From: jeffrey E. <jeevacation@gmail.com>
Sent: Monday, June 6, 2016 5:19 PM
To: Shahzad Shahbaz; Jabor Y.

- =C2 Credit lines at many banks floor the floating index at 0%. With 1-month Euribor fixing at -0.25%, the benefit of negativ= interest rates can be used to your advantage.

- =C2 You can bypass the floor by borrowing in USD at 1-month Libor (plus a spread) and using a cross-currency swap to create a synthetic EUR loan. The cross currency basis swap pays USD Libor and you pay -0.35% (so 35bps actually get paid to you as it is negative). This allows you to not only capture the benefit of negative rates but also cheapen the funding bythe cross-currency differential in the market.

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- =C2 By creating a synthetic EUR loan via cross-currency swaps, you can reduce funding costs of Sheik Hamad by roughly 60 bps for 2 year= (combination of savings from negative Euribor rates and negative cros=-currency basis).

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