

**APPENDI
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**ANNUAL REPORT ON THE REMUNERATION OF
DIRECTORS OF LISTED COMPANIES**

Translation of the Annual Report on the Remuneration of Director of Listed Companies issued in Spanish.
In the event of a discrepancy, the Spanish-language version prevails.

ISSUER DETAILS

REFERENCE YEAR-END DATE

31/12/2015

Corporate Tax ID

A-28060903

COMPANY NAME

CORPORACION FINANCIERA ALBA, S.A.

REGISTERED OFFICE

CASTELLO, 77, 5ª PLANTA MADRID (SPAIN)

MODEL ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

COMPANY REMUNERATION POLICY FOR THE CURRENT YEAR

A.1 Explain the Company's remuneration policy. This caption will include information about:

- General principles and foundations of the remuneration policy.
- Most significant changes made to the remuneration policy with respect to what was applied during the previous year and the changes made during the year to the exercise of granted options.
- Criteria applied and composition of the comparable groups of companies whose remuneration policies have been examined to establish the Company's remuneration policy.
- Relative importance of the variable remuneration items as compared to the fixed remuneration items and criteria followed to determine the different components of the directors' remuneration package (remuneration mix).

Explain the remuneration policy

The Remuneration Policy of the Board of Directors of Corporación Financiera Alba, S.A. was unanimously approved at the Annual General Meeting held on 10 June 2015, based on article 529 and related articles of the Corporate Enterprises Act.

A. General principles and foundations of the Remuneration Policy

The main objective of the Remuneration Policy for the directors of Corporación Financiera Alba is to generate value for the Company and its shareholders, doing it in a sustainable manner in time and ensuring transparency.

Therefore, the principles supporting the Remuneration Policy are:

- Balance and moderation.
- Alignment with the generally accepted remuneration practices.
- Monitoring, in general, of the recommendations for good corporate governance relative to directors' remuneration.
- Submission to the decisions adopted by the shareholders at the Annual General Meeting.

The Remuneration Policy distinguishes between the remuneration of the directors as such and the remuneration of the directors for the performance of executive functions.

The remuneration of the directors as such is based on the following principles:

- Sufficient to compensate their dedication, qualification and responsibility, but not so high as to compromise their independence.
- Relationship with effective dedication.
- Commitment to responsibility and performance of the functions of each director.
- Absence of variable components.
- Incentivising nature, but in such amount that does not condition independence.
- Takes into account market criteria as a reference, with respect to the remuneration envisaged for directors of listed companies with which a comparison can be established.

The directors' remuneration for the performance of executive functions is based on the following principles:

- Remunerate the performance of their functions with an integrated package of monetary and non-monetary elements that meets their different professional needs and expectations, and that serves as a tool for communicating the organisational and corporate objectives.
- Align performance with the group's objectives in the different time horizons, incentivising the sustainability of results.

- Recognise the capacity to create value, in addition to competences and personal profile.
- Foster a culture of commitment to the group's objectives, taking into account that both personal and team contribution is essential.
- Evaluate professional performance and results applying homogeneous criteria.
- Remunerate equitably and competitively, taking into account the responsibilities of the position and flexible market positioning in order to attract and retain the best professionals.
- Review the remuneration systems and progress in order to, where applicable, introduce the necessary adaptations, in accordance with results and motivation capacity.

The detail of the remunerations of the directors for their condition as such is set out in section A.3 of this Report.

Remuneration of directors who perform executive functions at Corporación Financiera A ba:

1) Fixed remuneration

The detail of the remuneration considered fixed, according to the Director Remuneration Policy, is set out in section A.3 of this Report.

2) Variable remuneration

Those directors who perform executive functions may be beneficiaries, at the Company's discretion, of variable remuneration plans linked to the evolution of the Company's Net Asset Value. Those plans may be materialised, at the Company's discretion, through cash payments, granting of share options and/or delivery of shares.

In those cases where the variable remuneration is materialised in share options or in share delivery plans, those plans shall have the following main characteristics: they shall be granted free of charge; their settlement may be based on differences; and they shall be non-transferable, except in certain cases.

Variable remuneration may be established every year and may be payable on a multiannual basis.

Variable remuneration shall take into account the difference between the "final Net Asset Value" and the "initial Net Asset Value" of the shares of Corporación Financiera A ba.

Reference is made to the variable remuneration of directors who perform executive functions approved in 2015 ("Plan 2015") in sections A.4 and E of this Report.

In those cases where variable remuneration is paid based on data whose inaccuracy is accredited subsequent to the date of that payment, the Company shall in all cases be entitled to claim the reimbursement of the corresponding components of the variable remuneration. The claim may be made within a period of two years from the date on which the Company paid the variable remuneration being claimed.

3) Remuneration in kind

Those directors who perform executive functions shall be entitled to the following coverage under the corresponding insurance policies taken out by the Company, which shall be considered remuneration in kind:

- Annual coverage of the alternative pension system.
- Life, accident and invalidity insurance.
- Illness insurance.

4) Pension system

4.1. Long-term savings systems. Alternative pension system

From the date on which a director reaches the legal retirement age at a given time, he or she may retire at their own request or by decision of the Company, whereupon it will be obliged, in both cases, to pay that director, regardless of the corresponding social security pension, an annuity amounting to 35% of the Base Remuneration and of the Supplement to which the director would have been entitled had he or she still been working for the Company in the year of retirement ("Retirement Pension").

In the case that a director reaches the legal voluntary retirement age, pursuant to the applicable legislation at a given time, he or she shall be entitled to receive the annuity mentioned in the preceding paragraph, accrued up until that date, from the Company.

4.2. Invalidity pension

In the case that a director who perform executive functions is declared permanently invalid, he or she shall receive an annuity equal to the Retirement Pension.

4.3. Widowhood Pension

In case of death of a director who perform executive functions while in the Company's employ, the Company shall pay his or her widowed spouse an annuity amounting to 21% of the sum of the Base Remuneration and the Supplement to which the director would have been entitled in the year of his or her death.

If the death of the director occurs while invalid or retired, the surviving widowed spouse shall receive an annuity from the Company equivalent to 60% of the amount received by the director in the year of his or her death.

The right of the widowed spouse to receive the Widowhood Pension shall be governed, in terms of its generation, modification or extinction, by the rules established in the social security regime in force at a given time.

4.4. Orphan's Pension

If, in case of death of the director who performs executive functions, his or her surviving widowed spouse and children who fulfil the requirements established by the Social Security Law and supplementing provisions, for entitlement to Orphan's Pension, the Company shall pay, while they fulfil the expressed requirements, each child a pension equivalent to 7% of the Base Remuneration and of the Supplement.

The accumulation of Widowhood Pension and/or Orphan's Pension shall not exceed, in any case, 35% of the sum of the Base Remuneration and of the Supplement to which the director would have been entitled in the year of his or her death.

5) Clauses relating to indemnities or golden parachutes in the event of early termination of the contractual relationship between the Company and the director:

- If, upon ceasing to perform the contractually attributed executive functions, a director is entrusted with the performance of other functions, also executive, he or she will continue to receive the remuneration agreed upon contractually, unless a different remuneration is mutually agreed upon.

- If, upon ceasing to perform his or her executive functions, the director resumes a previous employment relationship and said employment relationship is also terminated, the benefits to be paid in the event of termination of the employment relationship by the Company shall be compliant with labour legislation, but shall not be lower than the amount of the fund set up as a pension supplement (section 4.1) or than the amount of one annuity of the Base Remuneration and Supplement, increased by one-twelfth of said annuity for each year elapsed from the date on which the director joined the group, whichever is greater.

- If, upon ceasing to perform his or her executive functions, the director has no previous employment relationship to resume, he or she shall be entitled to an indemnity equivalent to the amount of one annuity of the Base Remuneration and Supplement, increased by one-twelfth of said annuity for each year elapsed from the date on which he or she joined the group, with a maximum of two annuities; however, the amount of the fund set up as a pension supplement (section 4.1), to which the director will be entitled in its entirety, shall be deducted from this amount.

- Directors who perform executive functions in subsidiaries of Corporación Financiera A ba

The directors of Corporación Financiera Alba who perform executive functions in its subsidiaries shall receive, in addition to their remuneration as members of the Board of Directors, for their condition as such (section A.3), the remuneration established in their respective contracts, which shall be approved pursuant to Article 249 of the Spanish Limited Liability Companies Law.

This remuneration may be adjusted pursuant to this Policy or differ in accordance with the remuneration system or remuneration policy of each company.

B. More significant changes made to the remuneration policy with respect to those applied in 2014, in addition to the changes made in the year to the conditions for exercising granted options.

In 2015 a new Board Remuneration Policy was approved (Annual General Meeting held on 10 June 2015), whose principles and characteristics are reflected in the first part of this section.

No changes were made to the conditions for exercising granted options.

C. Criteria applied to establish the Company's remuneration policy.

They have been presented when making reference to the general principles and foundations of the remuneration policy.

D. Relative importance of the variable remuneration items with respect to the fixed remuneration items and criteria followed to determine the different components of the directors' remuneration package.

It is not currently possible to determine the relative importance of the variable remuneration with respect to the fixed remuneration received by directors who perform executive functions since, taking into account the new remuneration items mentioned at the start of this section, the variable remuneration approved by the shareholders at the Annual General Meeting held on 10 June 2015 has not yet materialised, since it will be accrued, where applicable, on the third year from its establishment and its quantification is not possible.

A.2 Information about the preparatory work and the decision-making process followed to determine the remuneration policy and the role performed, where applicable, by the remuneration committee and other control bodies in configuring the remuneration policy. This information will include, where appropriate, the mandate and composition of the remuneration committee and the identity of the external consultants whose services were used for defining the remuneration policy. The position of those directors that have participated in defining the remuneration policy will also be expressed.

Explain the process for determining the remuneration policy

Based on the articles 529 duodecies and related articles of the Corporate Enterprises Act, the shareholders of Corporación Financiera A ba, S.A. approved, at the Annual General Meeting held on 10 June 2015, the Board Remuneration Policy at the proposal of the Nomination and Remuneration Committee.

At 31 December 2015, the Nomination and Remuneration Committee was composed of the following directors: Mr. Regino Moranchel Fernández, as Chairman; and Ms. Cristina Garmendia Mendizabal and Mr. Juan March Delgado, as members; and Mr. José Ramón del Caño Palop as Secretary. The Chairman and Ms. Garmendia have the condition of independent external directors and Mr. March Delgado has the condition of proprietary external director.

No external advisors were engaged to defined the Board's remuneration policy.

A.3 Indicate the amount and nature of the fixed components, with the breakdown, where applicable, of the remunerations for performing the senior management duties of the executive directors, of the additional remuneration as president or member of any board committee, of the expenses for participating in the board and its committees or other fixed remunerations as board member, as well as an estimate of the annual fixed remuneration to which it gives rise. Identify other benefits that are not paid in cash and the fundamental parameters according to which they are awarded.

Explain the fixed components of the remuneration

According to the Remuneration Policy approved, the remuneration of the directors for their condition as such are as follows:

- The annual remuneration of all the members of the Board of Directors for their condition as such shall consist of EUR 65,000.
- The co-Chairman shall receive an additional annual remuneration of EUR 78,000 each.
- Additional annual remuneration for participating in the Audit Committee consisting of EUR 15,000.
- Additional annual remuneration for participating in the Nomination and Remuneration Committees consisting of EUR 10,000.
- Additional annual remuneration for participating in the Operations Committee consisting of EUR 15,000.
- The maximum total annual remuneration for the Board of Directors as a whole is established, by the shareholders at the Annual General Meeting, at EUR 1,400,000.

Further, according to the indicated Remuneration Policy, the fixed remuneration of directors who perform executive functions shall be deemed to as follows:

a) Base Remuneration

The Base Remuneration of directors who perform executive functions shall consist of an annual gross amount amounting to:

- Base Remuneration of the Executive Deputy Chairman: up to EUR 600,000 per annum.
- Base Remuneration of the Chief Executive Officer: up to EUR 800,000 per annum.
- Base Remuneration of the Director Secretary of the Board: up to EUR 400,000 per annum.
- Base Remuneration of Director with other executive functions: up to EUR 400,000 per annum.

The specific amount of the Base Remuneration of directors who perform executive functions shall be established in their respective contracts.

In a resolution passed by the Board of Directors, the Base Remuneration will be updated at the beginning of each calendar year, at the proposal of the Nomination and Remuneration Committee.

b) Supplement

Those directors who perform executive functions shall receive the following annual gross amounts as Supplement:

- Supplement of the Executive Deputy Chairman: up to EUR 400,000 per annum.
- Supplement of the Chief Executive Officer: up to EUR 400,000 per annum.
- Supplement of the Director Secretary of the Board: up to EUR 200,000 per annum.
- Supplement of Director with other executive functions: up to EUR 200,000 per annum.

The specific amount of the Supplement received by those directors who perform executive functions shall be established in their respective contracts.

The Supplement shall be upgraded upon agreement by the Board of Administrators, at the proposal of the Nomination and Remuneration Committee, its amount or proportion shall be determined at the Company's discretion.

The Company will also have the discretionary power to reduce and even completely eliminate the Supplement if, for exceptional circumstances, the Company's results are not satisfactory as a result of the poor performance of the services provided by the director who performs executive functions.

c) Any amounts that the director who performs executive functions may receive from the Company as director in his or her condition as such or for any other position or function in other companies or subsidiaries, investees or related, shall be calculated within the fixed remuneration, deducting the amount paid directly by the Company from said amount. Exceptionally, the amounts received by the directors who, in addition to discharging executive functions at Corporación Financiera Alba, also perform executive functions at Banca March shall not be calculated within the fixed remuneration.

No attendance fees or other fixed remuneration other than that mentioned earlier are expected.

The annual estimation of the fixed components of the remuneration received by the directors amounts to EUR 3 million.

The total amount of fixed remuneration received by the executive directors in 2015, taking into account that of the group companies pursuant to Article 42 of the Code of Commerce, amounted to EUR 2 million.

Benefits established in the directors' favour not paid in cash consist of health and life, accident and invalidity insurance.

A.4 Explain the amount, nature and main characteristics of the variable components of the remuneration systems.

In particular:

- Identify each of the remuneration plans of which the directors are beneficiaries, their scope, approval date, implementation data, validity period and main characteristics. In the case of share option plans and other financial instruments, the general characteristics of the plan will include information about the conditions for exercising said options or financial instruments for each plan.
- Indicate any remuneration by way of participation in profit or bonuses and the reason for which they were granted.
- Explain the fundamental parameters and the basis of any annual bonus system.
- The types of directors (executive directors, proprietary external directors, independent external directors or other external directors) who are beneficiaries of remuneration systems or plans that include variable remuneration.
- The basis for such variable remuneration systems or plans, the criteria applied to evaluate the performance of the directors and the evaluation components and methods for determining whether or not said evaluation criteria have been fulfilled and an estimation of the absolute amount of the variable remuneration to which the remuneration plan in force would give rise, in accordance with the degree of fulfilment of the hypotheses or objectives taken as a reference.
- Where applicable, information will be provided on the established payment deferral periods and/or the retention periods of share or other financial instruments, if any.

Explain the variable components of the remuneration systems
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A- Remuneration plans of which the directors are beneficiaries

A.1. Options System 2014

The system was approved by the shareholders at the Annual General Meeting held on 11 June 2014 and was implemented pursuant to the resolution adopted by the Board of Directors on the same date. Its characteristics are as follows:

- The Company delivered options giving the beneficiaries rights to acquire Alba shares.
- The Board of Directors determined which Executive Directors and Senior Managers the scheme was open to.
- The maximum number of shares to be delivered is 635,000.
- Options are non-transferable, except in the case of death.
- The price of exercising the options shall be equal to the closing price of Alba's shares on the "last day" of the plan, less the difference between the "final Net Asset Value" and the "initial Net Asset Value" of said shares, where:
 - The "initial Net Asset Value" of each share shall be EUR 66.55, equivalent to the average settlement value of Alba's shares during the ten trading sessions prior to the "first day" of the Plan (11 June 2014).
 - The "final Net Asset Value" of each share shall be the average settlement value of Alba's shares during the ten trading sessions prior to the "last day" of the Plan (10 June 2017).
- The maximum difference between "final Net Asset Value" and "initial Net Asset Value" shall not be greater than EUR 20 per share.
- The options shall be exercised after three years have elapsed.
- When exercising the option rights, the price of said exercise shall be paid at the same time, although it may also be settled by differences.

- In the event of a dilution effect due to a capital increase, the option price shall be adjusted downwards and multiplied by the theoretical value of the pre-emption right. A similar adjustment will be made in the event that an agreement is reached to distribute extraordinary dividends.
- The delivery of the options was free of charge.
- In order to exercise the options, the beneficiary must be a member of A ba's staff or Board of Directors on the exercise date.
- The amounts resulting from the application are considered "gross" and will be subject to the tax regime in force, whereupon the corresponding charge will be borne by the beneficiaries.

A.2 Plan 2015

The system was approved by the shareholders at the Annual General Meeting held on 10 June 2015 and was implemented pursuant to the resolution adopted by the Board of Directors on the same day. Its characteristics are as follows:

- The Plan consists of a variable remuneration system tied to the value of the shares of Corporación Financiera A ba ("Alba").
- The executive directors and executives determined by the Board of Directors shall be the beneficiaries of this Plan. Each beneficiary will be assigned a certain number of units totaling 221,664 units.
- Value of the units. Each unit will entitle the director to receive the difference between the "final Net Asset Value" and the "initial Net Asset Value" of Alba's shares, where:
 - The "initial Net Asset Value" of each share shall be EUR 67.92, equivalent to the average settlement value of Alba's shares during the ten trading sessions prior to the "first day" of the Plan (10 June 2015).
 - The "final Net Asset Value" of each share shall be the average settlement value of Alba's shares during the ten trading sessions prior to the "last day" of the Plan. The "last day" of the Plan shall be 9 June 2018.
 The maximum difference between "final Net Asset Value" and "initial Net Asset Value" shall not exceed 30% of the "initial Net Asset Value".
- In the event that the capital increase has a dilutive effect, the "initial Net Asset Value" will be adjusted downwards and multiplied by the theoretical value of the pre-emption right. A similar effect will be produced in the event that an agreement is reached to distribute extraordinary dividends or any other case that gives rise to a similar economic effect.
- Plan expiry. The Plan will expire three years after 10 June 2015, date on which the Company will perform the corresponding calculation and will proceed to pay the remuneration together with the monthly salary. However, at the Company's discretion, the Plan may also be settled by means of a share-based payment, valued at the closing price of the day before that in which the shares are transmitted to the beneficiaries.
- The rights arising from the application of the Plan are non-transferable, except in the case of death.
- A basic condition of the Plan is that the beneficiary must be a member of the staff or Board of Directors of Alba or its subsidiaries on the Plan expiry date.
- The amounts resulting from the application are considered "gross" and will be subject to the tax regime in force, whereupon the corresponding charge will be borne by the beneficiaries.
- In those cases where variable remuneration is paid based on data whose inaccuracy is accredited subsequent to the date of said payment, the Company shall in all cases be entitled to claim the reimbursement of the corresponding components of the variable remuneration.
- The claim may be made within a period of two years from the date on which the Company paid the variable remuneration being claimed.

B- Remuneration by way of participation in profit or bonuses

No remuneration is established consisting of participation in profit, there is a variable remuneration in favour of the executive directors mentioned in letter A above.

C- Basic parameters and basis of any annual bonus system. See section A.1.

D- Types of directors who are beneficiaries of remuneration systems that include variable remuneration. Variable remuneration is only applicable to executive directors.

E- Basis of variable remuneration systems, performance evaluation criteria, methods for evaluating and estimating the absolute amount of the variable remuneration in accordance with the remuneration plan in force.

Variable remuneration is based on the management performed by the executive directors and the results obtained therewith, and shall be quantified taking into consideration the creation of value for the shareholder.

It is not currently possible to estimate the absolute amount of the variable remuneration of the executive directors using the system mentioned in letter A.2 above.

F- Share payment deferral or retention periods.

A three-year deferral period is implicit in the variable remuneration system envisaged in letter A.2.

A.5 Explain the principal characteristics of the long-term savings systems, including retirement and any other survival benefit, either wholly or partially financed by the company, and whether funded internally or externally, with an estimate of the equivalent annual amount or cost thereof, stating the type of plan, whether it is a defined-contribution or benefit plan, the conditions for the vesting of economic rights in favour of the directors, and the compatibility thereof with any kind of indemnity for early termination or severance of the contractual relationship between the company and the director.

Also, specify the contributions on the director's behalf to defined-contribution pension plans; or any increase in the director's vested rights, in the case of contributions to defined-benefit plans.

Explain the long-term savings systems.

There is a long-term savings system envisaged for directors who perform executive functions at Corporación Financiera Alba, S.A., which is an alternative pension system consisting of a supplement of the social security pension equivalent to 35% of the sum of the Base Remuneration and the Supplement (see section A.3 of this Report) to which the director would have been entitled if he or she had still been working for the Company in the year of his or her retirement.

There are no arrangements for consolidating Directors' financial rights. They will only be entitled to the aforementioned supplement if they are still working for the Company at the time of retirement.

The estimated amount of the contributions in 2015 amounted to EUR 539,000.

Contributions to pension plans in favour of directors other than those mentioned in the first paragraph, neither defined contribution or defined pension, are not envisaged.

A.6 Indicate any termination benefits agreed upon or paid in the event of termination of a director's functions.

Explain the termination benefits

Clauses relating to termination benefits or golden parachutes for early termination or end of the contractual relationship between the Company and the directors who perform executive functions.

The following situations are envisaged in the approved Board Remuneration Policy:

- If, upon ceasing to perform the contractually attributed executive functions, a director is entrusted with the performance of other functions, also executive, he or she will continue to receive the remuneration agreed upon contractually, unless a different remuneration is mutually agreed upon.
- If, upon ceasing to perform his or her executive functions, the director resumes a previous employment relationship and said employment relationship is also terminated, the benefits to be paid in the event of termination of the employment relationship by the Company shall be compliant with labour legislation, but shall not be lower than the amount of the fund set up as a pension supplement (see section A.3) or than the amount of one annuity of the Base Remuneration and Supplement, increased by one-twelfth of said annuity for each year elapsed from the date on which the director joined the group, whichever is greater.
- If, upon ceasing to perform his or her executive functions, the director has no previous employment relationship to resume, he or she shall be entitled to benefits equivalent to the amount of one annuity of the Base Remuneration and Supplement, increased by one-twelfth of said annuity for each year elapsed from the date on which he or she joined the group, with a maximum of two annuities; however, the amount of the fund set up as a pension supplement (see section A.3), to which the director will be entitled in its entirety, shall be deducted from this amount.

A.7 Indicate the terms and conditions that must be included in the contracts of executive directors performing senior management duties. Include information regarding, among other things, the term, limits on termination benefit amounts, continuance in office clauses, prior notice periods and payment in lieu of prior notice, and any other clauses relating to hiring bonuses, as well as benefits or golden parachutes due to early termination or severance of the contractual relationship between the company and the executive director. Include, among other things, agreements on non-competition, exclusivity, length of service or loyalty and post-contractual non-competition.

Explain the conditions of the contracts of the executive directors

Basic conditions of the contracts of the directors who perform executive functions at Corporación Financiera Alba:

- Term of the contract: Indefinite.
- Notice periods: 15 days, as a general rule.
- Clauses relating to early termination benefits or golden parachutes or end of the contractual relationship between the Company and the director:
 - If, upon ceasing to perform the contractually attributed executive functions, a director is entrusted with the performance of other functions, also executive, he or she will continue to receive the remuneration agreed upon contractually, unless a different remuneration is mutually agreed upon.
 - If, upon ceasing to perform his or her executive functions, the director resumes a previous employment relationship and said employment relationship is also terminated, the benefits to be paid in the event of termination of the employment relationship by the Company shall be compliant with labour legislation, but shall not be lower than the amount of the fund set up as a pension supplement (see section A.3) or than the amount of one annuity of the Base Remuneration and Supplement, increased by one-twelfth of said annuity for each year elapsed from the date on which the director joined the group, whichever is greater.

• If, upon ceasing to perform his or her executive functions, the director has no previous employment relationship to resume, he or she shall be entitled to benefits equivalent to the amount of one annuity of the Base Remuneration and Supplement, increased by one-twelfth of said annuity for each year elapsed from the date on which he or she joined the group, with a maximum of two annuities; however, the amount of the fund set up as a pension supplement (see section A.3), to which the director will be entitled in its entirety, shall be deducted from this amount.

- Exclusivity agreements: The provision of services is based on the director's exclusive dedication, who may not provide his or her services to any other entity, even when said activity is not concurrent with that of the Company, without its prior consent. This consent shall not be considered necessary in the case of providing services to Banca March Group companies. In those cases where the exercise of other activities is authorised and they are remunerated, the amount of said remuneration may be deducted from the director's remuneration at the Company's discretion on granting the authorisation.

- Post-contractual non-concurrence and permanence agreements: Not envisaged.

A.8 Explain any additional remuneration accrued to the directors in consideration for services rendered other than those inherent to their post.

Explain the supplementary remuneration

None.

A.9 Indicate any remuneration in the form of advances, loans, or guarantees provided, with an indication of the interest rate, main features, and amounts ultimately returned, as well as the obligations assumed on their behalf as a guarantee.

Explain the advances, loans and guarantees granted

None.

A.10 Explain the main characteristics of the remuneration in kind.

Explain the remuneration in kind

Health, life, accident and invalidity insurance and annual cover of the alternative pension system.

A.11 Indicate the remunerations accrued by the director by virtue of the payments that the listed company makes to a third party to which the director provides services, when the purpose of said payments is to remunerate the latter's services within the company.

Explain the remuneration accrued by the director by virtue of the payments made by the listed company to a third-party entity where he or she provides services

None.

A.12 Information on the relationship between the remuneration obtained by executive directors in the reporting period and the company's profits, or some other measure of business performance, in that period.

Explain the other remuneration items

None.

A.13 Explain the actions taken by the company regarding the remuneration system in order to reduce exposure to excessive risk and align it with the long-term goals, values, and interests of the company, including any reference to: measures provided to ensure that the remuneration policy takes into account the long-term results of the company, measures establishing an appropriate balance between the fixed and variable components of remuneration, measures adopted with respect to those categories of personnel whose professional activities have a significant impact on the entity's risk profile, recovery formulas or clauses giving the right to demand the return of the variable components of remuneration

based on results if such components have been paid based on data that is later clearly shown to be inaccurate, and measures provided to avoid any conflicts of interest.

Explain the measures adopted to reduce risk

The remuneration of the directors for their condition as such, as well as those established for their participation in the Board Committees, are established in moderate amounts, especially if compared with those established for other listed companies.

The general principles supporting the Remuneration Policy are:

- Balance and moderation.
- Alignment with the generally accepted remuneration practices.
- Monitoring, in general, of the recommendations for good corporate governance relative to the remuneration of the directors, and
- Submission to the decisions adopted by the shareholders at the Annual General Meeting.

As regards the remuneration of directors who perform executive functions, it shall be based on the following principles:

- Remunerate the performance of their functions with an integrated package of monetary and non-monetary elements that meets their different professional needs and expectations, and that serves as a tool for communicating the organisational and corporate objectives.
- Align performance with the group's objectives in the different time horizons, incentivising the sustainability of results.
- Recognise the capacity to create value, in addition to competences and personal profile.
- Foster a culture of commitment to the group's objectives, taking into account that both personal and team contribution is essential.
- Evaluate professional performance and results applying homogeneous criteria.
- Remunerate equitably and competitively, taking into account the responsibilities of the position and flexible market positioning in order to attract and retain the best professionals.
- Review the remuneration systems and progress in order to, where applicable, introduce the necessary adaptations, in accordance with results and motivation capacity.

Further, criteria such as the following are also taken into account in relation to the variable remuneration:

- The variable remuneration of the executive directors shall take into account and the management performed by them and the results obtained.
- In order to quantify the variable remuneration of the executive directors, the creation of value for the shareholder shall be taken into account based on the evolution of the net value of the Company's assets (settlement value).
- The variable remuneration of the executive directors shall be related to their professional performance and not depend simply on market developments.

In order to take into account the Company's long-term results, the variable remuneration system established is linked to the evolution of the Company's settlement value, expiring three years after approval thereof.

Both the Remuneration Policy and the directors' contracts envisage that, in the event that the variable remuneration is paid based on data whose inaccuracy is accredited subsequent to the moment in which it is paid, the Company shall in all cases be entitled to claim the reimbursement of the corresponding components of the variable remuneration by the director. In such case, the claim may be made within a period of two years from the date on which the Company paid the variable remuneration being claimed.

B REMUNERATION POLICY ENVISAGED FOR FUTURE YEARS

Repealed.

C GLOBAL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED IN THE YEAR ENDED

C.1 Briefly explain the main characteristics of the structure and items of remuneration of the remuneration policy applied during the financial year just ended, which give rise to the breakdown of individual remuneration accrued by each of the directors as reflected in section D of this report, and provide a summary of the decisions made by the board to apply such items.

Explain the remuneration structure and items of the remuneration policy applied in the year
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Article 39 of the Articles of Association makes reference to the remuneration of the directors.

Further, the Remuneration Policy of the Board of Directors was approved by the shareholders at the Annual General Meeting held on 10 June 2015, following the proposal of the Nomination and Remuneration Committee. A detailed summary of this policy (including its principles, structure, items, etc.) is set out in section A.1 of this Report.

The Board Remuneration Policy approved by the shareholders at the Annual General Meeting held on 10 June 2015 was effectively applied in 2015.

In connection with the decisions adopted by the Board of Directors in relation to these matters, it should be noted that they basically consisted of: (i) the approval of the contracts of the directors who perform executive functions and the individual remuneration applicable thereto; and (ii) the implementation of the variable remuneration system tied to the settlement value of the shares approved by the shareholders at the Annual General Meeting.

D DETAIL OF THE INDIVIDUAL REMUNERATION ACCRUED BY EACH OF THE DIRECTORS

Name	Type	Accrual period 2015
JUAN MARCH JUAN	Executive	From 01/01/2015 to 31/12/2015.
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	Executive	From 01/01/2015 to 31/12/2015.
RAMON CARNE CASAS	Executive	From 01/01/2015 to 31/12/2015.
JOSE RAMON DEL CAÑO PALOP	Executive	From 01/01/2015 to 31/12/2015.
CARLOS GONZALEZ FERNANDEZ	Independent	From 10/06/2015 to 31/12/2015.
JOSE DOMINGO DE AMPUERO Y OSMA	Independent	From 01/01/2015 to 31/12/2015.
REGINO MORANCHEL FERNANDEZ	Independent	From 01/01/2015 to 31/12/2015.
CRISTINA GARMENDIA MENDIZABAL	Independent	From 01/01/2015 to 31/12/2015.
ANTONIO MARIA PRADERA JAUREGUI	Independent	From 10/06/2015 to 31/12/2015.
JUAN MARCH DELGADO	Proprietary	From 01/01/2015 to 31/12/2015.
CARLOS MARCH DELGADO	Proprietary	From 01/01/2015 to 31/12/2015.
JOSE NIETO DE LA CIERVA	Proprietary	From 01/01/2015 to 31/12/2015.
JUAN MARCH DE LA LASTRA	Executive	From 01/01/2015 to 31/12/2015.
NICHOLAS BROOKES	Independent	From 01/01/2015 to 10/06/2015.
EUGENIO RUIZ-GALVEZ PRIEGO	Independent	From 01/01/2015 to 29/09/2015.

D.1 Fill in the following tables with the individual remuneration of each of the directors (including remuneration for discharging executive functions) accrued in the year:

a) Remuneration accrued by the company object of this Report:

i) Remuneration in cash (in thousands of €)

Name	Salaries	Fixed remuneration	Expenses	Short-term variable remuneration	Long-term variable remuneration	Remuneration for membership to Board committees	Compensation	Other items	Total 2015	Total 2014
ANTONIO MARIA PRADERA JAUREGUI	0	33	0	0	0	0	0	0	33	0
JOSE DOMINGO DE AMPUERO Y OSMA	0	53	0	0	0	10	0	0	63	40
RAMON CARNE CASAS	0	53	0	0	0	0	0	0	53	40
REGINO MORANCHEL FERNANDEZ	0	53	0	0	0	8	0	0	61	46
JOSE NIETO DE LA CIERVA	0	53	0	0	0	12	0	0	65	50
CARLOS GONZALEZ FERNANDEZ	0	33	0	0	0	7	0	0	40	0
CARLOS MARCH DELGADO	0	131	0	0	0	0	0	0	131	124
JUAN MARCH JUAN	0	53	0	0	0	10	0	0	63	40
CRISTINA GARMENDIA MENDIZABAL	0	53	0	0	0	18	0	0	71	46
JUAN MARCH DELGADO	0	131	0	0	0	8	0	0	139	118
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	436	53	0	0	0	10	0	0	499	637
JUAN MARCH DE LA LASTRA	469	53	0	0	0	10	0	0	532	720
JOSE RAMON DEL CAÑO PALOP	274	53	0	0	0	0	0	0	327	412
NICHOLAS BROOKES	0	20	0	0	0	5	0	0	25	50
EUGENIO RUIZ-GALVEZ PRIEGO	0	36	0	0	0	9	0	0	45	30

ii) Share-based remuneration systems

JOSE RAMON DEL CAÑO PALOP
 OPTIONS SYSTEM 2014

Implementation Date	Ownership of options at the beginning of 2015				Options assigned in 2015						
	No. of Options	Shares affected	Exerc. price (€)	Exercise period	No. of Options	Shares affected	Exerc. price (€)	Exercise period			
11/06/2014	50,000	50,000	0.00	3 years Exercise price is not "0" but "indet."	0	0	0.00	0			
Conditions: 0											
Shares delivered in 2015			Options exercised in 2015			Vested but unexercised options	Options at 2015 year-end				
No. of Shares	Price	Amount	Exerc. price (€)	No. of Options	Shares affected	Gross profit (€M)	No. of Options	No. of Options	Shares affected	Exerc. price (€)	Exercise period
0	0.00	0	0.00	0	0	0	0	50,000	50,000	0.00	3 years
Other exercise requirements: The "exercise price" is not "0" but rather "indeterminate" on the grant date (the application does not allow the use of letters in this box). Other characteristics in "Hecho Relevante" no. 207,104.											

JUAN MARCH JUAN
 OPTIONS SYSTEM 2014

Implementation Date	Ownership of options at the beginning of 2015				Options assigned in 2015						
	No. of Options	Shares affected	Exerc. price (€)	Exercise period	No. of Options	Shares affected	Exerc. price (€)	Exercise period			
11/06/2014	50,000	50,000	0.00	3 years Exercise price is no "0" but "indet."	0	0	0.00	0			
Conditions: 0											
Shares delivered in 2015			Options exercised in 2015			Vested but unexercised options	Options at 2015 year-end				
No. of Shares	Price	Amount	Exerc. price (€)	No. of Options	Shares affected	Gross profit (€M)	No. of Options	No. of Options	Shares affected	Exerc. price (€)	Exercise period

0	0.00	0	0.00	0	0	0	0	50,000	50,000	0.00	3 years
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Other exercise requirements: The "exercise price" is not "0" but rather "indeterminate" on the grant date (the application does not allow the use of letters in this box). Other characteristics in "Hecho Relevante" no. 207,104.

SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN
OPTIONS SYSTEM 2014

Implementation Date	Ownership of options at the beginning of 2015				Options assigned in 2015			
	No. of Options	Shares affected	Exerc. price (€)	Exercise period	No. of Options	Shares affected	Exerc. price (€)	Exercise period
11/06/2014	180,000	180,000	0.00	3 years Exercise price is no "0" but "indet."	0	0	0.00	0

Conditions: 0

Shares delivered in 2015			Options exercised in 2015				Vested but unexercised options	Options at 2015 year-end			
No. of Shares	Price	Amount	Exerc. price (€)	No. of Options	Shares affected	Gross profit (€M)	No. of Options	No. of Options	Shares affected	Exerc. price (€)	Exercise period
0	0.00	0	0.00	0	0	0	0	180,000	180,000	0.00	3 years

Other exercise requirements: The "exercise price" is not "0" but rather "indeterminate" on the grant date (the application does not allow the use of letters in this box). Other characteristics in "Hecho Relevante" no. 207,104.

JUAN MARCH DE LA LASTRA
OPTIONS SYSTEM 2014

Implementation Date	Ownership of options at the beginning of 2015				Options assigned in 2015			
	No. of Options	Shares affected	Exerc. price (€)	Exercise period	No. of Options	Shares affected	Exerc. price (€)	Exercise period
11/06/2014	180,000	180,000	0.00	3 years Exercise price is no "0" but "indet."	0	0	0.00	0

Conditions: 0

Shares delivered in 2015			Options exercised in 2015				Vested but unexercised options	Options at 2015 year-end			
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No. of Shares	Price	Amount	Exercise price (€)	No. of Options	Shares affected	Gross profit (€M)	No. of Options	No. of Options	Shares affected	Exercise price (€)	Exercise period
0	0.00	0	0.00	0	0	0	0	180,000	180,000	0.00	3 years

Other exercise requirements: The "exercise price" is not "0" but rather "indeterminate" on the grant date (the application does not allow the use of letters in this box). Other characteristics in "Hecho Relevante" no. 207,104.

iii) Long-term savings systems

Name	Contribution of the exercise by the Company (thousands of €)		Amount of the accumulated funds (thousands of €)	
	2015	2014	2015	2014
JOSE RAMON DEL CAÑO PALOP	130	154	1,955	1,757
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	233	352	6,518	6,024
JUAN MARCH DE LA LASTRA	144	143	1,882	1,674
JUAN MARCH JUAN	32	43	179	141

iv) Other benefits (in thousands of €)

CARLOS MARCH DELGADO			
Remuneration in the form of advances and loans granted			
Interest rate for the operation		Basic features of the operation	Amounts eventually returned
0.00		0.00	0.00
Life insurance premiums		Guarantees provided by the company to directors	
2015	2014	2015	2014
7	6	0.00	0.00

JUAN MARCH DELGADO			
Remuneration in the form of advances and loans granted			
Interest rate for the operation		Basic features of the operation	Amounts eventually returned
0.00		0.00	0.00
Life insurance premiums		Guarantees provided by the company to directors	
Year 2015	Year 2014	2015	2014
8	6	0.00	0.00

b) Remuneration accrued by the Company's directors for their membership to Boards of Directors in other Group companies:

i) Remuneration in cash (in thousands of €)

Name	Salaries	Fixed remuneration	Expenses	Short-term variable remuneration	Long-term variable remuneration	Remuneration for membership to Board committees	Compensation	Other items	Total 2015	Total 2014
JUAN MARCH JUAN	54	0	0	0	0	0	0	0	54	117
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	0	33	0	0	0	0	0	0	33	100
RAMON CARNE CASAS	437	0	0	0	0	0	0	0	437	450

ii) Share-based remuneration systems

iii) Long-term savings systems

c) Summary of remuneration (in thousands of €)

The summary must include the amounts corresponding to all the remuneration items included in this Report which have been accrued by the director, in thousands of euros.

In the case of long-term Savings Systems, include the contributions or provisions made to this type of systems:

Name	Remuneration accrued in the Company				Remuneration accrued in Group companies				Total		
	Total remuneration in cash	Amount of granted shares	Gross profit of the exercised options	Total 2015 company	Total remuneration in cash	Amount of delivered shares	Gross profit of the exercised options	Total 2015 group	Total 2015	Total 2014	Contribution to the savings systems in the year
JOSE NIETO DE LA CIERVA	65	0	0	65	0	0	0	0	65	50	0
SANTOS MARTINEZ-CONDE GUTIERREZ-BARQUIN	499	0	0	499	33	0	0	33	532	737	233
JUAN MARCH JUAN	63	0	0	63	54	0	0	54	117	157	32
RAMON CARNE CASAS	53	0	0	53	437	0	0	437	490	490	0
REGINO MORANCHEL FERNANDEZ	61	0	0	61	0	0	0	0	61	46	0
JUAN MARCH DE LA LASTRA	532	0	0	532	0	0	0	0	532	720	144
JOSE RAMON DEL CAÑO PALOP	327	0	0	327	0	0	0	0	327	412	130
JOSE DOMINGO DE AMPUERO Y OSMA	63	0	0	63	0	0	0	0	63	40	0
CRISTINA GARMENDIA MENDIZABAL	71	0	0	71	0	0	0	0	71	46	0
JUAN MARCH DELGADO	139	0	0	139	0	0	0	0	139	118	0
CARLOS MARCH DELGADO	131	0	0	131	0	0	0	0	131	124	0
ANTONIO MARIA PRADERA JAUREGUI	33	0	0	33	0	0	0	0	33	0	0
CARLOS GONZALEZ FERNANDEZ	40	0	0	40	0	0	0	0	40	0	0
NICHOLAS BROOKES	25	0	0	25	0	0	0	0	25	50	0
EUGENIO RUIZ-GALVEZ PRIEGO	45	0	0	45	0	0	0	0	45	30	0
TOTAL	2,147	0	0	2,147	524	0	0	524	2,671	3,020	539

D.2 Report on the relationship between the remuneration obtained by the directors and the results or other measures of the entity's performance, explaining, where applicable, how the fluctuations in the company's performance have influenced the variation of the directors' remuneration.

The remuneration obtained by the directors represents 0.99% of the results of Corporación Financiera A ba. Changes in the Company's performance had no significant impact on the remuneration paid to the Directors.

D.3 Report on the result of submitting the annual report on the remuneration of the directors to the vote, for consultation purposes, of the shareholders at the Annual General Meeting.

	Number	% of the total
Votes cast	54,662,999	100.00%

	Number	% of the total
Negative votes	1,115,942	2.04%
Votes in favor	53,530,681	97.92%
Abstentions	16,376	0.02%



E OTHER INFORMATION OF INTEREST

If there is any relevant aspect of the directors not addressed in the other sections of this Report but which is necessary in order to collect the most comprehensive and reasoned information on the Company's remuneration structure and practices in relation to its directors, provide a brief description.

- Section A.4.

Options System 2014. The detailed characteristics of this system are set out in "Hecho Relevante" no. 207,104, published on 11 June 2014.

Plan 2015. The detailed characteristics of this variable remuneration system are set out in "Hecho Relevante" no. 224,082, published on 10 June 2015. The "units" envisaged in this Plan assigned to those directors who perform executive functions are as follows: Mr. Juan March de la Lastra, 60,000 units; Mr. Santos Martínez-Conde Gutiérrez-Barquín, 60,000 units; Juan March Juan, 16,666 units; and Mr. José Ramón del Caño Palop, 16,666 units.

- Section D.1 (ii).

The exercise price of the options assigned in 2014 shall be equivalent to the settlement value of the shares of Corporación Financiera A ba, S.A. on the grant date thereof.

- Section D.1.(iii).

The figures indicated as "Amount of the accumulated funds" do not correspond to "accumulated rights", but rather mathematical provisions on the reference date of this Report.

This Annual Remuneration Report was approved by the Company's Board of Directors at its meeting held on 30 March 2016.

Indicate whether any directors voted against or abstained in relation to the approval of this Report.

Yes

No