



Q: Mr Sabato, as General Manager of Banca UBAE can you briefly describe the bank's history and main activities performed?

Thanks for such first question: a lot of people ask what we do.

Banca UBAE, which was established in 1972 as Unione di Banche Arabe ed Europee (Italia) Spa, is the only credit institution with a mixed – Italian and Arab – share capital incorporated in Italy and is subjected to the supervision of the Italian Central Bank. In more than 40 years of activity, the Bank has developed an extensive network of contacts throughout the international markets, especially those in the MENA Region as well as other African countries, the Middle and Far East Areas, the Gulf States and certain Eastern European countries.

Banca UBAE Headquarters are in Rome, yet the Bank has a domestic branch in Milan whose range of activities include, among others, factoring through a dedicated desk. The Bank has, moreover, a Repoffice in Tripoli, Libya and avails itself of a number of business consultants in Italy and abroad.

The Bank's business mission is to provide support to Italian and EU customers engaged in import/export transactions involving commodities and services and to handle the significant cash flows generated in particular by business dealings regarding oil, gas and the related by-products.

Q : Can you quote the main products, services and philosophy adopted with your clients internationally oriented ?

One of the key tenets for any bank performing international activities is that by building a long-term relationship with customers as can be driven by day-to-day - instead of one-off - transactions, banks can play a role in supporting the development and growth of their clients. Briefly put, this means for a bank devoted to international business like Banca UBAE, being *close to its clients worldwide*.

Over the past 10 years the demands for cross-border transactions and commercial services coming from corporate clients, especially large corporate clients, have changed dramatically. This applies also to the activity run by our Money Market Desk & Treasury whose job has become more complex than it was a few years ago as a result of the new

and increasingly growing regulatory requirements that must be met. Our Bank has placed a strong focus on all regulatory aspects, witness the significant investment that was made to upgrade processes such as those regarding transaction monitoring, compliance with domestic and international restrictions, KYC, AML and FATCA international standard rules.

We can offer a wide range of products as a real "boutique bank" where clients can find both traditional banking products and tailor-made solutions. We all now in Banca UBAE that client satisfaction has a direct impact on banks' revenues.

The main **trade-finance** related products we can offer include: back-to-back L/Cs, confirmation of export L/Cs and opening of import L/Cs, issuance of contractual/financial guarantees and Stand-by L/Cs, post financings on export L/Cs bearing Banca UBAE's confirmation, M/T corporate financing, bill discounting, structured L/Cs for factoring operations reserved for selected clients and processed via our dedicated Desk at our Milan branch.

Regarding our services in the field of "**Energy & Syndication**", I would like to quote the following facilities assisting trade transactions involving oil, gas and other petroleum products : opening of import and stand-by L/Cs, management of oil payment flows with FX activities, post financing facilities and pre import financing.

Tailor-made solutions for trading companies performing contracts in the energy and other sectors as well as for exporters of goods & services, include the following products: syndications for issuance of contractual guarantees, issuance of guarantees covering local currency funding requirements, export credits, opening/confirmation of L/Cs, silent confirmation, accounts in different currencies for trading companies.

I would also recall that Banca UBAE's radius of activity covers also each of the following services:

- **Customers referral process**, which carries advantages for customers such as reducing the time required to obtain banking services in the area served by UBAE's foreign partner banks at competitive prices, planning and controlling all operational costs, providing a single interface for a very large range of services with price flexibility, our foreign Consultants' support in following all the operations with the partner bank's domestic offices/network.
- **attracting foreign investments**
- **exchanging business in the money markets and forex areas** via the dealing room based at our Rome Headquarters.

Q : Please disclose Shareholders of Banca UBAE

Our Bank's current shareholders are banks and first-class Italian large corporates.
Banks: Libyan Foreign Bank (Libya's largest bank) (67.55%) : Unicredit, Milan (10.79%), Banque Centrale Populaire, Casablanca (4.66%), Banque Marocaine du Commerce Extérieur, Casablanca (4.34%) and Intesa San Paolo (1.80%) .

Italian corporate companies: ENI Adfin (Eni Group), Rome (5.39%), Sansedoni Siena (Monte dei Paschi Foundation), Siena (3.67%) and Telecom Italia, Milan (1.80%).

Our shareholders have always Banca UBAE a very strong support.

Noteworthy of mention is also that Fitch Rating confirmed in February 2016 Banca UBAE's the earlier-assigned "**BB Stable**" rating.

Q : what did you suggest as main financing solutions when gas and oil industries faces eventually funding problems ?

I am quite sure that most companies have in place corporate revolving facilities (syndicated or not by large banks or on a club-deal basis) that offers financial flexibility for the day-to-day activities. The range of financing solutions has expanded but certainly for companies of a high standing, the most attractive funding solutions are still bank loans, private placements, public bonds, retails & mini bonds (this latter option is viewed with particular favor especially in Italy), mezzanine products. All these banking products are at the disposal of our clients who can approach our managers at the Bank's Rome HQ for more information and find a solution that best fits their needs, including with the assistance of our foreign partner banks.

Q: What initiatives are you taking to customize your trade offering for multinational corporates?

Working with first-class clients to provide cooperation is certainly a very important aspect, as well as integrating currency hedging into that. Our clients expect Banca UBAE to provide them the right options and solutions, to monitor the collection of documents and payments associated with the settlement of goods and services being sold or bought. This is the core of our business. Yet, we do go to a deeper level and try to understand, if not anticipate, the operational challenges and the needs that may lie for our clients beneath the business transactions they are involved in. The larger the clients, the more important it is for us to understand their goals. The Bank's customers could, for instance, wish to sell products in foreign markets and finalize transactions for which we may be asked to provide cash-flows management and trade-finance solutions both of which are key elements for the financial protection and economic return of our clients.

Banca UBAE, moreover, usually cooperates with partner banks on a global scale in the context of syndicated transactions or other financial scheme arranged by international players. Especially in Italy, Banca UBAE signed quite a good number of Cooperation Agreements with local regional banks allowing it to execute on the latter's behalf a number of business transactions to and from our niche markets (with or without rebates). The number of domestic branches thus assisted - not under the brand of Banca UBAE in as much as they are part of the network of the Italian regional partner banks – exceed 1,000 units at end of y/ 2015.