) GRI 404-1
Universal accessibility for people with disabilities	19 – 35	GRI 3-3 (2021)
Measures taken to promote equal treatment and opportunities between women and men	19 – 35	GRI 3-3 (2021)
Equality plans, measures taken to promote employment, protocols against sexual harassment on the grounds of gender and discrimination	19 – 35	GRI 3-3 (2021)
Policy against all forms of discrimination and, where appropriate, diversity management	19 – 35	GRI 3-3 (2021)
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities	36 - 42	GRI 3-3 (2021)
Application of human rights due diligence procedures, prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage, and redress possible abuses	36 - 42	GRI 2-23 (2021) GRI 2-26 (2021) GRI 410-1 GRI 412-1 a 412-3
Allegations of human rights violations	36 – 42	GRI 3-3 (2021) GRI 406-1 (2016)
Measures implemented for the promotion and fulfilment of the provisions of the fundamental ILO conventions concerning respect for freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour	36 – 42	GRI 3-3 (2021) GRI 407-1 GRI 408-1 GRI 409-1
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities	43 - 47	GRI 3-3 (2021)
Measures taken to prevent corruption and bribery	43 - 47	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-26 (2021) GRI 205-1 a 205-3
Measures to prevent money laundering	43 – 47	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-26 (2021) GRI 205-1 a 205-3
Contributions to foundations and non-profit organisations	43 – 47	GRI 2-28 (2021) GRI 201-1 GRI 415-1
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities	48 – 60	GRI 3-3 (2021)
The impact of the company's activities on employment and local development	48 - 60	GRI 3-3 (2021) GRI 203-2 GRI 204-1
The impact of the company's activities on local populations and the territory	48 - 60	GRI 3-3 (2021) GRI 413-1 GRI 413-2 GRI 411-1
Relationships maintained with local community people and dialogue approaches	48 – 60	GRI 2-29 (2021) GRI 413-1
Partnership or sponsorship actions	48 – 60	GRI 3-3 (2021) GRI 201-1
Inclusion of social, gender equality and environmental issues in the procurement policy	48 – 60	GRI 3-3 (2021)
Consideration in relationships with suppliers and sub-contractors of their social and environmental responsibility	48 – 60	GRI 2-6 (2021) GRI 308-1 GRI 414-1
Monitoring and audit systems and results	48 – 60	GRI 2-6 (2021) GRI 308-2 GRI 414-2
Measures for the health and safety of consumers	48 – 60	GRI 3-3 (2021) GRI 416-1
Systems to manage complaints received and their resolution	48 – 60	GRI 3-3 (2021) GRI 418-1
Benefits obtained by country	48 – 60	GRI 3-3 (2021) GRI 207-4
Taxes on profits paid	48 - 60	GRI 3-3 (2021) GRI 201-1 GRI 207-4
Public subsidies received	48 - 60	GRI 201-4
ESG Commitment	61 - 66	
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Annual Report on the Remuneration of the Directors of Listed Corporations

End date of the reference year
31/12/2022

Dentifying data of the Issuer
Tax ID: A-82473018
Company name:
RENTA 4 BANCO, S.A.
Registered office:
PS. DE LA HABANA N.74 (MADRID)

A. REMUNERATION POLICY OF THE COMPANY FOR THE YEAR IN PROGRESS

A.1.1 To explain the current policy for the remuneration of directors applicable to the year in progress. Where relevant, certain information may be stated in relation to the remuneration policy approved by the general meeting of shareholders, provided the addition is clear, specific and concrete.

The specific determinations for the current year shall be described, both of the remuneration of directors for their status as such and for the performance of executive functions that the board has carried out in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the general shareholders' meeting.

The following aspects, as a minimum, must be reported in any case:

a) Description of the procedures and bodies of the company involved in determining and applying the remuneration policy and their conditions.

b) State and where appropriate explain whether consideration have been given to comparable companies for the purposes of establishing the company’s remuneration policy.

c) Information as to whether an external advisor was involved and, should this be the case, the identity of the advisor.

d) Procedures under the existing directors’ remuneration policy for applying temporary exceptions to the policy, the conditions under which such exceptions may be used and the components that may be subject to exception under the policy.

The purpose of the remuneration policy (the “RP”) on directors of Renta 4 Banco, S.A. (the “Company” or “Renta 4”) is to align the interests of the shareholders with those of the Company, seeking prudent management of the activity and minimizing the risks inherent in it, rewarding the work of the Company’s personnel in achieving this purpose and ensuring that remuneration is adjusted to the market conditions of credit institutions that are comparable in terms of their size, and to criteria of moderation and adaptation to the Company’s results. All of the above, in accordance with the Regulations of the Board of Directors (the “BoD”) of Renta 4, and in order to contribute to the Company’s ability to meet its strategic objectives within the framework in which it carries out its activity.

In this regard, and within the framework of the provisions of the Byelaws, the Regulations of the BoD of the Company assign to this body the power to adopt the decisions to be proposed to the General Meeting (GMS) regarding the remuneration of directors. In accordance with the best corporate governance practices, the Board of Directors (“BoD”) of the Company has, for the best performance of its duties, established Committees that assist it in matters within its remit. Among these, the Appointments and Remuneration Committee (the “ARC”) is the body that advises and informs the Board on matters, among others, on remuneration within its purview attributed in the Board Regulations, ensuring compliance with the remuneration policy established by the Company’s General Shareholders’ Meeting and proposing, where appropriate, the modifications it deems necessary.

For this reason, the BoD, in the exercise of its functions, shall approve, at the proposal of the ARC, the RP for the current year and submit it to the Company’s GMS for approval.

Pursuant to the provisions of Article 32 of the Board of Directors Regulations, the ARC is currently made up of three members appointed by the Board of Directors, Ms. Gema Aznar Cornejo, Mr. Jose Ramon Rubio Laporta, as independent directors and Mr. Pedro Ángel Navarro Martínez, as other external director. This ARC meets as often as is necessary for the performance of its duties, convened by its Chairman or, as the case may be, by the Chairman of the BoD, at least once a quarter.

In 2022, the ARC met five times to discuss issues within its remit.

Without prejudice to other duties assigned to it by the BoD, the ARC has, in relation to matters of remuneration, the following remits:

- to ensure that the remuneration policy established by the Company is observed and, in particular, review it on a regular basis and propose to the BoD the RP for directors, senior executives, executive committees, executive directors and, where appropriate, categories of employees who, owing to the duties they perform, are included in the remuneration policy by virtue of the applicable regulations, the application thereof, including share-based remuneration systems and their application, as well as to guarantee that individual remuneration is proportional to that paid to directors and senior executives;

- to propose the individual remuneration and the terms and conditions of the contracts of executive directors and the basic conditions of the contracts of senior executives, all in accordance with the RP approved by the GMS;

- to oversee the transparency of remuneration and the observance of the remuneration policy established by the Company.

In this sense, the ARC will propose, if appropriate, the corresponding modifications of the RP to the BoD, for its submission and subsequent approval, if necessary, by the GMS.

The Regulations of the BoD, both with regard to the ARC itself and for directors in general, establish that all of them may request external advice on any matters they consider necessary.

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.

Finally, the conclusions reached in the comparative analysis of the policy in effect in 2021 with the practices of the sector and comparable companies, as well as the recommendations on corporate governance, were considered in the design of the RP.

A.1.2 Relative importance of items of variable remuneration in relation to the fixed items (remuneration mix) and the criteria and objectives taken into account to determine them and to guarantee a proper balance between the

fixed and variable components of remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and align it with the company's objectives, values and long-term interests, including, where appropriate, a reference to measures envisaged to ensure that the remuneration policy addresses the company's long-term performance of the company, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the entity's risk profile and measures envisaged to avoid conflicts of interest.

Also indicate whether the company has established any vesting or consolidation period for certain variable remuneration items, in cash, shares or other financial instruments, a period of deferral in the payment of amounts or delivery of financial instruments already vested and consolidated, or whether any clause has been agreed to reduce deferred remuneration not yet consolidated or that obliges the director to the reimbursement of remuneration received when such remuneration has been based on data has subsequently been proven to be manifestly inaccurate.

The purpose of the RP is to establish a compensation scheme that is appropriate to the dedication and responsibility of the persons to whom it applies, with the aim being to attract, retain and motivate the most outstanding professionals, as well as to help the company to achieve its strategic objectives within the framework of its activities. For this reason, and as established in the Regulations of the Board of Directors, the remuneration will be adjusted to the market conditions of credit institutions of a size similar to Renta 4 and based on criteria of moderation and proportionality to the results of the Company.

Therefore, the remuneration policy is based, among other things, on the following principles:

(a) The Remuneration Policy applies both to executive and non-executive members of the Board of Directors, to senior executives, as well as to categories of employees of the Company whose professional activities have a material impact on the Company’s risk profile and those who exercise control functions, as well as categories of employees of the Company who receive a global remuneration that includes them in the same scale of remuneration as that of senior executives and employees who take on risks, whose professional activities have a material impact on the Company’s risk profile.,in accordance with the applicable regulations.

(b) The Remuneration Policy is compatible with appropriate and effective management of risk, and fosters such management in all circumstances, without offering, consequently, incentives for a assuming a level of risk that exceeds the level of risk tolerated by the Company.

(c) The Remuneration Policy is aligned and compatible with the Company’s business strategy, objectives, values and long-term interests, and is subject to annual review, with the Board proposing, as appropriate, any modifications it deems appropriate.

(d) The remuneration paid by the Company in accordance with these principles follows criteria of moderation and proportionality to the Group’s results, and favors 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.

This assessment is part of a multi-year framework ensuring that the assessment process is based on long-term results and that the actual payment of variable items is spread over the period covered by the Remuneration Policy.

(i) Payments for early termination of a contract are based on the results obtained over time, established in such a way that they do not reward poor performance.

(j) The pension policy is compatible with the Company's business strategy, objectives and values and long-term interests of the Company.

(k) Any scheme for rights of widowhood, orphanhood and death that is established is consistent with the market and the provisions of applicable regulations.

Furthermore, in relation to the relative weight of variable remuneration items in relation to fixed ones, the principles on which the Remuneration Policy is based state that it will establish an appropriate balance between the fixed and variable items, always taking into consideration the responsibility and level of commitment involved in the role that each individual is called upon to play, as well as all types of current and future risks, an aspect that is covered in the Policy. In this regard, the Company's executive directors currently receive variable remuneration based on the performance of their executive duties, as indicated in section A.1.6 below.

In relation to the measures established in the Remuneration Policy that takes into account the results of the Company, according to provisions of section A.1.6. below that includes the objective criteria relating to the evolution of the Company's results for determining directors' variable remuneration. Furthermore, the Company's Remuneration Policy provides for an adequate balance between the fixed and variable components of remuneration, as noted in section A.1.6, below, for variable compensation depends on the achievement of objective criteria established by the Board and linked to the Company's objective results, the time delay 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 analyze 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 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, those non-executive Board Members who are members of any of the Board Committees, whether as Chairman or member, shall receive 20,000 euros gross per year, in addition to the remuneration they receive in their capacity as non-executive directors. As a rule of good governance, the committees shall be composed solely of Non-Executive Directors.

The maximum overall amount shall be €960,000, 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.

If the number of members of each of the committees is increased, up to a maximum of four members in each of the two committees that currently exist and with a total of 10 non-executive directors existing as of December 31, 2022, the maximum overall amount would amount to 960,000 euros for all non-executive directors, including 80,000 euros gross for each of the non-executive directors and the remuneration for membership of the committees of up to a maximum of eight members in total, four members in 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.1.4 below.

A.1.4 The amount and nature of any fixed components that will accrue in the year to directors for performance of senior management functions of the executive directors.

It should be noted that the remuneration system established by the company for executive directors takes into account the specific characteristics of each position, the duties attributed, the level of responsibility, the level of commitment taken on and engagement required, all for the purpose of the ARC establishing, determining and/or updating remunerations in order to be competitive in the market in equivalent posts in competing companies.

The executive directors whose appointment as directors is associated with their executive functions are:

- Chairman with executive functions: Mr Juan Carlos Ureta Domingo.
- CEO: Mr Juan Luis López García.
- Director and General Manager: Mr Jesús Sánchez-Quiñones González.
- Director and Regional Manager: Mr Santiago González Enciso.

The compensation of executive directors, based on their responsibility, attributed duties and level of commitment, in terms of fixed remuneration for financial year 2022 will be as follows:

i. Chairman Mr Juan Carlos Ureta Domingo, Executive Chairman received a fixed annual remuneration of €300.000 gross, to be paid in 12 equal monthly installments.

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. 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 2023 for their positions.

A.1.5 Amount and nature of any remuneration in kind component that will be accrued in the year, including, but not limited to, insurance premiums paid on behalf of the director.

The Company has taken out a group liability insurance policy that covers any liability of any kind for acts and conduct of the Executive Officers (Executive Chairman, Chief Executive Officer, General Manager and Regional Director), as well as those of the Non-Executive Directors of the Company, as a result of the performance of the activities inherent to their functions.

A.1.6 The amount and nature of the variable components, with a distinction made between those established in the short term and in the long term. Financial and non-financial parameters, including social, environmental and climate change parameters, selected to determine variable remuneration in the current year, explaining the extent to which such parameters are related to the performance of both the director and the company and its risk profile, and the methodology, time required and techniques envisaged to determine, at the end of the year, the effective degree of compliance with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in terms of the time required and methods for verifying that the performance conditions or any other type of conditions to which the accrual and consolidation of each component of the variable remuneration was linked have been effectively met.

Specify the range in monetary terms of the different variable components depending on the level of compliance with the objectives and parameters established, and whether there is any maximum monetary amount in absolute terms exists.

The variable remuneration of the directors of Renta 4 according to their responsibility, attributed functions and level of commitment is structured as follows:

1. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Non-executive directors do not currently have a Variable Remuneration Plan.

2. REMUNERATION OF EXECUTIVE DIRECTORS

Executive directors currently have the following Variable Remuneration Plan.

2.1. Variable Remuneration of the Chairman for his executive functions:

Mr Juan Carlos Ureta Domingo, as Executive Chairman, in 2023 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 annual targets will be calculated on the basis of the NP and for the year 2023, 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 Net Profit ("NP") at the end of the year and when these levels do not occur as a result of actions by the Company, in which the risk levels and limits permitted and established by the European Banking Authority (EBA) or any other competent entity for this purpose are exceeded, due to defects in the control systems of the Renta 4 Group, as well as any other cause attributable to omission or poor practices by the Company.

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 2023, they have been established according to the following scale: Net Profit: x < €18M = 0% of Fixed Annual Remuneration.

- BNet 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.
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- 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 received as long as the Renta 4 Group's levels of delinquency or "bad debt" during the fiscal year are less than 5% of its net profit 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 2023, 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. Of credit companies.

The AVR will be paid as long as the levels of default or bad debt losses of the Renta 4 Group during the year remain below 5% of the E at the end of year and when these levels do not occur as a result of the Company's actions, in which the risk levels and limits allowed and established by the EBA or any other competent body are exceeded, due to deficient control systems used by the Renta 4 Group, as well as any other cause attributable to the Company's inaction or poor practices.

Furthermore, the Remuneration Policy considers sustainability as an essential element of the Group's remuneration. Remuneration components contribute to the promotion of environmental, social and governance (ESG) actions in order to make the business strategy sustainable and socially responsible.

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.

If the accrued Annual Variable Remuneration that would correspond to each of them is between 0% and 100% of the Annual Fixed 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 deferral period of four years, with the accrual and payment being perfected at a maximum rate of 10% in each of the four deferral periods. The payment due must be made before the end of the corresponding month of March of the calendar year following each of the years in which the deferral has taken place.

In order to perfect the accrual and payment of the 40% of the deferred AVR, the Board, at the proposal of the ARC, will carry out an assessment at the end of each year of the deferral period, based on maintaining the profitability of the results of the Renta 4 Group, taking into account the circumstances of the sector during the period evaluated and will adapt to the circumstances relating to the operations of Renta 4, to the risks assumed by it and to the activity of each of these Executive Directors, and provided that the assessment made of each one concludes that their performance was adequate and in line with the Company's targets.

On the other hand, if the accrued Annual Variable Remuneration is between 100% and 200% of the AVR, it will be considered as a "particularly high amount" in accordance with letter m) of Article 34.1 of Law 10/2014, of 26 June, on the regulation, supervision and solvency of Credit Companies and 40% of the amount of this "especially high amount" AVR shall be paid, within a maximum period of 15 days following the completion of the assessment, and in any case, prior to the finalization of the month of March of the calendar year following the fiscal year in which it has accrued.

The remaining 60% of the "particularly high" AVR will be subject to a deferral period of four years, with the accrual and payment being perfected at a rate of 15% of the total of this AVR in each of the deferral years.

In order to perfect the accrual and payment of the 40% of the deferred AVR, the Board, at the proposal of the ARC, will carry out an assessment at the end of each year of the deferral period, based on maintaining the profitability of the results of the Renta 4 Group, taking into account the circumstances of the sector during the period evaluated and will adapt to the circumstances relating to the operations of Renta 4, to the risks assumed by it and to the activity of each of these Executive Directors, and provided that the assessment made of each one concludes that their performance was adequate and in line with the Company's targets.

The payment of the Total RVA will be made 50% in cash and the remaining 50% in shares, both the RVA accrued between 0% and 100% of the Annual Fixed Remuneration, the payment of which is 60% in the first quarter of the calendar year following the fiscal year in which it has accrued, with 40% being spread over the following four calendar years, as in the case of the "particularly high amount" AVR accrued that is between 100% and 200% of the AFR, the payment of which is 40% in the first quarter of the calendar year following the fiscal year in which it has accrued, with 60% being spread over the following four calendar years at a rate of 15% per annum.

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 three years from delivery, unless (i) there is, at the time of transmission or financial year, a net economic exposure to a change in the share price for a market value equivalent to an amount of at least two times its annual fixed remuneration through share ownership; or (ii) in respect of shares that it needs to dispose of order to meet the costs related to their acquisition or, dependent on the prior favorable opinion of the Appointments and Remuneration Committee, to meet extraordinary situations that arise and require it.

In any case, the Company may claim the reimbursement of the variable components of the remuneration paid, when payment has not been in accordance with the conditions established for its accrual, provided that this is due to justifiable reasons and they are duly accredited or when they have been paid based on data whose inaccuracy is subsequently accredited. Likewise, the Company may not proceed with the payment, in whole or in part, of the deferred remuneration corresponding to a specific period if, when payment is due, an extraordinary event were to occur that made it advisable to do so.

The total amount of the AVR obtained as a result of the application of the AVR system, depending on the level of fulfillment 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 2023. Otherwise, the Total VR Amount will have to be adjusted proportionally until the 2023 NP is at least €18 million.

Likewise, and to estimate the total amount of the variable remunerations to which the current system would give rise, depending on the level of fulfillment with the assumptions or objectives taken as a benchmark, the Company considers that it could be determined in the following maximum amounts:

- Chairman with executive functions: Mr Juan Carlos Ureta Domingo would receive a maximum of €600,000 gross.
- CEO: -The CEO, Mr Juan Luis López García will receive a maximum of €550,000 gross.
- General Manager: Mr Jesús Sánchez-Quiñones González €550.000 gross.
- Regional Manager: Mr Santiago González Enciso €190,000 gross.

A.1.7 Main characteristics of long-term savings systems. Among other information, it shall indicate the contingencies covered by the system, whether it is a contribution or defined benefit system, the annual contribution to be made to the defined contribution systems, the benefit to which the beneficiaries are entitled in the case of defined benefit systems, the conditions for consolidation of the economic rights in favor of the directors and their compatibility with any type of payment or indemnity for termination or early termination, or derived from the termination of the contractual relationship, under the terms provided, between the company and the Director.

It must be specified whether the accrual or consolidation of any long-term savings plans are linked to the achievement of certain objectives or parameters relating to the short-term and long-term performance of the director.

The Company has not undertaken any pension, retirement or similar obligations for non-executive directors.

With regard to the executive directors, since 2007 the Company has been covering the contingencies of retirement, work disability, death, severe dependency or major dependency by setting up systems of defined contribution employment plans with the coverage and vesting in accordance with the regulations for Pension Plans, to which €600 are currently contributed annually, as well as the insurance premium to cover these contingencies for each of them, all of which are compatible with the compensations included in A.8. The contributions made in 2022, 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 fulfillment of the targets set for the directors.

A.1.8 Any type of payment or indemnification for early termination or early dismissal resulting from ending

the contractual relationship under the terms established between the company and the director, whether the termination is at the will of the company or of the director, as well as any type of agreed covenants, such as exclusivity, post-contractual non-competition and permanence or loyalty, which entitle the director to any type of payment.

The Company's non-executive directors are not contractually entitled to receive any compensation in the event of resignation or dismissal.

For executive directors, Renta 4 has established compensation in the event of dismissal, unfair dismissal or termination of the employment relationship for reasons beyond the Director's control. In this sense, this compensation are compatible with the long-term savings plans explained in section A.7. above, the figures for which are included in C.1.a.iii. and are implemented for executive directors as follows:

Executive Chairman: In the event of termination for reasons beyond the Chairman's control, or due to his/her removal or non-reelection as a member of the Board of Directors (BoD) by the General Meeting (GM) or due to his/her removal or non-reelection as Chairman in the BoD, he/she shall be entitled to receive compensation equal to the legal compensation provided for unfair dismissal under the ordinary employment law.

CEO: In the event of his/her removal as Chief Executive Officer (CEO) for causes beyond his/her will; due to his/her removal or non-reelection as a member of the Board of Directors by the Board of Directors or due to his/her removal or non-reelection as a member of the Board of Directors in the Board of Directors, he/she shall be entitled to receive compensation equal to the legal compensation provided for unfair dismissal under the ordinary employment law for the period in which he/she held the position of CEO. In the event of a dismissal that is declared to be unfair, the CEO would be entitled to receive compensation equivalent to the legal compensation provided for unfair dismissal under the ordinary employment law.

Director and General Manager: In the 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 labor 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.1.6 above, the executive directors will be entitled to the Members of the Board shall have the following rights:

The Executive Chairman, in the event that the Board of Directors decides to remove him as Executive Chairman, or the GM resolves to remove him as a Director, shall be entitled to receive the accrued and vested part of the AVR as appropriate, and in relation to the deferred part, shall forfeit any right to receive any such amount. However, in the event of termination of his or her post due to (i) permanent or severe disability, (ii) death, (iii) retirement, (iv) pre-retirement, or (v) early retirement, the Executive Chairman shall be entitled to receive the accrued and vested portion of the AVR, as applicable, and in relation to the deferred portion, the full amount of the deferred payment shall be deemed to have accrued and vested.

For executive directors holding the positions of Chief Executive Officer and Director and General Manager, the Board of Directors has established that they will be entitled to receive the accrued and vested portion of the AVR, as appropriate, and in relation to the deferred part, the total amount of the deferred payment will be understood to have been accrued and vested, in the event of: (i) corporate withdrawal; (ii) dismissal declared unfair by the Courts or recognized as unfair by the Company; (iii) dismissal declared null and void by the Courts; (iv) termination of the employment relationship requested by the CEO or the General Director, pursuant to the provisions of Article 10.3 of RD 1382/1985, of August 1, 1985, which regulates the special employment relationship of senior management personnel or the termination of the employment relationship requested by the employee, in the case of the General Director under the provisions of Article 50 of the Workers' Statute; (v) disability; (vi) death; (vii) retirement; (viii) early retirement; (ix) early retirement or (x) mutual agreement to suspend the relationship, provided that the evaluation concludes that the performance of the Chief Executive Officer and/or Director and General Manager has been correct and aligned with the Company's objectives.

However, in the event of (i) resignation or voluntary 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 recognized as unfair by the Company; (ii) dismissal declared null and void by the Courts; (iii) termination of the employment relationship requested by the worker under the provisions of 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. Among others, information will be provided on the duration, limits to the amounts of compensation, permanence clauses, notice periods, as well as payment in lieu of the aforementioned notice period, and any other clauses relating to contract premiums, as well as indemnities or golden parachutes for early termination or termination of the contractual relationship between the company and the customer, and any other clauses relating to contract premiums, as well as indemnities or golden parachutes for early termination or termination of the contractual relationship between the company and the executive director. Include, inter alia, any covenants or agreements not to compete and exclusivity, long-service or loyalty and post-contractual non-competition agreements, unless these have been explained in the preceding. company.

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, €1,428,000.

- 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 2023, €343,000.

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 2023, €349,000.

Regional Director: he would receive the legal compensation envisaged for unfair dismissal under the ordinary employment law. In this respect, the maximum amount of such compensation would be, in 2023, €121,000.

c) Prior notice: Those set out in the applicable collective agreement.

d) Non-competition, exclusivity, permanence or loyalty and post-contractual non-competition covenants or agreements:

In the contracts signed with each of the executive directors, a declaration is made by both parties stating that the positions they hold in the Company are full time, with exclusive dedication to the Company. Likewise, these contracts (clause on the scope) highlight this exclusivity. There are no specific agreements in the aforementioned contracts relating to non-competition, length of service or loyalty and post-contractual non-competition.

In relation to these matters, the Regulations of the Board of Directors establish that no director may engage, on his own account or on behalf of others, in an activity that is the same, similar or a supplementary to that which constitutes the corporate purpose of the Company, unless expressly authorized 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, loans and guarantees and other remuneration.

Loans granted to directors or related parties are as follows:

Regarding loans granted to directors or related parties, on 30 June 2021 a loan of €700,000 was granted to Mr. Santiago González Enciso, having drawn down €288,000 at year-end and with a repayment period of three years, which is scheduled to expire on 29 June 2024. In addition, it should be noted that on April 23, 2021, a loan was granted to Ms. Matilde Fernández de Miguel, spouse of Mr. Santiago González Enciso for the amount of €100,000, not having drawn down any amount at year-end and whose amortization period ends on April 22, 2024.

Furthermore, during the 2020 financial year, the Company granted Mr. Santiago González-Enciso Fernández, Ms. Cristina González-Enciso Fernández, Mr. Ignacio González- Enciso Fernández, Ms. Matilde González- Enciso Fernández and Ms. María González-Enciso Fernández, descendants of the director Mr. Santiago González Enciso, a loan in the amount of €320,000 to each of them and whose repayment period ends between September and October 2023. At year-end they had drawn down €292,000 each. In addition, on April 7 2022 the Company granted Mr. Ignacio González-Enciso Fernández, descendant of the director Mr. Santiago González Enciso, an additional loan in the amount of €20,000, the repayment term of which ends on April 6, 2025, and which has been drawn down during the 2022 in the amount of €17,000.

Furthermore, the descendants of Mr. Juan Carlos Ureta Domingo, Ms. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades, current non-executive director of the Company, have been granted a loan for an amount of €170,000 each, having drawn down at year-end. Ms. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades of €159,000, €155,000 and €161,000, 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 other anticipated supplementary remuneration not included in foregoing sections, whether satisfied by the entity or another group entity, which will accrue to the directors in the current year.

The directors of the Company have not accrued any remuneration for any other additional remuneration not included in previous sections.

A.2. Explain any relevant changes in the remuneration policy applicable during the year in progress arising from:

a) A new policy or an amendment to the policy already approved by the General Meeting.

b) Relevant changes in the specific determinations established by the board for the year in progress in the current remuneration policy in relation to those applied during the previous year.

c) Any proposals that the board of directors agreed to present to the general meeting of shareholders to which this annual report will be submitted, proposing that they should apply to the year in progress.

During the 2022 financial year, the General Shareholders' Meeting approved, at the proposal of the Board of Directors, a new remuneration policy applicable for the 2022, 2023 and 2024 financial years, in compliance with Article 529 novodecies of the Capital Companies Act, maintaining the principles, characteristics and concepts of the policies of previous financial years, applicable to the Directors, both in the performance of their duties as a management body, and those of the Directors who perform executive functions.

Therefore, in view of the validity of the current policy, no relevant changes are expected during the 2023 fiscal year.

A.3. Identify the direct link to the document that figures the current remuneration policy of the company, which must be available on the company's website.

https://www.renta4banco.com/es/accionistas/politicas-e-informes

A.4. Explain, in due consideration of the data supplied in section B.4, how the voting of shareholders at the general meeting to which the annual remuneration report for the previous year was submitted for and advisory vote was taken into account.

The annual remuneration report for the 2022 fiscal year was approved by the General Meeting by 99.999% of votes in favor, 0.001% abstentions and with no votes against, as reflected in section B.4. Consequently, the Company has considered it appropriate to continue with a policy of remuneration for directors whose purpose is to continue to be aligned with the interests of shareholders, seeking prudent management of activity minimizing inherent risks to the same, and rewarding the work of Company personnel in achieving this purpose. All this in order to contribute to the Company meeting its strategic objectives within the framework in which it carries out its activity.

B. OVERVIEW OF THE APPLICATION OF THE REMUNERATION POLICY IN THE COURSE OF THE PREVIOUS YEAR

B.1.1 Explain the process carried out to apply the remuneration policy and determine the individual remuneration set out in section C of this report. This information shall include the role played by the remuneration committee, the decisions taken by the board of directors and, if applicable, the identity and role of the external advisors whose services have been used in the process of application of the compensation policy in the year ended.

The Board of Directors, at its meeting held on 22 February 2022 and at the proposal of the ARC, resolved, under point nine of the Agenda, to approve the Remuneration Policy for 2022, 2023 and 2024 and, in turn, to submit it for approval by the General Meeting of Shareholders, which approved this policy with 99.99% in favor and 0.001% abstentions of those present or representing share capital, in accordance with the responsibility, functions attributed and level of commitment taken on by the Renta 4 directors.

Likewise, the Board of Directors, at its meeting of 21 February 2023, 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 2022 through the results included in the financial statements, has determined, in accordance with the Remuneration Policy in force, the variable remuneration due to directors with executive functions specified in section C below.

B.1.2 Explain any deviations from the established procedure for the application of the remunerations policy that have occurred during the fiscal year.

There have been no deviations from the procedure established for the application of the remuneration policy during the financial year 2022.

B.1.3 Indicate whether any temporary exceptions have been applied to the remuneration policy and, if applied, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity considers that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact that the implementation of these exceptions has had on the compensation of each director during the year.

There have been no temporary exceptions to the compensation policy during the financial year.

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and aligning it with the company's objectives, values and long-term interests, including a reference to the measures that have been taken to ensure that the remuneration accrued has addressed the long-term performance of the company and achieved an appropriate balance between the fixed and variable components of remuneration, what measures have been taken in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the entity, and what measures have been taken to avoid conflicts of interest, if any.

In relation to the measures envisaged to guarantee that the Remuneration Policy takes into account the long-term results of the Company, section A.1. below includes the objective criteria relating to the Company's results applied to determine directors' variable remuneration.

Furthermore, the Company's Remuneration Policy finds a suitable balance between the fixed and variable items in the remuneration considering that, as shown in section A.1. above, the variable remuneration set for 2022 is based on the fulfillment of the objective criteria defined by the Board, always linked to the objective results of the Company and subject to the Remuneration Policy approved at the Ordinary General Meeting of 30 March 2022.

Lastly, in relation to the clawback formulae or clauses to claim back the variable remuneration items, it is envisaged that, should the assessments conclude a deficient performance, or when they have been paid on the basis of data subsequently found to be inaccurate, the Company may reduce the deferred variable remuneration and/or claim the reimbursement of the variable remuneration already paid, up to a maximum of 100%, in either case. These evaluations analyze the evolution of the subsequent performance according to the criteria (indicated in section A.1 above, as they are the same for the current year and the reported year), which contributed to achieving the objectives, comparing it with the initial performance assessment and will be approved by the Board of Directors at the end of the year such variable remuneration refers to.

B.3. Explain how the remuneration accrued during the year meets the provisions of the remuneration policy in force and, in particular, how it contributes to the sustainable and long-term performance of the company.

Also report on the relationship between the remuneration obtained by the directors and the results or other short and long term performance measures of the entity, explaining, if applicable, how variations in the company's performance may have had an impact on the change in directors' remuneration, including accruals for which payment has been deferred, and how they contribute to the short- and long-term results of the company.

Based on the Company's director remuneration policy for 2022 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 fulfillment of the indicators also included in section B.7. below.

In 2022, the total remuneration paid to the Company's directors in their capacity as such was €811,000, in observance of the maximum amount of €960,000 for this item as established in the Remuneration Policy and approved by the GSM. Individual remuneration of each Director in his capacity as such, consisted of an annual fixed amount, as established in said policy and those non-executive directors who were part of any of the committees, received an additional annual remuneration under this item, the amount being proportional to the time in which each director was on the Board and/or on the committee. Executive directors did not receive remuneration for their membership of the Board of Directors or of its committees; nor did they receive any annual fixed amounts, or of attendance fees for meetings of the Board of Directors. In this regard, the executive directors received remuneration in the amounts to which they were entitled by virtue of their respective contracts drawn up with the Company, pursuant to the Remuneration Policy.

At a meeting on 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 the fiscal year 2022.

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 56% 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	24,094,715	59.32
	Number	**% of votes cast**
Dissenting votes		0.00
Affirmative votes	24,094,544	100.00
Blank Votes		0.00
Abstentions	171	0.00

Observations

B.5. Explain how the fixed items accrued during the financial year by the directors in their capacity as such have been determined, their proportion by director and how they have varied with respect to the previous financial year.

The Board of Directors, at its meeting held on 22 February 2022 and at the proposal of the ARC, resolved, under point nine of the Agenda, to approve the Remuneration Policy for 2022, 2023 and 2024 and, in turn, to submit it for its approval by the General Meeting of Shareholders, which approved the policy at its ordinary meeting on 30 March 2022, taking into account the market standards to determine the fixed annual remuneration for the performance of their duties as members of the Board of Directors.

In this regard, the non-executive directors, in their capacity as such, during the 2022 fiscal year have received an annual fixed amount for the performance of their duties as members of the Board of Directors, until the approval by the AGM of the Remuneration Policy for the 2022, 2023 and 2024 received the proportional part of €60,000.00 per year for each of the individual directors and €71,088 for the legal entity director. As from April 2022, once the AGM approved the new PB for fiscal years 2022, 2023 and 2024, the annual amount to be received amounted to €80,000.00 per year, which is 33.33% higher than the remuneration established for previous years. In addition, this Remuneration Policy established that those Board Members who are part of any of the Board's committees would receive an additional annual remuneration of €20,000.

B.6. Explain how the salaries accrued during the year to each of the executive directors for carrying out management functions were determined, and how they changed in relation to the previous year.

In accordance with the Remunerations Policy approved at the ordinary general meeting of 26 March 2022, during 2021 the remuneration paid to the Executive Directors during the 2022 fiscal year was:

• Mr Juan Carlos Ureta Domingo, Executive Chairman received a fixed annual remuneration of €300,000 gross.

• Mr Juan Luis López García, CEO received a fixed annual remuneration of €275,000 gross.

• Mr Jesús Sánchez-Quiñones González, Director and General Manager, received a fixed annual remuneration of €275,000 gross.

• The Director and Regional Manager Mr Santiago González Enciso received a fixed annual remuneration of €95,000 gross.

It should be noted that the fixed remuneration paid to the Executive Directors during the 2022 fiscal year amounted to 945,000, the same amount received by all of them, as fixed remuneration in 2021 and 2020, except for Mr. Enciso for whom an increase in remuneration was approved in 2021 to an annual gross amount of €95,000, from the €75,000 he had been receiving in previous fiscal years.

B.7. Explain the nature and main characteristics of the variable components of the remuneration systems accrued in the course of the year.

In particular:

a) Identify each of the compensation plans that have determined the different variable compensation accrued by each of the directors during the fiscal year ended, including information on their scope, date of approval, date of implementation, vesting conditions, if any, vesting periods and term, criteria used for performance evaluation and how this has impacted on the setting of the variable amount accrued, as well as the measurement criteria used and the time required to be able to adequately measure all conditions and criteria should be explained in detail in terms of the time required and methods for verifying that the conditions and criteria have been effectively met performance conditions or any other type of conditions to which the accrual and vesting of each component of variable compensation was linked.

b) In the case of stock option plans or other financial instruments, the general characteristics of each plan shall include information on the conditions both to acquire unconditional ownership (vesting) and to be able to exercise such options or financial instruments, including the exercise price and term.

c) Each of the directors, and their category (executive directors, external proprietary directors, independent external directors or other external directors), who are beneficiaries of remuneration systems or plans that include variable remuneration.

d) Where appropriate, information will be provided in relation to any periods established for the accrual or deferral of payment that may have been applied, and/or retention/non-availability periods for shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems:

The Remuneration Policy establishes that non-executive directors shall not have a Variable Remuneration Plan.

As regards the executive directors, the variable remuneration model established in the financial year 2022 is as follows:

1) Variable remuneration of Mr Juan Carlos Ureta Domingo, as Executive Chairman.

Mr. Juan Carlos Ureta Domingo will receive an Annual Variable Remuneration ("AVR"), consisting of up to a maximum of 200% of the Annual Fixed Remuneration ("AFR").

The Annual Variable Remuneration is determined by the amount corresponding to the amount accrued in accordance with the fulfillment of year's targets linked to the Net Profit of the Group, ("Year's Targets") that have been fixed in accordance with the responsibilities and functions of the position, as well as any others that the Board of Directors has specifically assigned to the Chairman.

In line with the principles of the Renta 4 Remuneration Policy, in addition to applying the criteria of moderation and proportionality to the results of the Renta 4 Group, solid and effective risk management is fostered. For this reason, the Annual Variable Remuneration will be received if the levels of default or bad debt losses of the Renta 4 Group during the year remain below 5% of the Equity at year end, and when such levels are not attributed to the Company's actions, when the risk levels and limits allowed and established by the EBA (European Bank Authority) or any other competent organization are exceeded, due to deficient control systems used by the Renta 4 Group or any other cause attributed to the Company's inaction or poor practices. Furthermore, the Remuneration Policy considers sustainability as an essential element of the Group's remuneration. Remuneration components contribute to the promotion of environmental, social and governance (ESG) actions in order to make the business strategy sustainable and socially responsible. Therefore, this Remuneration Policy will also be linked to non-financial objectives on the integration of sustainability criteria and ESG policies. In this regard, the Annual Variable Remuneration will be received if, in addition to the Annual Targets set above, the targets set annually by the Board of Directors in ESG matters are adequately met.

The year's targets are calculated on the basis of the Renta 4 Group's Net Profit ("NP") calculated as shown in the following chart:

- Net Profit: x < €18M = 0% of Fixed Annual Remuneration.
- Net Profit: €[18 – 19)M = 14% of Fixed Annual Remuneration.
- Net Profit: €[19 – 20)M = 28% of Fixed Annual Remuneration.
- Net Profit: €[20 - 21)M = 42% of Fixed Annual Remuneration.
- Net Profit: €[21 - 22)M = 56% of Fixed Annual Remuneration.
- Net Profit: €[22 - 23)M = 70% of Fixed Annual Remuneration.
- Net Profit: €[23 - 24)M = 84% of Fixed Annual Remuneration.
- Net Profit: €[24 - 25)M = 98% of Fixed Annual Remuneration.
- Net Profit: €[25 - 26)M = 112% of Fixed Annual Remuneration.
- Net Profit: €[26 - 27)M = 126% of Fixed Annual Remuneration.
- Net Profit: €[27 - 28)M = 140% of Fixed Annual Remuneration.
- Net Profit: €[28 - 29)M = 154% of Fixed Annual Remuneration.
- Net Profit: €[29 - 30)M = 168% of Fixed Annual Remuneration.
- Net Profit: €[30 - 31)M = 182% of Fixed Annual Remuneration.
- Net Profit: €[31 - 32)M = 196% of Fixed Annual Remuneration.
- Net Profit: > €32M = 200% of Fixed Annual Remuneration.

2) Variable Remuneration of CEO and of the Director and General Manager

The 2022 Remuneration Policy establishes that the Chief Executive Officer, Mr. Juan Luis López García and the Director and General Manager, Mr. Jesús Sánchez-Quiñones González receive an AVR, consisting of up to 200% of the FAR. The amount of this is accrued based on the fulfillment 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 fulfillment of the year's targets linked to the Group's Net Profit (hereinafter, the "Year's Targets") that were set taking into account the responsibilities and functions attached to the position, as well as any others that the Board of Directors may have assigned to the CEO and Director and General Manager.

The AVR is received if the Renta 4 Group's levels of delinquency or "bad debt" during the year are less than 5% of Net Assets at the end of the year, and when such levels do not arise as a result of actions by the Company in which the levels and limits are exceeded the Company's risk management systems, as well as any other cause attributable to a lack of action or malpractice on the part of the Company, are subject to the risk limits permitted and established by the EBA (European Banking Authority) or any other competent body for this purpose.

Furthermore, the Remuneration Policy considers sustainability as an essential element of the Group's remuneration. Remuneration components contribute to the promotion of environmental, social and governance (ESG) actions in order to make the business strategy sustainable and socially responsible. This Remuneration Policy shall also be linked to non-financial objectives on the integration of sustainability criteria and ESG policies. In this regard, the Annual Variable Remuneration will be received if, in addition to the Annual Targets set above, the targets set annually by the Board of Directors in ESG matters are adequately met.

The year's targets are calculated on the basis of the Renta 4 Group's Net Profit ("NP") calculated as shown in the following chart:

- Net Profit: x < €18M = 0% of Fixed Annual Remuneration.
- Net Profit: €[18 – 19)M = 14% of Fixed Annual Remuneration.
- Net Profit: €[19 – 20)M = 28% of Fixed Annual Remuneration.
- Net Profit: €[20 - 21)M = 42% of Fixed Annual Remuneration.
- Net Profit: €[21 - 22)M = 56% of Fixed Annual Remuneration.
- Net Profit: €[22 - 23)M = 70% of Fixed Annual Remuneration.
- Net Profit: €[23 - 24)M = 84% of Fixed Annual Remuneration.
- Net Profit: €[24 - 25)M = 98% of Fixed Annual Remuneration.
- Net Profit: €[25 - 26)M = 112% of Fixed Annual Remuneration.
- Net Profit: €[26 - 27)M = 126% of Fixed Annual Remuneration.
- Net Profit: €[27 - 28)M = 140% of Fixed Annual Remuneration.
- Net Profit: €[28 - 29)M = 154% of Fixed Annual Remuneration.
- Net Profit: €[29 - 30)M = 168% of Fixed Annual Remuneration.
- Net Profit: €[30 - 31)M = 182% of Fixed Annual Remuneration.
- Net Profit: €[31 - 32)M = 196% of Fixed Annual Remuneration.
- Net Profit: > €32M = 200% of Fixed Annual Remuneration.

3) Variable Remuneration of the Director and Regional Manager

The Director and Regional Director will receive an AVR, consisting of up to 200% of the FAR. The amount of this is accrued based on the fulfillment 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 fulfillment of annual objectives linked to the Group's Net Profit (the "Year's Targets"), which will be set in accordance with the responsibilities and functions of the position, as well as any others that may be specifically assigned by the Board of Directors to the Director and Regional Director.

The AVR will be paid provided that the levels of default or bad debt losses of the Renta 4 Group during the financial year are lower than 5% of the Equity at year-end and when these levels do not occur as a result of the Company's actions, in which the risk levels and limits allowed and established by the European Banking Authority (EBA) or any other competent entity are exceeded, due to deficient control systems used by the Renta 4 Group, as well as any other cause attributable to the Company's inaction or poor practices.

Furthermore, the Remuneration Policy considers sustainability as an essential element of the Group's remuneration. Remuneration components contribute to the promotion of environmental, social and governance (ESG) actions in order to make the business strategy sustainable and socially responsible. This Remuneration Policy shall also be linked to non-financial objectives on the integration of sustainability criteria and ESG policies. In this regard, the Annual Variable Remuneration will be received if, in addition to the Annual Targets set above, the targets set annually by the Board of Directors in ESG matters are adequately met.

The year's targets are calculated on the basis of the Renta 4 Group's Net Profit ("NP") calculated as shown in the following chart:

- Net Profit: x < €18M = 0% of Fixed Annual Remuneration.
- Net Profit: €[18 – 19)M = 14% of Fixed Annual Remuneration.
- Net Profit: €[19 – 20)M = 28% of Fixed Annual Remuneration.
- Net Profit: €[20 - 21)M = 42% of Fixed Annual Remuneration.
- Net Profit: €[21 - 22)M = 56% of Fixed Annual Remuneration.
- Net Profit: €[22 - 23)M = 70% of Fixed Annual Remuneration.
- Net Profit: €[23 - 24)M = 84% of Fixed Annual Remuneration.
- Net Profit: €[24 - 25)M = 98% of Fixed Annual Remuneration.
- Net Profit: €[25 - 26)M = 112% of Fixed Annual Remuneration.
- Net Profit: €[26 - 27)M = 126% of Fixed Annual Remuneration.
- Net Profit: €[27 - 28)M = 140% of Fixed Annual Remuneration.
- Net Profit: €[28 - 29)M = 154% of Fixed Annual Remuneration.
- Net Profit: €[29 - 30)M = 168% of Fixed Annual Remuneration.
- Net Profit: €[30 - 31)M = 182% of Fixed Annual Remuneration.
- Net Profit: €[31 - 32)M = 196% of Fixed Annual Remuneration.
- Net Profit: > €32M = 200% of Fixed Annual Remuneration.

Of the accrued Annual Variable Remuneration that the Executive Chairman, the CEO, the Director, and the General Manager, as well as an assessment on the Director and Regional Director would be entitled to receive, 60% shall be paid within a maximum period of 15 days following the completion of the assessment, and in any case, prior to the end of March of the calendar year following the corresponding financial year in which it has accrued. The remaining 40% will be subject to a deferral period of four years, and the accrual and payment will be perfected at a maximum rate of 10% for each of the four years of deferral. The payment due must be made before the end of the month of March of the calendar year following each of the years in which the deferral has taken place. i.e.in March 2024, 2025, 2026 and 2027.

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.

Also, if the accrued Annual Variable Remuneration is between 100% and 200% of the AUM, it will be considered as "especially high amount" according to letter m) of Article 34.1 of Law 10/2014, of June 26, on the regulation, supervision and solvency of Credit Companies and therefore, 40% of the amount of this "particularly high amount" AVR shall be paid, within a maximum period of 15 days following the completion of the assessment, and in any case, prior to the end of the month of March of the calendar year following the fiscal year in which it was accrued. And the remaining 60% of this "particularly high amount" AVR will be subject to a deferral period of four years, with the accrual and payment being perfected at a rate of 15% of the total of this AVR in each of the years of deferral.

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 relating to Renta 4's activity, to the risks assumed by it and to the activity of each of these Executive Directors, and provided that the evaluation carried out on each of them concludes that their performance has been correct and aligned with the Company's objectives.

The payment of the Total AVR will be made 50% in cash and the remaining 50% in shares, both the RVA accrued between 0% and 100% of the Annual Fixed Remuneration, the payment of which is 60% in the first quarter of the calendar year following the fiscal year in which it has accrued, with 40% being spread over the following four calendar years, as in the case of the "particularly high amount" AVR accrued that is between 100% and 200% of the AFR, the payment of which is 40% in the first quarter of the calendar year following the fiscal year in which it has accrued, with 60% being spread over the following four calendar years at a rate of 15% per annum. To calculate the number of accrued shares to be delivered, for each payment year the share's average market value during the last 20 business days of the previous year shall be taken into consideration, the shares being non-transferable for a period of three years from delivery, unless (i) there is, at the time of transmission or financial year, a net economic exposure to a change in the share price for a market value equivalent to an amount of at least two times its annual fixed remuneration through share ownership; or (ii) in respect of shares that it needs to dispose of order to meet the costs related to their acquisition or, dependent on the prior favorable opinion of the Appointments and Remuneration Committee, to meet extraordinary situations that arise and require it.

Therefore, as the Group's Net Profit in 2022 was €21.872 million and the default level was less than 5% and the ESG targets have been met, consequently the level of fulfillment of the year's targets set in the 2022-2023-2024 Remuneration Policy establishes that executive directors are entitled to receive a global AVR for 2022 for all of them of a global amount of €529.200 euros for all Executive Directors. Specifically, the total AVR for the Executive Chairman for 2022 amounts to €168,000; for the CEO, €154,000; this same figure is also for the Director and General Manager, and for the Regional Director the amount is €53,200.

Of the resulting total AVR for 2022, 60% of this amount will be paid during the first quarter of 2023 and the remaining 40% will be deferred to the following three financial years; 2025, 2026 and 2027, with the accrual and payment being a maximum of 10% each year for the four deferred years.. The payment of the AVR, 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 2022, the Entity will pay the Executive Directors 60% of the Total AVR for 2021, 50% in cash and the other 50% in shares, in a total amount of €317,520. Specifically, the Executive Chairman will receive €100,800 (€50,400 in cash and €50,400 in shares), the Chief Executive Officer will receive €92,400 (€46,200 in cash and €50,400 in shares), the Chief Executive Officer will receive €92,400 (€46,200 in cash and €46,200 in shares) and the Regional Director €31,920 (€15,960 in cash and €15,960 in shares).

The remaining amounts corresponding to the deferred 40% will be paid in the following four years (2024, 2025, 2026 and 2027), as established in the 2022 Remuneration Policy.

On the other hand, in relation to the AVR accrued in the previous 2021, 2020 and 2019 financial years, 60% of which was paid during the first quarter of the financial year following the accrual (years 2022, 2021, and 2020, respectively), deferring the remaining 40% of each AVR in the three years following the year of accrual. The Board, at the proposal of the ARC, during the first quarter of 2023, 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 2023, the Company will pay to the Executive Directors, on the one hand, the first third (1/3) of 40% of deferred RVA corresponding to fiscal year 2021, on the other hand, the second third (2/3) of the deferred 40% of the RVA corresponding to fiscal year 2020, and finally, the third and last third (3/3) of the deferred 40% of the RVA corresponding to the fiscal year 2019, being in all cases, with 50% in cash and the other 50% in shares.

Specifically, the total amount corresponding to the first third (1/3) of the deferred 40% of the AVR for the year 2021 amounts to €126,000, corresponding to Mr. Juan Carlos Ureta Domingo, the Executive Chairman, the amount of €40,000.00 euros, 50% in cash (€20,000) and the other 50% in shares (€20,000), Mr. Juan Luis López García, the Chief Executive Officer and Mr. Jesús Sanchez-Quiñones González, Board Member and General Manager will receive €36,666.67 each, 50% in cash (€18,333.34) and the other 50% in shares (€18,333.33) and Mr. Santiago Gonzalez Enciso, Director and Regional Director shall receive the amount of €12,666.67, (€6,333.34) in cash and (€6,333.33) in shares.

On the other hand, the second third (2/3) of the deferred 40% of the AVR corresponding to the year 2020, amounts to the total amount of €67,833.33, of which Mr. Juan Carlos Ureta Domingo, the Executive Chairman, will receive 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 will each receive €20,166.67, 50% in cash (€10,083.34) and the other 50% in shares (€10,083.33) and finally, Mr. Santiago González Enciso, Director and Regional Manager will receive the amount of €5,500, (€2,750) in cash and (€2,750) in shares.

And finally, the total amount corresponding to the last third (3/3) of the deferred 40% of the RVA corresponding to the fiscal year 2019 amounts to €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 (€6,416.67) and the other 50% in shares (€6,416.67) 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.

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, 2024 and 2025, if the annual assessment and the results of the Company so allow it. And of the deferred 2020 AVR, one third (1/3) of the 40% of the deferred AVR will be pending payment in the following year, 2024.

Regarding the decisions taken by the Board for the application of these items, the Board of Directors proceeded at its meeting of February 21, 2023, at the proposal of the ARC, to approve the Annual Report on Directors' Remuneration for the year ended December 31, 2022, to be submitted, on a consultative basis, to the General Shareholders' Meeting.

Likewise, and taking into account the performance of the Company's activity and volume of business, the Board of Directors agreed on the variable remuneration of the executive directors for 2022, in accordance with the Remuneration Policy 2022-2023-2024, at the same above-mentioned meeting.

Explain the long-term variable components of the remuneration systems:

B.8. Indicate whether certain accrued variable components have been reduced or claimed back when, in the first case, the payment of unconsolidated amounts has been deferred or, in the second case, consolidated and paid, based on data whose accuracy has subsequently been proven to be manifestly incorrect. Describe the amounts reduced or refunded due to the application of the clauses the Company's financial statements include the malus or clawback provisions, why they have been executed and the years to which they correspond.

No variable components have been reduced or clawed back from any director

B.9. Explain the main characteristics of the long-term savings systems whose amount or equivalent annual cost is shown in the tables in Section C, including retirement and any other survivor's benefits, which are financed, partially or totally, by the company, whether internally or externally funded, indicating the type of plan, whether it is a contribution or defined benefit plan, the contingencies it covers, the conditions of consolidation of the economic rights in favor of the directors and its compatibility with any type of indemnity for early termination or termination of the contractual relationship between the company and the board of directors.

The Company has not undertaken any pension, retirement or similar obligations for the directors.

In relation to executive directors, since 2007 the Company has been covering the contingencies of retirement, incapacity for work, death, severe dependence or serious dependence by putting in place defined contribution employment system plans, i.e. for which the Company is obliged to make fixed contributions to a third party, being externalized, by putting in place Pension Plans and the formalization, by virtue of these, of insurance policies with an entity not related to the Company.

With regard to coverage and consolidation in accordance with the regulations on Pension Plans, to which during the 2022 fiscal year, 600 euros were contributed annually for each of the Executive Directors, being compatible with the indemnities included in points A.8 and A.9. (with the same content both for the current year and for the year ended to which this report refers), the contributions made during fiscal year 2022, as well as the amounts accrued are shown in point C.1.a) iii. below.

B.10. Explain, if applicable, the indemnities or any other type of payment derived from the early termination, whether the termination is at the will of the company or of the director, or from the termination of the contract, in accordance with the terms set forth in the the same, accrued and/or received by them during the year ended.

The Company's directors have not earned or received any remuneration for this item during the financial year 2022.

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 2022 financial year, there have been no changes in any of the contracts of the executive directors.

B.12. Explain any supplementary remuneration accrued to directors in consideration for the services rendered other than those inherent to their position.

During 2022, no director has received any additional remuneration for services rendered other than those inherent to their position.

B.13. Explain any remuneration resulting from the granting of advances, loans and guarantees, indicating the interest rate, their key characteristics and any amounts repaid, as well as the obligations assumed by them as assumed on their behalf by way of guarantee.

In relation to loans granted to Directors or related parties, they are as follows:

Regarding loans granted to directors or related parties, on 30 June 2021 a loan of €700,000 was granted to Mr. Santiago González Enciso, having drawn down €288,000 at year-end and with a repayment period of three years, which is scheduled to expire on 29 June 2024. In addition, it should be noted that on April 23, 2021, a loan was granted to Ms. Matilde Fernández de Miguel, spouse of Mr. Santiago González Enciso for the amount of €100,000, not having drawn down any amount at year-end and whose amortization period ends on April 22, 2024.

Furthermore, during the 2020 financial year, the Company granted Mr. Santiago González-Enciso Fernández, Ms. Cristina González- Enciso Fernández, Mr. Ignacio González- Enciso Fernández, Ms. Matilde González- Enciso Fernández and Ms. María González-Enciso Fernández, descendants of the director Mr. Santiago González Enciso, a loan in the amount of €320,000 to each of them and whose repayment period ends between September and October 2023. At year-end they had drawn down €292,000 each. In addition, on April 7 2022 the Company granted Mr. Ignacio González-Enciso Fernández, descendant of the director Mr. Santiago González Enciso, an additional loan in the amount of €20,000, the repayment term of which ends on April 6, 2025, and which has been drawn down during the 2022 in the amount of €17,000.

Furthermore, the descendants of Mr. Juan Carlos Ureta Domingo, Ms. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos

Ureta Estades, current non-executive director of the Company, have been granted a loan for an amount of €170,000 each, having drawn down at year-end. Ms. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades of €159,000, €155,000 and €161,000, 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 latter's services in the company.

The directors of the Company did not accrue any remuneration in this regard.

B.16. Explain and detail the amounts accrued in the year in relation to any other compensation item other than the above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the faithful portrayal of the total remuneration accrued by the director, explaining the amount granted or pending payment, the nature of the consideration received and the reasons why it would have been considered, as the case may be, that it does not constitute remuneration to the director for his status as such or in consideration for the performance of his executive duties, and whether or not it has been deemed appropriate to be included among the amounts accrued in the section C. "other items".

The Company's directors have not earned any remuneration other than that described above.

C. DETAILS OF INDIVIDUAL REMUNERATION FOR EACH OF THE DIRECTORS

Name	Classification	Accrual period 2022
Mr. Eduardo Chacón López	Proprietary director	From 01/01/2022 to 31/12/2022
Ms. Inés Juste Bellosillo	Independent Director	From 01/01/2022 to 31/12/2022
Fundación Obra Social de la abogacía Española	Proprietary director	From 01/01/2022 to 30/03/2022
Mr. Pedro Ángel Navarro Martínez	Director Other External	From 01/01/2022 to 31/12/2022
Mr. José Ramón Rubio Laporta	Independent Director	From 01/01/2022 to 31/12/2022
Ms. Gema Aznar Cornejo	Independent Director	From 01/01/2022 to 31/12/2022
Ms. María del Pino Velázquez Medina	Independent Director	From 01/01/2022 to 31/12/2022
Ms. Pilar García Ceballos-Zúñiga	Independent Director	From 01/01/2022 to 31/12/2022
Mr. Juan Luis López García	CEO	From 01/01/2022 to 31/12/2022
Mr. Jesús Sánchez-Quiñones González	Executive Director	From 01/01/2022 to 31/12/2022
Mr. Juan Carlos Ureta Domingo	Chairman	From 01/01/2022 to 31/12/2022
Mr. Santiago González Enciso	Executive Director	From 01/01/2022 to 31/12/2022
Mr. Juan Carlos Ureta Estades	Proprietary director	From 30/03/2022 to 31/12/2022
Mr. José Sevilla Álvarez	Independent Director	From 30/03/2022 to 31/12/2022
Mr. Rafael Navas Lancha	Proprietary director	From 30/03/2022 to 31/12/2022

C.1. **Complete the following tables concerning the individual remuneration of each of the directors (including remuneration for the exercising of executive functions) accrued during the year.**

a) Remuneration of the company covered by this report:

i) Remuneration accrued in cash (in thousands of euros)

Name	Fixed emuneration	Allowances	Remuneration for members of committees of the board	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other	Total year 2022	Total year 2021
Mr. Eduardo Chacón López	75								75	60
Ms. Inés Juste Bellosillo	75		15						90	60
Fundacion Obra Social de la Abogacía Española	18								18	71
Mr. Pedro Ángel Navarro Martínez	75		15						90	60
Mr. José Ramón Rubio Laporta	75		22						97	60
Ms. Gema Aznar Cornejo	75		15						90	60
Ms. María del Pino Velázquez Medina	75								75	15
Ms. Pilar García Ceballos-Zúñiga	75		13						88	6
Mr. Juan Luis López García	276				102				378	341
Mr. Jesús Sánchez-Quiñones González	276				102				378	341
Mr. Juan Carlos Ureta Domingo	300				111				411	372
Mr. Santiago González Enciso	95				34				129	113
Mr. Juan Carlos Ureta Estades	60								60	
Mr. José Sevilla Álvarez	60		8						68	
Mr. Rafael Navas Lancha	60								60	

Observations

ii) Table of movements in remuneration systems based on shares and gross profit on consolidated shares or financial instruments.

		Financial instruments at the beginning of financial year 2022		Financial instruments granted during the financial year 2022		Financial instruments consolidated within the financial year				Expired instruments and not exercised	Financial instruments at the end of financial year 2022	
Name	**Name of the Plan**	**Nº instruments**	**Nº of equivalent shares**	**Nº instruments**	**Nº of equivalent shares**	**Nº instruments**	**Nº of equivalent/ consolidated shares**	**Consolidated share price**	**Gross profit on consolidated shares or financial instruments (thousands of euros)**	**Nº instruments**	**Nº instruments**	**Nº of equivalent shares**
Mr. Eduardo Chacón López	Plan							0.00				
Ms. Inés Juste Bellosillo	Plan							0.00				
Fundación Obra Social de la Abogacía Española	Plan							0.00				
Mr. Pedro Ángel Navarro Martínez	Plan							0.00				
Mr. José Ramón Rubio Laporta	Plan							0.00				
Ms. Gema Aznar Cornejo	Plan							0.00				
Ms. María del Pino Velázquez Medina	Plan							0.00				
Ms. Pilar García Ceballos-Zúñiga	Plan							0.00				
Mr. Juan Luis López García	Variable Remuneration in Shares Plan (2020)	31		10	647	10	647	9.57	11		21	
Mr. Juan Luis López García	Variable Remuneration in Shares Plan (2019)	13		6	388	6	388	9.57	7		7	
Mr. Juan Luis López García	Variable Remuneration in Shares Plan (2018)	3		3	194	3	194	9.57	4			
Mr. Juan Luis López García	Variable Remuneration in Shares Plan (2021)	138		83	5,373	83	5,373	9.57	83		55	
Mr. Jesús Sánchez- Quiñones González	Variable Remuneration in Shares Plan (2019)	13		6	388	6	388	9.57	7		7	
Mr. Jesús Sánchez- Quiñones González	Variable Remuneration in Shares Plan (2020)	31		10	647	10	647	9.57	11		21	
Mr. Jesús Sánchez- Quiñones González	Variable Remuneration in Shares Plan (2021)	138		83	5,373	83	5,373	9.57	83		55	
Mr. Jesús Sánchez- Quiñones González	Variable Remuneration in Shares Plan (2018)	3		3	194	3	194	9.57	4			

		Financial instruments at the beginning of financial year 2022		Financial instruments granted during the financial year 2022		Financial instruments consolidated within the financial year				Expired instruments and not exercised	Financial instruments at the end of financial year 2022	
Name	Name of the Plan	Nº instruments	Nº of equivalent shares	Nº instruments	Nº of equivalent shares	Nº instruments	Nº of equivalent/ consolidated shares	Consolidated share price	Gross profit on consolidated shares or financial instruments (thousands of euros)	Nº instruments	Nº instruments	Nº of equivalent shares
Mr. Juan Carlos Ureta Domingo	Variable Remuneration in Shares Plan (2018)	3		3	192	3	192	9.57	4			
Mr. Juan Carlos Ureta Domingo	Plan Remuneration Variable Shares 2019	14		7	447	7	447	9.57	8		7	
Mr. Juan Carlos Ureta Domingo	Variable Remuneration in Shares Plan (2020)	33		11	703	11	703	9.57	12		22	
Mr. Juan Carlos Ureta Domingo	Variable Remuneration in Shares Plan (2021)	150		90	5,749	90	5,749	9.57	90		60	
Mr. Santiago González Enciso	Variable Remuneration in Shares Plan (2018)	1		1	77	1	77	9.57	1			
Mr. Santiago González Enciso	Variable Remuneration in Shares Plan (2019)	3		2	154	2	154	9.57	2		1	
Mr. Santiago González Enciso	Variable Remuneration in Shares Plan (2020)	9		3	231	3	231	9.57	3		6	
Mr. Santiago González Enciso	Variable Remuneration in Shares Plan (2021)	48		28	2,232	28	2,232	9.57	28		19	
Mr. Juan Carlos Ureta Estades	Plan							0.00				
Mr. José Sevilla Álvarez	Plan							0.00				
Mr. Rafael Navas Lancha	Plan							0.00				

Observations

During the financial year 2022, 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 2022 financial year, 60% awarded in 2022 and 40% of which was deferred in thirds over the following three financial years (2023, 2024 and 2025). Specifically, the total VR for 2021, 60% was paid in 2022. amounted to €567,000, with 50% paid in cash and 50% in shares. Specifically, the VR paid to Mr. Juan Carlos Ureta Domingo amounted to €180,000, €90,000 in shares and €90,000 in cash, to Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González the amount of €165,000 to each of them, 50% in cash and the other 50% in shares and €57,000 to Mr. Santiago González Enciso, €28,500 in shares and the same amount in cash.

In addition, the VR accrued in 2020 was also paid in 2021, 40% of which was deferred over the following three years (2022, 2023 and 2024). Specifically, the total VR for 2020, deferred and paid in 2022 amounted to €67,833.33, with 50% paid in cash and 50% in shares. Specifically, the VR paid to Mr. Juan Carlos Ureta Domingo amounted to €22,000, €11,000 in shares and €11,000 in cash, to Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González the amount of €20,166.67 to each of them, 50% in cash and the other 50% in shares and €5,500 to Mr. Santiago González Enciso, €2,750 in shares and the same amount in cash.

In addition, the VR accrued in 2019 was also paid in 2022, 40% of which was deferred over the following three years (2021, 2022 and 2023). Specifically, the total VR for 2019, deferred and paid in 2022 amounted to €3,166.67, with 50% paid in cash and 50% in shares. Specifically, the equity paid to Mr. Juan Carlos Ureta Domingo amounted to 14,000 euros, of which 7,000 euros 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.

Regarding the VR in shares, to calculate the number of shares to be awarded in the financial year 2022, the average market value of the share during the last 20 business days of the previous year has been taken, as set forth in the Remuneration Policy. In the financial year 2021, the average share value over the last 20 business days was €9.566 per share. In this regard, in February and March 2022, the number of shares corresponding to the remuneration to be paid in 2022 was subscribed for each of the executive directors, taking the average price (€9.566 per share) for the calculation and taking into account the interim payment associated with this remuneration in kind. In this regard, a total of 7,091 shares were subscribed to Mr. Juan Carlos Ureta Domingo, 6,602 shares were subscribed to Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González, and a total of 2,694 shares were subscribed to Mr. Santiago González Enciso.

The difference between the purchase price of the shares on the market and the average share price during the last 20 business days (€9.566 /share), together with the interim payment associated with the remuneration in kind, gave rise to a total additional cost of €9,452.12; €2,920.69 relating to Juan Carlos Ureta Domingo, €2,891.37 to Juan Luis López, €3,022.93 to Jesús Sánchez-Quiñones González and €617.18 euros correspond to Mr. 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 2022, the shares paid in 2022, 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 Chacón López	
Ms. Inés Juste Bellosillo	
Fundación Obra Social de la Abogacía Española	
Mr. Pedro Ángel Navarro Martínez	
Mr. José Ramón Rubio Laporta	
Ms. Gema Aznar Cornejo	
Ms. María del Pino Velázquez Medina	
Ms. Pilar García Ceballos-Zúñiga	
Mr. Juan Luis López García	1
Mr. Jesús Sánchez-Quiñones González	1
Mr. Juan Carlos Ureta Domingo	1
Mr. Santiago González Enciso	1
Mr. Juan Carlos Ureta Estades	
Mr. José Sevilla Álvarez	
Mr. Rafael Navas Lancha	

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 2022	Financial year 2021	Financial year 2022	Financial year 2021	Financial year 2022	Financial year 2021	Financial year 2022	Financial year 2021
Mr. Eduardo Chacón López								
Ms. Inés Juste Bellosillo								
Fundación Obra Social de la Abogacía Española								
Mr. Pedro Ángel Navarro Martínez								
Mr. José Ramón Rubio Laporta								
Ms. Gema Aznar Cornejo								
Ms. María del Pino Velázquez Medina								
Ms. Pilar García Ceballos-Zúñiga								
Mr. Juan Luis López García	1	1			17	18		
Mr. Jesús Sánchez- Quiñones González	1	1			17	18		
Mr. Juan Carlos Ureta Domingo	1	1			17	18		
Mr. Santiago González Enciso	1	1			13	14		
Mr. Juan Carlos Ureta Estades								
Mr. José Sevilla Álvarez								
Mr. Rafael Navas Lancha								

Observations

iv) Detail of other items

Name	Item	Amount of remuneration
Mr. Eduardo Chacon Lopez	Item	
Ms. Ines Juste Bellosillo	Item	
Fundacion Obra Social de la Abogacia Española	Item	
Mr. Pedro Angel Navarro Martinez	Item	
Mr. Jose Ramon Rubio Laporta	Item	
Ms. Gema Aznar Cornejo	Item	
Ms. Maria Del Pino Velazquez Medina	Item	
Ms. Pilar Garcia Ceballos-Zuñiga	Item	
Mr. Juan Luis Lopez Garcia	Item	
Mr. Jesus Sanchez-Quiñones Gonzalez	Item	
Mr. Juan Carlos Ureta Domingo	Item	
Mr. Santiago Gonzalez Enciso	Item	
Mr. Juan Carlos Ureta Estades	Item	
Mr. Jose Sevilla Alvarez	Item	
Mr. Rafael Navas Lancha	Item	

Observations

Loans granted to directors or related parties are as follows:

Regarding loans granted to directors or related parties, on 30 June 2021 a loan of €700,000 was granted to Mr. Santiago González Enciso, having drawn down €288,000 at year-end and with a repayment period of three years, which is scheduled to expire on 29 June 2024. In addition, it should be noted that on April 23, 2021, a loan was granted to Ms. Matilde Fernández de Miguel, spouse of Mr. Santiago González Enciso in the amount of €100,000, not having drawn down any amount at year-end and whose amortization period finishes on April 22, 2024.

Furthermore, during the 2020 financial year, the Company granted Mr. Santiago González-Enciso Fernández, Ms. Cristina González- Enciso Fernández, Mr. Ignacio González- Enciso Fernández, Ms. Matilde González- Enciso Fernández and Ms. María González-Enciso Fernández, descendants of the director Mr. Santiago González Enciso, a loan in the amount of €320,000 to each of them and whose repayment period ends between September and October 2023. At year-end they had drawn down €292,000 each. In addition, on April 7, 2022, the Company granted Mr. Ignacio González-Enciso Fernández, a descendant of the director Mr. Santiago González-Enciso, an additional loan in the amount of €20,000, whose repayment term ends on April 6, 2025 and which has been drawn down during the year 2022 of €17,000.

Furthermore, the descendants of Mr. Juan Carlos Ureta Domingo, Ms. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades, current non-executive director of the Company, have been granted a loan for an amount of €170,000 each, having drawn down at the end of the year Ms. Ureta Estades and Ms. Ureta Estades, current non-executive director of the Company, have been granted a loan for an amount of €170,000 each, having drawn down at the end of the year Ms. Inés Asunción Ureta Estades, Ms. Matilde Ureta Estades and Mr. Juan Carlos Ureta Estades of €159,000, €155,000 and €161,000, 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 committees of the board	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other	Total year 2022	Total year 2022
Mr. Eduardo Chacón López										
Ms. Inés Juste Bellosillo										
Fundación Obra Social de la Abogacía Española										
Mr. Pedro Ángel Navarro Martínez										
Mr. José Ramón Rubio Laporta										
Ms. Gema Aznar Cornejo										
Ms. María del Pino Velázquez Medina										
Ms. Pilar García Ceballos-Zúñiga										
Mr. Juan Luis López García										
Mr. Jesús Sánchez-Quiñones González										
Mr. Juan Carlos Ureta Domingo										
Mr. Santiago González Enciso										
Mr. Juan Carlos Ureta Estades										
Mr. José Sevilla Álvarez										
Mr. Rafael Navas Lancha										

Observations

ii) Table of movements in remuneration systems based on shares and gross profit on consolidated shares or financial instruments.

		Financial instruments at the beginning of financial year 2022		Financial instruments granted during the financial year 2022		Financial instruments consolidated within the financial year				Expired instruments and not exercised	Financial instruments at the end of financial year 2022	
Name	**Name of the Plan**	**Nº instruments**	**Nº of equivalent shares**	**Nº instruments**	**Nº of equivalent shares**	**Nº instruments**	**Nº of equivalent/ consolidated shares**	**Consolidated share price**	**Gross profit on consolidated shares or financial instruments (thousands of euros)**	**Nº instruments**	**Nº instruments**	**Nº of equivalent shares**
Mr. Eduardo Chacón López	Plan							0.00				
Ms. Inés Juste Bellosillo	Plan							0.00				
Fundación Obra Social de la Abogacía Española	Plan							0.00				
Mr. Pedro Ángel Navarro Martínez	Plan							0.00				
Mr. José Ramón Rubio Laporta	Plan							0.00				
Ms. Gema Aznar Cornejo	Plan							0.00				
Ms. María del Pino Velázquez Medina	Plan							0.00				
Ms. Pilar García Ceballos-Zúñiga	Plan							0.00				
Mr. Juan Luis López García	Plan							0.00				
Mr. Jesús Sánchez- Quiñones González	Plan							0.00				
Mr. Juan Carlos Ureta Domingo	Plan							0.00				
Mr. Santiago González Enciso	Plan							0.00				
Mr. Juan Carlos Ureta Estades	Plan							0.00				
Mr. José Sevilla Álvarez	Plan							0.00				
Mr. Rafael Navas Lancha	Plan							0.00				

Observations

iii) Long-term savings schemes.

Name	Remuneration from consolidation of rights to savings systems
Mr. Eduardo Chacón López	
Ms. Inés Juste Bellosillo	
Fundación Obra Social de la Abogacía Española	
Mr. Pedro Ángel Navarro Martínez	
Mr. José Ramón Rubio Laporta	
Ms. Gema Aznar Cornejo	
Ms. María del Pino Velázquez Medina	
Ms. Pilar García Ceballos-Zúñiga	
Mr. Juan Luis López García	
Mr. Jesús Sánchez-Quiñones González	
Mr. Juan Carlos Ureta Domingo	
Mr. Santiago González Enciso	
Mr. Juan Carlos Ureta Estades	
Mr. José Sevilla Álvarez	
Mr. Rafael Navas Lancha	

	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	
Nombre	Financial year 2022	Financial year 2021	Financial year 2022	Financial year 2021	Financial year 2022	Financial year 2021	Financial year 2022	Financial year 2021
Mr. Eduardo Chacón López								
Ms. Inés Juste Bellosillo								
Fundación Obra Social de la Abogacía Española								
Mr. Pedro Ángel Navarro Martínez								
Mr. José Ramón Rubio Laporta								
Ms. Gema Aznar Cornejo								
Ms. María del Pino Velázquez Medina								
Ms. Pilar García Ceballos-Zúñiga								
Mr. Juan Luis López García								
Mr. Jesús Sánchez- Quiñones González								
Mr. Juan Carlos Ureta Domingo								
Mr. Santiago González Enciso								
Mr. Juan Carlos Ureta Estades								
Mr. José Sevilla Álvarez								
Mr. Rafael Navas Lancha								

Observations

iv) Detail of other items

Name	Item	Amount of remuneration
Mr. Eduardo Chacon Lopez	Item	
Ms. Ines Juste Bellosillo	Item	
Fundacion Obra Social De La Abogacia Española	Item	
Mr. Pedro Angel Navarro Martinez	Item	
Mr. Jose Ramon Rubio Laporta	Item	
Ms. Gema Aznar Cornejo	Item	
Ms. Maria Del Pino Velazquez Medina	Item	
Ms. Pilar Garcia Ceballos-Zuñiga	Item	
Mr. Juan Luis Lopez Garcia	Item	
Mr. Jesus Sanchez-Quiñones Gonzalez	Item	
Mr. Juan Carlos Ureta Domingo	Item	
Mr. Santiago Gonzalez Enciso	Item	
Mr. Juan Carlos Ureta Estades	Item	
Mr. Jose Sevilla Alvarez	Item	
Mr. Rafael Navas Lancha	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					Retribución devengada en sociedades del grupo					
Name	**Total Cash remuneration**	**Gross profit on consolidated shares or financial instruments**	**Remuneration from savings systems**	**Remuneration from other concepts**	**Total year 2022 company**	**Total Cash remuneration**	**Gross profit on consolidated shares or financial instruments**	**Remuneration from savings systems**	**Remuneration from other concepts**	**Total year 2022 company**	**Company + group total financial year 2022**
Mr. Eduardo Chacon Lopez	75				75						75
Ms. Ines Juste Bellosillo	90				90						90
Fundacion Obra Social de la Abogacia Española	18				18						18
Mr. Pedro Angel Navarro Martinez	90				90						90
Mr. Jose Ramon Rubio Laporta	97				97						97
Ms. Gema Aznar Cornejo	90				90						90
Ms. Maria Del Pino Velazquez Medina	75				75						75
Ms. Pilar Garcia Ceballos-Zuñiga	88				88						88
Mr. Juan Luis Lopez Garcia	378	105	1		484						484
Mr. Jesus Sanchez- Quiñones Gonzalez	378	105	1		484						484
Mr. Juan Carlos Ureta Domingo	411	114	1		526						526
Mr. Santiago Gonzalez Enciso	129	34	1		164						164
Mr. Juan Carlos Ureta Estades	60				60						60
Mr. Jose Sevilla Alvarez	68				68						68
Mr. Rafael Navas Lancha	60				60						60
TOTAL	**2,107**	**358**	**4**		**2,469**						**2,469**

Observations

C.2. Indicate the evolution over the last five years of the amount and percentage variation of the remuneration accrued by each of the listed company's directors who have been directors during the year, of the consolidated results of the company and of the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Financial year 2022	% Variation 2022/2021	Financial year 2021	% Variation 2021/2020	Financial year 2020	% Variation 2020/2019	Financial year 2019	% Variation 2019/2018	Financial year 2018
Executive Directors									
Mr. Jesús Sánchez-Quiñones González	484	16.63	415	14.96	361	11.76	323	-15.67	383
Mr. Juan Luis López García	484	16.63	415	14.96	361	12.11	322	-15.71	382
Mr. Santiago González Enciso	164	22.39	134	36.73	98	11.36	88	-12.00	100
Mr. Juan Carlos Ureta Domingo	526	16.11	453	14.68	395	12.22	352	-16.78	423
External directors									
Mr. Eduardo Chacón López	75	25.00	60	0.00	60	0.00	60	0.00	60
Fundación Obra Social de la Abogacía Española	18	-74.65	71	0.00	71	0.00	71	0.00	71
Ms. Gema Aznar Cornejo	90	50.00	60	0.00	60	300.00	15	-	0
Ms. Inés Juste Bellosillo	90	50.00	60	0.00	60	0.00	60	0.00	60
Mr. José Ramón Rubio Laporta	97	61.67	60	0.00	60	0.00	60	0.00	60
Ms. María del Pino Velázquez Medina	75	400.00	15	-	0	-	0	-	0
Ms. Pilar García Ceballos-Zúñiga	88	n.s	6	-	0	-	0	-	0
Mr. Pedro Ángel Navarro Martínez	90	50.00	60	0.00	60	0.00	60	0.00	60
Mr. Rafael Navas Lancha	60	-	0	-	0	-	0	-	0
Mr. Juan Carlos Ureta Estades	60	-	0	-	0	-	0	-	0
Mr. José Sevilla Álvarez	68	-	0	-	0	-	0	-	0
Variation % 2018/2017									
	22	-12.00	25	38.89	18	0.00	18	12.50	16
Consolidated income of the company									
	58	7.41	54	1.89	53	0.00	53	0.00	53

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D. OTHER INFORMATION OF INTEREST

If there is any relevant aspect regarding the remuneration of the directors that could not be included in the rest of the sections of this report, but which is necessary to include in order to gather more complete and reasoned information on the structure and remuneration practices of the company in relation to its directors, please provide a brief description of such aspects here briefly.

The Company's directors have not accrued any remuneration other than that indicated in Section B of this report, without prejudice to the amounts indicated in section D.3 of the Annual Corporate Governance Report concerning related-party transactions between entities owned by the directors and the Company itself.

On the other hand, the figures included in sections C.1.a.i.,C.1.a.ii, C.1.a.iii and C.1.c refer to the amounts paid and received in 2022 for all the directors, not having accrued any variable remuneration during financial year 2022 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 2022, part of the variable remuneration paid in 2022 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 2018 and 40% of which 40% was deferred in thirds in the following three years (2020, 2021 and 2022). Specifically, the total variable remuneration for 2018, deferred and paid in 2022 amounted to €26,554.34, 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.

During 2022 another 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 financial year 2019, 40% of which 40% was deferred in thirds in the following three years (2021, 2022 and 2023). Specifically, the total variable remuneration for 2019, deferred and paid in 2022 amounted to €43,166.67, paid 50% in cash and 50% in shares. Specifically, the variable remuneration paid to Mr. Juan Carlos Ureta Domingo amounted to €14,000, to Mr. Juan Luis López García and Mr. Jesús Sánchez-Quiñones González €12,833.33 each, and to Mr. Santiago González Enciso, €1,750 in shares and the same amount in cash.

On the other hand, of the variable remuneration paid to the executive directors during 2022, 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 three years; 2022, 2023 and 2024, the amount to be paid being one third (1/3) of the total amount each year, 50% in cash and 50% in shares. Consequently, in 2022, one third of 40% of the variable remuneration accrued in 2020 was paid, which amounted to €67,833.33, specifically, Mr. Juan Carlos Ureta Domingo was paid an amount of €22,000, to Mr. Luis López García and Mr. Jesús Sánchez-Quiñones González the amount of €20,166.67 to each of them and finally to Mr. Santiago González Enciso, €5,500, in all cases, 50% in cash and the other 50% in shares.

Lastly, of the variable remuneration paid to the executive directors during 2022, another part corresponds to the variable remuneration accrued in financial year 2021, in which it was agreed that 60% of the remuneration would be paid during the first quarter of 2022, deferring the remaining 40% over the following three years; 2023, 2024 and 2025, the amount to be paid being 1/3 of the total amount each year, 50% in cash and 50% in shares. Therefore, in 2022, 60% of the variable remuneration accrued in the financial year 2021 was paid out for a total amount of €567.000, €283.500 in cash and the same amount in shares. Specifically, to Mr. Juan Carlos Ureta Domingo the amount of €180,000 (90,000 in cash and 90,000 in shares, including the interim payment), to Mr. Juan Luis López García and to Mr. Jesús Sánchez-Quiñones González the amount of €165,000 each, 50% in cash (€82,500) and 50% in shares (€82,500) and finally to Mr. Santiago González Enciso was paid €57,000, 50% in cash (€28,500) and 50% in shares. (€28,500).

Regarding the VR in shares, to calculate the number of shares to be awarded in the financial year 2022, 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 2021, the average share value over the last 20 business days was €9.566 per share. In February and March of 2020, each of the executive directors subscribed to a number of shares corresponding to the remuneration to be paid in 2022, taking the average price (€9.566 /share) for the calculation and taking into account the interim payment associated with this remuneration in kind. In this regard, a total of 7,091 shares were subscribed to Mr. Juan Carlos Ureta Domingo, for

Mr. Juan Luis López García, 6,602 shares were subscribed to and Mr. Jesús Sánchez-Quiñones González, and a total of 2,694 shares were subscribed to Mr. Santiago González Enciso. The difference between the purchase price of the shares on the market and the average share price during the last 20 business days (€9.566 /share), together with the interim payment associated with the remuneration in kind, gave rise to a total additional cost of €9,452.17; €2,920.69 relating to Juan Carlos Ureta Domingo, €2,891.37 to Juan Luis López, €3,022.93 to Jesús Sánchez-Quiñones González and €617.18 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.

Todo ello se recoge en el apartado C.1.A. punto i y ii, en el que se reflejan todos los importes devengados, los importes abonados tanto en metálico y en acciones abonadas, así como de los periodos diferidos, para cada uno de los Consejeros Ejecutivos.

This annual remuneration report was approved by the company's board of directors at their meeting held on session date:

21/02/2023

List whether any directors voted against or abstained from voting on the approval of this Report.

Yes **No** ✓

2022

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