

ANNUAL BANKING REPORT 2019

a) Name, nature and geographic situation of the activity

Aresbank, S.A. (hereinafter “the Bank”) was incorporated on April 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 - 1st floor, and representing offices in Bilbao and Valencia, at the end of 2019.

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

The business turnover of the Bank amounted to 36,594 thousand euros for the closing of 2019. Likewise, the Bank has 75 full-time equivalent employees at the same date.

c) Result before tax and Corporate Income Tax

The result before corporate income tax for 2019 amounts € 13,182 thousand euros. The Bank has offset negative tax results for the 50% of the results of the year, based on the *Royal Decree-Law 3/2016, from December 2nd, adopting measures in the tax field aimed at consolidating public finances and other urgent social measures*. During 2019, the entity has amortized the half of the 10,624 thousand euros tax credit that remained pending to apply. As a result, the tax burden for the year amounted to € -4,541 thousand euros.

d) Subsidies or public grants received

The Bank has not received subsidies or public grants in 2019.

e) Return on average assets: 0.69%