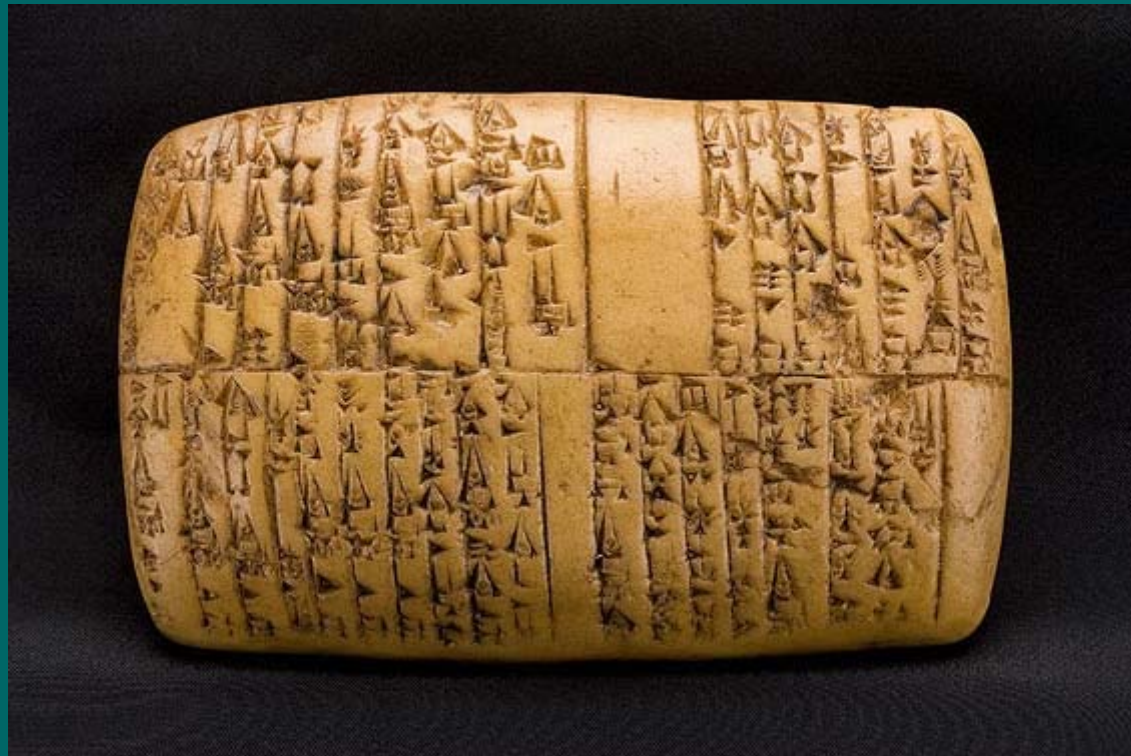
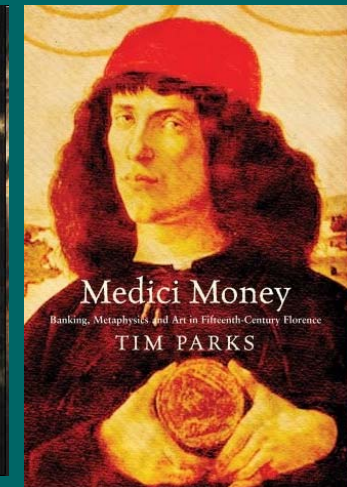
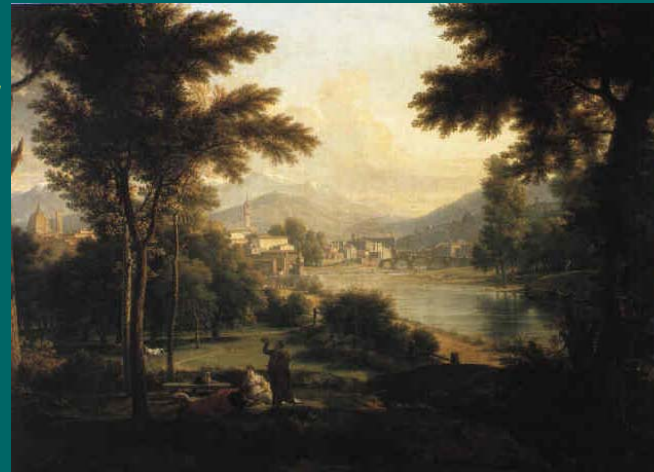

RECEIVABLES/INVOICE DISCOUNTING

4000 yrs ago



Florentine banking in the Renaissance (1300-1500s)

- Import of high quality wool from England (then Spain)
- Manufacture of high quality yarn desired throughout Europe
- Development of bills of exchange; discounting and currency management
- Financed the Renaissance



Receivables or invoice discounting

<p>FORFAITING: Export finance Use of B/Es or P-Notes Banks fund Large ticket items: Equipment Medium to long term</p>	<p>LENDING WITH SECURITY Charge on receivables No ownership transfer Full recourse to seller Company can be any size</p>
<p>SECURITISATION Funding from capital markets Highly risk averse Transfer of ownership Short term Large volume: \$100MM+</p>	<p>FACTORING Invoices sold: transfer of Ownership Large number of transactions Tends to serve SMEs Funding from fin'l institutions</p>

RECEIVABLES DISCOUNTING

