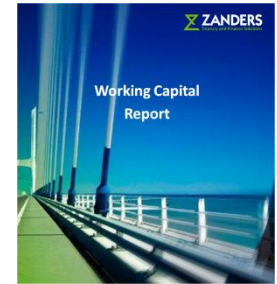


FACTS on Corporate Working Capital



- Despite the fact that in the past 2 years companies have released liquidity from working capital, analysis shows that the cash conversion cycle has slowed down by 3 days since September 2008
- Companies had to fund on average an additional 4.3 days worth of sales from working capital and took on average 1.3 days from suppliers
- With credit becoming tighter and more expensive, the improvement of working capital management will increase shareholder value
- It is estimated that there is potential to increase the efficiency of the cash conversion cycle by between 3 and 7 days
- see also Zanders WCM Report 2010 on 3,770 companies worldwide



Five levers improving working capital

Lever	Process Examples	Financial Impact	Compliance	Operational Impact
Leading & Lagging	Calling customers about overdue receivables Postponing supplier payments Consignment warehousing	+	N/A	-/-
Terms and Conditions	Alternative business conditions other than price. E.g. enforced penalty interest on overdue items, use of more efficient payment instruments, alternative credit terms.	+	N/A	N/A
Transparency	Cash visibility Accurate cash forecasting Process dashboards	++	+	++
Substitution	Factoring, reverse factoring, invoice discounting	+		+
Process Efficiency	Automation of payment and collection processes E-invoicing Alignment of KPIs and incentive schemes Risk Management	++	++	++

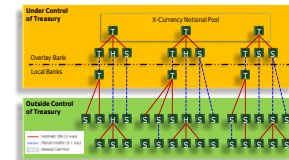
- SWIFT can make a major contribution in those areas carrying the most financial and operational impacts
- SWIFT Messaging can be a cornerstone for new collateralised credit products with benefits for both corporates and banks:
 - Increased risk adjusted return for banks
 - Lower interest cost of working capital funding for suppliers



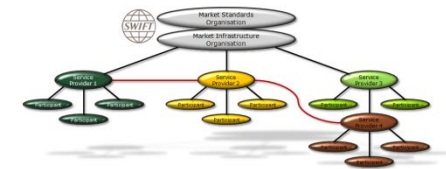
Potential to obtain extended credit for buyers

SWIFT's unique value proposition on Corporate Working Capital Management

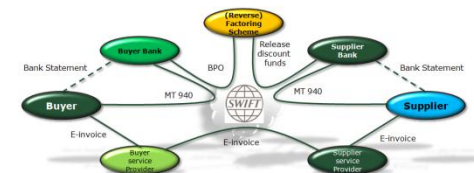
- Corporate Treasurers and their primary bankers can improve working capital positions by **up to 7 days** by adopting SWIFT products and services.
- SWIFT can help corporate working capital by providing:



- enhanced cash visibility on all accounts
- global standardisation and automation facilitating
 - the integration of payment and collection information for local finance and treasury purposes
 - the backbone for in-house banking and payment factory solutions
- universal reach for e-invoicing



- the foundation for new collateralised credit products based on the combined strengths of e-invoicing, automated data matching and a conditional irrevocable bank payment obligation



SWIFTs potential contribution to Corporate Working Capital Management

SWIFT	Transparency	Substitution	Process Efficiency
Messaging Infrastructure	Standardised network solution supporting universal reach Cash visibility across multiple banks, aiding transparency & compliance	n/a	Security Reliability Replacement of multiple proprietary electronic banking solutions
Standards	Global Standardisation supporting universal reach	Supports universal market adoption of new payment and credit products	Data integration STP
3SKey	Enhanced audit trail on approval processes	n/a	Reduces need for separate tokens Potential standard for digital ID
Trade Services Utility	Supports the management of data related to the convergence of cash & collateral	Matching engine to support innovative bank product development, with/without BPO	Automatic reconciliation of document information to trigger funding and payment processing
Bank Payment Obligation	Risk mitigation tool	Alternative form of payment guarantee & collateral for supply chain finance	Automatic trigger in funding process that can reduce credit risk for banks and their clients
E-invoicing	Instant availability of invoice data to trading partners Universal reach will widen acceptance	Supports product development in collateralised credit	Elimination of mail float from invoice process Data integration (reconciliation & cash forecasting)

