

# 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 which we'll help you with. 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 online platform and have agreed terms with your customer.

Step 1	You deliver the agreed goods or services 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.
Step 5	We pay you.
Step 6	We claim repayment from your customer on the invoice maturity date.

### Choosing when to get paid

If you ask for early repayment and this is accepted, we'll pay you the invoice amount less 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 by us on the maturity date.

### How you could benefit

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

- improve your cashflow
- improve your balance sheet as money received earlier can be used elsewhere in the business

### Things to think about

- To take advantage of the early payment, you'll need to sign a legal agreement with us.
- There's a cost to you, and your current cost of credit insurance may be less (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 ask for early repayment of an invoice, a fee (also called a discount fee) will be charged.

## Discount fee example

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% interest charge.

	Early repayment
Full invoice amount (due day 90)	£20,000
Amount we pay early to you (day 10)	£19,828.60
Amount we pay you at maturity (day 90)	£0
Total cost to you	£171.40

This fee example is an indication only. The discount fee depends on the time between the early repayment date and the maturity date. It's calculated using the applicable reference rate, Term SONIA, Term SOFR, or EURIBOR, as set out above. These rates are subject to change.

## What if I no longer want to take early payment?

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 Any invoices raised after you've withdrawn from the platform will need to be paid directly by your customer.

## What's next?

If you'd like to start receiving early payment of invoices made available to you by your buyer, we'll send you a supplier agreement. You'll need to sign the 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** or **confirmingsupportcenter@gruposantander.com**