

MUFG Supply Chain Finance Program

NEW SUPPLY CHAIN FINANCING PROGRAM OVERVIEW FOR GE SUPPLIERS

If you participated in Trade Payables Services with GE in the past, then you likely understand the value of turning your receivables into cash faster and at a rate that is beneficial to you.

Now, with this new program offered exclusively by MUFG to GE suppliers like you, you can improve your Cash Conversion Cycle by reducing your Days Sales Outstanding and get faster access to your own funds at a low cost.

What are the benefits to you?

- Reduce your Accounts Receivables and associated carrying costs
- Get paid at an attractive rate
- Receive notification of payment via our supplier portal
- Payment certainty to relieve the need for short term borrowing and reduce credit risk

How will the new program work?

Similar to the old program, the new program will offer you the ability to get paid earlier:



- You will continue to use your existing process for submitting and processing invoices
- GE sends approved invoices to MUFG
- You will be paid based on payment terms, electronically and receive net proceeds into your designated bank account
- On the original invoice due date, GE sends payment to MUFG to settle invoice

How to calculate your cost savings?

Your fee is based on the value of your receivable, the period the receivable will be outstanding plus any payment cycle terms, and the MUFG price, which is comprised of a base rate such as LIBOR plus a credit spread.

$$\begin{array}{c} \text{Invoice Amount} \times \text{Interest Rate} \times \frac{\text{Days Left in Payment Cycle Terms}}{360} = \text{Invoice Discount Amount} \\ \uparrow \\ \text{LIBOR}^* + \text{MUFG Margin} \end{array}$$



Sample Cost Savings Calculation

For illustrative purposes only: let's say that your current terms with your buyer are 2.5%/15 Net 150, an equivalent interest rate of 6.67%. With the MUFG SCF Program, your interest rate would be LIBOR + 115 bp

=

2.61%** + 1.15%

Key Take Away:

The MUFG Price will likely be significantly lower than your current invoice discount amount

Let's Figure Out How Much You Can Save?

Annual Spend \$1,000,000	Current Discount	MUFG SCF Program	
Annual Spend	\$1,000,000	\$1,000,000	
Interest Rate	6.67%	3.76%	
Days Left in Term	135	135	← Discounting Daily (sample at Day 15)
Discount Amount	\$25,013	\$14,100	← \$25,013 - \$14,100 = \$10,913 Significant Improvement in Discount Amount = 44% Improvement
Early Amount Received	\$974,987	\$985,900	

An Easy, Three-Step Process to Enroll

1. Send completed materials for Know Your Customer (KYC) guidelines
2. Complete and have an authorized signatory sign the Receivables Purchase Agreement
3. Provide additional information, as required (i.e. Lien Releases)

New Documentation Required

As a bank, MUFG has a more extensive list of documents required to meet regulatory standards, including:

- Receivable Purchase Agreement
- Lien Release (if required)
- Good Standing Certificate (US)
- Formation Documents (US)
- Extract of Commercial Register (Non-US)
- Incumbency Certificate
- W-9 Form for Tax ID Information (US)
- Bank Settlement Instructions Form

Please Note: Lien and 1st Security interest searches may be required

And in return, once your paperwork is accepted, you will:

- Be welcomed to the SCF platform via phone and email to let you know that you have been activated for use
- Receive platform login information and instruction on how to use the system
- Contact us via phone or email for any questions or concerns

We look forward to speaking with you and thank you for your partnership with GE and MUFG.

For more information, please contact:

MUFG Customer Support Team

Toll Free: +1.800.227.3218

Email: SCFsupport@us.mufg.jp