

ANNUAL BANKING REPORT 2016

Information in compliance with Article 89 of the Directive 2013/36/UE of the European Parliament and its incorporation in the Spanish legislation by Law 10/2014

a) Name, nature and geographic situation of the activity

Aresbank, S.A. was incorporated on April the 1st, 1975. The main object of the Bank is to contribute to the development of financial cooperation between Spain and the MENA area by funding foreign trade transactions, promoting investment and fund raising from the MENA area and from the international financial markets in general. Apart from the above, the business object of the Bank includes all the activities associated to the banking transactions allowed by Spanish law, except receipt of funds from individuals, which is limited to those individuals involved in foreign trade transactions with the Bank.

The registered address is Paseo de la Castellana no. 257, Madrid, where the main office is located. The Bank also has a branch in Barcelona, located at Paseo de Gracia, 103 - 1a floor and representing offices in Valencia, Bilbao and Algiers (Algeria) at the end of 2016.

The shareholders of the Bank are the following: the Libyan Foreign Bank (99.86%), with registered address Dat El Imad, Administrative Complex Tower II - Tripoli, Libya and the Credit Populaire d'Algerie (0.14%), with registered address Colonel Amirouche Street, 411 - Algiers.

b) Business Turnover and Full-time equivalent employees

As business turnover we are considering the gross margin of the entity, which amounts to € 11,738 Thousand for the closing of 2016. Likewise, the Bank has 61 full-time equivalent employees at the same date.

c) Result before tax and Corporate Income Tax

The result before corporate income tax for 2016 amounts € 12,899 Thousand. The Bank has offset negative tax results for the 60% of the results of the year, based on the Royal Decree-Law 3/2016, from December the 2nd, for adopting measures in the tax field aimed at consolidating public finances and other urgent social measures. In addition, a tax credit amounting € 7,532 Thousand has been capitalized in 2016. As a result, the tax burden for the year amounted € - 1.251 Thousand.

d) Subsidies or public grants received

The Bank has not received subsidies or public grants in 2016.

e) ROA: 1.05%