

# Supplier Finance

## A guide for suppliers

Supplier Finance is a working capital solution that lets you receive early payment from your customer before the invoice maturity date. We sometimes call this Supplier Payments.

You manage your invoices through an online platform. This means you can ask for early repayment quickly and easily.

### How it works

The table below explains the process for settling an invoice once you're set up on the programme and have agreed terms with your customer:

Step 1	You deliver the agreed goods or service and send your invoice to the customer.
Step 2	Your customer receives, checks and approves the invoice and uploads it to the Supplier Finance platform.
Step 3	We'll email you to tell you that we've got the approved invoice.
Step 4	You ask for the payment from us. This can be paid early or on the invoice maturity date.
Step 5	We pay you.
Step 6	We claim repayment from your customer on the invoice maturity date.

### Choosing between early repayment or waiting until the invoice maturity date

You can decide whether to ask for early payment of an invoice or to wait until the agreed invoice maturity date.

If you ask for early repayment and this is accepted, we'll pay you the invoice amount minus a discount fee. We'll then collect the full value of the invoice from your customer on the invoice maturity date.

If you don't ask for early repayment, the invoice will be paid on the maturity date.

### Benefits to you

Supplier Finance helps you to get paid ahead of the agreed maturity date of the invoice. This could:

- Improve your cashflow.
- Reduce the need you have for credit insurance (and associated costs). You would have to consider this carefully.
- Improve your balance sheet as money received earlier can be used elsewhere in the business.

### Considerations

- To take advantage of the early payment, you'll need to sign a legal agreement with us.
- Your current cost of credit insurance may be less than the cost of taking early payment of invoices through Supplier Finance (see 'What does it cost?' below).
- Payments are no longer paid directly by your customer, but by us instead.

### What does it cost?

If you don't ask for early repayment there are no fees or charges to pay.

If you ask for early repayment of an invoice, a fee (also called a discount fee) will be charged.

## Discount fee example

1. Based on you waiting until the invoice maturity date on an invoice for £20,000.
2. Based on you asking for early payment of a 90 day invoice for £20,000 on day 10. The calculation assumes a 3 month applicable reference rate Term SONIA, Term SOFR, EURIBOR rate of 0.91% and a 3% charge.

	No early repayment (1)	Early repayment (2)
Full invoice amount (due day 90)	£20,000	£20,000
Amount we pay early to you (day 10)	£0	£19,828.60
Amount we pay you at maturity (day 90)	£20,000	£0
Total cost to you	£0	£171.40

This fee example is an indication only based on the applicable reference rate Term SONIA, Term SOFR, EURIBOR assumption set out above which is subject to change.

## What if I no longer want or need the programme?

We just ask that you either email or write to us to let us know and you'll be removed from the programme – there's no notice period or cost involved. Any invoices raised after you've withdrawn from the programme will need to be paid directly by your customer.

## What's next?

- If you've already confirmed with your customer that you're happy to participate in Supplier Finance, you'll be sent a welcome pack shortly.
- If you'd like to start receiving early payment of invoices made available to you by your buyer, you'll need to sign a one-off supplier agreement and provide us with a copy of your Companies House Certificate of Incorporation.
- Alternatively, if you have any questions please feel free to contact our dedicated supplier helpdesk on 0808 234 0867 **[confirmingsupportcenter@gruposantander.com](mailto:confirmingsupportcenter@gruposantander.com)**.