

## ANNUAL BANKING REPORT 2018

### **a) Name, nature and geographic situation of the activity**

Aresbank, S.A. (hereinafter “the Bank”) was incorporated on April 1<sup>st</sup>, 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 - 1<sup>st</sup> floor, and representing offices in Bilbao and Valencia, at the end of 2018.

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 operating result (net) of the entity, following the Annual Accounts' profit and loss classification, which amounts to 23,334 thousand euros for the closing of 2018. Likewise, the Bank has 76 full-time equivalent employees at the same date.

### **c) Result before tax and Corporate Income Tax**

The result before corporate income tax for 2018 amounts € 17,059 thousand euros. The Bank has offset negative tax results for the 70% of the results of the year, based on the *Royal Decree-Law 3/2016, from December 2<sup>nd</sup>, adopting measures in the tax field aimed at consolidating public finances and other urgent social measures*. During 2018, the entity has amortized the half of the 21,248 thousand euros tax credit capitalized in 2017. As a result, the tax burden for the year amounted € -5,744 thousand euros.

### **d) Subsidies or public grants received**

The Bank has not received subsidies or public grants in 2018.

### **e) Return on total assets: 0.79%**